** Revised **

AGENDA

HALTOM CITY COUNCIL REGULAR MEETING

Council Chambers - City Hall, 4801 Haltom Road

Haltom City, Texas 76117

Work Session – 6:00 P.M. Regular Session – 7:00 P.M.

Monday, March 23, 2026

CALL TO ORDER (General Comments) 6:00 P.M.

EXECUTIVE SESSION

SECTION 551.071 – Consultation with Attorney - The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to seek legal advice from the City Attorney about any matters listed on the agenda, open meetings, open records, code of ethics and conflicts of interest, appointments process and rules of procedure for boards and commissions, drone regulations, cemetery maintenance, consideration regarding Ord. No O-2007-004, and pending or contemplated litigation or a settlement offer for the following cases:

- City of Haltom City v. Pecos HFC
- Ponderosa Mobile Home Park

SECTION 551.072 – Deliberation about Real Property - Deliberation regarding the purchase, exchange, lease or value of real property, and property owned or leased by the City.

SECTION 551.087 – Deliberation Regarding Economic Development Negotiations – Deliberation regarding financial or other incentives to a business prospect.

ANNOUNCEMENTS/EVENTS – Displayed on a Scrolling Banner during executive session.

RECONVENE TO OPEN SESSION/WORKSESSION - 6:45 p.m.

REGULAR SESSION - CALL TO ORDER - 7:00 P.M.

INVOCATION & PLEDGE OF ALLEGIANCE - Led by Council Member Place 1, LIN THOMPSON

VISITOR / CITIZENS FORUM

This time is for persons to address the Council on agenda items, except items scheduled for public hearings, which have separate comment periods. Speakers may also discuss matters not on the agenda. Please submit a Speaker's Request Form to the City Secretary and follow the instructions listed. The Council cannot discuss, debate, or take formal action on non-agenda topics presented, as doing so would violate open meetings law requirements.

PROCLAMATIONS/RECOGNITIONS

1. PROCLAMATION
   Recognizing Mr. Gregg Wideman.

EMPLOYEE SERVICE AWARDS

CONSENT AGENDA

2. MINUTES
   Consideration and possible action to approve the Minutes of the March 9, 2026, Regular Meetings. (I. Rodriguez)

3. ORDINANCE NO. O-2026-001-15 Z-010-25 Rezoning 5925 East Belknap Street (2ND Reading)
   Consideration and possible action to approve the second reading of an ordinance for the application of the City of Haltom City for a zone change from “C-5” Commercial District to “C-3” Commercial District on the Allen Addition – Haltom City, Lot 1, Block 1, being approximately 2.0359 acres of land, locally known as 5925 East Belknap Street. (G. Batchelor)

4. ORDINANCE NO. O-2026-002-15 Z-010-25 Rezoning 5959 East Belknap Street (2ND Reading)
   Consideration and possible action to approve the second reading of an ordinance for the application of the City of Haltom City for a zone change from “C-5” Commercial District to “C-3” Commercial District on the Brooks Addition, Lot 1, Block 1, being approximately 0.6899 acres of land, locally known as 5959 East Belknap Street. (G. Batchelor)

5. Annual Comprehensive Financial Report and Single Audit Report
   Annual Comprehensive Financial Report and Single Audit Report. (S. Johnson)

REGULAR AGENDA

6. AD VALOREM TAX ABATEMENT POLICY UPDATE
   Consideration and possible action regarding the approval for the update to the AD Valorem Tax Abatement Policy. (S. Johnson)

FUTURE AGENDA ITEMS

Consideration and possible action to approve items to be placed on future agendas.

7. Action(s) taken.

BOARDS / COMMISSIONS / COMMITTEES

Resignations and Appointments/Reappointments

8. RESIGNATION
   Consideration and possible action to accept the resignation of Mrs. Donna Peterson (Place 7) from the Library Board.

EXCUSED ABSENCE OF COUNCIL MEMBERS

Consideration regarding excused absences of Council Members according to Article III, Sec. 3.07 (a), attendance requirement of the Haltom City Charter.

9. Action(s) taken.

EXECUTIVE SESSION - Reconvene to Regular Session

Take any action deemed necessary as a result of the Executive Session

10. Action(s) taken.

ADJOURNMENT

CERTIFICATION

I, IMELDA RODRIGUEZ, CITY SECRETARY OF THE CITY OF HALTOM CITY, TEXAS, DO HEREBY CERTIFY THAT THE ABOVE AGENDA WAS POSTED ON THE OFFICIAL BULLETIN BOARDS IN CITY HALL ON THIS THE 17th DAY OF MARCH 2026, AT 6:00 P.M., WHICH IS A PLACE READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THAT SAID NOTICE WAS POSTED IN ACCORDANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

IMELDA B. RODRIGUEZ, CITY SECRETARY

I CERTIFY THAT THE ATTACHED NOTICE AND AGENDA OF ITEMS TO BE CONSIDERED BY THE CITY COUNCIL WAS REMOVED BY ME FROM THE CITY HALL BULLETIN BOARD ON ________ DAY OF ____________________________, 2026.

Name:____ Title: ____

This facility is wheelchair accessible. Handicapped parking spaces are available. Request for sign interpretative services must be made 48 hours ahead of the meeting. To make arrangements call 817-222-7754.

Date Posted: March 17, 2026

CITY COUNCIL MEMORANDUM

City Council Meeting:	**Monday, March 23, 2026, 6:00 PM**
Department:	**City Secretary**
Subject:	**MINUTES**

BACKGROUND

A regular City Council Meeting was held on March 9, 2026.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommend to approve Minutes attached.

Attachments

030926.pdf

MINUTES
HALTOM CITY COUNCIL REGULAR MEETING
March 9, 2026

The City Council of the City of Haltom City, Texas, held a Regular Meeting on Monday, March 9, 2026, at 6:00 p.m. in the Council Chambers at City Hall, 4801 Haltom Road, Haltom City, Texas 76117, with the following members present:

Mayor Pro Tem: Don Cooper
Deputy Mayor Pro Tem: Kyle Hantz

Council Members:
Place 1 – Lin Thompson
Place 3 – Ollie Anderson
Place 4 – Scott Lindgren
Place 5 – Troy Dunn
Place 6 – Dana Coffman

Absent:
Mayor An Truong

Staff Present
Rex Phelps, City Manager (CM); Sidonna Foust, Assistant City Manager (ACM); Alicia Kreh, City Attorney (CA); Imelda B. Rodriguez, City Secretary (CS); Diamond Kervin, Administrative Assistant (AA); Stormy Johnson, Finance Director (FD); Toni Beckett, Human Resources Director (HRD); Brian Jacobs, Fire Chief (FC); Cody Phillips, Police Chief (PC); Gregory S. Van Nieuwenhuize, Public Works Director (PWD); Autumn Permenter, City Engineer (CE); Glenna Batchelor, Planning Director (PD); Christopher R. Rozanc, Building Official (BO); Dave Klopfenstein, IT Director (ITD); Robert Briggs, Economic Development Director (EDD); Christi Pruitt, Parks and Recreation Director (PRD); Erica M. Gills, Library Director (LD); and Nicholas L. Ballard, Communications & Marketing Specialist (CMS).

CALL TO ORDER - Mayor Pro Tem Cooper called the meeting to order at 6:00 p.m.

EXECUTIVE SESSION
The City Council reserved the right to adjourn into Executive Session at any time during the meeting pursuant to the following sections of the Texas Government Code:
Section 551.071 – Consultation with Attorney Consultation with the City Attorney regarding legal matters including open meetings, open records, code of ethics, conflicts of interest, board and commission appointment procedures, drone regulations, cemetery maintenance, and pending or contemplated litigation, including:

- City of Haltom City v. Pecos HFC
- Ponderosa Mobile Home Park

Section 551.072 – Deliberation about Real Property Deliberation regarding the purchase, exchange, lease, or value of real property owned or leased by the City.

Section 551.087 – Deliberation Regarding Economic Development Negotiations
Discussion regarding financial or other incentives to a business prospect known as Project BC.

ANNOUNCEMENTS/EVENTS - Displayed on a scrolling banner during Executive Session.

RECONVENE TO OPEN SESSION / WORK SESSION

The City Council reconvened to the Work Session at 6:58 p.m.

1. QUIET ZONES – Haltom Road & UPRR and Glenview Drive & UPRR (G. Van Nieuwenhuize)
Public Works staff provided an update on the status of the proposed Quiet Zones at the Union Pacific Railroad at-grade crossings located at Glenview Drive and Haltom Road.

CE Permenter delivered a presentation covering the following topics:

- Overview of Quiet Zones
- Process for establishing Quiet Zones
- Identified Quiet Zone locations
- Haltom City's commitment to the project

Staff responded to questions from the Council.

2. FOOD TRUCK - ORDINANCE NOS. O-2021-008-15 and O-2023-022-15 (R. Briggs)

EDD Briggs, **BO Rozanc, and PC Phillips** provided a presentation regarding potential amendments to the City's Mobile Food Vendor Ordinance.
Topics discussed included:

- Purpose of reviewing the ordinance
- Current ordinance provisions
- Observations from Code Enforcement and Police Department
- Quick-service restaurant market leakage
- Paved surface requirements
- 500-foot proximity requirement to permanent businesses
- Commercial restroom access
- Vacant lot restrictions
- Hours of operation

After discussion, **CM Phelps** stated staff would review the Council's feedback and return with a proposed ordinance revision for Council consideration.

REGULAR SESSION

Mayor Pro Tem Cooper called the Regular Session to order at 7:42 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE - Led by **Mayor Pro Tem Don Cooper**

VISITOR / CITIZENS FORUM

Members of the Friends of the Haltom City Library, led by Cindy Sharp, addressed the City Council and presented informational packets regarding their organization.

Cindy Morton addressed the Council regarding traffic concerns on Ira Street between Gene Lane and Haltom Road, including speeding vehicles and failure to stop. The City Manager advised the matter to be investigated by the Police Department.

REPORTS

3. SINGLE AUDIT REPORT

Stephanie Wilson, CPA, Director of Assurance Services with Weaver Assurance–Tax–Advisory, presented the Draft Single Audit Report to the City Council. No questions were posed.

4. FINANCIAL REPORT – 1ST QUARTER

BM Qaddoura presented the First Quarter Financial Report for FY 2025 as of December 31, 2025.

The presentation included:

- Operating and General Fund summaries
- Year-to-date revenues and expenditures
- Property tax revenue
- Sales tax revenue
- Three-year comparison of sales tax revenue
- Tarrant County sales tax comparison
- Water and Sewer Fund summary
- Drainage Fund summary
- Capital Improvement Program (CIP) funds summary

Staff responded to questions from Council.

5. INVESTMENT REPORT – 1ST QUARTER

AFD Loftis presented the First Quarter Investment Report as of December 31, 2025.

Topics included:

- Portfolio summary
- Investment allocation
- Distribution by maturity range
- U.S. Treasury benchmark comparison
- Real GDP trends
- Consumer confidence index

Staff responded to questions from Council.

CONSENT AGENDA

6. MINUTES
Consideration and/or action regarding approval of the Minutes for the February 23, 2026, Regular Meetings. (I. Rodriguez)

7. BUDGET CALENDAR
Adoption of the annual budget calendar for the Fiscal Year 2026–2027 Haltom City Budget.

Motion: Council Member Dunn moved to approve Consent Agenda Items 6 and 7, seconded by Deputy Mayor Pro Tem Hantz.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

REGULAR AGENDA

8. ORDINANCE NO. O-2026-001-15 REZONING – 5925 East Belknap Street (First Reading)
CONDUCT A PUBLIC HEARING and/or action on the first reading of an ordinance for the application of the City of Haltom City for a zone change from “C-5” Commercial District to “C-3” Commercial District on the Allen Addition – Haltom City, Lot 1, Block 1, being approximately 2.0359 acres of land, locally known as 5925 East Belknap Street. (G. Batchelor)

PD Batchelor and EDD Briggs presented the rezoning request for property located at 5925 East Belknap Street, proposing a change from C-5 Commercial District to C-3 Commercial District.

Council discussion followed.

MPT Cooper opened the Public Hearing at 8:24 p.m.

Scott Alan addressed the Council and expressed concerns regarding the rezoning request. CA Kreh responded to a legal question regarding the matter.

There being no further public comments, the Public Hearing closed at 8:40 p.m.

Motion: Council Member Coffman moved to approve the ordinance on first reading, seconded by Council Member Lindgren.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

9. ORDINANCE NO. O-2026-002-15 REZONING – 5959 East Belknap Street (First Reading)
CONDUCT A PUBLIC HEARING and/or action on the first reading of an ordinance for the application of the City of Haltom City for a zone change from “C-5” Commercial District to “C-3” Commercial District on the Brooks Addition, Lot 1, Block 1, being approximately 0.6899 acres of land, locally known as 5959 East Belknap Street. (G. Batchelor)

PD Batchelor presented the rezoning request for 5959 East Belknap Street, proposing a change from C-5 Commercial District to C-3 Commercial District.

Mayor Pro Tem Cooper opened the Public Hearing at 8:46 p.m.

Ms. Mejia, a prospective purchaser of the property, addressed the Council and asked questions regarding the rezoning request. Staff responded.

There being no further comments, the Public Hearing closed at 8:50 p.m.

Motion: Council Member Lindgren moved to approve the ordinance on first reading, seconded by Council Member Coffman.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

10. AWARD OF CONSTRUCTION BID B2026-312-001 Haltom Road Quiet Zone Grade Crossing – Union Pacific Railroad
Consideration and/or action to award Construction Bid No. B2026-312-001 for the Haltom Road Quiet Zone Grade Crossings for the Union Pacific Railroad to Cole Construction, Inc. in the amount of $356,089.00. (A. Permenter)

CE Permenter presented the construction bid for the Haltom Road Quiet Zone Grade Crossing.

Staff recommended awarding the contract to Cole Construction, Inc. in the amount of $356,089.00.

Motion: Council Member Thompson moved to approve Item 10, seconded by Council Member Coffman.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

11. FACILITIES AGREEMENT – Watauga Addition (Block 33, Lot 1R)
Consideration and/or action to approve a Facilities Agreement for the development of Lot 1R of Block 33 in the Watauga Addition. (G. Van Nieuwenhuize)

PWD Van Nieuwenhuize presented the Facilities Agreement for development of Lot 1R, Block 33, Watauga Addition.

Motion: Council Member Thompson moved to approve item 11, seconded by Council Member Dunn.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

12. AMENDMENT TO FACILITIES AGREEMENT BAKER Fossil Creek Addition (Block 1, Lots 1 & 2)
Consideration and/or action to approve an amendment to the Facilities Agreement for the Baker Fossil Creek Addition Block 1, Lots 1 & 2 with Jefferson Baker, LLC. (G. Van Nieuwenhuize)

PWD Van Nieuwenhuize presented the amendment to the Facilities Agreement with Jefferson Baker, LLC.

Staff recommended approval contingent upon final review by the City Attorney.

Motion: Council Member Lindgren moved to approve item 12, seconded by Council Member Coffman.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

13. AMENDMENT TO ENGINEERING SERVICES AGREEMENT Midway Road Reconstruction Project Consideration and/or approval of an amendment to the Engineering Services Agreement with Kimley-Horn and Associates in the amount of $60,000.00 for the Midway Road Reconstruction Project. (G. Van Nieuwenhuize)

PWD Van Nieuwenhuize presented an amendment to the Engineering Services Agreement with Kimley-Horn and Associates in the amount of $60,000.00.

Staff recommended approval and authorization for the City Manager to execute the amendment and any change orders within limits established by law.

Motion: Deputy Mayor Pro Tem Hantz moved to approve item 13, seconded by Council Member Dunn.
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

CITY STAFF REPORTS

14. FRANCHISE UTILITIES – Excessive Line Slack and Abandoned Infrastructure
Public Works staff will update Council in regards to how some cities are handling excessive line slack and discarded franchise utility infrastructure.

PWD Van Nieuwenhuize provided an update regarding potential policy or ordinance options addressing excessive line slack and abandoned franchise utility infrastructure. Staff will gather additional data and may return with a proposed ordinance.

15. BAT HOUSES

PRD Pruitt presented information regarding the potential installation of bat houses, including:

- Purpose and benefits
- Potential concerns
- Implementation considerations

Animal Services Supervisor Josh Howard provided statistics related to rabies cases involving bats.

Following discussion, the Council reached consensus not to pursue bat houses at this time.

FUTURE AGENDA ITEMS

Consideration and/or possible action to approve items to be placed on future agendas.

16. Action(s) Taken: None.

BOARDS / COMMISSIONS / COMMITTEES

Resignations and appointments/reappointments.

17. Action(s) Taken: None.

EXCUSED ABSENCE OF COUNCIL MEMBERS
Consideration regarding excused absences of Council Members according to Article III, Sec. 3.07 (a), attendance requirement of the Haltom City Charter.

18. Action(s) Taken.

Motion: Mayor Pro Tem Cooper moved to approve the excused absence of Mayor An Truong, seconded by **Council Member Thompson.**
Ayes: Cooper, Hantz, Thompson, Anderson, Lindgren, Dunn, Coffman
Nays: None
Motion Passed – Unanimously

EXECUTIVE SESSION Council reconvened from Executive Session.
Take any action deemed necessary as a result of the Executive Session

19. Action(s) Taken: None.

ADJOURNMENT

Mayor Pro Tem Cooper adjourned the meeting at 9:37 p.m.

APPROVED BY:

____

Don Cooper
Mayor Pro Tem

RESPECTFULLY SUBMITTED BY:

____

Imelda B. Rodriguez
City Secretary

CITY COUNCIL MEMORANDUM

City Council Meeting:	**Monday, March 23, 2026, 6:00 PM**
Department:	**Planning & Community Development**
Subject:	**ORDINANCE NO. O-2026-001-15 Z-010-25 Rezoning 5925 East Belknap Street (2ND Reading)**

BACKGROUND

This item was rescheduled due to City Hall closure on January 26, 2026.

Haltom City has initiated the rezone request for two adjacent properties on East Belknap Street. The initial reason for the request was due to Tricolor Auto Sales going out of business creating an opportunity to rezone the property to a zoning district that allows for a greater number of uses and better aligns to accomplish the vision, goals and objectives defined for this area within the adopted Comprehensive Land Use Plan. Currently the property is zoned C-5 Commercial which is the designation primarily for Auto Sales lots. There are other allowed uses allowed by right and uses that require Condition Use Permit requests prior to receiving a Certificate of Occupancy.

If the lot is changed to C-3 the existing use would be allowed to remain indefinitely so long as the use is not abandoned with a new use designated on a Certificate of Occupancy or if utilities are turned off for longer than six (6) months. The C-3 Commercial designation is generally considered the most commercial friendly district regarding allowed uses.

FISCAL IMPACT

None.

RECOMMENDATION

Attachments

[Z-011-26 Packet (1).pdf]

[O-2026-01-15 Rezone 5925 E. Belnap.pdf]

STAFF REPORT

CITY OF HALTOM CITY

MEETING DATE: 2/24/26	TO: P&Z Commission	FROM: Glenna Batchelor Director of Planning and Community Development	SUBJECT: Z-011-25 5959 E. Belknap Rezone from “C-5” to “C-3”

Z-011-25
Consider action on the application of the City of Haltom City for a zone change from “C-5” Commercial District to “C-3” Commercial District on the Brooks Addition, Lot 1, Block 1, being approximately 0.6899 acres of land, locally known as 5959 East Belknap Street.

EXISTING ZONING/LAND USE
“C-5” Commercial District / Auto Sales

ADJACENT ZONING/USES

North	- “CF” Community Facility District / BISD
South	- “M-1” Industrial District / Auto Sales
East	- “CF” Community Facility District / BISD
West	- “C-5” Commercial District / Auto Sales

ANALYSIS
This item was rescheduled due to City Hall closure on January 26, 2026.

Haltom City has initiated the rezone request for two adjacent properties on East Belknap Street. The initial reason for the request was due to Tricolor Auto Sales going out of business creating an opportunity to rezone the property to a zoning district that allows for a greater number of uses and better aligns to accomplish the vision, goals and objectives defined for this area within the adopted Comprehensive Land Use Plan. Currently the property is zoned C-5 Commercial which is the designation primarily for Auto Sales lots. There are other allowed uses allowed by right and uses that require Condition Use Permit requests prior to receiving a Certificate of Occupancy.

If the lot is changed to C-3 the existing use would be allowed to remain indefinitely so long as the use is not abandoned with a new use designated on a Certificate of Occupancy or if utilities are turned off for longer than six (6) months. The C-3 Commercial designation is generally considered the most commercial friendly district regarding allowed uses.

TRANSPORTATION
The site has frontage on East Belknap Street and Carson Street. The proposed zoning change is not anticipated to significantly impact the adjacent roadway systems as long as the use complies with all relevant City ordinances.

DRAINAGE
Based on available information, this property is located in flood zone X zone and no significant drainage impacts are expected to result from development of this site, as long as the developer complies with all relevant City ordinances.

WATER & SANITARY SEWER
Water and sanitary sewer services are available to the subject site.

FIRE PREVENTION
Fire Station #1 provides protection to this site. The estimated fire response time is in keeping with the City's recommended standards.

FRANCHISE UTILITIES & STREET LIGHTS
There are intermittent streetlight surrounding the site with above ground utilities lines on both sides of East Belknap Street.

ROUGH PROPORTIONALITY DETERMINATION
The developer is responsible for 100% of all paving, water, sanitary sewer, and drainage infrastructure needed to support the development in accordance with the City's design criteria.

COMPREHENSIVE LAND USE PLAN
The City's Comprehensive Land Use Plan (CLUP) designates the subject site as Belknap Corridor Overlay Corridor District. The proposed zoning change district is consistent with this land use suggested by the CLUP.

NOTIFICATION
The legal notice regarding the public hearing was published in the February 5, 2026 *Tarrant County Commercial Record.*

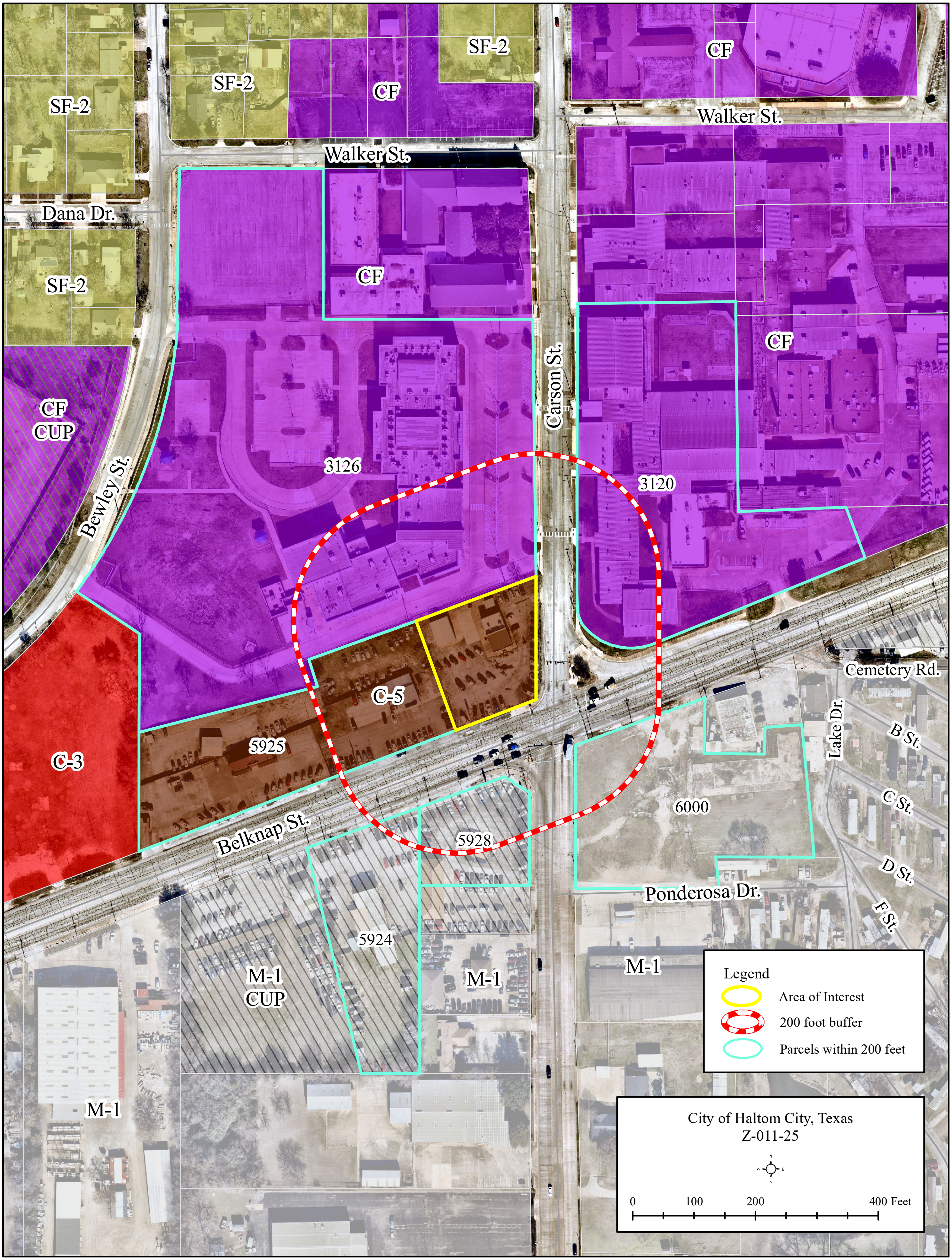
Written notice of the request was mailed to six (6) property owners within 200' of the site on February 9, 2026.

______ In Favor / No Objections

_______ Opposed

_______ Returned to Sender

ATTACHMENTS
1. GIS Aerial Map
2. Application
3. Zoning Exhibit
4. Draft Ordinance
5. List of Property Owners within 200'



SF-2
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Walker St.
Walker St.
Dana Dr.
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SF-2
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Carson St.
CF
CUP
3126
3120
Bewley St.
C-5
5925
C-3
Cemetery Rd.
B St.
Lake Dr.
C St.
6000
Belknap St.
5928
D St.
Ponderosa Dr.
F St.
5924
M-1
CUP
M-1
M-1
M-1
Legend
Area of Interest
200 foot buffer
Parcels within 200 feet
City of Haltom City, Texas
Z-011-25
0
100
200
400 Feet

CITY OF HALTOM CITY, TEXAS

4801 Haltom Rd., Post Office Box 14246, Haltom City, Texas, 76117, 817-222-7757

APPLICATION FOR REZONING

Date: 12/17/25

File Number: Z-010-25 & Z-011-25

I, Rex Phelps (please print), the undersigned applicant hereby make application for the Rezoning of the following described property located in the City of Haltom City, Texas:

Address of Property: 5925 & 5959 East Belknap Street

Legal Description: Lot: Lot 1 Block: Block 1 Addition: Allen & Brooks Addition

Tract: ______ Survey: ______ Abstract: ______

Current Zoning Classification: C-5 Commercial **Current Use:** ______

Proposed Zoning Classification: C-3 Commercial **Proposed Use:** ______

Reason for Zoning Change Request: ______

Has a Design Review Conference (DRC) been held on this property? Yes No Date: ______

The undersigned hereby certifies that the above named subdivision and accompanying data is true and correct. All provisions of laws and ordinances governing this zoning change request will be complied with whether specified herein or not. The scheduling of this application on the agenda of the Planning & Zoning Commission for consideration does not presume the approval of the above mentioned request.

Name: Rex (signature of applicant) — 12/17/25 (date)

4801 Haltom Road (address of applicant) — 817-222-7730 (telephone number/Fax)

Name: Rex (signature of owner) — 12/17/25 (date)

4801 Haltom Road (address of owner) — 817-222-7730 (telephone number/Fax)

FOR CITY USE ONLY

Application Fee $300.00 **Received By:** ______ **Receipt Number:** ______

Accepted for Completeness by: **Staff Signature:** ______ **Date:** ______

EVENT	DATE	ACTION
P & Z Action:		
City Council First Reading (if applicable):		
City Council Second Reading (if applicable):		

REZONING CHECKLIST

Complete Application

Fee Paid (for rezoning request)

Survey or Site Plan in 11x17 size format. If submitting 24x36 prints, 3 copies must be submitted of all Site Plans are prints.

Detailed letter of intent on company letterhead (where applicable) addressed to the Planning and Zoning Commission and City Council.

Drawing of proposed structure with detailed measurements in 11x17 size format.

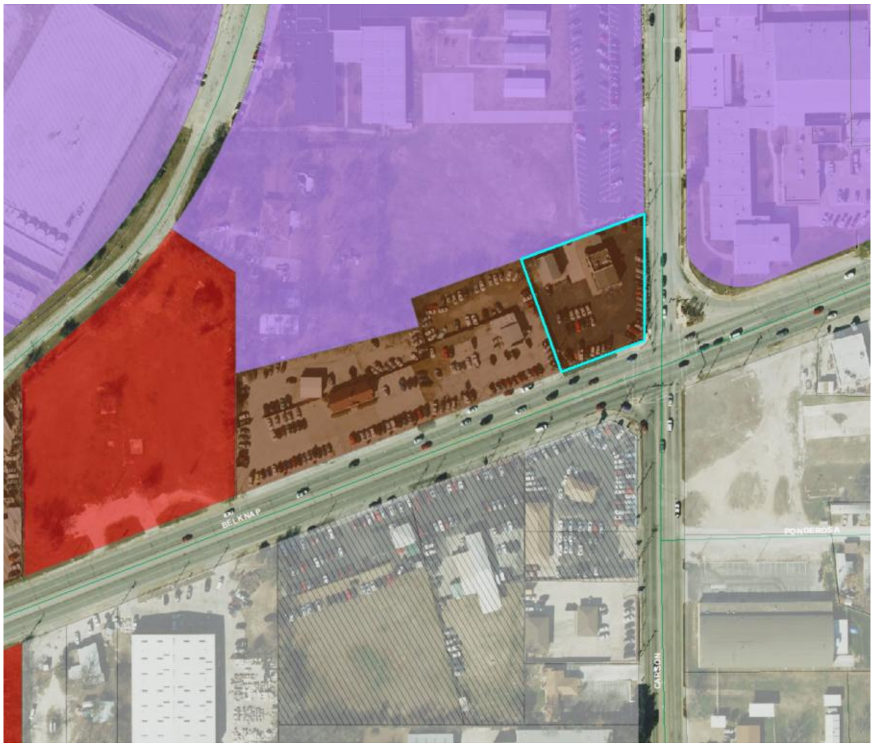
Completed Building permit application with contractor information, work to be performed, material and cost estimates (If applicable).

Picture(s)

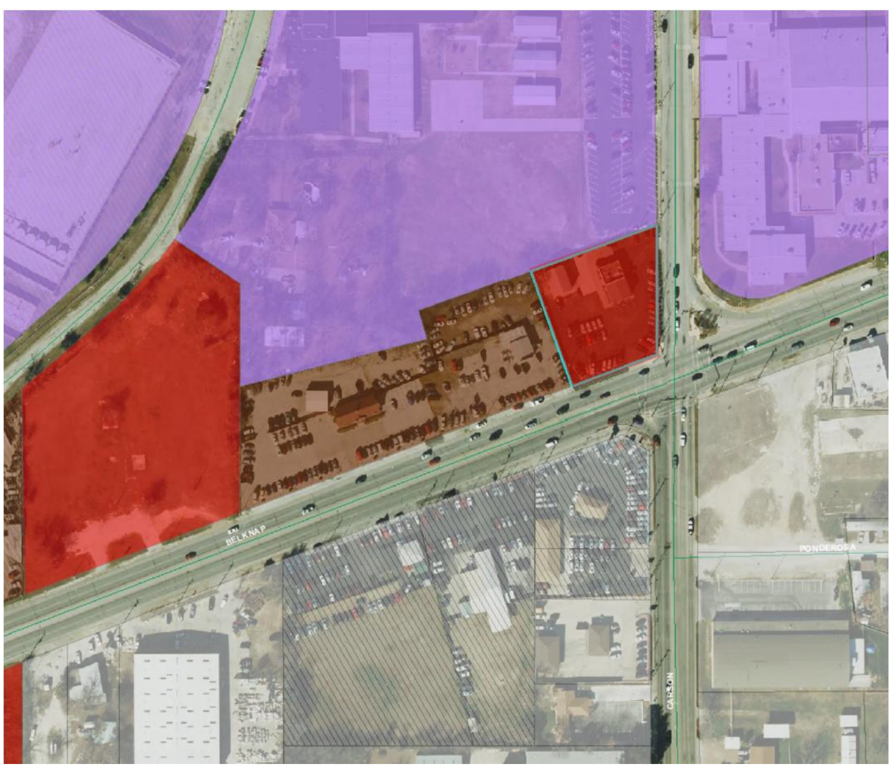
Must have signature, address & phone number of applicant and property owner..

** All applications will first be reviewed by Staff and then taken before the Planning and Zoning Commission and City Council. IF approved by the City Council, then a building permit or Certificate of Occupancy will need to be obtained either by applicant and/or a licensed contractor. A separate fee is charged for the building permit.

Current C-5 Commercial Zoning



Proposed C-3 Commercial Zoning



To the Haltom City Planning & Zoning Commission and City Council,

I am the owner and operator of Auto Land, located at 5925 E. Belknap Street, Haltom City, Texas 76117. I am writing to formally object to the proposed rezoning of my property from C-5 to C-3.

Auto Land has operated continuously at this location since 1994 as a licensed auto sales facility. Under the existing C-5 zoning, this use is a permitted and lawful use of the property. The proposed C-3 zoning would eliminate that permitted status and force my business to rely on a conditional use permit, creating uncertainty, risk, and unnecessary administrative burden for a business that has been in lawful operation for more than three decades.

Over the past year, I have made substantial capital investments in this property based on the existing zoning and the City's long-standing recognition of auto sales as an allowed use here. These investments include:

Full repaving of the lot

Construction of new perimeter fencing

Upgraded LED exterior and interior lighting

A new roof

Full exterior repainting

These improvements were made to enhance safety, appearance, and long-term viability of the site, and they represent a significant financial commitment that was undertaken in reliance on the current zoning classification.

Auto Land maintains approximately 75 vehicles on site and provides employment for eight local residents. The proposed rezoning would directly jeopardize these jobs and the economic contribution this business makes to Haltom City through property taxes, sales taxes, and related local spending.

Importantly, there has been no change in land use, no history of code violations, and no evidence of negative impact from Auto Land's operations that would justify downgrading this property's zoning. The business has coexisted successfully with surrounding uses for decades. Reclassifying this property now would not correct any incompatibility; it would instead create a new hardship where none currently exists.

Zoning should be based on actual land use, long-term stability, and fairness to property owners. Changing this property from C-5 to C-3 removes a vested and productive use without a demonstrated public benefit. It also undermines the City's stated goals of encouraging reinvestment and stable commercial development.

For these reasons, I respectfully request that the City retain the C-5 zoning for 5925 E. Belknap Street and allow Auto Land to continue operating as a permitted use.

Thank you for your consideration.

Sincerely,

Scott M Allen

Owner, Auto Land

5925 E. Belknap Street

Haltom City, TX 76117

ORDINANCE NO. O-2026-002-15

CASE NO. Z-011-25

AN ORDINANCE AMENDING ORDINANCE NO. O-2002-032-15, AS AMENDED, THE ZONING ORDINANCE OF THE CITY OF HALTOM CITY, TEXAS, BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY IN THE CITY OF HALTOM CITY, TEXAS; AND REVISING THE OFFICIAL ZONING MAP IN ACCORDANCE THEREWITH; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Haltom City is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City of Haltom City heretofore adopted Ordinance No. O-2002-032-15, as amended, the Zoning Ordinance of the City of Haltom City, Texas, which Ordinance regulates and restricts the location and use of buildings, structures and land for trade, industry, residence and other purposes, and provides for the establishment of zoning districts of such number, shape and area as may be best suited to carry out these regulations; and

WHEREAS, in accordance with Section 39 of the Zoning Ordinance, the City of Haltom City has filed an application to rezone the property consisting of approximately 0.6899 acres of land located on Lot 1, Block 1, Brooks Addition, locally known as 5959 East Belknap Street (hereinafter-referenced as the “Property”), from its current classification of “C-5” Commercial District to “C-3” Commercial District on said property; and

WHEREAS, the Planning and Zoning Commission of the City of Haltom City, Texas held a public hearing on February 24, 2026 and the City Council of the City of Haltom City,

Texas held a public hearing on March 9, 2026 with respect to the rezoning described herein; and

WHEREAS, the City has complied with all requirements of Chapter 211 of the Local Government Code, and all other laws dealing with notice, publication and procedural requirements for the approval of the rezoning.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HALTOM CITY, TEXAS, THAT:

SECTION 1.

Ordinance No. O-2002-032-15, as amended, is hereby amended by approving a rezoning from “C-5” Commercial District to “C-3” Commercial District at the property consisting of approximately 0.6899 acres of land located on Lot 1, Block 1, Brooks Addition, locally known as 5959 East Belknap Street.

SECTION 2.

The official zoning map of the City of Haltom City is hereby amended and the City Secretary is directed to revise the zoning map to reflect the rezone as set forth above.

SECTION 3.

The use of the Property described above shall be subject to the restrictions, terms and conditions set forth in Exhibit “A” Design Standards attached hereto and shall further be subject to all the applicable regulations contained in the Zoning Ordinance and all other applicable and pertinent ordinances of the City of Haltom City, Texas.

SECTION 4.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Haltom City, Texas (1998), as amended, except where the provisions

of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

SECTION 6.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 7.

All rights and remedies of the City of Haltom City, Texas, are expressly saved as to any and all violations of the provisions of Ordinance No. O-2002-032-15 or any ordinances governing zoning that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in

court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8.

The City Secretary of the City of Haltom City, Texas, is hereby directed to publish in the official newspaper of the City of Haltom City, Texas, the caption, Section 1, penalty clause, publication clause and effective date clause of this Ordinance one (1) time within ten (10) days after the first reading of this Ordinance as required by Section 10.01 of the Charter of the City of Haltom City, Texas.

SECTION 9.

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED ON FIRST READING THIS ______ DAY OF ______________________, 2026.

PASSED AND APPROVED ON SECOND READING THIS ______ DAY OF ______________________, 2026.

____
Mayor
ATTEST:

____
City Secretary

EFFECTIVE: _____________________________

APPROVED AS TO FORM AND LEGALITY:

____
City Attorney

Exhibit “A”
Design Standards

1. Rezone property from “C-5” Commercial District to “C-3” Commercial District.

TAXPIN	AccountNum	Zoning	ZoningAlt	SitusAddr	Owner_Name
2657-1-1	42206772	CF		3126 Bewley St	BIRDVILLE ISD
3826-1-1	06198562	C-5		5959 E Belknap St	CHIYO INOUE TRUST
325D-1-1	07389523	C-5		5925 E Belknap St	SMA PROPERTIES LLC
6833-1-1B	06779107	M-1	CUP	5924 E Belknap St	CLEMENTE, MARIO
A 30-11E	06406025	M-1		6000 E Belknap St	CLS PROPERTY MANAGEMENT LLC
A 30-9	03725766	CF		3120 Carson St	BIRDVILLE ISD
A1166-2L01	04466020	M-1	CUP	5928 E Belknap St	JBB INVESTMENT GROUP LLC

Owner_Addr	Owner_City	Owner_Zip
6125 E BELKNAP ST	FORT WORTH, TX	76117
2312 PULLMAN LN #B	REDONDO BEACH, CA	90278
5925 E BELKNAP ST	HALTOM CITY, TX	76117
288 MEADOW HILL RD	FORT WORTH, TX	76108
223 S MAIN ST	KELLER, TX	76248
6125 E BELKNAP ST	FORT WORTH, TX	76117
4240 W GLENDALE AVE	PHOENIX, AZ	85051

LegalDescr
BIRDVILLE ELEM SCHOOL ADDN Block 1 Lot 1
BROOKS ADDITION Block 1 Lot 1
ALLEN ADDITION - HALTOM CITY Block 1 Lot 1
CAUDLE MANOR ADDITION Block 1 Lot 1B & 2A
AKERS, GEORGE SURVEY Abstract 30 Tract 11E
AKERS, GEORGE SURVEY Abstract 30 Tract 9 ABST 30 TR 9 & 10
NORRIS, WILLIAM SURVEY Abstract 1166 Tract 2L01

ORDINANCE NO. O-2026-001-15

CASE NO. Z-010-25

AN ORDINANCE AMENDING ORDINANCE NO. O-2002-032-15, AS AMENDED, THE ZONING ORDINANCE OF THE CITY OF HALTOM CITY, TEXAS, BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY IN THE CITY OF HALTOM CITY, TEXAS; AND REVISING THE OFFICIAL ZONING MAP IN ACCORDANCE THEREWITH; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Haltom City is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City of Haltom City heretofore adopted Ordinance No. O-2002-032-15, as amended, the Zoning Ordinance of the City of Haltom City, Texas, which Ordinance regulates and restricts the location and use of buildings, structures and land for trade, industry, residence and other purposes, and provides for the establishment of zoning districts of such number, shape and area as may be best suited to carry out these regulations; and

WHEREAS, in accordance with Section 39 of the Zoning Ordinance, the City of Haltom City has filed an application to rezone the property consisting of approximately 2.0359 acres of land located on Lot 1, Block 1, Allen Addition – Haltom City, locally known as 5925 East Belknap Street (hereinafter-referenced as the “Property”), from its current classification of “C-5” Commercial District to “C-3” Commercial District on said property; and

WHEREAS, the Planning and Zoning Commission of the City of Haltom City, Texas held a public hearing on February 24, 2026 and the City Council of the City of Haltom City,

Texas held a public hearing on March 9, 2026 with respect to the rezoning described herein; and

WHEREAS, the City has complied with all requirements of Chapter 211 of the Local Government Code, and all other laws dealing with notice, publication and procedural requirements for the approval of the rezoning.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HALTOM CITY, TEXAS, THAT:

SECTION 1.

Ordinance No. O-2002-032-15, as amended, is hereby amended by approving a rezoning from “C-5” Commercial District to “C-3” Commercial District at the property consisting of approximately 2.0359 acres of land located on Lot 1, Block 1, Allen Addition – Haltom City, locally known as 5925 East Belknap Street.

SECTION 2.

The official zoning map of the City of Haltom City is hereby amended and the City Secretary is directed to revise the zoning map to reflect the rezone as set forth above.

SECTION 3.

The use of the Property described above shall be subject to the restrictions, terms and conditions set forth in Exhibit “A” Design Standards attached hereto and shall further be subject to all the applicable regulations contained in the Zoning Ordinance and all other applicable and pertinent ordinances of the City of Haltom City, Texas.

SECTION 4.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Haltom City, Texas (1998), as amended, except where the provisions

of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

SECTION 6.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 7.

All rights and remedies of the City of Haltom City, Texas, are expressly saved as to any and all violations of the provisions of Ordinance No. O-2002-032-15 or any ordinances governing zoning that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in

court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8.

The City Secretary of the City of Haltom City, Texas, is hereby directed to publish in the official newspaper of the City of Haltom City, Texas, the caption, Section 1, penalty clause, publication clause and effective date clause of this Ordinance one (1) time within ten (10) days after the first reading of this Ordinance as required by Section 10.01 of the Charter of the City of Haltom City, Texas.

SECTION 9.

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED ON FIRST READING THIS 9th DAY OF MARCH 2026.

PASSED AND APPROVED ON SECOND READING THIS 23rd DAY OF MARCH 2026.

____
Don Cooper
Mayor Pro Tem

ATTEST:

____
Imelda B. Rodriguez, TRMC
City Secretary

EFFECTIVE: MARCH 23, 2026

APPROVED AS TO FORM AND LEGALITY:

____
City Attorney

Exhibit “A”
Design Standards

1. Rezone property from “C-5” Commercial District to “C-3” Commercial District.

CITY COUNCIL MEMORANDUM

City Council Meeting: **Monday, March 23, 2026, 6:00 PM**

Department: **Planning & Community Development**

Subject: **ORDINANCE NO. O-2026-002-15 Z-010-25 Rezoning 5959 East Belknap Street (2ND Reading)**

BACKGROUND

This item was rescheduled due to City Hall closure on January 26, 2026.

Haltom City has initiated the rezone request for two adjacent properties on East Belknap Street. The initial reason for the request was due to Tricolor Auto Sales going out of business creating an opportunity to rezone the property to a zoning district that allows for a greater number of uses and better aligns to accomplish the vision, goals and objectives defined for this area within the adopted Comprehensive Land Use Plan. Currently the property is zoned C-5 Commercial which is the designation primarily for Auto Sales lots. There are other allowed uses allowed by right and uses that require Condition Use Permit requests prior to receiving a Certificate of Occupancy.

If the lot is changed to C-3 the existing use would be allowed to remain indefinitely so long as the use is not abandoned with a new use designated on a Certificate of Occupancy or if utilities are turned off for longer than six (6) months. The C-3 Commercial designation is generally considered the most commercial friendly district regarding allowed uses.

FISCAL IMPACT

None.

RECOMMENDATION

Attachments

Ordinance Z-011-25 022426 (1).pdf

Z-011-26 Packet.pdf

ORDINANCE NO. O-2026-002-15

CASE NO. Z-011-25

AN ORDINANCE AMENDING ORDINANCE NO. O-2002-032-15, AS AMENDED, THE ZONING ORDINANCE OF THE CITY OF HALTOM CITY, TEXAS, BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY IN THE CITY OF HALTOM CITY, TEXAS; AND REVISING THE OFFICIAL ZONING MAP IN ACCORDANCE THEREWITH; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Haltom City is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

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WHEREAS, in accordance with Section 39 of the Zoning Ordinance, the City of Haltom City has filed an application to rezone the property consisting of approximately 0.6899 acres of land located on Lot 1, Block 1, Brooks Addition, locally known as 5959 East Belknap Street (hereinafter-referenced as the “Property”), from its current classification of “C-5” Commercial District to “C-3” Commercial District on said property; and

WHEREAS, the Planning and Zoning Commission of the City of Haltom City, Texas held a public hearing on February 24, 2026 and the City Council of the City of Haltom City,

Texas held a public hearing on March 9, 2026 with respect to the rezoning described herein; and

WHEREAS, the City has complied with all requirements of Chapter 211 of the Local Government Code, and all other laws dealing with notice, publication and procedural requirements for the approval of the rezoning.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HALTOM CITY, TEXAS, THAT:

SECTION 1.

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SECTION 2.

The official zoning map of the City of Haltom City is hereby amended and the City Secretary is directed to revise the zoning map to reflect the rezone as set forth above.

SECTION 3.

The use of the Property described above shall be subject to the restrictions, terms and conditions set forth in Exhibit “A” Design Standards attached hereto and shall further be subject to all the applicable regulations contained in the Zoning Ordinance and all other applicable and pertinent ordinances of the City of Haltom City, Texas.

SECTION 4.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Haltom City, Texas (1998), as amended, except where the provisions

of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

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SECTION 6.

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SECTION 7.

All rights and remedies of the City of Haltom City, Texas, are expressly saved as to any and all violations of the provisions of Ordinance No. O-2002-032-15 or any ordinances governing zoning that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in

court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8.

The City Secretary of the City of Haltom City, Texas, is hereby directed to publish in the official newspaper of the City of Haltom City, Texas, the caption, Section 1, penalty clause, publication clause and effective date clause of this Ordinance one (1) time within ten (10) days after the first reading of this Ordinance as required by Section 10.01 of the Charter of the City of Haltom City, Texas.

SECTION 9.

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED ON FIRST READING THIS ______ DAY OF ______________________, 2026.

PASSED AND APPROVED ON SECOND READING THIS ______ DAY OF ______________________, 2026.

____
Mayor
ATTEST:

____
City Secretary

EFFECTIVE: ______________________________

APPROVED AS TO FORM AND LEGALITY:

____
City Attorney

Exhibit “A”
Design Standards

1. Rezone property from “C-5” Commercial District to “C-3” Commercial District.

STAFF REPORT

CITY OF HALTOM CITY

MEETING DATE: 2/24/26	TO: P&Z Commission	FROM: Glenna Batchelor Director of Planning and Community Development	SUBJECT: Z-011-25 5959 E. Belknap Rezone from "C-5" to "C-3"

Z-011-25
Consider action on the application of the City of Haltom City for a zone change from "C-5" Commercial District to "C-3" Commercial District on the Brooks Addition, Lot 1, Block 1, being approximately 0.6899 acres of land, locally known as 5959 East Belknap Street.

EXISTING ZONING/LAND USE
"C-5" Commercial District / Auto Sales

ADJACENT ZONING/USES

North	- "CF" Community Facility District / BISD
South	- "M-1" Industrial District / Auto Sales
East	- "CF" Community Facility District / BISD
West	- "C-5" Commercial District / Auto Sales

ANALYSIS
This item was rescheduled due to City Hall closure on January 26, 2026.

Haltom City has initiated the rezone request for two adjacent properties on East Belknap Street. The initial reason for the request was due to Tricolor Auto Sales going out of business creating an opportunity to rezone the property to a zoning district that allows for a greater number of uses and better aligns to accomplish the vision, goals and objectives defined for this area within the adopted Comprehensive Land Use Plan. Currently the property is zoned C-5 Commercial which is the designation primarily for Auto Sales lots. There are other allowed uses allowed by right and uses that require Condition Use Permit requests prior to receiving a Certificate of Occupancy.

If the lot is changed to C-3 the existing use would be allowed to remain indefinitely so long as the use is not abandoned with a new use designated on a Certificate of Occupancy or if utilities are turned off for longer than six (6) months. The C-3 Commercial designation is generally considered the most commercial friendly district regarding allowed uses.

TRANSPORTATION
The site has frontage on East Belknap Street and Carson Street. The proposed zoning change is not anticipated to significantly impact the adjacent roadway systems as long as the use complies with all relevant City ordinances.

DRAINAGE
Based on available information, this property is located in flood zone X zone and no significant drainage impacts are expected to result from development of this site, as long as the developer complies with all relevant City ordinances.

WATER & SANITARY SEWER
Water and sanitary sewer services are available to the subject site.

FIRE PREVENTION
Fire Station #1 provides protection to this site. The estimated fire response time is in keeping with the City's recommended standards.

FRANCHISE UTILITIES & STREET LIGHTS
There are intermittent streetlight surrounding the site with above ground utilities lines on both sides of East Belknap Street.

ROUGH PROPORTIONALITY DETERMINATION
The developer is responsible for 100% of all paving, water, sanitary sewer, and drainage infrastructure needed to support the development in accordance with the City's design criteria.

COMPREHENSIVE LAND USE PLAN
The City's Comprehensive Land Use Plan (CLUP) designates the subject site as Belknap Corridor Overlay Corridor District. The proposed zoning change district is consistent with this land use suggested by the CLUP.

NOTIFICATION
The legal notice regarding the public hearing was published in the February 5, 2026 *Tarrant County Commercial Record.*

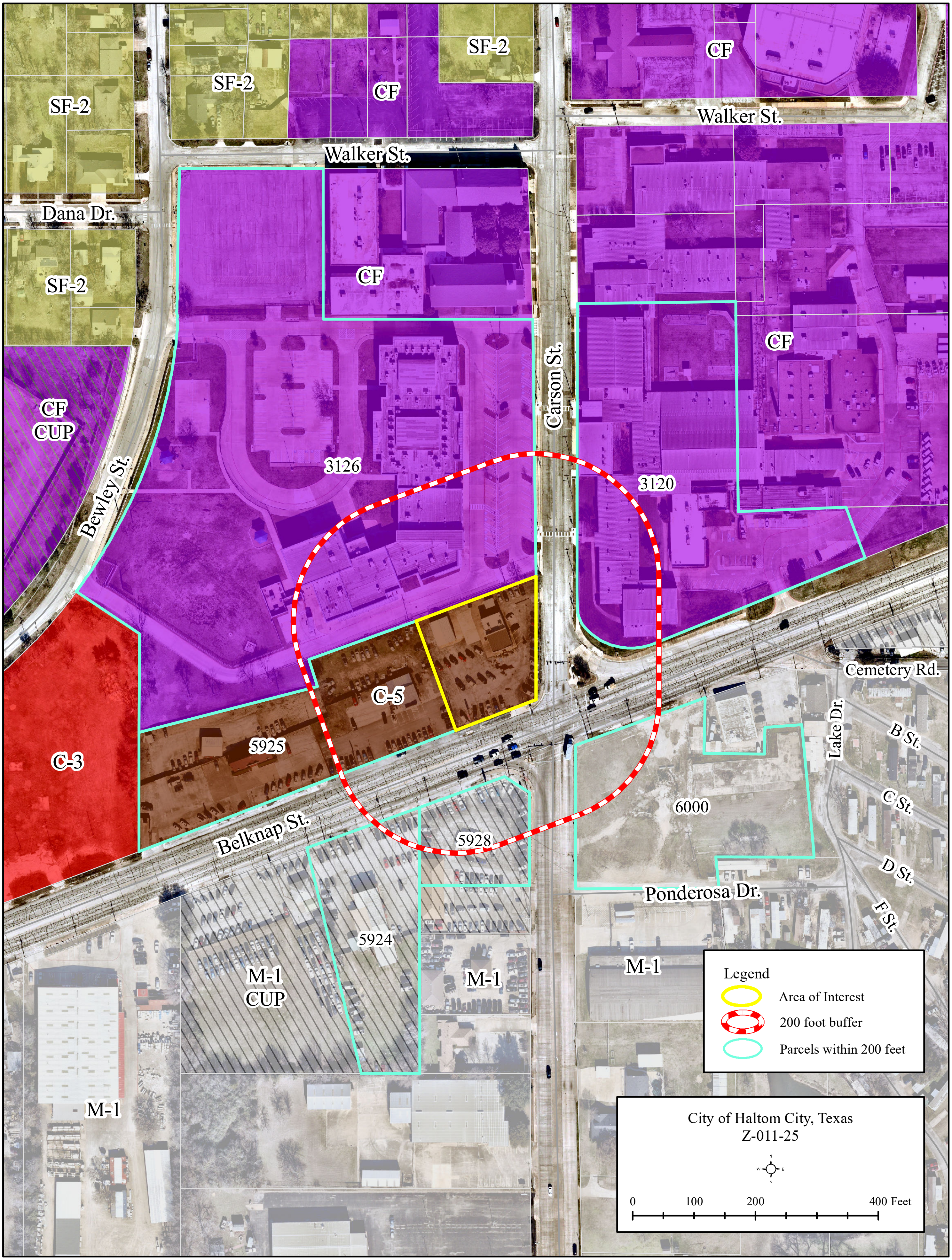
Written notice of the request was mailed to six (6) property owners within 200' of the site on February 9, 2026.

______ In Favor / No Objections

_______ Opposed

_______ Returned to Sender

ATTACHMENTS
1. GIS Aerial Map
2. Application
3. Zoning Exhibit
4. Draft Ordinance
5. List of Property Owners within 200'


SF-2
SF-2
CF
SF-2
CF
Walker St.
Walker St.
Dana Dr.
CF
SF-2
CF
CF
CUP
Carson St.
3126
3120
Bewley St.
C-5
5925
C-3
Cemetery Rd.
Lake Dr.
B St.
C St.
D St.
F St.
6000
5928
Belknap St.
Ponderosa Dr.
5924
M-1
CUP
M-1
M-1
M-1
Legend
Area of Interest
200 foot buffer
Parcels within 200 feet
City of Haltom City, Texas
Z-011-25
0
100
200
400 Feet

CITY OF HALTOM CITY, TEXAS
4801 Haltom Rd., Post Office Box 14246, Haltom City, Texas, 76117, 817-222-7757

APPLICATION FOR REZONING

Date: 12/17/25	**File Number:** Z-010-25 & Z-011-25

I, Rex Phelps (please print), the undersigned applicant hereby make application for the Rezoning of the following described property located in the City of Haltom City, Texas:

Address of Property: 5925 & 5959 East Belknap Street

Legal Description: Lot: Lot 1 **Block:** Block 1 **Addition:** Allen & Brooks Addition

Tract:____ Survey:____ Abstract:____

Current Zoning Classification: C-5 Commercial **Current Use:** ____

Proposed Zoning Classification: C-3 Commercial **Proposed Use:** ____

Reason for Zoning Change Request: ____

Has a Design Review Conference (DRC) been held on this property? Yes No Date:____

The undersigned hereby certifies that the above named subdivision and accompanying data is true and correct. All provisions of laws and ordinances governing this zoning change request will be complied with whether specified herein or not. The scheduling of this application on the agenda of the Planning & Zoning Commission for consideration does not presume the approval of the above mentioned request.

Name: [signature] (signature of applicant) — 12/17/25 (date)

4801 Haltom Road (address of applicant) — 817-222-7730 (telephone number/Fax)

Name: [signature] (signature of owner) — 12/17/25 (date)

4801 Haltom Road (address of owner) — 817-222-7730 (telephone number/Fax)

FOR CITY USE ONLY

Application Fee $300.00 **Received By:**____ **Receipt Number:**____

Accepted for Completeness by: **Staff Signature:**____ **Date:**____

EVENT	**DATE**	**ACTION**
P & Z Action:		
City Council First Reading (if applicable):		
City Council Second Reading (if applicable):		

REZONING CHECKLIST

Complete Application

Fee Paid (for rezoning request)

Survey or Site Plan in 11x17 size format. If submitting 24x36 prints, 3 copies must be submitted of all Site Plans are prints.

Detailed letter of intent on company letterhead (where applicable) addressed to the Planning and Zoning Commission and City Council.

Drawing of proposed structure with detailed measurements in 11x17 size format.

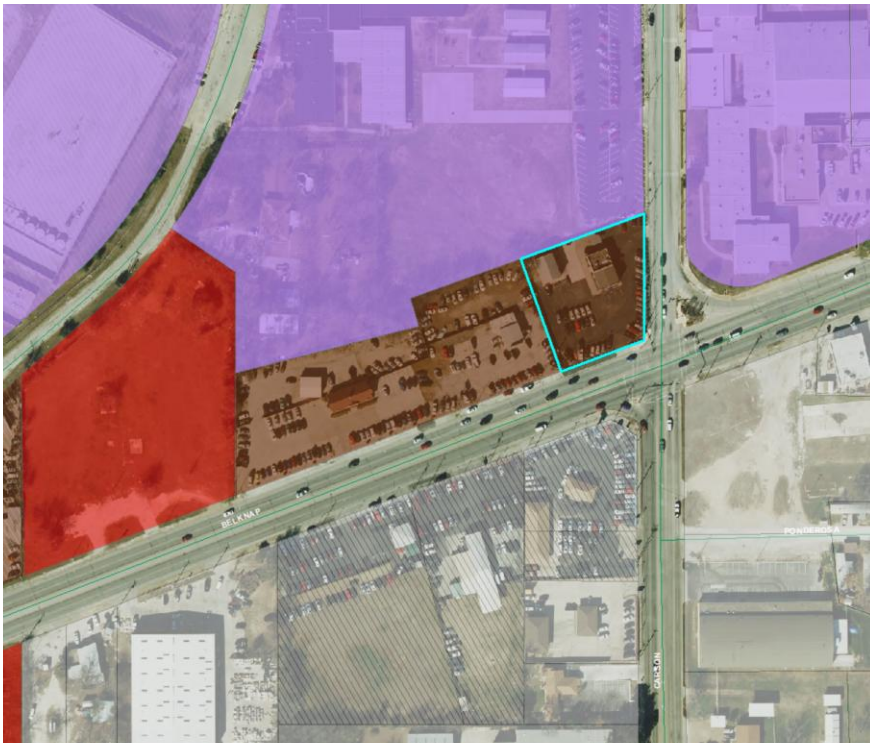
Completed Building permit application with contractor information, work to be performed, material and cost estimates (If applicable).

Picture(s)

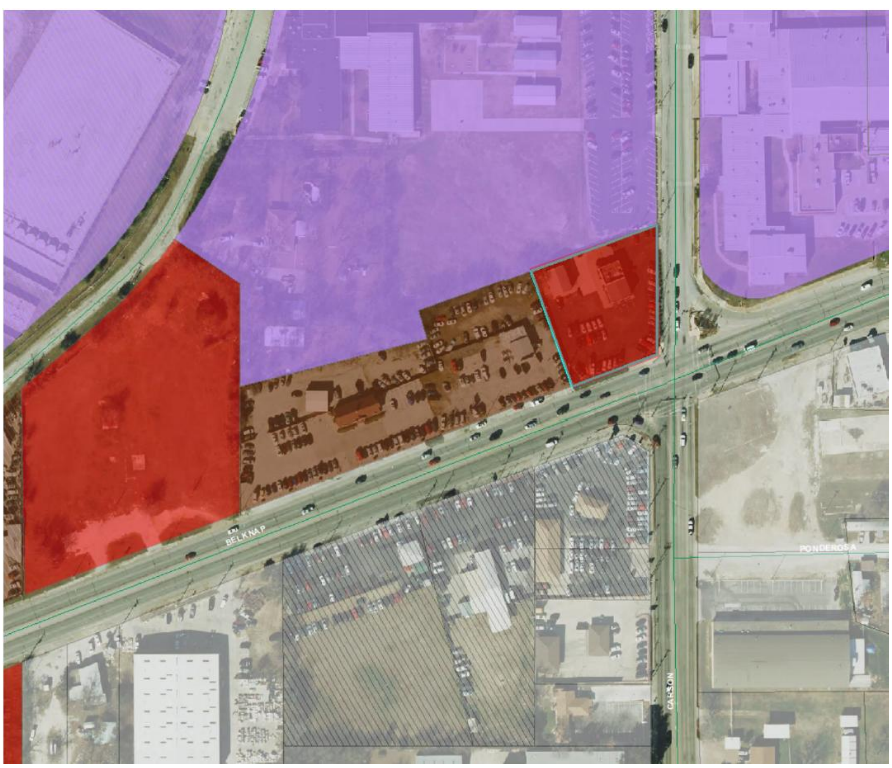
Must have signature, address & phone number of applicant and property owner..

** All applications will first be reviewed by Staff and then taken before the Planning and Zoning Commission and City Council. IF approved by the City Council, then a building permit or Certificate of Occupancy will need to be obtained either by applicant and/or a licensed contractor. A separate fee is charged for the building permit.

Current C-5 Commercial Zoning



Proposed C-3 Commercial Zoning



To the Haltom City Planning & Zoning Commission and City Council,

I am the owner and operator of Auto Land, located at 5925 E. Belknap Street, Haltom City, Texas 76117. I am writing to formally object to the proposed rezoning of my property from C-5 to C-3.

Auto Land has operated continuously at this location since 1994 as a licensed auto sales facility. Under the existing C-5 zoning, this use is a permitted and lawful use of the property. The proposed C-3 zoning would eliminate that permitted status and force my business to rely on a conditional use permit, creating uncertainty, risk, and unnecessary administrative burden for a business that has been in lawful operation for more than three decades.

Over the past year, I have made substantial capital investments in this property based on the existing zoning and the City's long-standing recognition of auto sales as an allowed use here. These investments include:

Full repaving of the lot

Construction of new perimeter fencing

Upgraded LED exterior and interior lighting

A new roof

Full exterior repainting

These improvements were made to enhance safety, appearance, and long-term viability of the site, and they represent a significant financial commitment that was undertaken in reliance on the current zoning classification.

Auto Land maintains approximately 75 vehicles on site and provides employment for eight local residents. The proposed rezoning would directly jeopardize these jobs and the economic contribution this business makes to Haltom City through property taxes, sales taxes, and related local spending.

Importantly, there has been no change in land use, no history of code violations, and no evidence of negative impact from Auto Land's operations that would justify downgrading this property's zoning. The business has coexisted successfully with surrounding uses for decades. Reclassifying this property now would not correct any incompatibility; it would instead create a new hardship where none currently exists.

Zoning should be based on actual land use, long-term stability, and fairness to property owners. Changing this property from C-5 to C-3 removes a vested and productive use without a demonstrated public benefit. It also undermines the City's stated goals of encouraging reinvestment and stable commercial development.

For these reasons, I respectfully request that the City retain the C-5 zoning for 5925 E. Belknap Street and allow Auto Land to continue operating as a permitted use.

Thank you for your consideration.

Sincerely,

Scott M Allen

Owner, Auto Land

5925 E. Belknap Street

Haltom City, TX 76117

ORDINANCE NO. O-2026-002-15

CASE NO. Z-011-25

AN ORDINANCE AMENDING ORDINANCE NO. O-2002-032-15, AS AMENDED, THE ZONING ORDINANCE OF THE CITY OF HALTOM CITY, TEXAS, BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY IN THE CITY OF HALTOM CITY, TEXAS; AND REVISING THE OFFICIAL ZONING MAP IN ACCORDANCE THEREWITH; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Haltom City is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City of Haltom City heretofore adopted Ordinance No. O-2002-032-15, as amended, the Zoning Ordinance of the City of Haltom City, Texas, which Ordinance regulates and restricts the location and use of buildings, structures and land for trade, industry, residence and other purposes, and provides for the establishment of zoning districts of such number, shape and area as may be best suited to carry out these regulations; and

WHEREAS, in accordance with Section 39 of the Zoning Ordinance, the City of Haltom City has filed an application to rezone the property consisting of approximately 0.6899 acres of land located on Lot 1, Block 1, Brooks Addition, locally known as 5959 East Belknap Street (hereinafter-referenced as the “Property”), from its current classification of “C-5” Commercial District to “C-3” Commercial District on said property; and

WHEREAS, the Planning and Zoning Commission of the City of Haltom City, Texas held a public hearing on February 24, 2026 and the City Council of the City of Haltom City,

Texas held a public hearing on March 9, 2026 with respect to the rezoning described herein; and

WHEREAS, the City has complied with all requirements of Chapter 211 of the Local Government Code, and all other laws dealing with notice, publication and procedural requirements for the approval of the rezoning.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HALTOM CITY, TEXAS, THAT:

SECTION 1.

Ordinance No. O-2002-032-15, as amended, is hereby amended by approving a rezoning from "C-5" Commercial District to "C-3" Commercial District at the property consisting of approximately 0.6899 acres of land located on Lot 1, Block 1, Brooks Addition, locally known as 5959 East Belknap Street.

SECTION 2.

The official zoning map of the City of Haltom City is hereby amended and the City Secretary is directed to revise the zoning map to reflect the rezone as set forth above.

SECTION 3.

The use of the Property described above shall be subject to the restrictions, terms and conditions set forth in Exhibit "A" Design Standards attached hereto and shall further be subject to all the applicable regulations contained in the Zoning Ordinance and all other applicable and pertinent ordinances of the City of Haltom City, Texas.

SECTION 4.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Haltom City, Texas (1998), as amended, except where the provisions

of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

SECTION 6.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 7.

All rights and remedies of the City of Haltom City, Texas, are expressly saved as to any and all violations of the provisions of Ordinance No. O-2002-032-15 or any ordinances governing zoning that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in

court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8.

The City Secretary of the City of Haltom City, Texas, is hereby directed to publish in the official newspaper of the City of Haltom City, Texas, the caption, Section 1, penalty clause, publication clause and effective date clause of this Ordinance one (1) time within ten (10) days after the first reading of this Ordinance as required by Section 10.01 of the Charter of the City of Haltom City, Texas.

SECTION 9.

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED ON FIRST READING THIS ______ DAY OF ______________________, 2026.

PASSED AND APPROVED ON SECOND READING THIS ______ DAY OF ______________________, 2026.

____
Mayor
ATTEST:

____
City Secretary

EFFECTIVE: ______________________________

APPROVED AS TO FORM AND LEGALITY:

____
City Attorney

Exhibit “A”
Design Standards

1. Rezone property from “C-5” Commercial District to “C-3” Commercial District.

TAXPIN	AccountNum	Zoning	ZoningAlt	SitusAddr	Owner_Name
2657-1-1	42206772	CF		3126 Bewley St	BIRDVILLE ISD
3826-1-1	06198562	C-5		5959 E Belknap St	CHIYO INOUE TRUST
325D-1-1	07389523	C-5		5925 E Belknap St	SMA PROPERTIES LLC
6833-1-1B	06779107	M-1	CUP	5924 E Belknap St	CLEMENTE, MARIO
A 30-11E	06406025	M-1		6000 E Belknap St	CLS PROPERTY MANAGEMENT LLC
A 30-9	03725766	CF		3120 Carson St	BIRDVILLE ISD
A1166-2L01	04466020	M-1	CUP	5928 E Belknap St	JBB INVESTMENT GROUP LLC

Owner_Addr	Owner_City	Owner_Zip
6125 E BELKNAP ST	FORT WORTH, TX	76117
2312 PULLMAN LN #B	REDONDO BEACH, CA	90278
5925 E BELKNAP ST	HALTOM CITY, TX	76117
288 MEADOW HILL RD	FORT WORTH, TX	76108
223 S MAIN ST	KELLER, TX	76248
6125 E BELKNAP ST	FORT WORTH, TX	76117
4240 W GLENDALE AVE	PHOENIX, AZ	85051

LegalDescr
BIRDVILLE ELEM SCHOOL ADDN Block 1 Lot 1
BROOKS ADDITION Block 1 Lot 1
ALLEN ADDITION - HALTOM CITY Block 1 Lot 1
CAUDLE MANOR ADDITION Block 1 Lot 1B & 2A
AKERS, GEORGE SURVEY Abstract 30 Tract 11E
AKERS, GEORGE SURVEY Abstract 30 Tract 9 ABST 30 TR 9 & 10
NORRIS, WILLIAM SURVEY Abstract 1166 Tract 2L01

Agenda No. 5.

CITY COUNCIL MEMORANDUM/RESOLUTION

City Council Meeting:	**Monday, March 23, 2026, 6:00 PM**
Department:	**Finance**
Subject:	**Annual Comprehensive Financial Report and Single Audit Report**

BACKGROUND

Recent legislation, including Senate Bill 1851 passed during the 89th Texas Legislative Session in May 2025 (effective September 1, 2025), reinforces the importance of timely financial reporting. Under this law, if a municipality does not complete its annual audit and file the Annual Comprehensive Financial Report (ACFR) within 180 days of the fiscal year-end, the City may be restricted from adopting a property tax rate above the No-New-Revenue (NNR) tax rate. This limitation could significantly impact the City's ability to generate additional revenue to support operations and capital needs.

Both the Annual Comprehensive Financial Report (ACFR) and the Single Audit Report (SAR) draft have been reviewed by the Audit Committee and presented to the City Council by the City's external audit firm, Weaver and Tidwell, LLC. The ACFR for the fiscal year ended September 30, 2025, was presented to the Audit Committee on February 19, 2026, and subsequently to the City Council on February 23, 2026. The Single Audit Report for the same fiscal year was presented to the Audit Committee on March 9, 2026, and subsequently to the City Council.

This item is presented as part of the consent agenda to formally document compliance with state law.

FISCAL IMPACT

None directly. However, failure to comply with state law could limit the City's ability to generate additional revenue to support ongoing operations and capital needs.

RECOMMENDATION

Staff recommends approved of the final Annual Comprehensive Financial Report and Single Audit Report

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HALTOM CITY:

That the above stated Staff recommendations are hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Haltom City, Texas this 17TH day of March 2026, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, §551.001 *et seq*.

APPROVED ATTEST:

Dr. An Truong, Mayor

Imelda B. Rodriguez, City Secretary

APPROVED AS TO FOR

City Attorney

Attachments

Haltom City Annual Comprehensive Financial Report Final

Haltom City Single Audit Report - FINAL

HALTOM CITY

2025

HALTOM CITY, TX

Annual Comprehensive

FINANCIAL REPORT

For Fiscal Year Ended September 30, 2025

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of the

CITY OF HALTOM CITY, TEXAS

For the Year Ended
September 30, 2025

Prepared by:
Finance Department

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City of Haltom City, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025
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Combining and Individual Fund Statements and Schedules

Statistical Section

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Number

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Introductory Section

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HALTOM CITY

March 23, 2026

Honorable Mayor and Members of City Council, and Citizens of Haltom City:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Haltom City, covering October 1, 2024 through September 30, 2025. In accordance with Texas Local Government Code, Section 103, all governmental units are required to publish audited financial statements prepared in conformity with Generally Accepted Accounting Principles (GAAP) within six months of the close of each fiscal year. Additionally, Senate Bill 1851, effective September 1, 2025, reinforces the importance of timely financial reporting by limiting a municipality's ability to adopt an ad valorem tax rate above the no-new-revenue rate if the annual audit is not completed within the statutory timeframe. The City's financial statements have been audited by Weaver and Tidwell, L.L.P., Certified Public Accountants, and this report is published to satisfy these requirements while providing the City Council, City staff, citizens, bondholders, and other interested parties with a comprehensive understanding of the City's financial condition and operations.

Haltom City upholds responsibility for the accuracy, completeness, and fairness of the presented data, including all necessary disclosures. The City is also responsible for establishing and maintaining internal controls to safeguard the government from loss, theft, or misuse and to ensure the compilation of adequate accounting data for the preparation of financial statements in conformity with GAAP. To the best of our knowledge and belief, the enclosed data is materially accurate and is reported in a manner designed to fairly present the City's financial position and results of operations of the various funds. All necessary disclosures enabling the reader to gain an understanding of the City's financial activities have been incorporated.

In evaluating our accounting system, careful consideration is given to the adequacy of internal controls over financial reporting. These controls are designed to provide reasonable, but not absolute, assurance in safeguarding assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. Our commitment is to ensure that the cost of controls remains proportionate to the benefits derived. The evaluation of costs and benefits requires estimates and judgments by management. Management believes the City's internal controls over financial reporting adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Section 5.06 of the City Charter and State Law requires the City's basic financial statements to be audited by independent certified public accountants. Weaver and Tidwell, L.L.P., Certified Public Accountants (CPA) firm, performed the required audit and have issued an unmodified ("clean") opinion on the City of Haltom City's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This MD&A serves as a complementary companion to this Letter of Transmittal and is recommended to be read in conjunction for a comprehensive understanding of the financial information presented.

PROFILE OF THE GOVERNMENT

Established in 1950, the City of Haltom City is situated six miles northeast of downtown Fort Worth in Tarrant County, covering a land area of 12.4 square miles and boasting an estimated population of 46,505. Operating as a "home rule" unit of local government under Texas state law, the City adopted a council-manager form of governance. Policy-making and legislative authority are held by the City Council, consisting of the mayor and seven council members, all elected ‘at large’ through popular vote. The governing City Council members serve two-year terms, with elections staggered—four members elected in even-numbered years and the mayor plus three members elected in odd-numbered years. The Council appoints the City Manager, who, in turn, appoints the heads of the various departments.

The City provides a comprehensive range of services to its residents, including public safety - police, fire, emergency management, and animal services - as well as other key services such as municipal court, parks, library, public works, and general administrative. Additionally, the City is actively involved in the operation of essential infrastructure: a water distribution system, a wastewater collection system, and a drainage utility system.

Basic financial statements of the City include all government activities, organizations, and functions for which the City is financially accountable. The criteria considered in determining governmental activities to be reported within the City’s basic financial statements are based upon, and consistent with, those set forth in the Codification of Governmental Accounting and Financial Reporting Standards. Component units are distinct legal entities that a primary government must include as a part of its financial reporting entity. The government-wide financial statements encompass not only the primary government, recognized as the City itself, but also include discretely presented component unit(s) such as the Crime Control Prevention District. The discretely presented component unit(s) are presented as separate columns in the government-wide financial statements.

As required by the City Charter, the operating budget must be adopted prior to the beginning of the fiscal year on October 1. The City’s budget process is a seven-month cycle beginning in mid-February and concluding in mid-September, with departments submitting budget requests in early May and providing updates throughout the spring and summer. The City Manager prepares a recommended budget aligned with City Council policy direction and submits the proposed budget of expenditures and financing sources to the Council prior to August 15. The City Council conducts budget workshops and a public hearing to solicit public input before adopting the budget, which is legally enacted prior to September 30 through the passage of an appropriation ordinance by fund. The City Charter also authorizes the City Council to amend the budget as necessary during the fiscal year.

LOCAL ECONOMY

Haltom City, located in the thriving Dallas–Fort Worth (DFW) Metroplex, remained stable and well-positioned for continued growth. The City continues to experience a steady increase in population, and to build on its dynamic community, which supports economic development and cultural vitality.

New development activity continued to strengthen the City’s tax base during the year, with both residential construction and commercial investment contributing to rising property values and expanding economic capacity. Major retail and mixed-use projects, including the H Mart Plaza development, which is currently under construction and is expected to open in Summer , represent significant private investment and are predicted to further enhance sales tax generation and employment opportunities in the coming years.

Other developments such as the luxury multi-family housing project by Alpha-Barnes Real Estate and Alpine Construction, which will introduce over 1,000 new residential units upon completion, and the entry of My Stomping Grounds Entertainment Center into the Texas market with a new store in Haltom City, further demonstrate the City's commitment to sustainable growth while addressing the needs of its residents. To support long-term redevelopment and targeted growth, the City actively utilizes two Tax Increment Reinvestment Zones (TIRZ): one located in the southern portion of Haltom City and a second along the Denton Highway and Belknap corridor. The City's strategic three-pronged approach—attracting new businesses, fostering residential development, and adhering to high development and code standards—has laid the foundation for sustained economic growth.

The City's strong financial management practices were further validated in 2024 when Standard & Poor's (S&P) Global Ratings upgraded Haltom City's credit rating from AA- to AA, representing the highest credit rating in the City's history.

The City's sales tax performance remains a key indicator of local economic health. Based on information published by the Texas Comptroller and the City's budget documents, Haltom City ranks among the top 100 of more than 1,200 Texas cities in total sales tax collections, underscoring the strength and diversity of the local retail and service economy. Sales and Use tax revenues have continued to grow and are projected to exceed $22 million in the upcoming fiscal year, providing a stable and expanding revenue source to support municipal operations and capital investment.

Labor market conditions throughout Texas in 2025 remained favorable, with statewide unemployment rates maintaining historically low levels. While unemployment data is not reported at the city level, Haltom City benefits from the strong regional employment base of the Dallas–Fort Worth area, which continues to experience job growth across multiple sectors including logistics, healthcare, construction, and professional services.

Overall, Haltom City's local economy in 2025 reflects a balanced combination of steady population growth, active development, strategic redevelopment initiatives, strong sales tax performance, favorable regional employment conditions, and demonstrated financial strength. These factors collectively support the City's long-term fiscal health and provide a solid foundation for continued service delivery, infrastructure investment, and economic opportunity for the community. See the Management's Discussion and Analysis for further discussion of economic conditions and financial results.

LONG-TERM FINANCIAL PLANNING

The City's long-term financial planning efforts are guided by the following strategic goals set by Haltom City's City Council:

- Continue to cultivate the commercial and residential development plan for a successful economic development environment.
- Establish and maintain competitive employee compensation to retain and attract high-quality and diverse staff while maintaining a relationships-driven culture along with other incentives such as alternative work schedules, an increased number of paid holidays, etc.
- Practice fiscal responsibility while utilizing Performance Measures.
- Promote and support safety and security within our community while providing quality services and increasing safety around schools.
- Build and maintain partnerships with the non-profit sector to advance the revitalization and beautification of the city.
- Address critical facility and infrastructure needs.

- Implement innovative technology solutions for security and performance.

These goals form the foundation of the City's financial framework and drive a disciplined, forward-looking approach to managing public resources. Through conservative fiscal practices, comprehensive planning, and ongoing financial oversight, the City positions itself to meet both current service demands and future community needs.

The City employs a multi-year financial planning model that integrates revenue forecasting, expenditure projections, capital improvement programming, and long-range debt analysis. This model allows management and the City Council to evaluate the sustainability of service levels, assess the financial impact of policy decisions, and identify emerging fiscal challenges well in advance of the annual budget process. Emphasis is placed on ensuring ongoing expenditures are supported by recurring revenues and that financial commitments remain aligned with long-term fiscal capacity.

Capital planning is a central component of this framework and is implemented through the City's Capital Improvement Plan (CIP). The CIP establishes priorities for infrastructure, facilities, and community development projects while coordinating multiple funding sources, including general obligation bonds, certificates of obligation, grants, impact fees, and operating revenues. Projects are evaluated based on asset conditions, regulatory requirements, growth considerations, community need, and financial feasibility. The strength of this integrated planning approach was demonstrated in 2024 with the successful delivery of two major capital investments — the City's new $25 million City Hall and $29 million Law Enforcement Building — both completed in alignment with long-term financial objectives, on schedule, and within the City's established fiscal capacity.

Debt management is tightly aligned with both capital planning and long-range financial analysis. The City adheres to formal debt policies designed to maintain affordability, preserve credit quality, and protect future financial flexibility. Prior to issuing new debt, the City carefully evaluates its debt profile, legal limits, debt service requirements, and projected revenues to ensure that proposed financing remains consistent with long-term fiscal sustainability and the City's adopted financial goals.

Through continuous monitoring of financial performance, economic conditions, legislative developments, and operational trends, the City proactively identifies risks and opportunities. This disciplined and integrated approach enables the City to manage growth, address infrastructure needs, and sustain long-term financial health for the benefit of both current and future residents.

RELEVANT FINANCIAL POLICIES

The City maintains a set of formally adopted financial policies that provide the framework for sound fiscal management, long-term financial stability, and accountability. These policies guide decision-making related to budgeting, auditing, capital investment, debt issuance, and financial reporting, and are reviewed periodically to ensure consistency with applicable laws, professional standards, and best practices. Key policy areas include:

- Quality basic City services that meet the needs and expectations of the community.
- A financial base sufficient to maintain and enhance City assets necessary to support current and future service demands.
- Responsiveness to continually changing needs, expectations, and service requirements of the City.
- Prudent and professional financial management practices assure residents of Haltom City and the financial community that the City is well managed and in sound fiscal condition.

- Cost-effective delivery of services through cooperation and coordination with other governmental entities.

Collectively, these policies support responsible stewardship of public resources and reinforce the City's commitment to transparency, accountability, and long-term fiscal sustainability.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the City of Haltom City for the fiscal year ended September 30, 2024. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the thirty-fifth consecutive year (fiscal years ended 1987-2024) that the government has achieved this prestigious award.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only and we believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

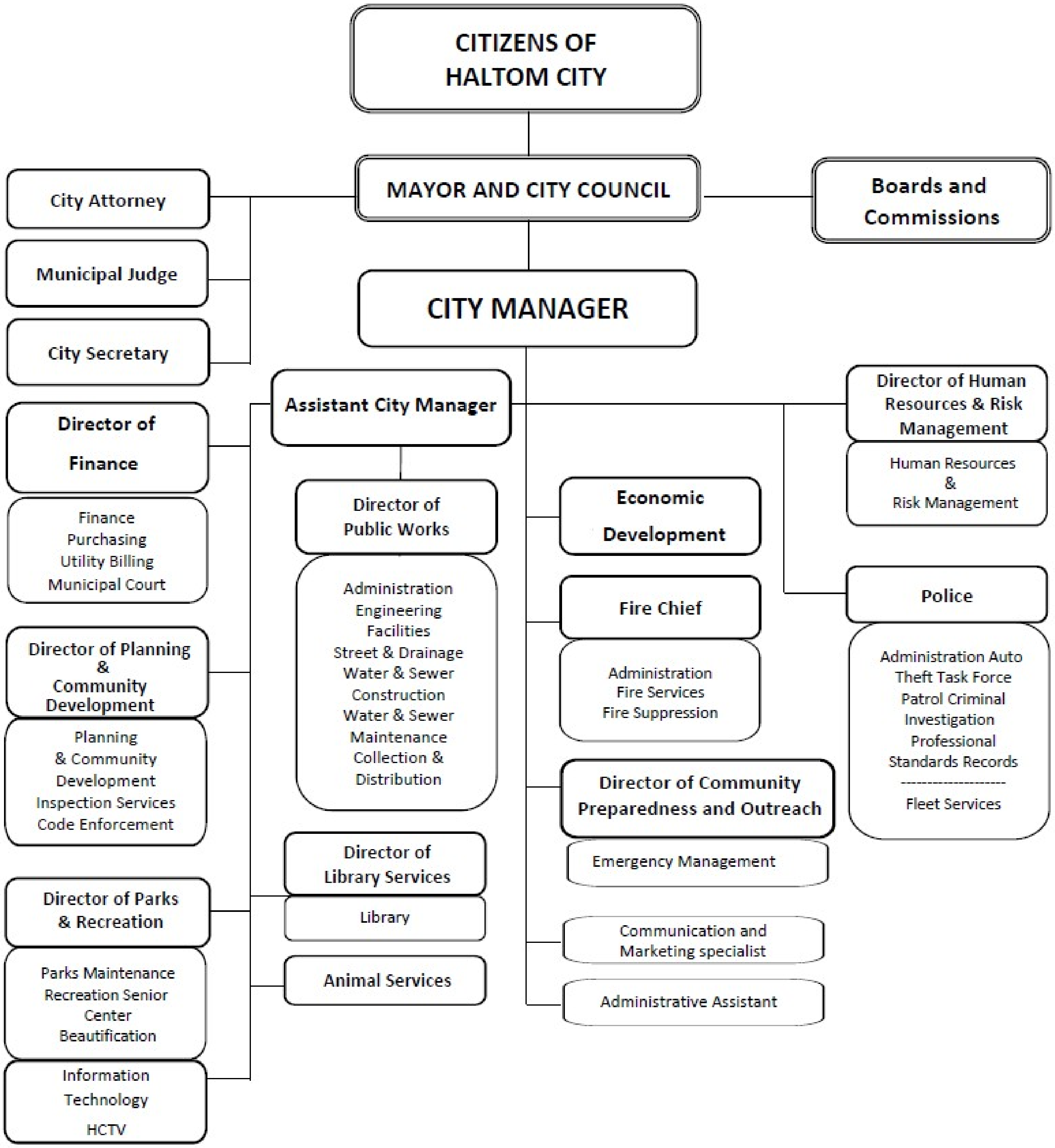
In addition, the City also submitted the GFOA's Distinguished Budget Presentation Award for its annual budget document. To qualify for this Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operating guide, and a communications device.

The successful preparation of this report owes much to the efficient and dedicated efforts of the Finance Department and City staff, our Audit Committee, and the Independent Auditors. Our sincere appreciation extends to all employees who played a vital role in this process. Additionally, we express gratitude to the Mayor, City Council, City Manager, and Assistant City Manager for their unwavering support in planning and executing the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Finance Department

City of Haltom City


CITIZENS OF HALTOM CITY
MAYOR AND CITY COUNCIL
Boards and Commissions
City Attorney
Municipal Judge
City Secretary
CITY MANAGER
Assistant City Manager
Director of Finance
Finance
Purchasing
Utility Billing
Municipal Court
Director of Planning & Community Development
Planning & Community Development
Inspection Services
Code Enforcement
Director of Parks & Recreation
Parks Maintenance
Recreation Senior Center
Beautification
Information Technology
HCTV
Director of Public Works
Administration
Engineering
Facilities
Street & Drainage
Water & Sewer Construction
Water & Sewer Maintenance
Collection & Distribution
Director of Library Services
Library
Animal Services
Economic Development
Fire Chief
Administration
Fire Services
Fire Suppression
Director of Community Preparedness and Outreach
Emergency Management
Communication and Marketing specialist
Administrative Assistant
Director of Human Resources & Risk Management
Human Resources & Risk Management
Police
Administration Auto Theft Task Force
Patrol Criminal Investigation
Professional Standards Records
Fleet Services

CITY COUNCIL

An Truong
Mayor

Lin Thompson
Place 1

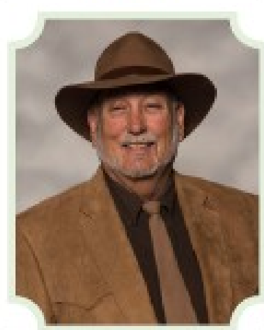
Kyle Hantz
Place 2

Ollie Anderson
Place 3

Scott Lindgren
Place 4

Troy Dunn
Place 5

Dana Coffman
Place 6



Don Cooper
Place 7

Management Staff

City Manager	Rex Phelps
Assistant City Manager	Sidonna Foust
City Secretary	Imelda Rodriguez
Director of Human Resources & Risk Management	Toni Beckett
Police Chief	Cody Phillips
Fire Chief	Brian Jacobs
Director of Community Preparedness & Outreach	Bryce Davis
Director of Finance	Stormy Johnson
Director of Information Technology	Dave Klopfenstein
Municipal Judge	Lorraine Irby
Director of Library Services	Erica Gill
Director of Parks & Recreation	Christi Pruitt
Director of Planning & Community Development	Glenna Batchelor
Director of Public Works	Gregory Van Nieuwenhuize

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Haltom City
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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2821 West 7th Street, Suite 700
Fort Worth, Texas 76107
817-332-7905

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas (the City) as of and for the year ended September 30, 2025, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter – GASB 101

As discussed in Note 18 to the basic financial statements, during the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Error Correction

The basic financial statements (financial statements) of the City for the year ended September 30, 2024 were audited by another auditor who expressed unmodified opinions on those statements on February 24, 2025. As part of our audit of the September 30, 2025 financial statements, we also audited the adjustments discussed in Note 18 that were applied to restate the 2024 financial statements for certain errors. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2024 financial statements of the City other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole.

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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements.

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

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.

Other Supplementary Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026, 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 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.

Fort Worth, Texas
March 17, 2026

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) offers an insightful overview of the City of Haltom City's financial performance and position for the fiscal year concluding on September 30, 2025. Designed to enhance reader understanding, this analysis should be read in conjunction with the transmittal letter and the City's financial statements following this section.

Financial Highlights

- **Net Position** for governmental activities increased by $11.6 million, and the business-type activities increased net position by $13.9 million, resulting in a total increase in net position of $25.5 million (10%) to $257.5 million.
- **Cash and investments** in government funds decreased $4.5 million which was offset by a $9.4 million increase in the proprietary funds resulting in a net increase of $4.9 million.
- **Transfer** of $1 million from the General Fund to the Internal Service Fund for the start-up funding for the internal service fund for the purpose of centralization and replacement of information technology hardware.
- **Restated beginning balances** due to the City implementing GASB Statement No. 101 and prior period adjustments related to accrued insurance and arbitrage liabilities.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

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

Additional supplementary information is also included in this report.

Government-wide Financial Statements

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

The statement of net position presents information on the City's assets, deferred outflows, liabilities, and deferred inflows; with the difference reported as the net position. The increases or decreases in the net position over time 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 City's net position changed during the 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities**: Governmental activities encompass the core services provided by the City, covering essential areas such as police, fire, street maintenance, culture and recreation, and general administration. Funding for these fundamental services is primarily derived from diverse sources, including sales taxes, property taxes, franchise fees, and charges for services.
- **Business-type activities**: The City charges a fee to customers to cover all or most of the cost associated with specific services provided. The City's business type activities include the provision of water and sewer systems, as well as the management of the drainage utility system. In these areas, the City operates as a service provider, ensuring the sustainability and functionality of critical infrastructure while recovering costs through user fees.

The government-wide financial statements include not only the City itself, referred to as the primary government, but also includes the Crime Control District as a legally separate entity. The Crime Control District is specifically responsible for the accumulation and utilization of sales tax proceeds earmarked for crime reduction programs. Additional information on this component unit can be found in Note 1 in the notes to the financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are mandated by State law; others are established by the City to manage funds for specific purposes or to demonstrate legal responsibilities tied to particular revenues.

The City's three kinds of funds, governmental funds, proprietary funds, and fiduciary funds use different accounting approaches. This three-fund approach ensures a comprehensive and nuanced representation of the City's financial landscape, enabling a thorough understanding of its diverse financial activities and obligations.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide an insight into *short-term* financial position and liquidity. Reconciliations are provided to explain the differences between governmental fund results and governmental activities reported in the government-wide financial statements located in the sections to the Basic Financial Statements.

Proprietary funds: Proprietary funds account for operations that are intended to be self-supporting and are reported using full accrual accounting, consistent with government-wide financial statements. When the City charges customers for the full cost of services—either to the public (enterprise funds) or internally to other departments (internal service funds)—those activities are reported as proprietary funds. Enterprise funds correspond to the City's business-type activities in the government-wide statements but provide additional detail, including cash flow information.

Fiduciary Funds: The fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting. Reporting is oriented toward providing accountability for the sources, uses, and balances of resources held for others; therefore, the additions and deductions in fiduciary balances are reported.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-retirement healthcare benefits to its employees. This report also contains combined financial statements, as well as individual detailed budgetary comparisons for all non-major governmental funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of the City's Financial Position

As noted earlier, net position serves as a useful indicator of a government's financial position. For the City of Haltom City, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $257.5 million as of September 30, 2025. Of this total net position, approximately 48.2%, or $124.1 million, represents the City's investment in capital assets, including land, buildings, infrastructure, machinery, and right-to-use assets, net of outstanding debt related to their acquisition. Restricted net position totaled approximately $5.4 million, or 2%, and is reserved for specific purposes such as capital projects, public safety, tourism promotion, donor-restricted activities, and debt service. The remaining 50%, or approximately $128.0 million, is unrestricted and available to support ongoing governmental operations, future capital needs, and unforeseen contingencies.

The net position for governmental activities and business-type activities are summarized as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 97,300,888	$ 102,129,110	$ 83,890,376	$ 74,943,067	$ 181,191,264	$ 177,072,177
Capital assets	141,212,952	132,641,656	59,831,298	55,092,394	201,044,250	187,734,050
Total assets	238,513,840	234,770,766	143,721,674	130,035,461	382,235,514	364,806,227
Total deferred outflows of resources	7,124,883	10,077,696	967,610	1,368,154	8,092,493	11,445,850
Liabilities:						
Other liabilities	11,550,503	10,178,989	4,778,257	3,906,110	16,328,760	14,085,099
Long-term liabilities outstanding	103,303,581	117,001,971	8,754,928	10,774,555	112,058,509	127,776,526
Total liabilities	114,854,084	127,180,960	13,533,185	14,680,665	128,387,269	141,861,625
Total deferred inflows of resources	3,881,182	1,886,067	529,300	256,054	4,410,482	2,142,121
Net position:						
Net investment in capital assets	70,362,140	58,579,976	53,732,607	48,385,309	124,094,747	106,965,285
Restricted	5,432,390	24,611,843	-	-	5,432,390	24,611,843
Unrestricted	51,108,927	32,589,616	76,894,192	68,081,587	128,003,119	100,671,203
Total net position	$ 126,903,457	$ 115,781,435	$ 130,626,799	$ 116,466,896	$ 257,530,256	$ 232,248,331

Restating the impact to change in fund balance and change in net position for year ended September 30, 2024 and prior related to health insurance payable, GASB 101 implementation and arbitrage liabilities (See Note 18) was not practicable due to the restatement accumulating over multiple periods.

<u>Analysis of the City's operations</u>

The City of Haltom City's net position increased by $25.5 million to $257.5 million during the current fiscal year. This growth consisted of a $11.6 million increase in governmental activities and a $13.9 million increase in business-type activities. The contributing factor was approximately $7.7 million in interest and investment earnings, reflecting continued favorable market returns compared to historical averages although $800 thousand less than the previous year. In addition, business-type activities experienced strong operating performance, with total enterprise revenues of approximately $34.9 million, supported by utility operations and $3.4 million in capital contributions. Governmental revenues remained strong, driven primarily by stable property and sales tax collections. Together, these factors helped offset rising operating and infrastructure costs while reinforcing the City's overall financial stability.

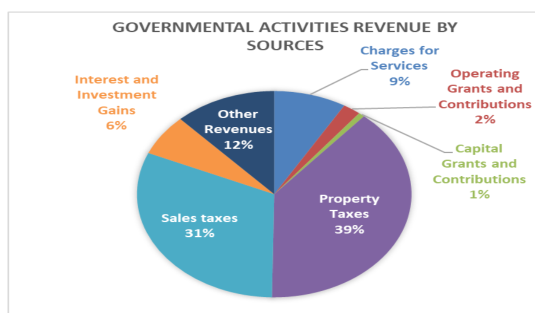
Details are listed as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 5,246,380	$ 5,342,762	$ 31,481,958	$ 32,692,642	$ 36,728,338	$ 38,035,404
Operating grants and contributions	1,293,464	437,020	14,999	-	1,308,463	437,020
Capital grants and contributions	446,435	446,470	3,424,850	528,675	3,871,285	975,145
General revenues:						
Taxes:						
Property taxes levied for general purposes	23,949,755	22,136,941	-	-	23,949,755	22,136,941
Other taxes	24,107,454	23,206,581	-	-	24,107,454	23,206,581
Gain on sale of capital assets	1,567,703	-	-	-	1,567,703	-
Other revenues	944,300	250,808	-	-	944,300	250,808
Investment income	4,273,635	4,906,435	3,408,981	3,643,608	7,682,616	8,550,043
Total revenues	61,829,126	56,727,017	38,330,788	36,864,925	100,159,914	93,591,942
Expenses:						
General government	15,511,130	14,294,525	-	-	15,511,130	14,294,525
Public safety	26,562,579	23,743,389	-	-	26,562,579	23,743,389
Streets	2,531,067	2,434,923	-	-	2,531,067	2,434,923
Culture and recreation	4,102,426	3,682,768	-	-	4,102,426	3,682,768
Interest and other fees	2,437,437	2,048,661	-	-	2,437,437	2,048,661
Water and wastewater	-	-	21,284,741	20,786,877	21,284,741	20,786,877
Drainage	-	-	2,187,245	1,922,606	2,187,245	1,922,606
Total expenses	51,144,639	46,204,266	23,471,986	22,709,483	74,616,625	68,913,749
Change in net position before transfers	10,684,487	10,522,751	14,858,802	14,155,442	25,543,289	24,678,193
Transfers	923,976	(876,032)	(923,976)	876,032	-	-
Change in net position	11,608,463	9,646,719	13,934,826	15,031,474	25,543,289	24,678,193
Net position - beginning	115,781,435	106,134,716	116,466,896	101,435,422	232,248,331	207,570,138
Restatement	(486,441)	-	359,116	-	(127,325)	-
GASB 101 Implementation	-	-	(134,039)	-	(134,039)	-
Net position - beginning, as restated	115,294,994	106,134,716	116,691,973	101,435,422	231,986,967	207,570,138
Net position - ending	$ 126,903,457	$ 115,781,435	$ 130,626,799	$ 116,466,896	$ 257,530,256	$ 232,248,331

Governmental Activities

In the fiscal year's closing, the Net Position of governmental activities totaled $126.9 million compared to the prior year's $115.8 million (as restated). This growth was primarily driven by revenues exceeding expenditures by 21% during the current year. Total revenues increased from $56.7 million to $61.8 million, largely due to an 8% increase in property taxes and 3.8% increase in Sales Tax and other taxes. Meanwhile expenses also rose from $46.2 million to $51.1 driven by personnel costs, equipment replacement, and operations associated with the completion of the Law Enforcement building and the new City Hall. Key changes in revenues and expenses are as follows:

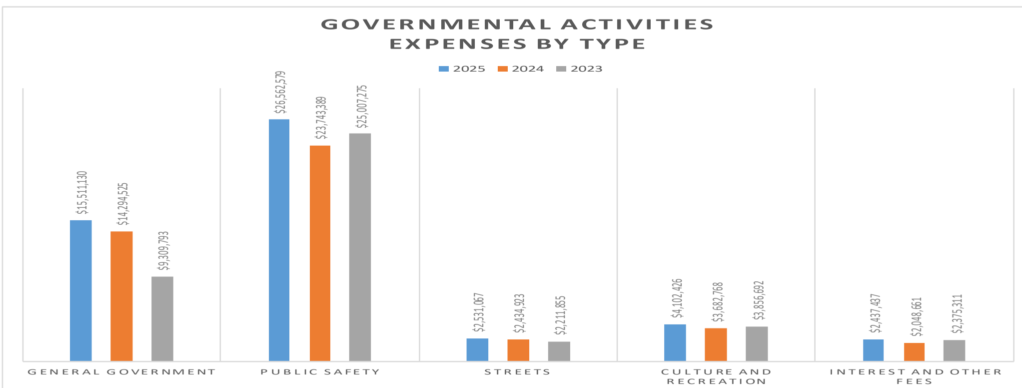
Revenues:



- Property tax revenues increased $1.8 million (8%) compared to the prior year resulting in $23.9, reflecting growth in taxable assessed values and continued stability in the City's property tax base. The increase supports ongoing operational needs while maintaining a competitive tax rate.
- Sales tax revenues increased approximately $900,000 (5%) over the prior year resulting in $19.2 million, demonstrating continued economic activity and strength in the City's retail and commercial sectors. Sales tax remains one of the City's most significant and elastic revenue sources.
- Interest and investment gains earnings totaled approximately $4.3 million, remaining significantly above historical averages due to favorable interest rate conditions and disciplined cash management practices. Although below the prior year's elevated earnings of $4.9 million, returns continue to contribute meaningfully to governmental revenues.

Expenses:

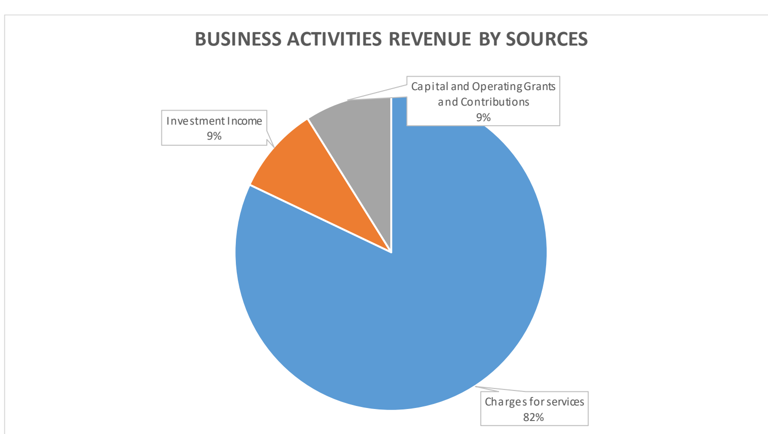
- To remain competitive and retain employees, wages and benefits have increased, resulting in approximately 5% raise as the City implemented competitive compensation adjustments and added key positions, including an Economic Development Director and a Marketing/Communications position, to support long-term revenue growth and organizational stability.
- The City allocated approximately $1.0 million in FY2025 to establish an IT Internal Service Fund to centralize technology costs and implement a structured replacement schedule, improving long-term planning and cost transparency.
- Governmental activities' issuance of lease expense for vehicles totaled approximately $2.7 million in FY2025, compared to $1.7 million in FY2024, reflecting continued implementation of GASB 87 through the capitalization of additional leases. These amounts do not represent new cash expenditures.
- The City invested $1 million in economic incentives to support development initiatives.



Business-type Activities

Net position for business-type activities totaled $130.6 million at the end of fiscal year 2025, compared to $116.5 million in the prior year, representing an increase of approximately $13.9 million. Net position in business-type activities is restricted to supporting the operations, capital needs, and long-term sustainability of the City's utility and drainage systems.

Total revenues for business-type activities increased from $36.9 million to $38.3 million, primarily driven by growth in service charges and utility rate adjustments. Total expenses increased to approximately $23.5 million, reflecting higher operating and maintenance costs within both the water/sewer and drainage systems. The $1.4 million increase in revenues offset the $800 thousand rise in expenses, allowing business-type activities to generate positive operating net revenues which are retained within the utility funds and positioned to support future capital improvements, system upgrades, and ongoing maintenance of the City's water, sewer, and drainage infrastructure.

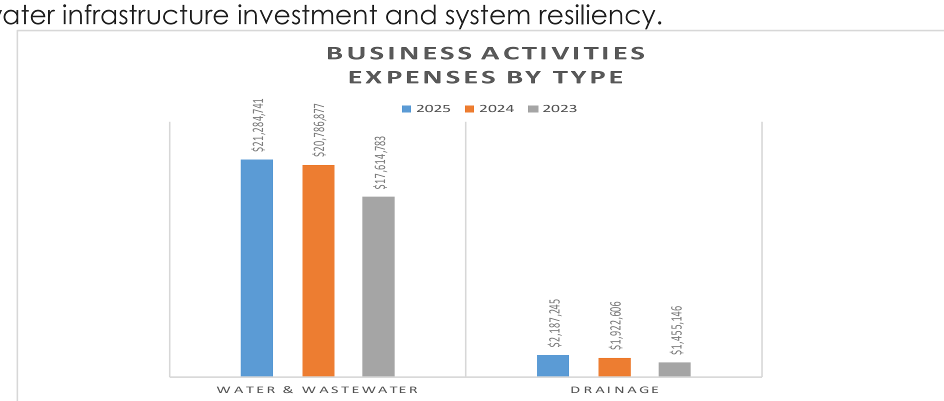


Water and Sewer Fund:

- Total revenues in FY2025 were $35.8 million, compared to $35.3 million in FY2024, reflecting overall stability. Operating revenues declined from $30.6 million to $29.4 million (down 3.9%) due to lower water consumption resulting from milder temperatures and increased rainfall. Interest earnings decreased from $3.2 million to $2.9 million (down 9%) as market rates moderated. These decreases were offset by an increase in capital contributions from $1.5 million to $3.4 million, supporting continued capital investment.
- Operating expenses increased from $20.7 million to $21.1 million (up 1.2%). The increase was primarily driven by approximately $500,000 in higher personnel-related costs, including a $146,000 non-cash pension and OPEB accrual required under GASB 68 and 75, along with $200,000 in bad debt expense. Collections and Distributions had a 4.8% reduction in costs due to lower water usage and reduced purchased treatment costs. Overall expense growth remained moderate and aligned with operational and regulatory demands.

Drainage Fund:

- In FY2025, total Drainage Fund revenues declined to approximately $2.55 million, compared to $2.85 million in FY2024, a decrease of 11%, attributable to the absence of prior-year capital contributions. Operating revenue remained stable, increasing slightly from $2,050,833 to $2,058,589 (up 0.4%), reflecting consistent drainage fee collections.
- On the expense side, maintenance costs increased by $274,907, reflecting expanded stormwater system upkeep and infrastructure preservation efforts. Additionally, the fund received a $3,000,000 transfer in from the water and sewer fund to support the City's Capital Improvement Program (CIP) drainage projects, reinforcing the City's long-term commitment to stormwater infrastructure investment and system resiliency.



<u>Analysis of City's Funds</u>

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

As of the end of fiscal year 2025, the City's governmental funds reported a combined ending fund balance of approximately $91.3 million, reflecting a modest decrease of $412 thousand (less than 1%) from the prior year. The slight reduction is primarily attributable to planned expenditure for the completion of the new City Hall, renovation of North Park, and ongoing street reconstruction projects. Of the total fund balance, approximately 0.2% is nonspendable for inventory and prepaid items, 39.5% is restricted for capital projects, and 5.1% is restricted for other specific purposes. 3.7% is committed for capital projects, and 16.5% is assigned. This leaves 35.0% as unassigned fund balance available for discretionary use. This level of unassigned fund balance continues to provide the City with strong liquidity and financial flexibility to respond to future operational and capital needs.

The General Fund is the City's primary operating fund and finances essential governmental services. Revenues are primarily derived from property taxes (36%) and sales and use taxes (35%), with the remainder from service fees, permits, interest, and other sources. In fiscal year 2025, operating revenues totaled $43.2 million, with an additional $471.8 thousand in net other financing sources, while expenditures totaled approximately $42.8 million, resulting in a $863 thousand increase in fund balance. The General Fund ended the year with a total fund balance of $47.2 million, up from $46.3 million (restated) in the prior year, supporting public safety, street maintenance, cultural and recreational services, and general government operations.

The Capital Improvement Fund ended fiscal year 2025 with a fund balance of approximately $13.7 million, a decrease from $17.8 million in the prior year, reflecting planned expenditures associated with the completion of major bond-funded projects, including the North Park renovation and the new City Hall.

The Debt Service Fund year ending fund balance remained steady at $2.9 million, reflecting a modest $38.8 thousand growth from the previous year. The City mandates a cap of the general obligation annual debt requirements to 25% of General Fund expenditures. For fiscal year 2025, debt service represented approximately 18.3% of General Fund expenditures, remaining 6.7 percentage points below the policy cap and slightly lower than the prior year.

The Street Reconstruction Fund is financed through 0.375% of the City's 8.25% local sales and use tax allocation, in addition to interest earnings on accumulated fund balances. At the end of fiscal year 2025, the fund reported an ending fund balance of approximately $21.2 million, representing an increase of $575.3 thousand from the prior year. During the fiscal year, revenues totaled approximately $5.2 million, while expenditures and transfers for street maintenance activities totaled approximately $4.6 million, resulting in a net increase in fund balance.

Other governmental funds are reported as combined nonmajor funds due to their relative size and restricted purposes. These funds include the Hotel/Motel Tax Fund, Tax Increment Reinvestment Zone funds, various donations and grant funds, the Court Technology Fund, and other legally restricted funds that are not individually significant. For fiscal year 2025, these funds reported approximately $2.0 million in revenues, $4.7 million in expenditures, and $5.1 million in other financing sources, resulting in a $2.3 million increase in fund balance. Beginning fund balance was approximately $3.9 million, with an ending balance of approximately $6.3 million, all of which remains restricted for its designated purposes.

Proprietary funds encompass all the funds' finances, which have already been addressed in the overview of the City of Haltom City's Business-Type Activities. These funds include the Enterprise Funds for Water/Sewer and Drainage, as well as the newly established Internal Service Fund for Information Technology (IT) and are reported using full accrual accounting. Enterprise funds account for utility services provided to the public, while the Internal Service Fund accounts for services provided internally to City departments.

In fiscal year 2025, the City established the Information Technology Internal Service Fund to centralize IT operations and implement a structured technology replacement program. A $1.0 million transfer from the General Fund to the Internal Service Fund initially funded the service and will be supported through internal service charges to departments, enhancing cost transparency, strengthening lifecycle asset planning, and promoting long-term financial sustainability.

Capital Asset and Debt Administration

Capital Assets - As of September 30, 2025, the City had $201 million invested in capital assets, net of accumulated depreciation of $143.2 million. These assets include police and fire equipment, buildings, parking facilities, roads, water, sewer, and stormwater facilities. This figure reflects a net increase of $13.3 million (7.1%) from the previous year, primarily attributed to the recognition of the new City Hall and North Park renovation, currently classified as Construction in Progress until its expected completion in late 2025.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 15,803,948	$ 15,803,948	$ 6,125,273	$ 6,125,273	$ 21,929,221	$ 21,929,221
Buildings	11,585,496	12,334,602	21,790,762	41,069,398	33,376,258	53,404,000
Improvements	33,217,438	34,903,492	-	-	33,217,438	34,903,492
Machinery and equipment	6,747,709	4,326,800	3,689,316	3,226,602	10,437,025	7,553,402
Waterworks and sewer system	-	-	22,251,335	1,078,287	22,251,335	1,078,287
Right to use:						
Subscriptions	2,168,359	2,352,772	-	-	2,168,359	2,352,772
Machinery and equipment	3,353,743	1,657,153	-	-	3,353,743	1,657,153
Construction in progress	68,336,259	61,262,889	5,967,704	3,592,834	74,303,963	64,855,723
Total	$ 141,212,952	$ 132,641,656	$ 59,824,390	$ 55,092,394	$ 201,037,342	$ 187,734,050

The Right-to-Use asset classification within the Capital Asset schedule reflects the GASB Statement No. 87, Leases, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). In fiscal year 2025, the City recognized approximately $2.7 million in right-to-use assets related to leased machinery and equipment, primarily vehicles. Additionally, under GASB 96, the City recognized approximately $124.1 thousand in right-to-use subscription assets associated with qualifying software and technology agreements.

Additional information on the City of Haltom City's capital assets can be found in Note 6 of this report.

Long-term Liabilities - The City's underlying AA bond rating from Standard & Poor's was upgraded in 2024, reflecting its strong financial management, fiscal responsibility, and adherence to governmental accounting standards. At the end of the current fiscal year, the City had total general obligation bonds, refunding bonds, certificates of obligation, tax notes, premium on bonds, compensated absences, and leases payable outstanding of $95.4 million. Of this amount, $88.7 million was from governmental activities, $6.7 million were from business-type activities.

The City had total bonded debt outstanding of $83.1 million. Of this amount, $77.0 million was comprised of debt backed by the full faith and credit of the City and $6.1 million represents bonds secured by the full faith and credit of the City but serviced by specific revenue sources from the proprietary funds. The 2024 bond rating increase strengthens the City's ability to secure favorable financing terms, supporting future infrastructure investments and ensuring long-term financial stability.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Certificates of obligations	$ 13,965,000	$ 15,375,000	$ 3,755,000	$ 4,020,000	$ 17,720,000	$ 19,395,000
General obligation bonds	59,005,000	62,770,000	2,315,000	2,670,000	61,320,000	65,440,000
Premium on bond issuance	4,036,404	4,394,472	-	-	4,036,404	4,394,472
Total bonded debt	77,006,404	82,539,472	6,070,000	6,690,000	83,076,404	89,229,472
Compensated absences	4,804,325	4,686,168	612,365	482,958	5,416,690	5,169,126
Arbitrage liability	1,192,284	1,145,455	-	-	1,192,284	1,145,455
Subscription liability	1,417,012	1,652,474	-	-	1,417,012	1,652,474
Lease liability	4,288,186	2,516,176	-	-	4,288,186	2,516,176
Total other long-term debt	11,701,807	10,000,273	612,365	482,958	12,314,172	10,483,231
Total long-term debt	$ 88,708,211	$ 92,539,745	$ 6,682,365	$ 7,172,958	$ 95,390,576	$ 99,712,703

Additional information on the City's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets And Rates

The City's budgetary flexibility remains strong, supported by solid fund reserves and continued economic growth. A favorable local economy has allowed the City to make strategic financial decisions, balancing fiscal responsibility with investments in infrastructure and workforce development. When setting the fiscal year 2026 budget, elected and appointed officials carefully evaluated multiple factors, particularly the tax rate, to ensure economic competitiveness. Efforts to maintain a lower tax rate, following the City's 10-year high of 0.699990, are expected to further attract revenue-generating businesses and support long-term growth.

Highlights of the 2026 budget include:

- Lower property tax rate to $0.55729 per $100 value
- 5% salary increase for employees to retain and attract great staff
- Total City budget of $157.1 million

VI. REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Department at 4801 Haltom Road, Haltom City, Texas.

Basic Financial Statements

City of Haltom City, Texas
Statement of Net Position
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Crime Control District
ASSETS				
Cash and investments	$ 91,906,601	$ 78,847,317	$ 170,753,918	$ 5,221,267
Receivables, net:				
Taxes	110,173	-	110,173	-
Accounts receivable	-	4,673,618	4,673,618	-
Intergovernmental	3,600,409	-	3,600,409	475,938
Accrued interest	75,688	65,102	140,790	4,330
Other	1,392,279	-	1,392,279	-
Inventory	184,002	304,339	488,341	-
Prepaid items	31,736	-	31,736	-
Capital assets				
Land	15,803,948	6,125,273	21,929,221	-
Construction in progress	68,336,259	5,974,612	74,310,871	-
Building and improvements	25,475,238	35,495,170	60,970,408	-
Improvements other than buildings	94,892,749	-	94,892,749	-
Water and sewer system	-	55,391,697	55,391,697	-
Machinery and equipment	19,157,670	8,483,109	27,640,779	-
Right to use assets:				
Machinery and equipment	5,984,191	-	5,984,191	-
Subscriptions	3,172,577	-	3,172,577	-
Less accumulated depreciation/amortization	(91,609,680)	(51,638,563)	(143,248,243)	-
Total assets	238,513,840	143,721,674	382,235,514	5,701,535
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	6,814,107	925,089	7,739,196	187,871
OPEB related (RHP)	287,310	39,272	326,582	7,928
OPEB related (SDBF)	23,466	3,249	26,715	654
Total deferred outflows of resources	7,124,883	967,610	8,092,493	196,453

City of Haltom City, Texas
Statement of Net Position - Continued
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Crime Control District
LIABILITIES				
Accounts payable	$ 1,706,655	$ 2,367,951	$ 4,074,606	$ 85,693
Accrued liabilities	1,002,455	139,166	1,141,621	46,247
Accrued interest payable	425,758	31,853	457,611	-
Customer deposits	-	1,238,123	1,238,123	-
Retainage payable	39,837	28,691	68,528	-
Unearned revenue	569,069	-	569,069	-
Noncurrent liabilities:				
Due within one year				
Long-term debt	7,806,729	972,473	8,779,202	47,314
Due in more than one year				
Long-term debt	80,901,482	5,709,892	86,611,374	189,244
Net pension liability	19,871,340	2,697,749	22,569,089	547,872
Net OPEB liability - RHP	1,752,514	239,545	1,992,059	48,358
Total OPEB liability - SDBF	778,245	107,742	885,987	21,694
Total liabilities	114,854,084	13,533,185	128,387,269	986,422
DEFERRED INFLOWS OF RESOURCES				
Pension related	1,675,357	227,448	1,902,805	46,191
OPEB related (RHP)	2,008,910	274,591	2,283,501	55,433
OPEB related (SDBF)	196,915	27,261	224,176	5,489
Total deferred inflows of resources	3,881,182	529,300	4,410,482	107,113
NET POSITION				
Net investment in capital assets	70,362,140	53,732,607	124,094,747	-
Restricted for:				
Capital projects	1,152,892	-	1,152,892	-
Donor restrictions for libraries, parks and law enforcement	900,925	-	900,925	-
Debt service	2,566,991	-	2,566,991	-
Promotion of tourism and business	562,230	-	562,230	-
Public safety	249,352	-	249,352	-
Unrestricted	51,108,927	76,894,192	128,003,119	4,804,453
TOTAL NET POSITION	$ 126,903,457	$ 130,626,799	$ 257,530,256	$ 4,804,453

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

City of Haltom City, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2025

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	$ 15,511,130	$ 3,633,264	$ 1,488	$ -
Public Safety	26,562,579	1,359,802	1,257,657	114,142
Streets	2,531,067	78,890	-	167,043
Culture and recreation	4,102,426	174,424	34,319	165,250
Interest	2,437,437	-	-	-
Total governmental activities	51,144,639	5,246,380	1,293,464	446,435
Business-type activities:				
Water and sewer services	21,284,741	29,423,369	14,999	3,424,850
Drainage services	2,187,245	2,058,589	-	-
Total business-type activities	23,471,986	31,481,958	14,999	3,424,850
TOTAL PRIMARY GOVERNMENT	$ 74,616,625	$ 36,728,338	$ 1,308,463	$ 3,871,285
COMPONENT UNIT				
Operating grants and contributions	$ -	$ -	$ -	$ -
Expenses	-	-	-	-
TOTAL COMPONENT UNITS	-	-	-	-

GENERAL REVENUES
Property taxes, penalty and interest
Sales taxes
Franchise taxes
Occupancy taxes
Oil and gas leases
Mixed beverage and bingo taxes
Interest and investment gains
Miscellaneous
Sale of land
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as previously reported
Change in accounting principle - GASB 101
Correction of error

Net position - beginning, as restated

NET POSITION, END OF YEAR

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

Net (Expense) Revenue and Changes in Net Position				Component Unit
	Primary Government			Crime Control District
	Governmental Activities	Business-type Activities	Total	
	$ (11,876,378)	$ -	$ (11,876,378)	$ -
	(23,830,978)	-	(23,830,978)	-
	(2,285,134)	-	(2,285,134)	-
	(3,728,433)	-	(3,728,433)	-
	(2,437,437)	-	(2,437,437)	-
	(44,158,360)	-	(44,158,360)	-
	-	11,578,477	11,578,477	-
	-	(128,656)	(128,656)	-
	-	11,449,821	11,449,821	-
	$ (44,158,360)	$ 11,449,821	$ (32,708,539)	$ -
	$ -	$ -	$ -	$ 610,104
	-	-	-	(3,103,463)
	-	-	-	(2,493,359)
	23,949,755	-	23,949,755	-
	19,238,917	-	19,238,917	2,668,176
	4,534,974	-	4,534,974	-
	238,751	-	238,751	-
	248,332	-	248,332	-
	94,812	-	94,812	-
	4,273,635	3,408,981	7,682,616	234,788
	695,968	-	695,968	-
	1,567,703	-	1,567,703	-
	923,976	(923,976)	-	-
	55,766,823	2,485,005	58,251,828	2,902,964
	11,608,463	13,934,826	25,543,289	409,605
	115,781,435	116,466,896	232,248,331	4,416,222
	-	(134,039)	(134,039)	(169,412)
	(486,441)	359,116	(127,325)	148,038
	115,294,994	116,691,973	231,986,967	4,394,848
	$ 126,903,457	$ 130,626,799	$ 257,530,256	$ 4,804,453

City of Haltom City, Texas
Balance Sheet - Governmental Funds
September 30, 2025

	General	Debt Service	Street Reconstruction Capital Projects
ASSETS			
Cash and investments	$ 46,774,636	$ 2,938,056	$ 20,703,011
Receivables (net of allowance):			
Taxes	68,806	41,367	-
Intergovernmental	2,782,747	10,908	744,302
Accrued interest	38,345	2,418	17,169
Other	1,326,246	-	61,763
Due from other funds	19,233	-	-
Prepaid items	-	-	-
Inventory	184,002	-	-
TOTAL ASSETS	$ 51,194,015	$ 2,992,749	$ 21,526,245
LIABILITIES			
Accounts payable	$ 1,409,159	$ -	$ 247,610
Accrued liabilities	1,962,928	-	-
Retainage payable	-	-	39,837
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	3,372,087	-	287,447
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	72,476	41,367	-
Unavailable revenue - court fines	552,758	-	-
Unavailable revenue - street assessments	19,430	-	-
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	644,664	41,367	-
FUND BALANCES			
Nonspendable:			
Prepaid items	-	-	-
Inventory	184,002	-	-
Restricted for:			
Construction of capital assets	-	-	21,238,798
Promotion of tourism	-	-	-
Grantors, trustees and donors	-	-	-
Public safety	-	-	-
Debt service	-	2,951,382	-
Committed for purchase of capital assets	-	-	-
Assigned for:			
Subsequent year's budget	15,031,330	-	-
Unassigned	31,961,932	-	-
Total fund balances	47,177,264	2,951,382	21,238,798
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 51,194,015	$ 2,992,749	$ 21,526,245

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

	Capital Improvements	Other Governmental	Total Governmental Funds
	$ 14,254,008	$ 6,233,673	$ 90,903,384
	-	-	110,173
	-	62,452	3,600,409
	11,839	5,917	75,688
	-	4,270	1,392,279
	-	-	19,233
	-	31,736	31,736
	-	-	184,002
	$ 14,265,847	$ 6,338,048	$ 96,316,904
	$ 26,074	$ 23,812	$ 1,706,655
	-	392	1,963,320
	-	-	39,837
	-	19,233	19,233
	569,069	-	569,069
	595,143	43,437	4,298,114
	-	-	113,843
	-	-	552,758
	-	-	19,430
	-	36,802	36,802
	-	36,802	722,833
	-	31,736	31,736
	-	-	184,002
	13,670,704	1,152,892	36,062,394
	-	562,230	562,230
	-	900,925	900,925
	-	249,352	249,352
	-	-	2,951,382
	-	3,379,907	3,379,907
	-	-	15,031,330
	-	(19,233)	31,942,699
	13,670,704	6,257,809	91,295,957
	$ 14,265,847	$ 6,338,048	$ 96,316,904

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City of Haltom City, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 91,295,957
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		141,212,952
Internal service assets are not reported in the governmental funds.		1,003,217
Deferred outflow of resources are not reported in the governmental funds:		
Deferred outflow related to pensions	$ 6,814,107	
Deferred outflow related to retiree health plan OPEB	287,310	
Deferred outflow related to SDBF OPEB	23,466	7,124,883
Revenues earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements.		722,833
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	$ (72,970,000)	
Premium on bond issuance	(4,036,404)	
Accrued interest payable	(425,758)	
Arbitrage	(1,192,284)	
Net pension liability	(19,871,340)	
Net OPEB liability - retiree health plan	(1,752,514)	
Total OPEB liability - SDBF OPEB	(778,245)	
Compensated absences (Less amounts using current financial resources)	(3,843,460)	
Subscriptions payable	(1,417,012)	
Leases payable	(4,288,186)	(110,575,203)
Deferred inflows of resources are not reported in the governmental funds.		
Deferred inflows related to pensions	$ (1,675,357)	
Deferred inflows related to retiree health plan OPEB	(2,008,910)	
Deferred inflows related to SDBF OPEB	(196,915)	(3,881,182)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 126,903,457

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

City of Haltom City, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended September 30, 2025

	General	Debt Service	Street Reconstruction Capital Projects
REVENUES			
Taxes	$ 35,155,645	$ 7,762,110	$ 4,122,633
Licenses and permits	1,743,664	-	-
Intergovernmental	197,305	-	167,043
Fines and fees	1,340,729	-	-
Charges for services	1,733,562	-	-
Oil and gas lease	98,277	-	-
Contributions	3,770	-	-
Interest and investment gains (losses)	2,295,754	111,638	890,895
Miscellaneous	680,382	-	-
Total revenues	43,249,088	7,873,748	5,180,571
EXPENDITURES			
Current:			
General government	10,672,423	-	-
Public safety	24,480,141	-	-
Streets	1,423,593	-	884,144
Cultural and recreation	3,666,623	-	-
Debt service:			
Principal	349,602	5,175,000	-
Interest and other	24,004	2,647,207	-
Bond issuance costs	-	25,845	-
Capital outlay	2,241,230	-	2,521,163
Total expenditures	42,857,616	7,848,052	3,405,307
Excess (deficiency) of revenues over (under) expenditures	391,472	25,696	1,775,264
OTHER FINANCING SOURCES (USES)			
Issuance of lease	-	-	-
Issuance of SBITA	124,162	-	-
Sale of capital assets	1,567,703	-	-
Transfers in	1,900,976	-	-
Transfers out	(3,121,000)	-	(1,200,000)
Total other financing sources (uses)	471,841	-	(1,200,000)
Net change in fund balances	863,313	25,696	575,264
Fund balances, beginning of year, as previously reported	46,377,899	2,912,597	20,663,534
Correction of error	(63,948)	13,089	-
Fund balances, beginning of year, as restated	46,313,951	2,925,686	20,663,534
FUND BALANCES, END OF YEAR	$ 47,177,264	$ 2,951,382	$ 21,238,798

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

Capital Improvements	Other Governmental	Total Governmental Funds
$ -	$ 1,015,461	$ 48,055,849
-	-	1,743,664
1,143,686	385,178	1,893,212
-	59,045	1,399,774
-	126,403	1,859,965
-	-	98,277
-	217,917	221,687
765,054	207,077	4,270,418
-	15,586	695,968
1,908,740	2,026,667	60,238,814
-	589,710	11,262,133
-	89,714	24,569,855
-	-	2,307,737
-	219,337	3,885,960
65,470	881,861	6,471,933
2,854	84,325	2,758,390
-	-	25,845
6,716,926	2,873,855	14,353,174
6,785,250	4,738,802	65,635,027
(4,876,510)	(2,712,135)	(5,396,213)
-	2,709,318	2,709,318
-	-	124,162
-	-	1,567,703
-	2,376,000	4,276,976
-	(32,000)	(4,353,000)
-	5,053,318	4,325,159
(4,876,510)	2,341,183	(1,071,054)
17,837,341	3,916,626	91,707,997
709,873	-	659,014
18,547,214	3,916,626	92,367,011
$ 13,670,704	$ 6,257,809	$ 91,295,957

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City of Haltom City, Texas

Reconciliation of the Changes in Governmental Fund Balances
to the Change in Net Position of Government Activities
For the Fiscal Year Ended September 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (1,071,054)
Amounts reported for governmental activities in the Statement of Activities are:		
Capital assets used in governmental activities are not reported in the funds.		
Capital outlay		14,725,923
Disposal of capital assets		(304,281)
Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.		(5,850,346)
Certain unavailable revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		19,392
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net activity of the internal service fund of the City are reported within business-type activities.		1,003,217
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized on the statement of activities.		
Bonds, tax notes, leases payable and subscription payables	3,638,452	
Premium on bond issuance	358,068	
Accrued interest payable	(11,270)	
Net OPEB liability - retiree health plan, including deferred inflows and outflows of resources	256,622	
Total OPEB liability - SDBF OPEB, including deferred inflows and outflows of resources	2,241	
Compensated absences	(78,592)	
Net pension liability, including deferred inflows and outflows of resources	(1,079,909)	3,085,612
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 11,608,463

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

City of Haltom City, Texas
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Drainage Fund	Total Enterprise Funds	
ASSETS				
Current assets:				
Cash and investments	$ 66,298,215	$ 12,549,102	$ 78,847,317	$ 1,003,217
Receivables:				
Accounts receivable, net	4,386,346	287,272	4,673,618	-
Accrued interest	54,943	10,159	65,102	-
Inventory	304,339	-	304,339	-
Total current assets	71,043,843	12,846,533	83,890,376	1,003,217
Noncurrent assets:				
Land	522,999	5,602,274	6,125,273	-
Buildings and improvements	29,932,647	5,562,523	35,495,170	-
Water and sewer system	49,309,633	6,082,064	55,391,697	-
Machinery and equipment	6,616,070	1,867,039	8,483,109	-
Construction in progress	4,126,158	1,848,454	5,974,612	-
Accumulated depreciation	(45,320,489)	(6,318,074)	(51,638,563)	-
Total noncurrent assets	45,187,018	14,644,280	59,831,298	-
Total assets	116,230,861	27,490,813	143,721,674	1,003,217
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	814,110	110,979	925,089	-
Deferred outflow related to retiree health plan	34,555	4,717	39,272	-
Deferred outflow related to SDBF OPEB	2,860	389	3,249	-
Total deferred outflows of resources	851,525	116,085	967,610	-

City of Haltom City, Texas

Statement of Net Position - Continued
Proprietary Funds
September 30, 2025

	Business-Type Activities			
	Water and Sewer Fund	Drainage Fund	Total Enterprise Funds	Governmental Activities - Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	$ 2,296,073	$ 71,878	$ 2,367,951	$ -
Accrued interest payable	31,853	-	31,853	
Accrued liabilities	117,189	21,977	139,166	-
Retainage payable	21,783	6,908	28,691	-
Customer deposits	1,238,123	-	1,238,123	-
Due within one year				
Compensated absences	111,999	10,474	122,473	-
Revenue bonds payable	850,000	-	850,000	-
Total current liabilities	4,667,020	111,237	4,778,257	-
Noncurrent liabilities:				
Compensated absences	447,995	41,897	489,892	-
Net pension liability	2,374,112	323,637	2,697,749	-
Net OPEB liability - retiree health plan	210,775	28,770	239,545	-
Total OPEB liability - SDBF	94,853	12,889	107,742	-
Revenue bonds payable	5,220,000	-	5,220,000	-
Total noncurrent liabilities	8,347,735	407,193	8,754,928	-
Total liabilities	13,014,755	518,430	13,533,185	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	200,162	27,286	227,448	-
Deferred inflow related to retiree health plan	241,612	32,979	274,591	-
Deferred inflow related to SDBF OPEB	24,000	3,261	27,261	-
Total deferred inflows of resources	465,774	63,526	529,300	-
NET POSITION				
Net investment in capital assets	39,095,235	14,637,372	53,732,607	-
Unrestricted	64,506,622	12,387,570	76,894,192	1,003,217
TOTAL NET POSITION	$ 103,601,857	$ 27,024,942	$ 130,626,799	$ 1,003,217

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

City of Haltom City, Texas

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Business-Type Activities			
	Water and Sewer Fund	Drainage Fund	Total	Governmental Activities - Internal Service Fund
OPERATING REVENUES				
Water and sewer sales	$ 27,684,457	$ -	$ 27,684,457	$ -
Drainage fee revenue	-	2,058,589	2,058,589	-
Service fees	1,448,300	-	1,448,300	-
Administrative fees	37,938	-	37,938	-
Other	252,674	-	252,674	-
Total operating revenues	29,423,369	2,058,589	31,481,958	-
OPERATING EXPENSES				
General and administrative	5,708,006	529,519	6,237,525	-
Construction	418,955	39,736	458,691	-
Water and sewer maintenance	1,501,296	-	1,501,296	-
Collection and distribution	9,089,632	-	9,089,632	-
Drainage maintenance	-	871,523	871,523	-
Franchise fees	1,944,000	132,000	2,076,000	-
Depreciation	2,415,859	614,467	3,030,326	-
Total operating expenses	21,077,748	2,187,245	23,264,993	-
Operating income (loss)	8,345,621	(128,656)	8,216,965	-
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental revenues	14,999	-	14,999	-
Interest and investment gains	2,917,536	491,445	3,408,981	3,217
Interest expense and bond issuance costs	(206,993)	-	(206,993)	-
Total nonoperating revenues	2,725,542	491,445	3,216,987	3,217
Income before transfers and capital contributions	11,071,163	362,789	11,433,952	3,217
Capital contributions	3,424,850	-	3,424,850	-
Transfers in	-	3,000,000	3,000,000	1,000,000
Transfers out	(3,853,976)	(70,000)	(3,923,976)	-
Change in net position	10,642,037	3,292,789	13,934,826	1,003,217
Net position, beginning of year, as previously reported	92,873,519	23,593,377	116,466,896	-
Change in accounting principle - GASB 101	(123,233)	(10,806)	(134,039)	-
Correction of error	209,534	149,582	359,116	-
Net position, beginning of year, as restated	92,959,820	23,732,153	116,691,973	-
NET POSITION, END OF YEAR	$ 103,601,857	$ 27,024,942	$ 130,626,799	$ 1,003,217

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

City of Haltom, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Water and Sewage Fund	Drainage Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 29,946,791	$ 2,059,438	$ 32,006,229	$ -
Payments to suppliers	(13,678,397)	(545,875)	(14,224,272)	-
Payments to employees	(4,715,595)	(1,001,313)	(5,716,908)	-
Net cash provided by operating activities	11,552,799	512,250	12,065,049	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from governmental funds	-	3,000,000	3,000,000	1,000,000
Transfer to governmental funds	(3,853,976)	(70,000)	(3,923,976)	-
Net cash provided by (used in) noncapital financing activities	(3,853,976)	2,930,000	(923,976)	1,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt principal payments	(620,000)	-	(620,000)	-
Interest payments	(206,993)	-	(206,993)	-
Purchases of property and equipment	(3,821,004)	(523,376)	(4,344,380)	-
Net cash used in capital and related financing activities	(4,647,997)	(523,376)	(5,171,373)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	2,917,536	491,445	3,408,981	3,217
Net cash provided by investing activities	2,917,536	491,445	3,408,981	3,217
Net increase in cash and cash equivalents	5,968,362	3,410,319	9,378,681	1,003,217
Cash and investments, beginning of year	60,329,853	9,138,783	69,468,636	-
CASH AND INVESTMENTS, END OF YEAR	$ 66,298,215	$ 12,549,102	$ 78,847,317	$ 1,003,217
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 8,345,621	$ (128,656)	$ 8,216,965	$ -
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,415,859	614,467	3,030,326	-
Change in assets and liabilities				
Accounts receivable	517,584	(3,114)	514,470	-
Accrued interest	26,141	3,963	30,104	-
Inventory	(98,203)	-	(98,203)	-
Deferred outflows	352,498	48,046	400,544	-
Accounts payable and accrued liabilities	266,372	12,721	279,093	-
Compensated absences	(3,418)	(1,214)	(4,632)	-
Deferred inflows	240,437	32,809	273,246	-
Customer deposits	(20,303)	-	(20,303)	-
Net pension liability	(296,279)	(40,389)	(336,668)	-
OPEB liability	(193,510)	(26,383)	(219,893)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 11,552,799	$ 512,250	$ 12,065,049	$ -
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	$ 3,424,850	$ -	$ 3,424,850	$ -

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

City of Haltom, Texas
Statement of Net Position
Fiduciary Funds
September 30, 2025

		HRA
ASSETS		
Cash	$	53,788
Total assets		53,788
NET POSITION		
Net Position Restricted for HRA members	$	53,788

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

City of Haltom, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2025

		HRA
Additions		
Contributions - Employee	$	70,339
Investment income		620
Total additions		70,959
Deductions		
Benefit payments		17,171
Total deductions		17,171
Change in net position		53,788
Net position, beginning of year		-
Net position, end of year	$	53,788

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

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Note 1. Summary of Significant Accounting Policies

The City of Haltom City, Texas (the "City") adopted a Home Rule Charter on October 10, 1955, and operates under a Council/Manager form of government. The City Council consists of eight members: a mayor, and seven council members elected by the City's residents. All powers of the City are vested in an elected council that enacts local legislation, adopts budgets, determines policies, and appoints the City Manager. The City Manager is responsible for executing the laws and administering the government of the City.

The financial statements of the City are presented in accordance with accounting principles generally accepted in the United States of America applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies.

Financial Reporting Entity
The City's basic financial statements include the separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of accounting standards and defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either (a) the primary government must be able to impose its will, or (b) the primary government may potentially benefit financially or be financially responsible for the component unit.

Blended component units are part of the City's operations and therefore data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the financial statements to emphasize it is legally separate from the City.

Based on these criteria, the financial information of the following entity is discretely presented as a single column in the government-wide financial statements.

Haltom City Crime Control and Prevention District (the "District") was officially created on November 13, 1995 with the provision of Chapter 323, as amended, Texas Tax Code and the Act. The District is used to account for the accumulation and use of half-cent sales tax proceeds designed for crime reduction and is legally separate from the City. The District operates under a seven-member Board of Directors appointed by the City Council. The Board consists of non-council members. The City is able to impose its will on the District. The District does not provide services entirely, or almost entirely, to the primary government or exclusively benefit the primary government. Separate financial statements are not available for this component unit.

Resource flows (except those that affect the statement of net position only, such as loans and repayments) between the primary government and the discretely presented component units are reported as external transactions – that is, as revenues and expenses.

Government-wide Financial Statements
The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary activities are not reported in the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statement for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Elimination of these shares would distort the direct costs and program revenues reported for the various functions concerned.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are represented as general revenues.

Fund Financial Statements
Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major fund rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue such as property taxes, sales tax, franchise tax, and charges for services to be available if they are collected within 60 days of the end of the current fiscal period. Permits and municipal court fines and fees are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The following is a brief description of the major funds used by the City:

Governmental Funds
Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of financial resources. The City reported the following major governmental funds:

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

The ***Debt Service Fund*** is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs from taxes levied by the City.

The ***Street Reconstruction Fund*** is a capital project fund used to account for projects financed with resources from governmental funds and tax-supported debt. Proceeds are used for construction, renovation, and major improvement to various City facilities, and other large non-recurring projects. The *capital projects fund* accounts for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

The ***Capital Improvement Fund*** is a capital project fund used to account for projects financed with resources from governmental funds and tax-supported debt. Proceeds are used for construction, renovation, and major improvement to various City facilities, and other large non-recurring projects.

Proprietary Funds
Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City has presented the following proprietary funds.

The ***Water and Sewer Fund*** is used to account for the City's water and sewer operations that are financed and operated in a manner similar to private business enterprise – where the intent is that costs (expenses including depreciation) of providing services are financed or recovered through user charges.

The ***Drainage Fund*** is used to account for the City's storm water management program.

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

During the year ended September 30, 2025, the City transferred $1,000,000 from the general fund to set up an Internal Service Fund for the purpose of centralizing cost and to support an IT equipment replacement schedule.

The City also reports one custodial fund in the financial statements. Custodial Funds are used to account for assets held by the City in an agency capacity for individuals, local law enforcement agencies or developers. The City has one Custodial Fund. The Health Reimbursement Arrangement Fund is used to account for contributions and disbursements on behalf of members of the Health Reimbursement Arrangement. The City has no administrative involvement with the assets or direct financial involvement with the assets of this fund for the individuals.

Cash, Cash Equivalents, and Investments
The City pools idle cash from all funds for the purpose of increasing income through investment activities. Interest income relating to consolidated investments is allocated to the individual funds monthly based on the funds' prorated share of the investment principal, which was allocated to the funds based on the funds' prorated cash balance at the date the investment was purchased.

For purposes of reporting cash flows, Proprietary Funds consider cash and all highly liquid investments with maturity of three months or less to be cash equivalents.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the City are reported at fair value, except for the position in investment pools which are reported at amortized cost or net asset value (NAV).

Excess cash may be invested in certificates of deposit, United States treasury bills, notes, and bonds, government agencies, repurchase agreements, Texas local government investment pools, and local government general obligation or revenue bonds. Maturities on all investments are consistent with the City's cash flow requirements.

Inventories and Prepaid Items
Inventories consist of expendable supplies and automotive parts held for consumption. Inventories are valued at cost, which approximates market, using the first-in/first-out method. Inventories are recognized as expenditures as they are consumed.

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

Interfund Receivables/Payables and Transactions
Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from funds" (i.e., the non-current portion of interfund loans). All other outstanding balances are reported as either "due to/from other funds" or "advances to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets
Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financials statements and in the fund financial statements for proprietary funds. Capital assets are defined by the government as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at historical cost if records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value, which is the price to acquire an asset with equivalent service potential at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Intangible assets with definite lives are recorded at cost and amortized over the useful lives. Intangible assets with indefinite lives are recorded at cost and no amortization is taken. Intangible assets of the City consist of right of ways and easements.

Depreciation is recorded for each major class of depreciable property utilizing the straight-line method over the following estimated useful lives of the assets:

Building	50 years
Waterworks and sewer system	10-50 years
Improvements other than building	10-30 years
Machinery and equipment	3-10 years
Right to use machinery and equipment	3-5 years
Right to use subscriptions	1-5 years

Accrued Vacation/Compensated Absences

Accrual of Vacation Leave: The following table outlines the accrual rates, maximum accrual rates and maximum payout rates for various years of service. Appointed employees are not restricted by the maximum hour accumulation of vacation provision, but the maximum hours paid at termination after the effective date of this policy will be governed as set forth below.

Non-sworn Employee Months of Service	Monthly Accrual of Hours	Annual Equivalent Hours	Maximum Hour Accumulation	Maximum Hours Paid at Termination
Initial employment through completion of year four	6.67	80	160	160
Year five through completion of year nine	10	120	240	240
Beginning of year ten	13.33	160	320	320

Sworn Civil Service Working Regular Shifts Months of Service	Monthly Accrual of Hours	Annual Equivalent Hours	Maximum Hour Accumulation	Maximum Hours Paid at Termination
Initial employment through completion of year nine	10	120	240	240
Beginning of year ten	13.33	160	320	320

Sworn Civil Service Working 24-Hour Shifts Months of Service	Monthly Accrual of Hours	Annual Equivalent Hours	Maximum Hour Accumulation	Maximum Hours Paid at Termination
Initial employment through completion of year nine	14	168	336	336
Beginning of year ten	20	240	480	480

Termination: Upon termination, an employee who has completed the probationary period will be paid his/her unused accrued vacation leave up to 2 times the annual accrual.

Maximum Accumulation: Vacation leave hours will not accrue beyond the maximum limits outlined in this policy. Once at the maximum, an employee will not accrue vacation leave until the leave balance is reduced below the maximum accrual. After the employee's leave balance is below the maximum, the employee will resume accruals, but there will be no retroactive accruals.

Sick Leave Accumulation: A regular full-time employee accrues eight (8) hours of sick leave each month for an annual accrual of 96 hours. An employee who enters employment before the 16th or terminates employment after the 15th of any month shall accrue eight (8) hours of sick leave for that month.

Annual Sick Leave Payout: In November of each year, an eligible employee will be paid for all accrued sick leave in excess of 240 hours. In order to be eligible for the payout, an employee must be employed by the City on the day the payout is distributed. The payout will be made at the hourly rate in effect on the last day of the pay period prior to the checks being issued. Firefighters working 24-hour shifts will be paid the pay plan step rate associated with an employee working 2,080 hours per year.

Vested compensated absences (unpaid to employees terminated before year-end) that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated benefits within proprietary funds, and for governmental activities at the government-wide level, are recorded as an expense and liability of those funds as the benefits accrue to employees.

GASB Statement No. 101, *Compensated Absences*, was implemented during year ending September 30, 2025 and improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. Balances were restated as of September 30, 2024 due to the implementation as noted in Note 18 to the financial statements.

Upon implementation, the City recognized a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements.

Leases
The City has entered into various lease agreements as lessee. Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lessee. The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements and proprietary fund financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements
The City is a lessee for subscription-based IT arrangements (SBITAs). The City recognizes liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a SBITA, the City initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These right to use assets are reported with other capital assets and liabilities are reported with long- term debt on the statement of net position.

Pensions
For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

TMRS Supplemental Death Benefits Fund. The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Retiree Health Care Plan. The City has not established a formal funding policy and there is no actuarially determined contribution. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- The difference in expected and actual pension and OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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

- Unavailable revenues related to property taxes, court fines, and street assessments.
- The difference in expected and actual pension and OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

Fund Balance
The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in the spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation;
- Committed fund balances – amounts constrained to specific purposes by a government itself, using its highest level of decision – making authority (ordinance); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – this classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Charter gives the City Council the authority to constrain amounts to be used for a specific purpose or to delegate this responsibility to the City Manager.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentive). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt services, or for other purposes).

The City maintains an unallocated fund balance to be used for unanticipated emergencies of at least 20% of the expenditure budgets of the major operation fund (General, Water & Sewer, and Drainage Utility Funds).

When fund balance resources are available for a specific purpose more than one classification, it is the City's policy to use the most restrictive funds first in the following order; restricted, committed, assigned, and unassigned as they are needed.

Net Position
Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitation imposed on their use either through the enabling legislations adopted by the City of through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information
Budgets for the General, Special Revenue except the TIF fund, Capital Projects, Debt Service, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for all funds.

The City Manager submits to the City Council, not less than 45 days prior to the beginning of each fiscal year, a proposed budget for most City funds. At the meeting of the City Council at which the budget is submitted, the City Council establishes the time and place of the public hearing on the budget and publishes a notice of the budget hearing. Upon adoption, the budget is filed with the City Secretary for public inspection.

During the fiscal year, the City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Unused appropriations lapse at year-end.

Note 3. Bank Deposits and Investments

Bank Deposits
The City's funds (exclusive of the OPEB Trust Fund) are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with its agent bank, approved pledged 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 depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. The City's deposits were fully insured or collateralized as required by States statutes as of September 30, 2025. The collateral is held in the City's name by the Federal Reserve Bank of Dallas, an agent of the City's financial institution.

Because the City is responsible for the investment portfolio of its component units, the City's investment practices and policies disclosed herein apply equally to its component units. During the year ended September 30, 2025, the City did not own any types of securities other than those permitted by statute.

Investments
The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the following table as of September 30, 2025:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	3 years	100%	None
U.S. Agency obligations	3 years	75%	None
Certificates of deposit	3 years	50%	None
Repurchase agreements	3 years	50%	None
No-load money market mutual funds	3 years	50%	None
Public funds investment pool (50% per pool)	N/A	80%	None

The Act also requires the City to have independent auditors 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.

Cash and investments as of September 30, 2025 are classified in the accompanying financial statements as follows:

Governmental activities	$	91,906,601
Business-type activities		78,847,317
Total primary government		170,753,918
Component Unit:		
Crime Control District		5,221,267
Total component unit		5,221,267
Fiduciary fund		53,788
Total	$	176,028,973

Cash and investments as of September 30, 2025 consist of the following:

Cash deposits	$	9,343,591
Investments		166,685,382
Total	$	176,028,973

Disclosures Relating to Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. City policy limits the weighted average maturity of its portfolio to a period less than 720 days. Presented below is the weighted average maturity in days of the types of investment the City held at September 30, 2025.

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

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

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

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

As of September 30, 2025, the City had the following investments:

Investment Type	Amount	Fair Value (Level 2)	% of Portfolio	Weighted Average Maturity (Days)	Minimum Legal Rating	Rating
Investments measured at amortized cost or net asset value (NAV):						
Investment Pools:						
TexPool (Amortized cost)	$ 22,680,957		13.6%	47	AAA	AAAm
TexasClass (NAV)	102,296,587		61.5%	43	AAA	AAAm
Texas Range (Amortized Cost)	22,882,573		13.7%	45	AAA	AAAm
Investments measured at fair value:						
Certificates of Deposit	5,040,077	$ 5,040,077	3.0%	41	N/A	N/A
U.S. Government Agency Securities:						
FFCB	3,017,425	3,017,425	1.8%	57	AA	AA+
FHLB	3,750,361	3,750,361	2.2%	57	AA	AA+
FHMLC	1,003,083	1,003,083	0.6%	57	AA	AA+
FAMCA	1,006,062	1,006,062	0.6%	57	AA	AA+
Municipal bonds	5,008,257	5,008,257	3.0%	91	AA	AA-/AA3 or higher
Totals	$ 166,685,382	$ 18,825,265	100.0%			
Portfolio weighted average maturity				88		

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. For the investment pools, the Reset WAM is presented. Investment type acronyms displayed in the previous table are defined as follows: FNMA – Federal National Mortgage Association, FFCB – Federal Farm Credit Bank, FHLB – Federal Home Loan Bank, and FAMCA – Federal Agricultural Mortgage Corporation. The rating agency acronyms are defined as follows: S&P – Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. and Moody's – Moody's Investor Service, Inc. Additional information about the rating agency or the significance of the ratings provided may be obtained from each agency's web site.

The City has recurring fair value measurements as presented in the previous table. The City's investment balances and weighted average maturity of such investments are as shown. Investment pools are measured at amortized cost and are exempt from fair value reporting. U.S Treasury and U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Certificates of Deposit classified in Level 2 of the fair value hierarchy are valued using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

All of the public fund investment pools (pools) in which the City is a participant use amortized cost to value the portfolio. Amortized cost, in most cases, approximates the market value of the securities held. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The pools in which the City invests transact at a net asset value of $1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, hold investments that are highly rated by a nationally recognized statistical rating organization, have no more than 5% of the portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2025, other than external investment pools and securities guaranteed by the U.S. Government, the City did not have 5% or more of its investment with one issuer. The City's investment policy allows up to 100% to be invested in U.S. Treasury Bills/Notes/Bonds, and U.S. Agencies and Instrumentalities.

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 receive 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 provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of September 30, 2025, the City deposits with financial institutions in excess of federal depository insurance limits are fully collateralized.

Investment in State Investment Pools

The City is a voluntary participant in various investment pools. These pools included the following: TexPool, Texas Range, and Texas CLASS.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool uses amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. TexPool has a redemption period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets general banking moratorium or national state of emergency that affects the pool's liquidity.

Texas Range is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. A seven-member advisory board governs the Pool. As required by the Public Funds Investment Act, the Advisory Board is composed of participants in the Pool and other persons who do not have a business relationship with the Pool. Under agreement with the Texas Range Advisory Board, PFM Asset Management LLC provides administrative and investment services to the pool. The Pool purchases only investments of the type in which Texas local governments are permitted to invest their own funds. The fair value of the position in Texas Range is the same as the value of Texas Range shares. Texas Range has a redemption period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets general banking moratorium or national state of emergency that affects the pool's liquidity.

The Texas CLASS investment pool was organized in March 1996 in accordance with the Texas Public Funds Investment Act and Texas Government Code. MBIA Municipal Investors Service Corp. serves as investment adviser and administrator to the Pool. All investments are made in securities that are allowed by the Texas Public Funds Investment Act and are overseen by a Texas CLASS participant board of directors. The board is made up of seven trustees and seven advisory positions, which meet twice a year with one participant meeting, held annually. The board has the power to administer the affairs of the Pool and to enter into controls and agreements on behalf of the Pool. Texas CLASS also has a fair value position that is the same as the value of its shares. Texas CLASS has a redemption period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets general banking moratorium or national state of emergency that affects the pool's liquidity.

Note 4. Receivables

Accounts receivable and the related allowance for doubtful accounts for the governmental funds and the enterprise funds at September 30, 2025 are as follows:

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
Governmental	$ 7,958,035	$ (2,779,486)	$ 5,178,549
Enterprise	5,124,099	(385,379)	4,738,720
Total	$ 13,082,134	$ (3,164,865)	$ 9,917,269

Note 5. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 and are levied for appropriation for the fiscal year beginning on October 1. Property taxes are accrued based on the period for which they are levied and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year-end are recorded as deferred revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue in the period to which they apply. Current taxes are due on October 1 and become delinquent if unpaid on February 1. Taxes unpaid as of February 1 are subject to penalty and interest as provided by City ordinance and the Texas Property Tax Code. The City's charter provide that general property taxes are limited to $1.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds. Article XI, Section 5 of the State of Texas Constitution limits property taxes for cities, including those applicable to debt service, to $2.50 per $100 of assessed valuation. The City's fiscal year 2025 tax rate was $0.580727 per $100 of assessed valuation.

Note 6. Capital Assets

The following is a summary of changes in the governmental activities' capital assets during the fiscal year ended September 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 15,803,948	$ -	$ -	$ 15,803,948
Construction in progress	61,262,889	7,377,651	(304,281)	68,336,259
Total capital assets, not being depreciated	77,066,837	7,377,651	(304,281)	84,140,207
Capital assets, being depreciated:				
Buildings	25,416,492	58,746	-	25,475,238
Improvements other than building	93,679,763	1,212,986	-	94,892,749
Machinery and equipment	17,044,216	3,243,059	(1,129,605)	19,157,670
Right to use assets:				
Subscriptions	3,048,415	124,162	-	3,172,577
Machinery and equipment	3,727,376	2,709,319	(452,504)	5,984,191
Total capital assets being depreciated	142,916,262	7,348,272	(1,582,109)	148,682,425
Less accumulated depreciation/amortization for:				
Buildings	(13,081,890)	(807,852)	-	(13,889,742)
Improvements other than building	(58,776,271)	(2,899,040)	-	(61,675,311)
Machinery and equipment	(12,717,416)	(822,150)	1,129,605	(12,409,961)
Right to use assets:				
Subscriptions	(695,643)	(308,575)	-	(1,004,218)
Machinery and equipment	(2,070,223)	(1,012,729)	452,504	(2,630,448)
Total accumulated depreciation/amortization	(87,341,443)	(5,850,346)	1,582,109	(91,609,680)
Total capital assets being depreciated/amortized, net	55,574,819	1,497,926	-	57,072,745
Governmental activities capital assets, net	$ 132,641,656	$ 8,875,577	$ (304,281)	$ 141,212,952

Depreciation and amortization was charged to functions as follows:

Govermental activities:	
General government	$ 4,099,771
Public safety	1,407,469
Highway and streets	201,418
Culture and recreation	141,688
Totals	$ 5,850,346

The following is a summary of the changes in the business-type activities' capital assets during the fiscal year ended September 30, 2025:

	Beginning	Additions	Reclass/ Deletions	Ending
Capital assets, not being depreciated:				
Land	$ 6,125,273	$ -	$ -	$ 6,125,273
Construction in progress	3,592,834	2,638,966	(257,188)	5,974,612
Total capital assets, not being depreciated	9,718,107	2,638,966	(257,188)	12,099,885
Capital assets, being depreciated:				
Building and improvements	46,374,212	4,708,541	(15,587,583)	35,495,170
Machinery and equipment	8,369,263	411,143	(297,297)	8,483,109
Water works and sewer system	39,929,593	18,650	15,443,454	55,391,697
Total capital assets being depreciated	94,673,068	5,138,334	(441,426)	99,369,976
Less accumulated depreciation for:				
Buildings and improvements	(5,304,814)	(878,898)	(7,520,696)	(13,704,408)
Machinery and equipment	(5,142,661)	(333,657)	682,525	(4,793,793)
Water works and sewer system	(38,851,306)	(1,817,771)	7,528,715	(33,140,362)
Total accumulated depreciation	(49,298,781)	(3,030,326)	690,544	(51,638,563)
Total capital assets being depreciated, net	45,374,287	2,108,008	249,118	47,731,413
Total business-type capital assets, net	$ 55,092,394	$ 4,746,974	$ (8,070)	$ 59,831,298

Depreciation was charged to functions as follows:

Business-type activities:	
Water and sewer fund	$ 2,415,859
Drainage fund	614,467
Total business-type activities	$ 3,030,326

Note 7. Interfund Transactions

In 2025, the General Fund charged the Water and Sewer Proprietary Fund and the Drainage Utility Proprietary Fund a franchise fee equal to 8.5% of gross revenues based upon budgeted amounts. The franchise fee is recorded as tax revenue by the General Fund and an operating expense by both the Water and Sewer Fund and Drainage Utility Fund. The amount of the franchise fees charged in 2025 are as follows:

Fund	Franchise Fees
Water and Sewer Proprietary Fund	$ 1,944,000
Drainage Utility Proprietary Fund	132,000
Total	$ 2,076,000

The General Fund charges various funds an administrative fee for certain general and administrative services. Administrative charges are recorded as service revenue by the General Fund and operating expenses by the paying funds. The 2025 administrative fees were as follows:

Fund	Administrative Charges
Water and Sewer Fund	$ 920,000
Drainage Utility Fund	290,000
Totals	$ 1,210,000
Discretely Presented Component Units	
Crime Control Prevention District	$ 50,000
Totals	$ 50,000

Interfund transfers during the year ended September 30, 2025 were as follows:

Transfer from:	Transfer to:	Amount
Drainage	General	$ 70,000
Nonmajor Governmental	General	32,000
Street Reconstruction Capital Projects	General	1,200,000
Water and Sewer	General	598,976
Water and Sewer	Drainage	3,000,000
General	Internal service fund	1,000,000
Water and Sewer	Nonmajor Governmental	255,000
General	Nonmajor Governmental	2,121,000
Totals		$ 8,276,976

Transfers are primarily used to move funds from:

- The Water and Sewer and Drainage Utility Fund to the General Fund for a payment in lieu of taxes.
- The General Fund and Water and Sewer Fund to nonmajor governmental fund for future purchase of vehicles and equipment.
- The General Fund to the Internal Service Fund for set up of the internal service fund.
- The Water and Sewer Fund to the Drainage Utility Fund and Nonmajor Governmental Fund to General Fund for future purchase of capital assets.
- The Crime Control District component unit to nonmajor governmental fund for the purchase of capital assets.

Interfund receivables, payables, and transfers are reported in the governmental activities and business-type activities fund financial statements. In the entity-wide statements, interfund receivables, payables, and transfers are eliminated within the governmental and business-type activities columns, as appropriate.

The composition of interfund balances as of September 30, 2025 consisted of $19,233 owed to the General Fund from the nonmajor governmental funds. The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 8. Long-term Liabilities

The following is a summary of long-term debt activity of the City for the year ended September 30, 2025:

	Beginning (as restated)	Increases	Reductions	Transfers	Ending	Due Within One Year
Governmental activities						
Publicly sold bonds:						
Certificates of obligation	$ 13,680,000	$ -	$ (755,000)	$ -	$ 12,925,000	$ 575,000
General obligation bonds	61,230,000	-	(2,845,000)	-	58,385,000	3,560,000
Total publicly sold bonds	74,910,000	-	(3,600,000)	-	71,310,000	4,135,000
Direct placement bonds:						
Certificates of obligation	1,695,000	-	(655,000)	-	1,040,000	680,000
General obligation bonds	1,540,000	-	(920,000)	-	620,000	155,000
Total direct placement bonds	3,235,000	-	(1,575,000)	-	1,660,000	835,000
Other long-term debt:						
Premium on bond issuances	4,394,472	-	(358,068)	-	4,036,404	358,068
Leases	2,516,176	2,709,318	(937,308)	-	4,288,186	1,149,404
SBITAs	1,652,474	124,162	(359,624)	-	1,417,012	368,392
Arbitrage liability	1,145,455	46,829	-	-	1,192,284	-
Compensated absences	4,686,168	118,157	-	-	4,804,325	960,865
Total other long-term debt	14,394,745	2,998,466	(1,655,000)	-	15,738,211	2,836,729
Total governmental activities	$ 92,539,745	$ 2,998,466	$ (6,830,000)	$ -	$ 88,708,211	$ 7,806,729
Business-type activities:						
Publicly sold bonds:						
Certificates of obligation	$ 4,020,000	$ -	$ (265,000)	$ -	3,755,000	$ 485,000
General obligation bonds	1,280,000	-	(135,000)	-	1,145,000	140,000
Total publicly sold bonds	5,300,000	-	(400,000)	-	4,900,000	625,000
Direct placement bonds:						
General obligation bonds	1,390,000	-	(220,000)	-	1,170,000	225,000
Total direct placement bonds	1,390,000	-	(220,000)	-	1,170,000	225,000
Other long-term debt:						
Compensated absences	616,997	-	(4,632)	-	612,365	122,473
Total other long-term debt	616,997	-	(4,632)	-	612,365	122,473
Total business-type activities	$ 7,306,997	$ -	$ (624,632)	$ -	$ 6,682,365	$ 972,473
Crime control district:						
Other long-term debt:						
Compensated absences	$ 239,732	$ -	$ (3,164)	$ -	$ 236,568	$ 47,314
Total crime control district	$ 239,732	$ -	$ (3,164)	$ -	$ 236,568	$ 47,314

The ordinances authorizing the issuance of the Combination Tax and Limited Pledge Revenue Certificates of Obligation, and the General Obligation Refunding Bonds require that the City's ad valorem tax revenues be enough to generate net revenues sufficient to provide for the payment of the debt service requirements of the bonds issued. The City is in compliance with all requirements of the ordinances for the year ended September 30, 2025.

The liability for compensated absences is fully liquidated by the fund in which the employee was employed upon retirement.

The City's direct borrowings (leases payable) related to governmental activities are secured with equipment as collateral. The City's revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds.

Should the City default on its outstanding bonds, any registered owner of the bonds is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

Long-term debt of the City consists of certificates of obligation, general obligation bonds, leases payable, SBITAs, and compensated absence liabilities. At September 30, 2025, total outstanding bonds consisted of the following:

	Governmental Activities	Due Within One Year	Business-Type Activities	Due Within One Year
$5,450,000 Series 2006 Certificates of Obligation, dated September 25, 2006; due in annual installments of $180,000 to $490,000; through February 1, 2026; interest at 4.00%	$ 335,000	$ 335,000	$ -	$ -
$6,500,000 Series 2007 Certificates of Obligation, dated October 18, 2007; due in annual installments of $250,000 to $635,000; through February 1, 2027; interest at 3.90%	705,000	345,000	-	-
$3,900,000 Series 2014 General Obligation Refunding Bonds, dated May 14, 2014; due in annual installments of $50,000 to $455,000; through February 1, 2029, interest at 2.16%, issued at par value	200,000	50,000	-	-
$1,575,000 Series 2014 General Obligation Bonds, dated September 25, 2014; due in annual installments of $105,000; through September 30, 2029, interest at 2.39%, issued at par value	420,000	105,000	-	-
$7,970,000 Series 2017 General Obligation and Refunding Bonds, dated January 9, 2017; due in annual installments of $530,000 to $965,000; through August 1, 2028; interest at 3.00% to 4.00%	1,840,000	700,000	-	-
$6,720,000 Series 2018 Non BQ, Water Meter CO's due 2/1/2032	-	-	3,755,000	485,000
$7,460,000 Series 2019 General Obligation Bond, due 2/1/2034	2,950,000	280,000	-	-
$5,730,000 Series 2020 Combination Tax and Limited Pledge Revenue Certificates of Obligation, dated July 15, 2020; due in annual installments of $240,000 to $400,000; through September 30, 2040, interest at 2.0%, issued at a premium of $429,778	4,425,000	240,000	-	-
$2,230,000 Series 2020 General Obligation Refunding Bonds, dated December 15, 2019; due in annual installments of $200,000 to $240,000; through February 1, 2030; interest at 1.98%	-	-	1,170,000	225,000

	Governmental Activities	Due Within One Year	Business- Type Activities	Due Within One Year
$6,340,000 Series 2021 General Obligation Refunding Bonds, dated January 1, 2021; due in annual installments of $520,000 to $625,000; through February 1, 2032; interest at 1.00% to 4.00%.	$ 4,000,000	$ 625,000	$ -	$ -
$27,820,000 Series 2021 General Obligation Bonds, dated August 1, 2021; due in annual installments of $450,000 to $2,025,000; through February 1, 2046; interest at 2.00% to 5.00%	24,345,000	830,000	-	-
$5,445,000 Series 2021A General Obligation Refunding Bonds, dated October 25, 2021; due in annual installments of $290,000 to $615,000; through February 1, 2033; interest at 2.00% to 5.00%	2,780,000	430,000	1,145,000	140,000
$24,110,000 Series 2022 General Obligation Bonds, dated August 8, 2022; due in annual installments of $500,000 to $1,350,000; through February 1, 2044; interest at 4.00% to 5.00%	22,470,000	695,000	-	-
$9,440,000 Series 2022 Certificates of Obligation, dated August 8, 2022; due in annual installments of $315,000 to $690,000; through February 1, 2042; interest at 4.00% to 5.00%	8,500,000	335,000	-	-
Premium on issuance of debt	4,036,404	-	-	-
Total bonds and notes outstanding	$ 77,006,404	$ 4,970,000	$ 6,070,000	$ 850,000

Repayment of Long-Term Obligations

Retirement of the notes, bonds, certificates of obligation, and contractual obligations used in governmental activities is provided from taxes allocated for debt service together with interest earned within the debt service fund. Revenue bonds are retired from net revenues of the enterprise fund and certain certificates of obligation and tax notes are retired through sales taxes. The retirement of compensated absences are provided by financial resources of the general and proprietary funds.

Annual debt service requirements to amortize all obligations outstanding, except employee benefits and leases payable, as of September 30, 2025, follow:

Governmental Activities

Year Ending	Publicly Sold			Direct Placements		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 4,135,000	$ 2,434,218	$ 6,569,218	$ 835,000	$ 40,031	$ 875,031
2027	3,850,000	2,276,337	6,126,337	515,000	15,994	530,994
2028	4,055,000	2,115,613	6,170,613	155,000	5,384	160,384
2029	3,435,000	1,936,863	5,371,863	155,000	1,795	156,795
2030	3,655,000	1,787,987	5,442,987	-	-	-
2031-2035	16,940,000	7,001,785	23,941,785	-	-	-
2036-2040	16,070,000	4,257,186	20,327,186	-	-	-
2041-2045	14,720,000	1,866,306	16,586,306	-	-	-
2046-2049	4,450,000	137,225	4,587,225	-	-	-
Totals	$ 71,310,000	$ 23,813,520	$ 95,123,520	$ 1,660,000	$ 63,204	$ 1,723,204

Business-type Activities

Year Ending	Publicly Sold			Direct Placements		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 625,000	$ 155,800	$ 780,800	$ 225,000	$ 20,939	$ 245,939
2027	655,000	128,750	783,750	230,000	16,434	246,434
2028	675,000	103,225	778,225	235,000	11,831	246,831
2029	700,000	79,400	779,400	240,000	7,128	247,128
2030	650,000	54,550	704,550	240,000	2,376	242,376
2031-2034	1,595,000	42,075	1,637,075	-	-	-
Totals	$ 4,900,000	$ 563,800	$ 5,463,800	$ 1,170,000	$ 58,708	$ 1,228,708

As of September 30, 2025, the City had no general obligation bonds which were authorized and unissued.

Arbitrage
The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the City. The City has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations and the City has reported an arbitrage liability at year end in the amount of $1,192,284, which is included in long-term liabilities in current year.

Leases Payable

Governmental activities
A summary of leases payable as of September 30, 2025, are as follows:

Governmental Activities	Interest Rates	Initial Year of Lease	Amounts Outstanding
Right to use:			
Server equipment	2.60%	2022	$ 66,881
Vehicles	0.25 - 0.48%	Various	4,219,404
Office equipment	2.09%	Various	1,901
Total			$ 4,288,186

The future principal and interest lease payments as of September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities - Leases Principal	Interest	Total
2026	$ 1,149,404	$ 104,379	$ 1,253,783
2027	1,082,987	73,213	1,156,200.00
2028	1,004,915	43,778	1,048,693.00
2029	720,423	18,864	739,287.00
2030	330,457	3,758	334,215.00
Totals	$ 4,288,186	$ 243,992	$ 4,532,178

During the year ended September 30, 2025, the City entered into an agreement as lessee for the use of vehicles. An initial lease liability was recorded in the amount of $2,709,318. The City is required to make monthly principal and interest payments under the agreements.

Subscriptions Payable

Governmental activities
A summary of subscription-based IT arrangements payable as of September 30, 2025, are as follows:

Governmental Activities	Interest Rates	Initial Year of Lease	Amounts Outstanding
Right to use:			
Software	2.60%	Various	$ 1,417,012
Total			$ 1,417,012

The future principal and interest payments on subscription-based liabilities as of September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities Principal	Interest	Total
2026	$ 368,392	$ 39,377	$ 407,769
2027	204,941	29,736	234,677.00
2028	159,380	24,067	183,447.00
2029	163,926	19,521	183,447.00
2030	168,602	14,845	183,447.00
2031-2032	351,771	15,123	366,894.00
Totals	$ 1,417,012	$ 142,669	$ 1,559,681

During the year ended September 30, 2025, the City entered into an agreement as lessee for the use of software under subscription-based IT arrangements. An initial subscription liability was recorded in the amount of $124,162. The City is required to make monthly principal and interest payments under the agreements.

Note 9. Defined Benefit Pension Plan

Plan Descriptions. The City participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

TMRS administers a defined net benefit cash-balance plan for the eligible employees of 919 participating cities. Under GASB, TMRS is an agent multiple-employer public employee retirement system. All eligible employees of the city are required to participate in TMRS.

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee 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 transfers
Annuity increases (to retirees)	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	266
Inactive employees entitled to but not yet receiving benefits	167
Active employees	279
Total	712

Contributions. The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, 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 actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year, respectively. The contribution rates for the City were 21.72% and 21.08% in calendar years 2025 and 2024, respectively. The City's total contributions to TMRS for the year ended September 30, 2025, were $5,851,426 and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. 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 the most recent Scale MP-2021 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 the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% 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 in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

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

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	7.1%
Core fixed income	6.0%	5.0%
Non-core fixed income	6.0%	6.8%
Private debt	13.0%	8.2%
Infrastructure	6.0%	6.0%
Real estate	12.0%	6.7%
Hedge funds	5.0%	6.4%
Private equity	13.0%	8.5%
Other private markets	4.0%	7.3%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the 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.

Changes in the Net Pension Liability

Primary Government	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
	Increase (Decrease)		
Balance at December 31, 2023	$ 158,564,915	$ 133,179,301	$ 25,385,614
Changes for the year			
Service cost	4,575,927	-	4,575,927
Interest	10,636,755	-	10,636,755
Difference between expected and actual experience	2,488,813	-	2,488,813
Contributions - employer	-	5,064,547	(5,064,547)
Contributions - employee	-	1,710,170	(1,710,170)
Net investment income	-	13,834,126	(13,834,126)
Benefit payments, including refunds of employee contributions	(6,542,651)	(6,542,651)	-
Administrative expense	-	(88,748)	88,748
Other changes	-	(2,075)	2,075
Net changes	11,158,844	13,975,369	(2,816,525)
Balance at December 31, 2024	$ 169,723,759	$ 147,154,670	$ 22,569,089

Component Unit	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
	Increase (Decrease)		
Balance at December 31, 2023	$ 3,849,216	$ 3,232,972	$ 616,244
Changes for the year			
Service cost	111,082	-	111,082
Interest	258,211	-	258,211
Difference between expected and actual experience	60,417	-	60,417
Contributions - employer	-	122,944	(122,944)
Contributions - employee	-	41,515	(41,515)
Net investment income	-	335,828	(335,828)
Benefit payments, including refunds of employee contributions	(158,825)	(158,825)	-
Administrative expense	-	(2,154)	2,154
Other changes	-	(51)	51
Net changes	270,885	339,257	(68,372)
Balance at December 31, 2024	$ 4,120,101	$ 3,572,229	$ 547,872

The net pension liability for governmental activities is primarily liquidated by the General Fund. There were no changes in benefit terms during the year.

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	$ 46,073,363	$ 22,569,089	$ 3,136,425
Component unit's net pension liability	1,118,446	547,872	76,138
Total	$ 47,191,809	$ 23,116,961	$ 3,212,563

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the valuation date of December 31, 2024, the City recognized pension expense of $6,853,757. At September 30, 2025, 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	$ 3,421,490	$ -
Changes in actuarial assumptions	-	(430,267)
Difference between projected and actual investment earnings	-	(1,472,538)
Contributions subsequent to the measurement date	4,317,706	-
Totals	$ 7,739,196	$ (1,902,805)

$4,317,706 reported as deferred outflows of resources related to the pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2026.

For the year ended September 30, 2025, the discretely presented component unit recognized pension expense of $166,377. At September 30, 2025, the discretely presented component unit 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	$ 83,058	$ -
Changes in actuarial assumptions	-	(10,445)
Difference between projected and actual investment earnings	-	(35,746)
Contributions subsequent to the measurement date	104,813	-
Totals	$ 187,871	$ (46,191)

$104,813 reported as deferred outflows of resources related to the pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	City	Component Unit
2026	$ 1,796,381	$ 43,608
2027	2,453,318	59,555
2028	(1,762,114)	(42,776)
2029	(968,900)	(23,520)

Note 10. Defined Other Post-Employment Benefit Plans

Employee Postemployment Benefit Plans

The City of Haltom City, Texas participates in two post-employment benefit plans; Texas Municipal Retirement System (TMRS) single employer defined benefit Other Postemployment Benefit (OPEB) plan and a retiree health care multiple employer defined benefit OPEB plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	TMRS SDBF	Retiree Health	Total
City:			
OPEB liability	$ 885,987	$ 1,992,059	$ 2,878,046
Deferred outflows of resources	26,715	326,582	353,297
Deferred inflows of resources	224,176	2,283,501	2,507,677
OPEB expense	18,683	2,523	21,206
Component Unit:			
OPEB liability	$ 21,694	$ 48,358	$ 70,052
Deferred outflows of resources	654	7,928	8,582
Deferred inflows of resources	5,489	55,433	60,922
OPEB expense	453	61	514

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of $7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	162
Inactive employees entitled to but not yet receiving benefits	26
Active employees	279
	467

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.30% for 2025 and 0.35% for 2024, of which 0.14% and 0.15%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's retiree-only portion of contributions to the SDBF for the years ended September 30, 2025 and 2024 were $37,536 and $36,403, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability. The City's total OPEB liability was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Measurement year ended December 31,	2024
Inflation	2.5% per annum
Actuarial cost method	Entry Age Normal Method
Discount rate	4.08%
Projected salary increases	3.60% to 11.85% including inflation

Administrative expenses for the SDBF are paid through the TMRS pension trust fund and are wholly accounted for under provisions of GASB Statement No. 68.

Salary increases were based on a service-related table.

Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 107.5% and female rates multiplied by 107.5% with a 3-year set-forward for both males and females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period December 31, 2018 to December 31, 2022.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 4.08% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024.

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees. Changes in assumptions reflect the annual change in the municipal bond index rate from the previous year.

Discount Rate Sensitivity Analysis. The following presents the Total OPEB Liability of the City and discretely presented component unit, calculated using the discount rate of 4.08%, as well as what the City's and discretely presented component unit's total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	$ 1,043,987	$ 885,987	$ 759,787
Component unit's total OPEB liability	25,563	21,694	18,604
Total	$ 1,069,550	$ 907,681	$ 778,391

Changes in the Total OPEB Liability

	Total OPEB Liability	
	City	Component Unit
Balance at 12/31/2023	$ 932,729	$ 22,642
Changes for the year:		
Service cost	36,646	890
Interest	35,163	854
Differences between expected and actual expense	(36,645)	(890)
Changes of assumptions	(45,079)	(1,094)
Benefit payments	(36,827)	(708)
Net changes	(46,742)	(948)
Balance at 12/31/2024	$ 885,987	$ 21,694

The total OPEB liability for governmental activities is primarily liquidated by the General Fund.

OPEB Expense and Deferred Outflows of Resources Related to OPEB. For the year ended September 30, 2025, the City recognized OPEB expense of $18,683. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (47,323)
Changes in actuarial assumptions	-	(176,853)
Contributions subsequent to the measurement date	26,715	-
Totals	$ 26,715	$ (224,176)

For the year ended September 30, 2025, the component unit recognized OPEB expense of $457. At September 30, 2025, the component unit reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,159)
Changes in actuarial assumptions	-	(4,330)
Contributions subsequent to the measurement date	654	-
Totals	$ 654	$ (5,489)

For the City and component unit, amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,		City		Component Unit
2026	$	(64,494)	$	(1,579)
2027		(82,056)		(2,009)
2028		(58,784)		(1,439)
2029		(12,930)		(317)
2030		(5,912)		(145)

Note 11. Other Postemployment Benefits

Post-Retirement Health Care Benefits

Plan Description
Full-time employees of the City who retire from the Texas Municipal Retirement System (TMRS) are eligible to participate in the retiree health care plan. The requirement as defined by TMRS is any age with 20 years of service or 5 years of service for age 60 and above. Under State law, the City must offer health insurance to full-time employees that retire through our pension system, the Texas Municipal Retirement System. This affords the option to continue insurance, but the retiree must pay the full premiums for coverage unless eligible for additional coverage as outlined below.

The City established by ordinance the healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator, Public Agencies Retirement Services (PARS), as well as a custodial bank, to manage the plan's assets. Because the plan is a multiple-employer plan and because plan assets are pooled by PARS with those of other plans for investment, the City's plan assets meet the criteria of an agent multiple-employer plan under GASB Statement No. 75.

Benefits Provided
A retiree who worked as a full-time employee for a minimum of twenty (20) years may receive up to $350 per month as reimbursement for retiree health care. The retiree can remain on the City's health plan and receive up to $350 per month or purchase insurance elsewhere and provide proof of coverage and cost in order to receive up to $350 per month for the cost of health care coverage.

If the actual monthly cost is less than $350 per month, then the payment is capped at the total monthly cost. The maximum contribution by the City with twenty years of full-time service is $350 per month.

For the fiscal year ended September 30, 2025, the City's contributions to the plan were $477,539 which consisted of benefit payments of $277,539, which were paid by the City using its own assets, and a $200,000 trust contribution.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	66
Active employees	278
Total	344

Actuarial Methods and Assumptions
Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2024
Asset valuation method	Individual Entry Age Normal Cost Method
Discount rate	6.50% as of December 31, 2024
Inflation rate	2.50%
Salary Increases	3.60% to 11.85%, including inflation and new positions
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-
Participation rates	85% for retirees with over 20 years of City service at retirement; 5% for retirees with less than 20 years of City service at retirement; 25% of subsidized non-Medicare retirees are assumed to remain on the City's health plan
Health care cost trend rates	Initial rates of 7.50%, declining to ultimate rate of 4.25% after 15 years. The City's $350/month explicit subsidy is not expected to increase in future years.
Note:	The participation rate for non-Medicare retirees that elect to remain on the City's health plan was lowered, the spousal coverage assumption was lowered, and the health care trend rates were updated to reflect the plan's anticipated experience.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

There is no separately issued audited benefit plan report available for the City’s OPEB plan.

Discount Rate
A Single Discount Rate of 6.50% was used to measure the total OPEB liability. This Single Discount Rate was based on a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-year Municipal GO AA Index”); and the resulting single discount *rate* is 6.50%.

The City's funding policy is to contribute $200,000 every other fiscal year.

Changes in the Net OPEB Liability

		Increase (Decrease)	
Primary Government	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability(Asset) (a) - (b)
Balance at December 31, 2023	$ 7,902,937	$ 4,090,702	$ 3,812,235
Changes for the year			
Service cost	245,073	-	245,073
Interest	512,849	-	512,849
Difference between expected and actual experience	(200,240)	-	(200,240)
Changes of assumptions	(1,456,585)	-	(1,456,585)
Contributions - employer	-	466,221	(466,221)
Net investment income	-	469,952	(469,952)
Benefit payments	(270,961)	(270,961)	-
Administrative expense	-	(14,900)	14,900
Net changes	(1,169,864)	650,312	(1,820,176)
Balance at December 31, 2024	$ 6,733,073	$ 4,741,014	$ 1,992,059

		Increase (Decrease)	
Component Unit	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability(Asset) (a) - (b)
Balance at December 31, 2023	$ 191,846	$ 99,303	$ 92,543
Changes for the year			
Service cost	5,949	-	5,949
Interest	12,450	-	12,450
Difference between expected and actual experience	(4,861)	-	(4,861)
Changes of assumptions	(35,359)	-	(35,359)
Contributions - employer	-	11,318	(11,318)
Net investment income	-	11,408	(11,408)
Benefit payments	(6,578)	(6,578)	-
Administrative expense	-	(362)	362
Net changes	(28,399)	15,786	(44,185)
Balance at December 31, 2024	$ 163,447	$ 115,089	$ 48,358

The total OPEB liability for governmental activities is primarily liquidated by the General Fund.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.50%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (5.50%)	Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
City's net OPEB liability	$ 2,750,286	$ 1,992,059	$ 1,341,889
Component unit's net OPEB liability	66,764	48,358	32,575
Total	$ 2,817,050	$ 2,040,417	$ 1,374,464

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the net OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's net OPEB liability	$ 1,575,000	$ 1,992,059	$ 2,457,757
Component unit's net OPEB liability	38,234	48,358	59,663
Total	$ 1,613,234	$ 2,040,417	$ 2,517,420

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs

At September 30, 2025, the City reported a liability of $1,992,059 for its portion of the net OPEB Liability, with the component unit having a net OPEB liability of $48,358. The net OPEB Liability was determined by an actuarial valuation as of December 31, 2024. The City recognized OPEB expense of ($2,523), while the component unit recognized OPEB expense of ($61). There were no changes of benefit terms that affected measurement of the net OPEB liability during the measurement period.

At September 30, 2025, 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
Difference between expected and actual experience,	$ -	$ (877,098)
Changes in assumptions	99,927	(1,373,368)
Difference between expected and actual investment earnings	-	(33,035)
Contributions subsequent to the measurement date	226,655	-
Totals	$ 326,582	$ (2,283,501)

At September 30, 2025, the Component Unit 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
Difference between expected and actual experience,	$ -	$ (21,292)
Changes in assumptions	2,426	(33,339)
Difference between expected and actual experience,	-	(802)
Contributions subsequent to the measurement date	5,502	-
Totals	$ 7,928	$ (55,433)

For the City and discretely presented component unit, amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2026. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	City	Component Unit
2026	$ (461,695)	$ (11,208)
2027	(293,811)	(7,132)
2028	(442,346)	(10,738)
2029	(363,769)	(8,831)
2030	(294,013)	(7,137)
Thereafter	(327,940)	(7,961)

Note 12. Risk Management

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) provides statutory workers compensation coverage in accordance with the terms of Chapter 504 Texas Labor Code. Haltom City has a self-insured retention (SIR) or large deductible program in the amount of $100,000 per accident claim. There is no aggregate limit. TMLIRP serves as the 3rd party administrator for these claims. The Pool pays for any claims up to the SIR and the City gets invoiced. TMLIRP provides statutory excess coverage for each claim over the SIR. Limits for workers' compensation employee benefits are set in the law. The pooling mechanism assists with stabilizing these rates for the members. The SIR or deductible credit is calculated and used in the total annual standard contribution cost.

TMLIRP Liability Fund Coverages will pay on behalf of Haltom City or covered party for damages or sums the City is legally obligated or responsible to pay for 3rd party occurrences due to bodily injury or property damage (General Liability, deductible of $5,000), bodily injury or property damage arising from law enforcement activities (Law Enforcement Liability, deductible of $5,000), civil claims or wrongful acts (Errors and Omissions, deductible of $5,000), ownership or use of an automobile (Auto Liability, deductible of $5,000), comprehensive and collision (Auto Physical Damage, deductible of $1,000) and Public Employee Dishonesty coverage (deductible of $1,000) are also provided to respond to 3rd party damages and loss.

Auto Catastrophe Coverage applies to non-collision losses, including hail, involving two or more vehicles. Each occurrence deductible for Auto Physical Damage does not apply to hail loss. The auto catastrophe deductible is $25,000 per occurrence.

Property coverage is the broadest form of coverage available. Special Form is the most inclusive property coverage option which includes full Replacement Cost (RC). RC is limited to no more than 150% of the reported value on the property schedule. The per occurrence deductible ($1,000 dollars) includes wind and hail. All perils are covered for physical loss of or damage to the City's scheduled or insured properties except those that are specifically excluded. Common exclusions are wear and tear, faulty design or workmanship, neglect, war, and intentional acts. Flood and Earthquake deductible is $25,000 or 1% of building value, whichever is greater, with a $5 million limit for flood and a $10 million limit for earthquakes. Property coverage also includes Boiler and Machinery which has a deductible of $1,000 and Mobile Equipment (loaders, backhoes, etc.) which has a deductible of $5,000.

There have been no significant changes in insurance coverage as compared to last year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 13. Commitments and Contingent Liabilities

On February 10, 2025, the City Council approved an Interlocal Agreement (ILA) between the City of Haltom City and the City of Fort Worth establishing a new EMS system, including ambulance services, and on May 12, 2025, the City approved the Uniform EMS Ordinance, the final step establishing the EMS system. The annual cost of the Ambulance/EMS System is calculated based on actual unit hours used by each jurisdiction. In fiscal year 2025, which only included the three months of EMS, the prorated cost was $99,966. The expected budget for fiscal year 2026 is $506,000.

In March of 2022, the City entered into a 48-month financing arrangement for the purchase of Dark Fiber service. As of September 30, 2025, the remaining obligation amount is $0.59 million.

The City entered into a twenty-two year contract with the City of Fort Worth for the treatment and transportation of sanitary sewage in 2018. Pursuant to the terms of this agreement, payments are structured on a per-connection basis, reflecting the usage and demand for these crucial services. In the fiscal year 2025, payments made under this contract totaled approximately $4.6 million. These payments are duly recognized as operating expenses within the financial records of the Water and Sewer Fund.

Haltom City entered into a twenty-year contract with the City of Fort Worth for the purchase of water in 2010. Under the terms of the contract, the City is obligated to make a minimum annual payment, subject to adjustment under certain conditions as provided in the contract, of approximately $50,000. For the fiscal year 2025, payments made under this contractual arrangement amounted to approximately $3.9 million. These payments are recognized as operating expenses within the financial records of the Water and Sewer Fund, reflecting the ongoing operational costs associated with securing a reliable water supply.

The City is a defendant in several legal actions involving various claims incident to the conduct of the City's operations. Management does not expect the City to suffer any material liability by reason of such actions.

The City has participated in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 14. Property Tax Abatements

Tax abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. In 1990, the City Council adopted a resolution setting guidelines and criteria for granting abatements in the reinvestment zones which specifically notes incentives are limited to companies which create new wealth and do not adversely affect existing businesses operating within the City. The abatement agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement.

Note 15. 380 Agreements

Chapter 380 of the Texas Local Government Code authorizes the City to provide financial incentives for the purpose of promoting local economic development and expanding the City's tax base. Under City Council–approved agreements with developers, the City reimbursed $17,910 in eligible sales tax revenues during the fiscal year ended September 30, 2025, under an agreement that expires on March 31, 2027. In addition, the City disbursed $1.0 million in one-time performance-based incentive payments, with $1 million remaining subject to future performance verification. No liability is recorded for the remaining commitment until contractual conditions are satisfied. The City monitors compliance with all agreements annually prior to authorizing any incentive payments.

Note 16. Recent Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* (GASB 105), improves financial reporting related to subsequent events by 1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events and 2) specifies the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for reporting periods beginning after June 15, 2026, with earlier application encouraged. GASB 105 will be implemented in the City's fiscal year 2027 financial statements and the impact has not yet been determined.

Note 17. Fund Deficit and Expenditures in Excess of Budget

For the fiscal year September 30, 2025, certain funds reported expenditures in excess of adopted budget. These variances were limited in nature and are summarized below:

As of September 30, 2025, the Court Technology Fund had a decline in revenue during the year due to changes in Texas law resulting in a deficit unassigned fund balance of $19,233. This condition was temporary in nature and the Court Technology Fund is intended to be closed into the General Fund in a future period.

The following funds had expenditures in excess of budget for year ended September 30, 2025:

- Police Forfeiture Fund and Police Donation Fund – Expenditures exceeded the adopted budget by $464 and $349, respectively.
- Capital Replacement Fund – Expenditures exceeded the revised budget of $1,845,541. This variance is primarily attributable to required year-end, non-cash accounting entries related to lease recognition under GASB Statement No. 87. These entries include a corresponding other financing source, are evaluated and recorded at fiscal year end prior to closing the books, and do not represent a cash over-expenditure.

Note 18. Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, changes in accounting principles (GASB Statement 101, *Compensated Absences*), resulted in adjustments to and restatements of beginning net position for the water and sewer fund, drainage fund, business-type activities, and crime control district component unit. Additionally, during fiscal year 2025, the City reassessed its accounting related to accrued health insurance benefits and arbitrage liabilities resulting in adjustments to and restatements of beginning net position for the water and sewer fund, the drainage fund, business-type activities, governmental activities and the discretely presented component unit, and fund balances for the general fund, debt service fund, capital improvements fund and total governmental funds, as follows:

	Business-Type			Component Unit
	Water and Sewer Fund	Drainage Fund	Total Business-Type Activities	Crime Control District
Beginning net position, as previously presented	$ 92,873,519	$ 23,593,377	$ 116,466,896	$ 4,416,222
Change in accounting principle, GASB 101	(123,233)	(10,806)	(134,039)	(169,412)
Error correction - health insurance payable	120,077	149,582	269,659	148,038
Error correction - arbitrage liabilities	89,457	-	89,457	-
Beginning net position, as restated	$ 92,959,820	$ 23,732,153	$ 116,691,973	$ 4,394,848

	Governmental Activities	Governmental Funds			
	Governmental Activities	General Fund	Debt Service	Capital Improvements	Total Governmental Funds
Beginning net position/ fund balance, as previously presented	$ 115,781,435	$ 46,377,899	$ 2,912,597	$ 17,837,341	$ 91,707,997
Error correction - health insurance payable	(63,948)	(63,948)	-	-	(63,948)
Error correction - arbitrage liabilities	(422,493)	-	13,089	709,873	722,962
Beginning net position/ fund balance, as restated	$ 115,294,994	$ 46,313,951	$ 2,925,686	$ 18,547,214	$ 92,367,011

Required Supplementary Information

City of Haltom City, Texas
Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes:				
Property taxes	$ 15,501,169	$ 15,501,169	$ 15,409,575	$ (91,594)
City sales taxes	14,000,000	14,000,000	15,116,284	1,116,284
Mixed beverage tax	35,000	35,000	39,707	4,707
Bingo taxes	44,000	44,000	55,105	11,105
Franchise taxes	4,261,000	4,261,000	4,534,974	273,974
Total	33,841,169	33,841,169	35,155,645	1,314,476
Licenses and permits:				
Electric	70,000	70,000	93,857	23,857
Plumbing A/C	106,000	106,000	164,808	58,808
Building/mobile home	850,000	850,000	1,217,464	367,464
Street/general contractor	49,520	49,520	60,853	11,333
Certificates of occupancy	15,000	15,000	25,500	
Oil and gas	40,000	40,000	150,055	110,055
Garage sales permits	4,000	4,000	6,682	2,682
Special events permits	10,000	10,000	12,895	2,895
Alarm permits	500	500	10,800	10,300
Food truck permits	1,000	1,000	750	(250)
Total	1,146,020	1,146,020	1,743,664	587,144
Intergovernmental:				
State surtax on fines	40,000	40,000	48,786	8,786
Grants from other governments	-	-	148,519	148,519
Total	40,000	40,000	197,305	157,305
Fines and fees:				
Municipal court	903,450	903,450	1,208,613	305,163
Library	1,200	1,200	2,117	917
Warrants	90,000	90,000	113,199	23,199
Public hearing	15,000	15,000	16,800	1,800
Total	1,009,650	1,009,650	1,340,729	331,079
Charges for services:				
Other charges for services	81,050	81,050	139,275	58,225
Recreational activities/concessions	140,500	140,500	130,591	(9,909)
Admin/building/fleet services fees	1,430,000	1,430,000	1,454,000	24,000
Developer test/fire inspection	6,000	6,000	9,696	3,696
Total	1,657,550	1,657,550	1,733,562	76,012
Oil and gas lease	40,000	40,000	98,277	58,277
Contributions	75	75	3,770	3,695
Interest and investment gains	1,271,000	1,271,000	2,295,754	1,024,754
Miscellaneous	67,600	67,600	680,382	612,782
Total revenues	39,073,064	39,073,064	43,249,088	4,165,524

City of Haltom City, Texas
Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
General Fund - Continued
For the Fiscal Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES				
General government:				
City manager	$ 834,622	$ 843,122	$ 830,502	$ 12,620
City secretary	318,391	370,687	393,316	(22,629)
City council	44,600	49,350	44,531	4,819
Finance	1,062,385	1,083,485	866,655	216,830
Human resources	832,315	689,065	535,571	153,494
Planning and community development	1,274,871	1,272,857	1,274,007	(1,150)
Information technology	1,142,177	1,147,858	974,911	172,947
Fleet services	1,418,650	1,420,650	1,260,236	160,414
Building maintenance	766,190	714,709	714,274	435
Economic development	1,318,795	1,416,575	1,343,125	73,450
Nondepartmental	4,783,393	4,382,707	2,435,295	1,947,412
Total general government	13,796,389	13,391,065	10,672,423	2,718,642
Public safety:				
Police	12,898,709	12,929,983	13,023,268	(93,285)
Fire and emergency management	10,391,347	10,214,663	10,462,855	(248,192)
Animal services	479,184	469,553	395,322	74,231
Municipal court	576,679	574,879	598,696	(23,817)
Total public safety	24,345,919	24,189,078	24,480,141	(291,063)
Streets and drainage	1,716,073	1,704,199	1,423,593	280,606
Culture and recreation:				
Library	1,268,914	1,266,414	1,266,646	(232)
Parks and recreation	2,568,687	2,589,145	2,399,977	189,168
Total culture and recreation	3,837,601	3,855,559	3,666,623	188,936
Debt Service:				
Principal	-	-	349,602	(349,602)
Interest	-	-	24,004	(24,004)
Total debt service	-	-	373,606	(373,606)
Capital outlay	843,833	923,126	2,241,230	(1,318,104)
Total expenditures	44,539,815	44,063,027	42,857,616	1,205,411
Revenues over (under) expenditures	(5,466,751)	(4,989,963)	391,472	5,370,935
OTHER FINANCING SOURCES (USES)				
Transfers in	1,910,976	1,910,976	1,900,976	(10,000)
Transfers out	(621,000)	(3,121,000)	(3,121,000)	-
Issuance of SBITA	-	-	124,162	124,162
Sale of capital assets	20,000	20,000	1,567,703	1,547,703
Total other financing sources (uses)	1,309,976	(1,190,024)	471,841	1,661,865
Net change in fund balance	(4,156,775)	(6,179,987)	863,313	7,032,800
Fund balances, beginning of year, as previously reported	46,377,899	46,377,899	46,377,899	-
Restatement	(63,948)	(63,948)	(63,948)	-
Fund balances, beginning of year, as restated	46,313,951	46,313,951	46,313,951	-
FUND BALANCE, END OF YEAR	$ 42,157,176	$ 40,133,964	$ 47,177,264	$ 7,032,800

City of Haltom City, Texas

Schedule of Changes in Net Pension Liability and Related Ratios
For the Fiscal Year Ended September 30, 2025

Measurement Period Ended December 31,	2024	2023	2022	2021
TOTAL PENSION LIABILITY				
Service cost	$ 4,687,009	$ 4,026,286	$ 3,680,324	$ 3,283,604
Interest (on the total pension liability)	10,894,966	10,256,157	9,557,329	8,988,508
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	2,549,230	2,296,736	3,339,754	2,000,685
Change of assumptions	-	(998,575)	-	-
Benefit payments, including refunds of employee contributions	(6,701,476)	(6,192,798)	(6,601,964)	(5,486,381)
Net change in total pension liability	11,429,729	9,387,806	9,975,443	8,786,416
Total pension liability - beginning	162,414,131	153,026,325	143,050,882	134,264,466
TOTAL PENSION LIABILITY - ENDING (a)	$ 173,843,860	$ 162,414,131	$ 153,026,325	$ 143,050,882
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 5,187,491	$ 4,320,011	$ 3,968,567	$ 3,566,932
Contributions - employee	1,751,685	1,581,594	1,462,104	1,313,441
Net investment income	14,169,954	14,190,108	(9,746,240)	15,478,225
Benefit payments, including refunds of employee contributions	(6,701,476)	(6,192,798)	(6,601,964)	(5,486,381)
Administrative expenses	(90,902)	(90,274)	(84,331)	(71,601)
Other	(2,126)	(631)	100,632	490
Net change in plan fiduciary net position	14,314,626	13,808,010	(10,901,232)	14,801,106
Plan fiduciary net position - beginning	136,412,273	122,604,263	133,505,495	118,704,389
PLAN FIDUCIARY NET POSITION - ENDING (b)	$ 150,726,899	$ 136,412,273	$ 122,604,263	$ 133,505,495
NET PENSION LIABILITY - ENDING (a)-(b)	$ 23,116,961	$ 26,001,858	$ 30,422,062	$ 9,545,387
Plan fiduciary net position as a percentage of total pension liability	86.70%	83.99%	80.12%	93.33%
Covered payroll	$ 25,024,072	$ 22,594,199	$ 20,887,195	$ 18,763,449
Net pension liability as a percentage of covered payroll	92.38%	115.08%	145.65%	50.87%

2020	2019	2018	2017	2016	2015
$ 3,076,962	$ 3,071,536	$ 2,931,913	$ 2,939,312	$ 2,898,328	$ 2,783,635
8,620,742	8,236,772	7,899,680	7,529,054	7,140,222	7,077,941
-	-	-	-	-	-
(819,411)	(481,136)	(730,857)	(283,623)	216,371	(374,424)
-	325,920	-	-	-	(364,224)
(5,580,079)	(5,354,650)	(4,998,533)	(4,382,052)	(4,647,814)	(4,377,490)
5,298,214	5,798,442	5,102,203	5,802,691	5,607,107	4,745,438
128,966,252	123,167,810	118,065,607	112,262,916	106,655,809	101,910,371
$ 134,264,466	$ 128,966,252	$ 123,167,810	$ 118,065,607	$ 112,262,916	$ 106,655,809
$ 3,353,325	$ 3,584,207	$ 3,169,004	$ 3,141,962	$ 3,089,790	$ 3,141,239
1,232,193	1,220,247	1,168,758	1,172,915	1,155,370	1,141,181
8,450,415	14,992,491	(3,016,539)	12,274,019	5,635,642	123,113
(5,580,079)	(5,354,650)	(4,998,533)	(4,382,052)	(4,647,814)	(4,377,490)
(54,670)	(84,691)	(58,291)	(63,602)	(63,642)	(74,987)
(2,133)	(2,547)	(3,044)	(3,222)	(3,429)	(3,703)
7,399,051	14,355,057	(3,738,645)	12,140,020	5,165,917	(50,647)
111,305,337	96,950,279	100,688,924	88,548,906	83,382,989	83,433,636
$ 118,704,388	$ 111,305,336	$ 96,950,279	$ 100,688,926	$ 88,548,906	$ 83,382,989
$ 15,560,078	$ 17,660,916	$ 26,217,531	$ 17,376,681	$ 23,714,010	$ 23,272,820
88.41%	86.31%	78.71%	85.28%	78.88%	78.18%
$ 17,602,756	$ 17,432,098	$ 16,696,543	$ 16,748,218	$ 16,505,286	$ 16,250,057
88.40%	101.31%	157.02%	103.75%	143.68%	143.22%

City of Haltom City, Texas

Schedule of Contributions – TMRS Pension Plan
For the Fiscal Year Ended September 30, 2025

Fiscal Year Ended September 30,	**2025**	**2024**	**2023**	**2022**
Actuarially determined contribution	$ 5,851,426	$ 5,018,842	$ 4,264,204	$ 3,982,891
Contributions in relation to the actuarially determined contribution	(5,851,426)	(5,018,842)	(4,264,204)	(3,982,891)
CONTRIBUTION DEFICIENCY (EXCESS)	$ -	$ -	$ -	$ -
Covered payroll	$ 27,139,995	$ 24,268,557	$ 22,174,747	$ 20,925,925
Contributions as a percentage of covered payroll	21.56%	20.68%	19.23%	19.03%

*The amounts presented for the fiscal year were determined as of the City's fiscal year end September 30.

Notes to Required Supplementary Information

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	20 years
Asset valuation method	10 year fair market; 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.

2021	2020	2019	2018	2017	2016
$ 3,427,688	$ 3,379,471	$ 3,250,765	$ 3,135,576	$ 3,094,631	$ 3,164,882
(3,427,688)	(3,379,471)	(3,550,765)	(3,135,576)	(3,094,631)	(3,164,882)
$ -	$ -	$ (300,000)	$ -	$ -	$ -
$ 18,036,553	$ 17,756,830	$ 17,232,434	$ 16,593,082	$ 16,562,414	$ 16,754,656
19.00%	19.03%	18.86%	18.90%	18.68%	18.89%

City of Haltom City, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios
Texas Municipal Retirement Fund – Supplemental Death Benefit Fund
For the Fiscal Year Ended September 30, 2025

Measurement Period Ended December 31,	2024	2023	2022
TOTAL OPEB LIABILITY			
Service cost	$ 37,536	$ 29,370	$ 62,662
Interest (on the total OPEB liability)	36,017	36,279	23,762
Differences between expected and actual experience	(37,535)	(18,142)	2,118
Changes of assumptions	(46,173)	43,724	(437,038)
Benefit payments, including refunds of employee contributions	(37,535)	(33,891)	(27,151)
Net change in total OPEB liability	(47,690)	57,340	(375,647)
Total OPEB liability - beginning	955,371	898,031	1,273,678
TOTAL OPEB LIABILITY - ENDING	$ 907,681	$ 955,371	$ 898,031
Covered-employee payroll	$ 25,024,072	$ 22,594,199	$ 20,887,195
Total OPEB liability as a percentage of covered-employee payroll	3.63%	4.23%	4.30%

Notes to schedule:

No assets are accumulated in a trust for the SDBF plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

2021	2020	2019	2018	2017
$ 56,290	$ 40,486	$ 31,378	$ 31,723	$ 28,472
24,051	28,238	33,509	28,842	28,465
(6,657)	(37,701)	(94,183)	39,218	-
37,790	153,378	157,142	(59,226)	67,252
(24,391)	(8,801)	(8,716)	(8,347)	(6,700)
87,083	175,600	119,130	32,210	117,489
1,186,596	1,010,996	891,866	859,656	742,167
$ 1,273,679	$ 1,186,596	$ 1,010,996	$ 891,866	$ 859,656
$ 18,763,449	$ 17,602,756	$ 17,432,098	$ 16,696,543	$ 16,748,218
6.79%	6.74%	5.80%	5.34%	5.13%

City of Haltom City, Texas

Schedule of Changes in Net OPEB Liability and Related Ratios
Retiree Health Care Benefit Plan
For the Fiscal Year Ended September 30, 2025

Measurement Period Ended December 31,	2024	2023	2022
TOTAL OPEB LIABILITY			
Service cost	$ 251,022	$ 200,200	$ 202,669
Interest (on the total OPEB liability)	525,299	503,092	519,906
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(205,101)	(55,800)	(834,320)
Change of assumptions	(1,491,944)	(54,518)	168,086
Benefit payments, including refunds of employee contributions	(277,539)	(275,938)	(351,619)
Net change in total OPEB liability	(1,198,263)	317,036	(295,278)
Total OPEB liability - beginning	8,094,783	7,777,747	8,073,025
TOTAL OPEB LIABILITY - ENDING (A)	$ 6,896,520	$ 8,094,783	$ 7,777,747
PLAN FIDUCIARY NET POSITION			
Contributions - employer	477,539	275,938	351,619
Net investment income	481,360	579,247	(652,680)
Benefit payments	(277,539)	(275,938)	(351,619)
Administrative expenses	(15,262)	(12,297)	(13,010)
Other	-	-	-
Net change in plan fiduciary net position	666,098	566,950	(665,690)
Plan fiduciary net position - beginning	4,190,005	3,623,055	4,288,745
PLAN FIDUCIARY NET POSITION - ENDING (b)	$ 4,856,103	$ 4,190,005	$ 3,623,055
NET OPEB LIABILITY - ENDING (a)-(b)	$ 2,040,417	$ 3,904,778	$ 4,154,692
Plan fiduciary net position as a percentage of total OPEB liability	70.41%	51.76%	46.58%
Covered payroll	23,786,186	21,589,947	19,746,720
Net OPEB liability as a percentage of covered-employee payroll	8.58%	18.09%	21.04%

This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

The City has assets set aside that meet the criteria of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The balance of these assets as of the plan measurement date were $4,856,103.

2024: The demographic assumptions were updated to reflect the 2023 TMRS Experience Study were updated to reflect the plan's anticipated experience.

2023: The health care trend rate was modified.

2021: Changes of benefit terms reflect an increase in the City's monthly explicit subsidy from $200 to $350.

2020: The demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

2019: The participation rate for future non-Medicare retirees on the City's health plan and the health care assumptions were modified. In addition, the assumed long-term rate of return for the assets in the OPEB trust was changed from 6.85% to 6.50%.

Changes of assumptions reflect the effects of changes in the Single Discount Rate each period.

2021	2020	2019	2018	2017
$ 207,795	$ 175,940	$ 174,629	$ 187,980	$ 193,035
497,378	358,684	351,147	421,954	394,886
-	1,974,446	-	-	-
(21,464)	(87,791)	(14,085)	(952,921)	41,617
-	-	(163,826)	(240,446)	(20,299)
(317,522)	(289,372)	(192,401)	(180,229)	(290,575)
366,187	2,131,907	155,464	(763,662)	318,664
7,706,838	5,574,931	5,419,467	6,183,129	5,864,465
$ 8,073,025	$ 7,706,838	$ 5,574,931	$ 5,419,467	$ 6,183,129
517,522	289,372	192,401	380,229	490,575
431,441	433,137	715,285	(125,895)	265,412
(317,522)	(289,372)	(192,401)	(180,229)	(290,575)
(13,489)	(10,209)	(16,801)	(7,893)	(6,545)
-	-	-	(118,409)	-
617,952	422,928	698,484	(52,197)	458,867
3,670,793	3,247,865	2,549,381	2,601,578	2,142,711
$ 4,288,745	$ 3,670,793	$ 3,247,865	$ 2,549,381	$ 2,601,578
$ 3,784,280	$ 4,036,045	$ 2,327,066	$ 2,870,086	$ 3,581,551
53.12%	47.63%	58.26%	47.04%	42.08%
18,889,300	18,368,973	18,191,694	17,399,981	17,256,507
20.03%	21.97%	12.79%	16.49%	20.75%

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Combining and Individual Fund Statements and Schedules

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City of Haltom City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Property taxes	$ 6,806,380	$ 6,806,380	$ 7,744,046	$ 937,666
Penalty and interest	60,000	60,000	18,064	(41,936)
Interest	120,000	120,000	111,638	(8,362)
Total revenues	6,986,380	6,986,380	7,873,748	887,368
EXPENDITURES				
Principal retirement	5,232,724	5,232,724	5,175,000	57,724
Interest and other	2,647,275	2,647,275	2,647,207	68
Bond issuance cost	24,000	24,000	25,845	(1,845)
Total expenditures	7,903,999	7,903,999	7,848,052	55,947
Excess (deficiency) of revenues over (under) expenditures	(917,619)	(917,619)	25,696	943,315
Net change in fund balance	(917,619)	(917,619)	25,696	943,315
Fund balances, beginning of year, as previously reported	2,912,597	2,912,597	2,912,597	-
Restatement	13,089	13,089	13,089	-
Fund balances, beginning of year, as restated	2,925,686	2,925,686	2,925,686	-
FUND BALANCE, END OF YEAR	$ 2,008,067	$ 2,008,067	$ 2,951,382	$ 943,315

City of Haltom City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual
Street Reconstruction Fund – Capital Projects Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	$ 3,300,000	$ 3,300,000	$ 4,122,633	$ 822,633
Intergovernmental	-	-	167,043	167,043
Interest	500,000	500,000	890,895	390,895
Total revenues	3,800,000	3,800,000	5,180,571	1,380,571
EXPENDITURES				
Streets	558,000	608,000	884,144	(276,144)
Capital outlay	12,605,000	13,556,894	2,521,163	11,035,731
Total expenditures	13,163,000	14,164,894	3,405,307	10,759,587
Excess (deficiency) of revenues over (under) expenditures	(9,363,000)	(10,364,894)	1,775,264	12,140,158
OTHER FINANCING USES				
Transfers out	(1,200,000)	(1,200,000)	(1,200,000)	-
Total other financing uses	(1,200,000)	(1,200,000)	(1,200,000)	-
Net change in fund balance	(10,563,000)	(11,564,894)	575,264	12,140,158
Fund balance, beginning of year	20,663,534	20,663,534	20,663,534	-
FUND BALANCE, END OF YEAR	$ 10,100,534	$ 9,098,640	$ 21,238,798	$ 12,140,158

City of Haltom City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual
Capital Improvement – Capital Projects Funds
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 1,143,686	$ 1,143,686
Interest	650,000	650,000	765,054	115,054
Total revenues	650,000	650,000	1,908,740	1,258,740
EXPENDITURES				
Capital outlay	9,775,128	10,759,854	6,716,926	4,042,928
Debt Service:				
Principal	-	-	65,470	(65,470)
Interest and other	-	-	2,854	(2,854)
Total expenditures	9,775,128	10,759,854	6,785,250	3,974,604
Excess (deficiency) of revenues over (under) expenditures	(9,125,128)	(10,109,854)	(4,876,510)	5,233,344
Net change in fund balance	(9,125,128)	(10,109,854)	(4,876,510)	5,233,344
Fund balances, beginning of year, as previously reported	17,837,341	17,837,341	17,837,341	-
Restatement	709,873	709,873	709,873	-
Fund balances, beginning of year, as restated	18,547,214	18,547,214	18,547,214	-
FUND BALANCE, END OF YEAR	$ 9,422,086	$ 8,437,360	$ 13,670,704	$ 5,233,344

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Nonmajor Fund Descriptions
Special Revenue Funds

Police Forfeiture Fund - To account for proceeds from sales of assets seized in drug arrests. Revenues are used solely for Police Department expenditures.

Police Donations Fund – To account for contributions designated for Police Department**.**

Red Light Camera Fund – To account for fines resulting from the red-light camera program and related expenditures for traffic safety**.**

Police CART Fund – To account for funds used for a multi-jurisdictional effort to properly allocate resources to missing/endangered children cases.

Park Donation Fund - To account for contributions used to improve and beautify park facilities.

Park Dedication Fund - To account for developer contributions for acquiring and developing parkland.

Library Donation Fund - To account for contributions used to improve library services.

Hotel / Motel Tax Fund - To account for the receipt and allocation of the City's hotel-motel occupancy tax. Revenues are used primarily for advertising and promotion of the City.

Grants Fund – To account for federal, state, and local grants received and related expenditures.

Fire Department Donations Fund - To account for contributions designated for Fire Department.

Court Technology Fund - To account for technology fees and expenditures for Municipal Court.

Court Security Fund - To account for security fees and related expenditures for Municipal Court.

Juvenile Case Management Fund – To account for court fees and expenditures for juvenile case management program.

Animal Shelter Fund - To account for contributions received and expenditures for animal shelter.

Safe Pathways Program Fund - To account developer contributions for the construction of new sidewalks.

TIF Fund - To account for Tax Incremental District revenues and expenditures.

Capital Project Funds

Street Assessments - To account for various street improvements financed by adjacent land owners.

Capital Replacement Fund – To account for purchases of vehicles, machinery and equipment.

City of Haltom City, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds			
	Police Forfeiture	Police Donations	Red Light Camera	Police CART
ASSETS				
Cash and investments	$ 52,734	$ 85,309	$ 23,927	$ 11,560
Intergovernmental receivables	-	-	-	-
Accrued interest	104	71	20	10
Other receivables	-	710	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	$ 52,838	$ 86,090	$ 23,947	$ 11,570
LIABILITIES				
Accounts payable	$ 3,613	$ -	$ -	$ 197
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	3,613	-	-	197
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Public safety	49,225	-	23,947	-
Purpose of grantors, donators and trustees	-	86,090	-	11,373
Promotion of tourism and business	-	-	-	-
Purchase of capital assets	-	-	-	-
Committed for purchase of capital assets	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	49,225	86,090	23,947	11,373
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 52,838	$ 86,090	$ 23,947	$ 11,570

Special Revenue Funds

Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Funds	Fire Department Donations
$ 67,018	$ 359,155	$ 142,316	$ 574,603	$ 210,378	$ 9,783
-	-	-	-	-	-
56	298	118	476	157	8
471	-	782	-	-	496
-	-	-	-	-	-
$ 67,545	$ 359,453	$ 143,216	$ 575,079	$ 210,535	$ 10,287
$ 791	$ -	$ 4,447	$ 12,849	$ 1,870	$ 45
-	-	-	-	392	-
-	-	-	-	-	-
791	-	4,447	12,849	2,262	45
-	-	-	-	36,802	-
-	-	-	-	36,802	-
-	-	-	-	-	-
-	-	-	-	-	-
66,754	359,453	138,769	-	171,471	10,242
-	-	-	562,230	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,754	359,453	138,769	562,230	171,471	10,242
$ 67,545	$ 359,453	$ 143,216	$ 575,079	$ 210,535	$ 10,287

City of Haltom City, Texas

Combining Balance Sheet - Continued
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds		
	Court Technology	Court Security	Juvenile Case
ASSETS			
Cash and investments	$ -	$ 171,036	$ 4,998
Intergovernmental receivables	-	-	-
Accrued interest	-	142	4
Other receivables	-	-	-
Prepaid items	31,736	-	-
TOTAL ASSETS	$ 31,736	$ 171,178	$ 5,002
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Due to other funds	19,233	-	-
Total liabilities	19,233	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable:			
Prepaid items	31,736	-	-
Restricted:			
Public safety	-	171,178	5,002
Purpose of grantors, donators and trustees	-	-	-
Promotion of tourism and business	-	-	-
Purchase of capital assets	-	-	-
Committed for purchase of capital assets	-	-	-
Unassigned	(19,233)	-	-
Total fund balances	12,503	171,178	5,002
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 31,736	$ 171,178	$ 5,002

Special Revenue Funds			Capital Projects Funds		Total
Animal Shelter	Safe Pathways Shelter	TIF Fund	Street Assessments	Capital Replacement	Nonmajor Governmental Funds
$ 54,916	$ 180,144	$ 908,689	$ 28,175	$ 3,348,932	$ 6,233,673
-	-	62,452	-	-	62,452
46	149	1,458	23	2,777	5,917
1,811	-	-	-	-	4,270
-	-	-	-	-	31,736
$ 56,773	$ 180,293	$ 972,599	$ 28,198	$ 3,351,709	$ 6,338,048
$ -	$ -	$ -	$ -	$ -	23,812
-	-	-	-	-	392
-	-	-	-	-	19,233
-	-	-	-	-	43,437
-	-	-	-	-	36,802
-	-	-	-	-	36,802
-	-	-	-	-	31,736
-	-	-	-	-	249,352
56,773	-	-	-	-	900,925
-	-	-	-	-	562,230
-	180,293	972,599	-	-	1,152,892
-	-	-	28,198	3,351,709	3,379,907
-	-	-	-	-	(19,233)
56,773	180,293	972,599	28,198	3,351,709	6,257,809
$ 56,773	$ 180,293	$ 972,599	$ 28,198	$ 3,351,709	$ 6,338,048

City of Haltom City, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue Funds			
	Police Forfeiture	**Police Donations**	**Red Light Camera**	**Police CART**
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Charges for services	916	-	-	-
Donations	-	12,243	-	1,000
Miscellaneous	-	15,332	-	-
Interest and investment gains (losses)	2,159	3,532	1,013	517
Total revenues	3,075	31,107	1,013	1,517
EXPENDITURES				
General government	-	-	-	-
Public safety:				
Police	16,464	12,849	3,705	-
Fire	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Animal control	-	-	-	-
Parks & recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	16,464	12,849	3,705	-
Excess (deficiency) of revenues over (under) expenditures	(13,389)	18,258	(2,692)	1,517
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of leases	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(13,389)	18,258	(2,692)	1,517
Fund balances, beginning	62,614	67,832	26,639	9,856
FUND BALANCES, ENDING	$ 49,225	$ 86,090	$ 23,947	$ 11,373

Special Revenue Funds					
Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Funds	Fire Department Donations
$ -	$ -	$ -	$ 238,751	$ -	$ -
-	-	-	-	10,178	-
-	-	-	-	-	-
26,072	-	17,761	-	-	-
12,792	165,250	21,527	-	-	3,617
-	-	61	-	-	71
3,013	15,962	8,041	22,068	8,726	355
41,877	181,212	47,390	260,819	18,904	4,043
-	-	-	78,469	-	-
-	-	-	-	17,203	-
-	-	-	-	-	592
-	-	-	-	-	-
-	-	93,619	-	1,864	-
-	-	-	-	-	-
33,323	90,026	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
33,323	90,026	93,619	78,469	19,067	592
8,554	91,186	(46,229)	182,350	(163)	3,451
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,554	91,186	(46,229)	182,350	(163)	3,451
58,200	268,267	184,998	379,880	171,634	6,791
$ 66,754	$ 359,453	$ 138,769	$ 562,230	$ 171,471	$ 10,242

City of Haltom City, Texas

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Continued
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue Funds		
	Court Technology	Court Security	Juvenile Case
REVENUES			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Fines and fees	26,839	32,206	-
Charges for services	-	-	2,764
Donations	-	-	-
Miscellaneous	-	-	-
Interest and investment gains (losses)	93	7,358	451
Total revenues	26,932	39,564	3,215
EXPENDITURES			
General government	-	-	-
Public safety:			
Police	-	-	-
Fire	-	-	-
Municipal court	38,901	-	-
Library	-	-	-
Animal control	-	-	-
Parks & recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
Total expenditures	38,901	-	-
Excess (deficiency) of revenues over (under) expenditures	(11,969)	39,564	3,215
OTHER FINANCING SOURCES (USES)			
Transfers in	26,000	-	-
Transfers out	-	(16,000)	(16,000)
Issuance of leases	-	-	-
Total other financing sources (uses)	26,000	(16,000)	(16,000)
Net change in fund balances	14,031	23,564	(12,785)
Fund balances, beginning	(1,528)	147,614	17,787
FUND BALANCES, ENDING	$ 12,503	$ 171,178	$ 5,002

Special Revenue Funds			Capital Projects Funds		Total
Animal Shelter	Safe Pathways Shelter	TIF Fund	Street Assessments	Capital Replacement	Nonmajor Governmental Funds
$ -	$ -	$ 776,710	$ -	$ -	$ 1,015,461
-	-	-	-	375,000	385,178
-	-	-	-	-	59,045
-	78,890	-	-	-	126,403
1,488	-	-	-	-	217,917
122	-	-	-	-	15,586
2,452	4,721	38,845	1,265	86,506	207,077
4,062	83,611	815,555	1,265	461,506	2,026,667
-	-	511,241	-	-	589,710
-	-	-	-	-	50,221
-	-	-	-	-	592
-	-	-	-	-	38,901
-	-	-	-	-	95,483
505	-	-	-	-	505
-	-	-	-	-	123,349
-	-	-	-	881,861	881,861
-	-	-	-	84,325	84,325
-	-	-	-	2,873,855	2,873,855
505	-	511,241	-	3,840,041	4,738,802
3,557	83,611	304,314	1,265	(3,378,535)	(2,712,135)
-	-	-	-	2,350,000	2,376,000
-	-	-	-	-	(32,000)
-	-	-	-	2,709,318	2,709,318
-	-	-	-	5,059,318	5,053,318
3,557	83,611	304,314	1,265	1,680,783	2,341,183
53,216	96,682	668,285	26,933	1,670,926	3,916,626
$ 56,773	$ 180,293	$ 972,599	$ 28,198	$ 3,351,709	$ 6,257,809

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Police Forfeiture – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget Original	Budget Final	Actual	Variance Positive (Negative)
REVENUES				
Interest	$ 2,000	$ 2,000	$ 2,159	$ 159
Charges for services	6,000	6,000	916	(5,084)
Total revenues	8,000	8,000	3,075	(4,925)
EXPENDITURES				
Police	16,000	16,000	16,464	(464)
Total expenditures	16,000	16,000	16,464	(464)
Net change in fund balance	(8,000)	(8,000)	(13,389)	(5,389)
Fund balance, beginning of year	62,614	62,614	62,614	-
FUND BALANCE, END OF YEAR	$ 54,614	$ 54,614	$ 49,225	$ (5,389)

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Police Donations – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Donations	$ 5,000	$ 5,000	$ 12,243	$ 7,243
Interest	1,800	1,800	15,332	13,532
Miscellaneous	2,500	2,500	3,532	1,032
Total revenues	9,300	9,300	31,107	21,807
EXPENDITURES				
Police	7,500	12,500	12,849	(349)
Total expenditures	7,500	12,500	12,849	(349)
Net change in fund balance	1,800	(3,200)	18,258	21,458
Fund balance, beginning of year	67,832	67,832	67,832	-
FUND BALANCE, END OF YEAR	$ 69,632	$ 64,632	$ 86,090	$ 21,458

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Red Light Camera – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interest	$ -	$ -	$ 1,013	$ 1,013
Total revenues	-	-	1,013	1,013
EXPENDITURES				
Police	-	3,705	3,705	-
Total expenditures	-	3,705	3,705	-
Net change in fund balance	-	(3,705)	(2,692)	1,013
Fund balance, beginning of year	26,639	26,639	26,639	-
FUND BALANCE, END OF YEAR	$ 26,639	$ 22,934	$ 23,947	$ 1,013

City of Haltom City, Texas

Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Police CART – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Donations	$ 2,500	$ 2,500	$ 1,000	$ (1,500)
Interest	200	200	517	317
Total revenues	2,700	2,700	1,517	(1,183)
EXPENDITURES				
Police	2,500	2,500	-	2,500
Total expenditures	2,500	2,500	-	2,500
Net change in fund balance	200	200	1,517	1,317
Fund balance, beginning of year	9,856	9,856	9,856	-
FUND BALANCE, END OF YEAR	$ 10,056	$ 10,056	$ 11,373	$ 1,317

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Park Donations – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Donations	$ 2,500	$ 2,500	$ 12,792	$ 10,292
Charges for services	23,000	23,000	26,072	3,072
Interest	1,800	1,800	3,013	1,213
Total revenues	27,300	27,300	41,877	14,577
EXPENDITURES				
Parks and recreation	33,500	33,500	33,323	177
Total expenditures	33,500	33,500	33,323	177
Net change in fund balance	(6,200)	(6,200)	8,554	14,754
Fund balance, beginning of year	58,200	58,200	58,200	-
FUND BALANCE, END OF YEAR	$ 52,000	$ 52,000	$ 66,754	$ 14,754

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Park Dedication – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Donations	$ -	$ -	$ 165,250	$ 165,250
Interest	4,000	4,000	15,962	11,962
Total revenues	4,000	4,000	181,212	177,212
EXPENDITURES				
Parks and recreation	90,000	150,750	90,026	60,724
Total expenditures	90,000	150,750	90,026	60,724
Net change in fund balance	(86,000)	(146,750)	91,186	237,936
Fund balance, beginning of year	268,267	268,267	268,267	-
FUND BALANCE, END OF YEAR	$ 182,267	$ 121,517	$ 359,453	$ 237,936

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Library Donations – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Charges for services	$ 15,000	$ 15,000	$ 17,761	$ 2,761
Donations	15,000	15,000	21,527	6,527
Miscellaneous	-	-	61	61
Interest	7,000	7,000	8,041	1,041
Total revenues	37,000	37,000	47,390	10,390
EXPENDITURES				
Library	131,870	131,870	93,619	38,251
Total expenditures	131,870	131,870	93,619	38,251
Net change in fund balance	(94,870)	(94,870)	(46,229)	48,641
Fund balance, beginning of year	184,998	184,998	184,998	-
FUND BALANCE, END OF YEAR	$ 90,128	$ 90,128	$ 138,769	$ 48,641

City of Haltom City, Texas

Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Hotel/Motel Tax – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	$ 75,000	$ 75,000	$ 238,751	$ 163,751
Interest	9,000	9,000	22,068	13,068
Total revenues	84,000	84,000	260,819	176,819
EXPENDITURES				
General government	126,675	127,075	78,469	48,606
Total expenditures	126,675	127,075	78,469	48,606
Net change in fund balance	(42,675)	(43,075)	182,350	225,425
Fund balance, beginning of year	379,880	379,880	379,880	-
FUND BALANCE, END OF YEAR	$ 337,205	$ 336,805	$ 562,230	$ 225,425

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Grants – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Intergovernmental	$ 1,364,642	$ 1,364,642	$ 10,178	$ (1,354,464)
Interest	5,500	5,500	8,726	3,226
Total revenues	1,370,142	1,370,142	18,904	(1,351,238)
EXPENDITURES				
Police	507,610	507,610	17,203	490,407
Capital Outlay	858,532	858,532	-	858,532
Library	10,500	10,500	1,864	8,636
Total expenditures	1,376,642	1,376,642	19,067	1,357,575
Net change in fund balance	(6,500)	(6,500)	(163)	6,337
Fund balance, beginning of year	171,634	171,634	171,634	-
FUND BALANCE, END OF YEAR	$ 165,134	$ 165,134	$ 171,471	$ 6,337

City of Haltom City, Texas

Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Fire Department Donations – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Donations	$ 4,000	$ 4,000	$ 3,617	$ (383)
Miscellaneous	-	-	71	71
Interest	200	200	355	155
Total revenues	4,200	4,200	4,043	(157)
EXPENDITURES				
Fire	8,198	8,198	592	7,606
Total expenditures	8,198	8,198	592	7,606
Net change in fund balance	(3,998)	(3,998)	3,451	7,449
Fund balance, beginning of year	6,791	6,791	6,791	-
FUND BALANCE, END OF YEAR	$ 2,793	$ 2,793	$ 10,242	$ 7,449

City of Haltom City, Texas

Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Court Technology – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Fines and fees	$ 24,000	$ 24,000	$ 26,839	$ 2,839
Interest	-	-	93	93
Total revenues	24,000	24,000	26,932	2,932
EXPENDITURES				
Municipal court	44,000	44,000	38,901	5,099
Total expenditures	44,000	44,000	38,901	5,099
Excess (deficiency) of revenues over (under) expenditures	(20,000)	(20,000)	(11,969)	8,031
OTHER FINANCING SOURCES				
Transfers in	26,000	26,000	26,000	-
Total other financing sources	26,000	26,000	26,000	-
Net change in fund balance	(46,000)	(46,000)	14,031	8,031
Fund balance, beginning of year	(1,528)	(1,528)	(1,528)	-
FUND BALANCE, END OF YEAR	$ (47,528)	$ (47,528)	$ 12,503	$ 8,031

City of Haltom City, Texas

Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Court Security – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and fees	$ 30,000	$ 30,000	$ 32,206	$ 2,206
Interest	3,000	3,000	7,358	4,358
Total revenues	33,000	33,000	39,564	6,564
OTHER FINANCING USES				
Transfers out	(16,000)	(16,000)	(16,000)	-
Total other financing uses	(16,000)	(16,000)	(16,000)	-
Net change in fund balance	49,000	49,000	23,564	6,564
Fund balance, beginning of year	147,614	147,614	147,614	-
FUND BALANCE, END OF YEAR	$ 196,614	$ 196,614	$ 171,178	$ 6,564

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Juvenile Case Manager – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Charges for services	$ 5,000	$ 5,000	$ 2,764	$ (2,236)
Interest	1,000	1,000	451	(549)
Total revenues	6,000	6,000	3,215	(2,785)
EXPENDITURES				
Municipal court	2,000	2,000	-	2,000
Total expenditures	2,000	2,000	-	2,000
Excess (deficiency) of revenues over (under) expenditures	4,000	4,000	3,215	(785)
OTHER FINANCING USES				
Transfers out	(16,000)	(16,000)	(16,000)	$ -
Total other financing sources uses	(16,000)	(16,000)	(16,000)	-
Net change in fund balance	(12,000)	20,000	(12,785)	(785)
Fund balance, beginning of year	17,787	17,787	17,787	-
FUND BALANCE, END OF YEAR	$ 5,787	$ 37,787	$ 5,002	$ (785)

City of Haltom City, Texas

Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Animal Shelter – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Interest	$ 1,300	$ 1,300	$ 2,452	$ 1,152
Miscellaneous	-	-	122	122
Donations	6,000	6,000	1,488	(4,512)
Total revenues	7,300	7,300	4,062	(3,238)
EXPENDITURES				
Animal control	5,000	5,000	505	4,495
Total expenditures	5,000	5,000	505	4,495
Net change in fund balance	2,300	2,300	3,557	1,257
Fund balance, beginning of year	53,216	53,216	53,216	-
FUND BALANCE, END OF YEAR	$ 55,516	$ 55,516	$ 56,773	$ 1,257

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Safe Pathways Shelter – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Charges for services	$ 1,500	$ 1,500	$ 78,890	$ 77,390
Interest	2,500	2,500	4,721	2,221
Total revenues	4,000	4,000	83,611	79,611
Net change in fund balance	4,000	4,000	83,611	79,611
Fund balance, beginning of year	96,682	96,682	96,682	-
FUND BALANCE, END OF YEAR	$ 100,682	$ 100,682	$ 180,293	$ 79,611

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
TIF – Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	$ 973,169	$ 973,169	$ 776,710	$ (196,459)
Interest	5,500	5,500	38,845	33,345
Total revenues	978,669	978,669	815,555	(163,114)
EXPENDITURES				
General government	514,000	514,000	511,241	2,759
Total expenditures	514,000	514,000	511,241	2,759
Net change in fund balance	464,669	464,669	304,314	(160,355)
Fund balance, beginning of year	668,285	668,285	668,285	-
FUND BALANCE, END OF YEAR	$ 1,132,954	$ 1,132,954	$ 972,599	$ (160,355)

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Street Assessments – Capital Projects Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Interest	$ 500	$ 500	$ 1,265	$ 765
Total revenues	500	500	1,265	765
Net change in fund balance	500	500	1,265	765
Fund balance, beginning of year	26,933	26,933	26,933	-
FUND BALANCE, END OF YEAR	$ 27,433	$ 27,433	$ 28,198	$ 765

City of Haltom City, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Capital Replacement – Capital Projects Fund
For the Fiscal Year Ended September 30, 2025

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Intergovernmental	$ 375,000	$ 375,000	375,000	$ -
Interest	42,000	42,000	86,506	44,506
Total revenues	417,000	417,000	461,506	44,506
EXPENDITURES				
Capital outlay	1,239,500	1,994,500	2,873,855	(879,355)
Debt service:				
Principal	-	-	881,861	(881,861)
Interest	-	-	84,325	(84,325)
Total expenditures	1,239,500	1,994,500	3,840,041	(1,845,541)
Deficiency of revenues under expenditures	(822,500)	(1,577,500)	(3,378,535)	(1,801,035)
OTHER FINANCING SOURCES				
Transfers in	850,000	850,000	2,350,000	1,500,000
Issuance of leases	-	-	2,709,318	2,709,318
Total other financing sources	850,000	850,000	5,059,318	4,209,318
Net change in fund balance	(1,672,500)	(2,427,500)	1,680,783	2,408,283
Fund balance, beginning of year	1,670,926	1,670,926	1,670,926	-
FUND BALANCE, END OF YEAR	$ (1,574)	$ (756,574)	$ 3,351,709	$ 2,408,283

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Statistical Section

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Statistical Section
(Unaudited)

This part of the City's 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 City's overall financial health.

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

City of Haltom City, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 70,362,140	$ 58,579,976	$ 62,241,776	$ 44,884,303
Restricted	5,432,390	24,611,843	23,024,062	26,722,373
Unrestricted	51,108,927	32,589,616	20,868,878	16,422,441
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 126,903,457	$ 115,781,435	$ 106,134,716	$ 88,029,117
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 53,732,607	$ 48,385,309	$ 44,864,397	$ 45,964,147
Unrestricted	76,894,192	68,081,587	56,571,025	40,767,939
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 130,626,799	$ 116,466,896	$ 101,435,422	$ 86,732,086
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 124,094,747	$ 106,965,285	$ 107,106,173	$ 90,848,450
Restricted	5,432,390	24,611,843	23,024,062	26,722,373
Unrestricted	128,003,119	100,671,203	77,439,903	57,190,380
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 257,530,256	$ 232,248,331	$ 207,570,138	$ 174,761,203

Schedule 1

2021	2020	2019	2018	2017	2016
$ 48,488,519	$ 56,184,646	$ 53,560,693	$ 51,907,911	$ 48,573,824	$ 49,669,147
22,380,151	18,389,983	17,961,901	14,398,393	14,332,634	8,566,493
7,951,510	(1,208,395)	(9,182,445)	(9,177,231)	(7,282,612)	(6,118,269)
$ 78,820,180	$ 73,366,234	$ 62,340,149	$ 57,129,073	$ 55,623,846	$ 52,117,371
$ 43,641,248	$ 43,473,153	$ 43,145,765	$ 42,648,361	$ 41,019,999	$ 40,860,841
32,595,307	26,077,265	19,753,480	15,850,355	10,344,876	6,487,495
$ 76,236,555	$ 69,550,418	$ 62,899,245	$ 58,498,716	$ 51,364,875	$ 47,348,336
$ 92,129,767	$ 99,657,799	$ 96,706,458	$ 94,556,272	$ 89,593,823	$ 90,529,988
22,380,151	18,389,983	17,961,901	14,398,393	14,332,634	8,566,493
40,546,817	24,868,870	10,571,035	6,673,124	3,062,264	369,226
$ 155,056,735	$ 142,916,652	$ 125,239,394	$ 115,627,789	$ 106,988,721	$ 99,465,707

City of Haltom City, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022
EXPENSES				
Governmental activities:				
General government	$ 15,511,130	$ 14,294,525	$ 9,309,793	$ 9,354,014
Public safety	26,562,579	23,743,389	25,007,275	20,546,631
Streets	2,531,067	2,434,923	2,211,855	2,189,131
Culture and recreation	4,102,426	3,682,768	3,856,693	3,188,306
Interest on long-term debt	2,437,437	2,048,661	2,375,311	2,292,843
Total governmental activities expenses	51,144,639	46,204,266	42,760,927	37,570,925
Business-type activities:				
Water and sewer services	21,284,741	20,786,877	17,614,783	16,612,615
Drainage services	2,187,245	1,922,606	1,455,146	1,420,045
Total business-type activities expenses	23,471,986	22,709,483	19,069,929	18,032,660
Total primary government expenses	74,616,625	68,913,749	61,830,856	55,603,585
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	3,633,264	4,098,727	2,617,974	3,267,606
Public safety	1,359,802	1,067,745	1,122,025	970,643
Streets	78,890	6,299	15,750	2,434,923
Culture and recreation	174,424	169,991	175,895	150,251
Operating grants and contributions	1,293,464	437,020	10,959,717	4,076,899
Capital grants and contributions	446,435	446,470	26,479	656,164
Total governmental activities program revenues	6,986,279	6,226,252	14,917,840	11,556,486
Business-type activities:				
Charges for services:				
Water and sewer services	29,423,369	30,641,809	26,679,452	25,460,383
Drainage services	2,058,589	2,050,833	1,950,023	1,861,411
Operating grants and contributions	14,999	-	-	-
Capital grants and contributions	3,424,850	528,675	-	-
Total business-type activities program revenues	34,921,807	33,221,317	28,629,475	27,321,794
Total primary government program revenues	41,908,086	39,447,569	43,547,315	38,878,280
NET (EXPENSE) / REVENUE				
Governmental activities	(44,158,360)	(39,978,014)	(27,843,087)	(26,014,439)
Business-type activities	11,449,821	10,511,834	9,559,546	9,289,134
TOTAL PRIMARY GOVERNMENT NET EXPENSE	$ (32,708,539)	$ (29,466,180)	$ (18,283,541)	$ (16,725,305)

2021	2020	2019	2018	2017	2016
$ 9,241,073	$ 6,582,331	$ 7,170,945	$ 6,320,374	$ 6,583,493	$ 6,991,532
21,334,383	17,919,745	17,907,680	18,389,178	18,763,690	18,140,988
2,549,723	1,877,804	3,217,049	3,801,982	3,062,161	2,661,889
3,416,953	3,457,170	3,732,618	3,819,112	3,209,288	3,101,708
1,710,224	1,478,330	1,174,401	1,049,253	1,250,237	1,228,911
38,252,356	31,315,380	33,202,693	33,379,899	32,868,869	32,125,028
17,919,526	18,182,467	18,761,789	16,372,945	16,670,152	17,611,699
1,515,957	1,763,216	1,567,980	1,218,164	1,309,625	1,372,063
19,435,483	19,945,683	20,329,769	17,591,109	17,979,777	18,983,762
57,687,839	51,261,063	53,532,462	50,971,008	50,848,646	51,108,790
3,104,767	3,318,494	2,469,464	2,631,068	2,728,039	2,699,926
1,151,877	860,081	1,694,051	1,075,387	2,272,328	1,840,804
-	-	-	43,304	3,992	41,140
104,922	89,597	181,004	231,442	217,862	249,830
1,522,728	1,634,438	258,868	442,109	359,563	272,414
240,588	143,769	24,356	459,410	17,186	40,443
6,124,882	6,046,379	4,627,743	4,882,720	5,598,970	5,144,557
23,927,784	24,932,166	23,080,974	23,373,412	20,591,084	19,279,830
1,820,431	1,815,869	1,708,362	1,830,479	1,861,389	1,627,657
-	-	-	-	-	-
1,027,514	22,709,483	19,069,929	-	-	305,962
26,775,729	49,457,518	43,859,265	25,203,891	22,452,473	21,213,449
32,900,611	55,503,897	48,487,008	30,086,611	28,051,443	26,358,006
(32,127,474)	(25,269,001)	(28,574,950)	(28,497,179)	(27,269,899)	(26,980,471)
7,340,246	29,511,835	23,529,496	7,612,782	4,472,696	2,229,687
$ (24,787,228)	$ 4,242,834	$ (5,045,454)	$ (20,884,397)	$ (22,797,203)	$ (24,750,784)

City of Haltom City, Texas

Changes in Net Position - Continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property Taxes	$ 23,949,755	$ 22,136,941	$ 20,703,504	$ 18,098,327
Sales taxes	19,238,917	18,351,400	17,964,593	16,678,001
Franchise taxes	4,534,974	4,439,522	3,775,230	3,507,541
Occupancy Taxes	238,751	124,918	67,212	54,469
Interest	4,273,635	4,906,435	5,693,953	(59,349)
Unrestricted grants and contributions	-	-	-	-
Oil and gas leases	248,332	235,301	232,446	329,444
Mixed beverage taxes	94,812	290,741	37,157	38,839
Miscellaneous	695,968	15,507	80,310	128,372
Gain on sale of capital assets	1,567,703	-	284,289	-
Transfers	923,976	(876,032)	(2,890,008)	(1,117,345)
Total governmental activities	55,766,823	49,624,733	45,948,686	37,658,299
Business-type activities:				
Interest	3,408,981	3,643,608	2,253,782	48,743
Transfers	(923,976)	876,032	2,890,008	1,117,345
Total business-type activities	2,485,005	4,519,640	5,143,790	1,166,088
Total primary government	58,251,828	54,144,373	51,092,476	38,824,387
CHANGE IN NET POSITION				
Governmental activities	11,608,463	9,646,719	18,105,599	11,643,860
Business-type activities	13,934,826	15,031,474	14,703,336	10,455,222
TOTAL PRIMARY GOVERNMENT	$ 25,543,289	$ 24,678,193	$ 32,808,935	$ 22,099,082

	2021	2020	2019	2018	2017	2016
	$ 18,206,031	$ 17,273,899	$ 14,458,831	$ 13,688,707	$ 12,706,964	$ 12,035,695
	15,280,750	13,387,329	13,527,349	13,254,357	12,025,312	8,437,024
	3,480,016	3,896,316	3,934,104	4,034,509	4,078,235	4,044,133
	46,805	43,679	45,781	46,865	44,308	47,561
	(132,667)	745,428	901,211	239,572	244,718	157,851
	-	-	-	-	615,685	989,140
	86,403	53,276	122,757	123,212	57,466	30,131
	22,396	27,750	27,082	12,959	11,174	13,887
	11,690	255,396	80,533	270,597	384,156	124,181
	-	32,017	108,378	62,913	18,356	-
	579,996	579,996	580,000	580,000	580,000	700,000
	37,581,420	36,295,086	33,786,026	32,313,691	30,766,374	26,579,603
	(74,113)	428,817	520,982	147,322	123,843	89,063
	(579,996)	(579,996)	(580,000)	(580,000)	(580,000)	(700,000)
	(654,109)	(151,179)	(59,018)	(432,678)	(456,157)	(610,937)
	36,927,311	36,143,907	33,727,008	31,881,013	30,310,217	25,968,666
	5,453,946	11,026,085	5,211,076	3,816,512	3,496,475	(400,868)
	6,686,137	29,360,656	23,470,478	7,180,104	4,016,539	1,618,750
	$ 12,140,083	$ 40,386,741	$ 28,681,554	$ 10,996,616	$ 7,513,014	$ 1,217,882

City of Haltom City, Texas
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022
GENERAL FUND				
Nonspendable	$ 184,002	$ 1,479,783	$ 1,463,014	$ 1,464,419
Restricted	-	-	-	3,679,002
Assigned	15,031,330	4,188,475	5,964,351	6,002,133
Unassigned	31,961,932	40,709,641	36,626,042	19,895,000
TOTAL GENERAL FUND	47,177,264	46,377,899	44,053,407	31,040,554
ALL OTHER GOVERNMENT FUNDS				
Nonspendable	31,736	-	-	29,411
Restricted	40,726,283	43,633,767	67,379,404	85,935,660
Committed	3,379,907	1,697,859	1,634,311	1,320,968
Unassigned	(19,233)	(1,528)	(10,864)	(33,994)
TOTAL ALL OTHER GOVERNMENT FUNDS	$ 44,118,693	$ 45,330,098	$ 69,002,851	$ 87,252,045

Schedule 3

2021	2020	2019	2018	2017	2016
$ 186,734	$ 179,195	$ 168,876	$ 201,427	$ 200,738	$ 170,743
-	-	-	-	-	-
4,338,894	-	833,338	-	-	-
20,153,093	18,014,660	12,420,435	13,200,606	10,043,761	9,402,292
24,678,721	18,193,855	13,422,649	13,402,033	10,244,499	9,573,035
-	-	-	61,500	15,534	-
55,940,954	30,308,944	26,266,982	17,872,985	14,254,552	8,486,785
1,108,092	-	-	-	-	-
-	(33,125)	(34,469)	(23,103)	(11,520)	517,510
$ 57,049,046	$ 30,275,819	$ 26,232,513	$ 17,911,382	$ 14,258,566	$ 9,004,295

City of Haltom City, Texas
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022
REVENUES				
Taxes	$ 48,055,849	$ 45,406,785	$ 42,601,719	$ 38,949,202
Licenses and permits	1,743,664	2,905,962	1,469,963	1,684,308
Intergovernmental	1,893,212	776,872	10,753,612	4,513,951
Fines and fees	1,399,774	1,042,191	1,069,819	985,407
Charges for services	1,859,965	1,670,276	1,597,654	1,599,153
Oil and gas leases	98,277	34,630	86,446	183,444
Interest income	4,270,418	4,906,435	5,693,953	(59,349)
Contributions	221,687	195,362	43,598	574,764
Special assessments	-	-		-
Miscellaneous	695,968	15,333	80,310	45,006
Total revenues	60,238,814	56,953,846	63,397,074	48,475,886
EXPENDITURES				
General government	11,262,133	11,318,516	8,684,707	7,598,229
Public safety	24,569,855	22,669,944	20,538,829	19,437,964
Streets	2,307,737	2,262,671	1,892,798	1,933,792
Culture and recreation	3,885,960	3,667,724	3,217,815	2,950,934
Capital outlay	14,353,174	32,596,156	24,303,389	8,458,571
Debt Service:	-			
Principal	6,471,933	5,785,142	5,357,974	6,042,154
Interest	2,758,390	2,831,037	2,964,569	1,612,731
Bond issuance costs	25,845	3,700	3,100	617,388
Total expenditures	65,635,027	81,134,890	66,963,181	48,651,763
Excess (deficiency) of revenues over (under) expenditures	(5,396,213)	(24,181,044)	(3,566,107)	(175,877)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	38,995,000
Premium on insurance of debt	-	-	-	2,671,220
Payment to refunded bond escrow agent	-	-	-	(4,397,197)
Issuance of lease	2,709,318	1,714,807	836,251	581,404
Issuance of SBITA	124,162	548,834	1,629,234	-
Sale of capital assets	1,567,703	174	284,289	286
Transfers in	4,276,976	4,306,427	2,977,488	3,294,900
Transfers out	(4,353,000)	(3,737,459)	(7,397,496)	(4,404,904)
Total other financing sources	4,325,159	2,832,783	(1,670,234)	36,740,709
NET CHANGE IN FUND BALANCE	$ (1,071,054)	$ (21,348,261)	$ (5,236,341)	$ 36,564,832
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	18.0%	18.3%	20.0%	18.8%

Schedule 4

2021	2020	2019	2018	2017	2016
$ 37,047,887	$ 34,410,674	$ 32,191,601	$ 31,059,455	$ 29,076,841	$ 24,497,264
1,721,763	1,935,600	1,095,526	987,167	638,032	814,128
1,548,228	1,688,615	215,319	758,074	254,000	205,337
1,107,243	764,796	1,292,692	1,313,937	1,551,999	1,371,940
1,516,790	1,326,530	1,386,044	1,759,252	2,121,287	2,054,448
86,403	53,276	122,757	123,212	67,466	30,131
(132,667)	745,388	901,178	239,539	244,678	157,850
32,679	72,319	68,187	144,310	748,839	1,405,165
-	-	2,033	6,059	3,183	-
172,973	465,519	350,375	547,405	667,635	465,094
43,101,299	41,462,717	37,625,712	36,938,410	35,373,960	31,001,357
7,443,056	6,490,804	7,250,795	6,274,768	5,804,710	6,181,093
17,648,916	17,293,723	17,900,823	17,197,194	16,604,490	16,487,431
2,958,596	2,824,221	2,099,806	1,556,644	1,284,857	683,434
2,812,340	2,824,579	3,126,754	3,046,391	2,447,648	2,429,286
4,147,546	4,255,104	1,903,015	2,098,253	1,595,455	5,187,830
6,073,871	5,144,934	5,055,743	4,218,128	4,105,000	3,545,000
1,067,252	1,422,774	1,054,336	1,073,999	1,200,021	1,259,241
652,873	165,522	168,065	54,598	147,289	4,640
42,804,450	40,421,661	38,559,337	35,519,975	33,189,470	35,777,955
296,849	1,041,056	(933,625)	1,418,435	2,184,490	(4,776,598)
34,160,000	5,730,000	7,460,000	2,860,000	7,115,000	-
2,265,050	429,778	526,665	-	430,923	-
(6,939,428)	-	-	-	(4,403,034)	-
30,903	956,294	600,329	809,444	-	-
-	-	-	-	-	-
2,864,723	77,388	108,378	62,913	18,356	-
3,151,018	2,356,440	2,898,688	2,797,863	2,284,913	1,778,250
(2,571,022)	(1,776,444)	(2,318,688)	(2,217,863)	(1,704,913)	(1,078,250)
32,961,244	7,773,456	9,275,372	4,312,357	3,741,245	700,000
$ 33,258,093	$ 8,814,512	$ 8,341,747	$ 5,730,792	$ 5,925,735	$ (4,076,598)
19.8%	19.8%	17.5%	16.0%	16.8%	15.7%

City of Haltom City, Texas **Schedule 5**

General Governmental Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax Tax	Franchise Tax	Occupancy Tax	Bingo Tax	Beverage Tax	Total
2025	$ 23,948,395	$ 19,238,917	$ 4,534,974	$ 238,751	$ 55,105	$ 39,707	$ 48,055,849
2024	22,200,204	18,351,400	4,439,522	124,918	256,105	34,636	45,406,785
2023	20,757,527	17,964,593	3,775,230	67,212	-	37,157	42,601,719
2022	18,650,500	18,989,233	3,527,393	54,469	-	38,839	41,260,434
2021	18,157,393	15,280,750	3,540,543	46,805	-	22,396	37,047,887
2020	16,992,361	13,387,329	3,946,276	56,958	10,994	16,756	34,410,674
2019	14,605,834	13,527,349	3,984,935	46,401	6,255	20,827	32,191,601
2018	13,688,514	13,254,357	4,056,346	47,279	-	12,959	31,059,455
2017	12,867,349	12,025,312	4,128,461	44,545	-	11,174	29,076,841
2016	11,898,232	8,437,022	4,100,319	47,804	-	13,887	24,497,264

City of Haltom City, Texas

Schedule 6

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Taxable Value: Real Property	Taxable Value: Personal Property	Less: Tax-Exempt Property	Not Taxable Value	Total Direct Tax Rate
2025	$ 4,495,023,341	$ 571,214,301	$ 891,667,979	$ 4,174,569,663	0.58073
2024	4,310,088,755	544,182,282	898,363,851	3,955,907,186	0.56728
2023	3,633,895,514	421,959,781	733,491,150	3,322,364,145	0.60816
2022	3,148,051,068	405,444,213	678,491,378	2,875,003,903	0.64565
2021	2,751,616,395	439,846,344	646,623,523	2,544,839,216	0.66576
2020	2,540,379,473	496,278,229	602,651,495	2,434,006,207	0.66576
2019	2,296,595,267	357,883,712	509,227,200	2,145,251,779	0.65300
2018	2,126,037,240	349,464,064	509,893,316	1,965,607,988	0.66818
2017	1,778,726,503	326,663,818	430,621,079	1,674,769,242	0.69999
2016	1,659,993,768	314,318,393	406,461,354	1,567,850,807	0.69999

Source: Tarrant County Appraisal District

City of Haltom City, Texas

Schedule 7

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

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating/ General Fund	Debt Service Fund	Total (A) Direct	Birdville School District	Tarrant College District	Tarrant County Hospital	Tarrant County	Total Direct & Overlapping
2025	0.386103	0.194624	0.580727	1.198300	0.112280	0.182500	0.187500	2.261307
2024	0.371831	0.195452	0.567283	1.203100	0.112170	0.194500	0.194500	2.271553
2023	0.376427	0.231735	0.608162	1.279800	0.130170	0.224429	0.224000	2.466561
2022	0.395769	0.249882	0.645651	1.338000	0.130170	0.224429	0.229000	2.567250
2021	0.403750	0.262010	0.665760	1.380300	0.130170	0.224429	0.234000	2.634659
2020	0.413730	0.252030	0.665760	1.383900	0.130170	0.224429	0.234000	2.638259
2019	0.423000	0.230000	0.653000	1.453900	0.136070	0.224429	0.234000	2.701399
2018	0.455180	0.213000	0.668180	1.453900	0.140060	0.224429	0.244000	2.730569
2017	0.462320	0.237670	0.699990	1.453900	0.144730	0.227897	0.254000	2.780517
2016	0.462320	0.237670	0.699990	1.453900	0.149500	0.227897	0.264000	2.795287

City of Haltom City, Texas

Schedule 8

Principal Property Tax Payers
Current Year and Nine Years Ago

	2025			2016		
Taxpayer	Taxable Assessed Value (in thousands)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (in thousands)	Rank	Percentage of Total City Taxable Assessed Value
Exponential Property Group	$ 94,300,000	1	2.26%	$ -	-	-
Mercantile Partners	81,144,011	2	1.94%	-	-	-
USLP Haltom City LP	68,736,974	3	1.65%	-	-	-
Northern Cross TIC	62,500,000	4	1.50%	-	-	-
Hillshire Brands Co	61,515,891	5	1.47%	-	-	-
Goodrich Landing Gear LLC	60,824,820	6	1.46%	-	-	-
TS Asset Calloway LLC	51,000,000	7	1.22%	-	-	-
BREP Beach LP	50,500,000	8	1.21%	-	-	-
AV Haltom Lakeview/AV Springlake LLC	50,380,000	9	1.50%	-	-	-
Spring Lake Village LLC	49,900,000	10	1.20%	-	-	-
Hidden/820 LLC	-	-	-	53,400,000	1	3.17%
Hillshire Brands Company	-	-	-	35,537,354	2	2.11%
WMMFI II Beach Street LP	-	-	-	35,100,000	3	2.09%
JVM Amesbury Court LLC Etal	-	-	-	30,700,000	4	1.82%
Alliance PJWE LP	-	-	-	18,700,000	5	1.12%
Fossil Ridge Apartments LLC	-	-	-	16,800,000	6	1.11%
Fossil Hill Apartments LP	-	-	-	14,000,000	7	1.00%
Spring Lake Apartments LLC	-	-	-	15,965,000	8	0.83%
Oncor Electric Delivery Co LLC	-	-	-	12,883,903	9	0.77%
AV Haltom Lakeview	-	-	-	12,570,000	10	0.75%
TOTAL	$ 630,801,696		15.41%	$ 245,656,257		14.77%

Total Taxable Value

Source: Tarrant County Appraisal District

City of Haltom City, Texas

Schedule 9

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Adjustments to Levy	Adjusted Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections for Previous Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2025	$ 23,570,441	$ 264,747	23,835,188	$ 23,524,908	99.40%	167,548	$ 23,692,456	99.40%
2024	22,157,479	83,102	22,240,581	21,970,058	98.78%	53,271	22,023,329	99.02%
2023	19,535,246	628,764	20,164,010	19,959,414	98.99%	90,600	20,050,014	99.43%
2022	18,292,751	330,464	18,623,215	18,436,766	98.99%	37,104	18,473,870	99.20%
2021	16,983,855	837,616	17,821,471	17,653,406	99.06%	96,608	17,750,014	99.60%
2020	16,709,584	224,381	16,933,965	16,749,840	98.91%	133,265	16,883,105	99.70%
2019	14,415,250	158,809	14,574,059	14,375,036	98.63%	74,294	14,449,330	99.14%
2018	13,110,290	392,415	13,502,705	13,316,626	98.62%	136,128	13,452,754	99.63%
2017	12,287,526	415,787	12,703,313	12,514,668	98.51%	142,888	12,657,556	99.64%
2016	10,864,156	793,917	11,658,073	11,544,619	99.03%	63,268	11,607,887	99.57%

Source: Tarrant County Tax Office

City of Haltom City, Texas

Schedule 10

Sales Tax Collections by Fund
Last Ten Fiscal Years

Fiscal Year	General	Street Reconstruction	Total Primary Government	Component Units: Economic Development	Component Units: Crime Control District	Total Sales Tax Collections
2025	$ 15,116,284	$ 4,122,633	$ 19,238,917	$ -	$ 2,668,176	$ 21,907,093
2024	14,418,813	3,932,587	18,351,400	-	2,545,833	20,897,233
2023	14,113,396	3,851,197	17,964,593	-	2,505,652	20,470,245
2022	13,101,543	3,576,458	16,678,001	-	2,311,232	18,989,233
2021	13,022,519	3,279,821	16,302,340	-	2,123,435	18,425,775
2020	10,539,418	2,875,661	13,415,079	-	1,833,806	15,248,885
2019	10,632,058	2,895,291	13,527,349	-	1,865,818	15,393,167
2018	10,402,719	2,851,638	13,254,357	-	1,838,595	15,092,952
2017	9,448,656	2,577,863	12,026,519	-	1,662,631	13,689,150
2016	6,747,264	1,689,760	8,437,024	3,379,538	1,643,414	13,459,976

Note:
The Economic Dev elopment Corporation and the Crime District are presented separately which are discretely presented component units, but part of the City's Sales Tax Rate and Collections. Starting FY2017, there will be no allocation of sales tax to Economic Dev elopment Corporation

City of Haltom City, Texas
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements	Leases Payable
2025	$ 62,209,273	$ 14,797,131	$ -	$ -	$ 4,288,186
2024	66,312,046	16,227,426	-	-	2,516,176
2023	70,228,021	16,325,638	-	-	1,539,441
2022	76,012,451	17,207,124	-	-	1,319,192
2021	52,721,967	9,055,764	-	1,314,418	-
2020	27,253,677	10,645,764	-	1,777,386	-
2019	31,336,530	5,128,497	234,908	1,131,026	-
2018	27,377,718	5,787,751	474,816	756,316	-
2017	27,581,648	6,605,000	845,000	-	-
2016	22,240,000	12,015,000	1,230,000	-	-

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

* See Table 16 for personal income and population data.

Governmental Activities	Business-Type Activities				
Subscriptions Payable	General Obligation Refunding Bonds	Certificates of Obligation	Total Primary Government	Debt Percentage of Personal Income*	Total Debt Per Capita
$ 1,417,012	$ 2,315,000	$ 3,755,000	$ 88,781,602	6.71%	1,888
1,652,474	2,670,000	4,020,000	93,398,122	7.14%	1,914
1,465,710	5,655,000	4,176,717	99,390,527	8.06%	2,145
-	3,300,000	6,645,969	104,484,736	9.62%	2,284
-	4,183,858	9,121,521	76,397,528	8.18%	1,522
-	5,138,858	10,010,081	54,825,766	5.93%	1,156
-	3,682,796	13,224,703	54,738,460	5.93%	1,218
-	5,026,999	14,041,555	53,465,155	6.01%	1,221
-	6,200,000	7,330,000	48,561,648	5.62%	1,140
-	6,630,000	8,605,000	50,720,000	5.78%	1,187

City of Haltom City, Texas
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

	Governmental Activities			
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements
2025	$ 62,209,273	$ 14,797,131	$ -	$ -
2024	66,312,046	16,227,426	-	-
2023	70,228,021	16,325,638	-	-
2022	76,012,451	17,207,124	-	-
2021	52,721,967	9,055,764	-	1,314,418
2020	27,253,677	10,645,764	-	1,777,386
2019	31,454,935	5,128,497	234,908	-
2018	27,525,285	5,787,751	474,816	-
2017	27,581,648	6,605,000	845,000	-
2016	22,240,000	12,015,000	1,230,000	-

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

See Table 6 for property v alue data.

See Table 16 for population data.

Schedule 12

Governmental Activities		Business-Type Activities				
Less Amount Available for Debt Service	Total	General Obligation Refunding Bonds	Certificates of Obligation	Total Debt	Percentage of General Debt to Taxable Value of Property*	General Debt Per Capita
$ 2,566,991	74,439,413	$ 2,315,000	$ 3,755,000	$ 80,509,413	2.23%	1,979
2,506,070	80,033,402	2,670,000	4,020,000	86,723,402	2.30%	1,954
3,579,677	82,973,982	5,655,000	4,176,717	92,805,699	2.88%	2,066
1,562,948	91,656,627	3,300,000	6,645,969	101,602,596	3.58%	2,251
1,712,505	61,379,644	4,183,858	9,121,521	74,685,023	2.88%	1,700
1,033,177	38,643,650	5,138,858	10,010,081	53,792,589	2.08%	1,144
523,044	36,295,296	3,682,796	13,224,703	53,202,795	2.51%	1,259
374,761	33,413,091	5,026,999	14,041,555	52,481,645	2.66%	1,224
385,467	34,646,181	6,200,000	7,330,000	48,176,181	2.89%	1,134
493,055	34,991,945	6,630,000	8,605,000	50,226,945	3.20%	1,175

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City of Haltom City, Texas

Schedule 13

Direct and Overlapping Governmental Activities Debt
As of September 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
DEBT REPAID WITH PROPERTY TAXES			
Birdville Independent School District	$ 575,575,000	22.32%	$ 128,468,340
Fort Worth Independent School District	1,561,440,000	0.24%	3,747,456
Keller Independent School District	678,700,000	0.58%	3,936,460
Tarrant County	314,050,000	1.33%	4,176,865
Tarrant County College District	547,535,000	1.33%	7,282,216
Tarrant County Hospital District	431,255,000	1.33%	5,735,691
Subtotal, overlapping debt			153,347,028
CITY OF HALTOM CITY (DIRECT DEBT)			79,040,000
TOTAL DIRECT AND OVERLAPPING DEBT			$ 232,387,028

Sources: Texas Municipal Reports published by Municipal Advisory Council of Texas

* The percentage of overlapping debt applicable is estimated using the area of each taxing unit located with Haltom City.

City of Haltom City, Texas

Legal Debt Margin Information

Last Ten Fiscal Years

	2025	2024	2023	2022
Debt limit	$ 104,364,242	$ 98,897,680	$ 83,059,104	$ 76,407,188
Total net debt applicable to limit	61,957,282	66,475,976	72,303,344	74,067,897
LEGAL DEBT MARGIN	$ 42,406,960	$ 32,421,704	$ 10,755,760	$ 2,339,291
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	59.57%	67.22%	73.11%	96.94%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 2.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation may by offset by amounts set aside for repaying general obligation bonds.

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value

Debt limit (2.5% of assessed value)

Debt applicable to limit:

General obligation bonds

Less: Amount set aside for repayment of general obligation debt

Total net debt applicable to limit

Legal debt margin

Schedule 14

2021	2020	2019	2018	2017	2016
$ 63,610,678	$ 60,850,155	$ 53,631,294	$ 49,140,200	$ 41,869,231	$ 39,196,270
49,306,130	26,220,500	30,931,891	27,150,524	27,196,181	21,746,945
$ 14,304,548	$ 34,629,655	$ 22,699,403	$ 21,989,676	$ 14,673,050	$ 17,449,325
77.51%	43.09%	57.68%	55.25%	64.96%	62.79%

$ 4,174,569,663
104,364,242
64,524,273
(2,566,991)
61,957,282
$ 42,406,960

City of Haltom City, Texas

Schedule 15

Pledged Revenue Coverage
Last Ten Fiscal Years

				Water & Sewer Revenue Bonds		
		Less	Net			
Fiscal	Total	Operating	Available	Debt Service		
Year	Revenues *	Expenses **	Revenue	Principal	Interest	Coverage
2025	$ 29,423,369	$ 21,295,489	$ 8,127,880	$ -	$ -	$ -
2024	33,895,442	18,312,507	15,582,935	-	-	-
2023	26,704,316	15,043,147	11,661,169	-	-	-
2022	27,193,714	14,301,249	12,892,465	-	-	-
2021	23,227,162	15,397,186	7,829,976	-	-	-
2020	26,548,509	15,761,697	10,786,812	-	-	-
2019	23,537,076	16,452,441	7,084,635	-	-	-
2018	23,042,346	14,187,868	8,854,478	-	-	-
2017	20,235,926	14,994,043	5,241,883	-	-	-
2016	18,773,943	15,828,200	2,945,743	-	-	-

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

* Includes operating rev enues the city's outstanding debt can be found in the notes to the financial statements
** Includes operating expenses minus depreciation and amortization

City of Haltom City, Texas

Schedule 16

Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2025	46,994	$ 1,322,552	$ 28,143	33.4	22,163	4.2%
2024	46,505	1,308,790	28,143	35.2	22,447	3.6%
2023	46,382	1,232,880	26,581	34.6	22,447	3.7%
2022	45,746	1,085,736	23,734	32.8	22,673	3.5%
2021	43,168	933,637	21,628	32.4	22,535	6.3%
2020	44,339	958,963	21,628	31.5	23,503	6.2%
2019	42,730	877,973	20,547	31.8	23,477	2.9%
2018	42,740	856,253	20,034	31.8	23,570	3.0%
2017	42,740	867,750	20,303	32.5	23,627	3.2%
2016	42,730	878,144	20,551	32.0	24,300	3.9%

Sources: Estimated population before 2015 provided by Oncor Economic Development. Estimated population for 2015 to 2018 were provided by the North Central Texas Council of Governments. Median age from Census-factfinder.census.gov . School enrollment provided by Birdville ISD. Unemployment rates from US Bureau of Labor Statistics.

Note: Birdville ISD school enrollment has not been released per schools.texastribune.org as of 2/20/2025.

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City of Haltom City, Texas

Schedule 17

Principal Employers
Current Year and Nine Years Ago

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hillshire Brands	735	1	12.74%	-	-	-
Tyson Foods	401	2	3.28%	-	-	-
Progressive Concepts Inc	350	3	1.44%	-	-	-
Haltom City City Hall	286	4	1.19%	-	-	-
Medtronic	270	5	0.90%	-	-	-
GST Manufacturing	260	6	0.82%	-	-	-
Haltom H S	236	7	0.63%	-	-	-
Liberty Carton	175	8	0.56%	-	-	-
Birdville Independent School District	170	9	0.51%	-	-	-
L&L Fabrication	150	10	0.49%	-	-	-
Birdville ISD	-	-	-	3,088	1	13.65%
Hillshire Brands	-	-	-	735	2	3.25%
City of Haltom City	-	-	-	275	3	1.22%
Medtronix Midas Rex	-	-	-	270	4	1.19%
GST Manufacturing	-	-	-	260	5	1.15%
Liberty Carton Company	-	-	-	175	6	0.77%
Lewis & Lambert Metal	-	-	-	150	7	0.66%
Nurse Assist	-	-	-	126	8	0.56%
Falcon Steel Company	-	-	-	121	9	0.53%
Blackmon Mooring	-	-	-	120	10	0.53%
TOTAL	3,033		22.56%	5,320		23.51%

City of Haltom City, Texas
Full-Time City Government Employees By Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022
FUNCTION / PROGRAM				
General government:				
Administration	4	2	2	2
City Secretary	2	2	2	2
City Council	-	0	0	0
Finance	6	6	6	5
Human Resources	5	4	3	4
Planning	12	12	12	13
Information Tech. / HCTV	6	6	5	6
Code Enforcement	-	0	0	0
Fleet services	5	5	4	4
Building Maintenance	3	3	1	2
Economic development	1	0	0	0
Public safety:				
Police	82	84	85	86
Fire	58	58	57	59
Emergency Management	4	4	4	0
Municipal court	5	5	6	7
Animal control	5	5	4	5
Streets	13	12.5	10	12.5
Culture and recreation:				
Library	10	10	16	13
Parks and recreation	23	23	26	24
Crime Control & Prevention District	11	6	6	5
Water & Sewer	50.5	49.5	35	45.5
Drainage	7	7	7	7
TOTAL	312	304	291	302

Schedule 18

2021	2020	2019	2018	2017	2016
3	3	3	3	3	3
2	2	2	2	2	2
0	0	0	0	0	0
5	5	6	6	6	6
4	4	2	4	4	4
13	7	7	7	7	6
6	6	6	6	6	6
0	6	5	5	5	5
4	4	4	4	5	6
2	2	2	2	2	2
0	0	1	0	0	1
85	85	83	82	82	82
59	59	56	55	54	54
0	0	0	0	0	0
7	7	5	7	8	8
4	4	4	5	5	5
12.5	12.5	10	11.5	11.5	11.5
10	13	13	13	13	13
23	24	24	19	19	18
5	5	0	0	0	0
44.5	41.5	38	42.5	41.5	41.5
6	7	6	7	7	7
295	297	277	281	281	281

City of Haltom City, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022
FUNCTION/PROGRAM				
General Government				
Planning:				
Residential permits issued	559	792	792	953
Commercial permits issued	167	127	143	157
New residential homes	55	202	46	80
New commercial buildings	19	17	17	9
Public safety:				
Police:				
Number of stations	82	80	81	78
Number of physical arrests	1,700	1,271	1,600	1,642
Number of offenses*	1,320	1,347	1,308	1,500
Fire:				
Number of firefighters				
Number of fire runs	58	54	52	51
Number of EMS runs	2,003	1,450	1,955	2,067
	3,421	4,125	3,409	3,124
Streets:				
Street resourcing (sq. yards)				
Asphalt used for repairs (tons)	7,083	465	13,457	1,152
	2,743	759	1,700	1,003
Culture and recreation:				
Library				
Number of volumes	135,816	139,796	124,837	124,849
Average monthly circulation	9,740	9,780	9,609	9,862
Parks and recreation:				
Average daily attendance	209	219	161	196
Water & Sewer:				
Number of water connections	12,838	12,728	12,719	12,599
Average daily consumption (millions of gallons)	4.17	4.26	3.74	3.74
Number of sewer connections	12,771	12,965	12,884	12,867
Residential accounts billed	11,433	11,290	11,290	11,323
Commercial accounts billed	1,405	1,438	1,429	1,276

* Part I offenses only

Schedule 19

2021	2020	2019	2018	2017	2016
774	1,043	667	437	409	405
149	142	146	12	190	260
56	116	19	10	16	11
19	17	13	18	10	16
78	78	78	83	76	76
1,584	1,422	1,739	1,950	1,798	1,863
2,029	1,909	1,909	1,945	1,712	1,693
					51
51	51	59	59	52	1,845
2,012	1,688	1,865	1,745	1,307	2,906
3,185	2,728	2,814	2,902	3,166	
					14,070
1,904	1,085	1,192	5,859	6,725	3,358
1,590	2,801	1,611	3,775	2,837	
115,363	71,442	134,308	125,494	134,942	134,770
10,856	12,859	22,667	22,409	24,020	25,791
140	196	295	320	361	301
11,509	13,109	12,630	13,109	12,402	12,222
3.97	3.74	3.95	4.01	4.32	4.28
12,826	12,717	12,739	12,716	14,069	14,069
10,226	11,544	11,128	11,544	11,023	10,872
1,283	1,565	1,502	1,565	1,379	1,350

City of Haltom City, Texas
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022
FUNCTION/PROGRAM				
Public safety:				
Police:	1	1	1	1
Stations	8	8	8	37
Patrol units	3	3	3	3
Streets:				
Streets (miles)	157	172	186	186
Traffic signals	15	15	15	15
Streetlights	1,730	1,730	1,809	1,809
Culture and recreation:				
Parks	12	12	12	11
Park (acres)	240	240	240	240
Picnic areas	9	9	9	10
Playgrounds	18	18	18	18
Recreation center	1	1	1	1
Senior center	1	1	1	1
Libraries	1	1	1	1
Water and sewer:				
Water mains (miles)	213	209	209	213
Fire hydrants	2,044	1,834	1,662	1,662
Sanitary sewers (miles)	178	180	141	142
Drainage:				
Storm sewers (miles)	63	66	308	308

Source: City of Haltom City Records

Schedule 20

2021	2020	2019	2018	2017	2016
1	1	1	1	1	1
37	37	37	37	37	37
3	3	3	3	3	3
186	186	186	184	184	174
15	15	15	15	15	14
1,809	1,809	1,809	1,777	1,777	1,767
11	11	11	11	11	11
230	230	230	230	220	220
9	9	9	9	9	9
17	17	17	16	15	15
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
213	213	214	214	214	211
1,760	1,747	1,747	1,724	1,724	1,700
150	142	163	161	161	142
308	308	311	310	310	307

City of Haltom City, Texas

Single Audit Report
September 30, 2025

C O N T E N T S

2821 West 7th Street, Suite 700
Fort Worth, Texas 76107
817-332-7905

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and City Council, City of Haltom City, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas (the City) as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests no disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
March 17, 2026

2821 West 7th Street, Suite 700
Fort Worth, Texas 76107
817-332-7905

Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the Texas Grant Management Standards and on the Schedule of Expenditures of State Awards

To the Honorable Mayor and City Council
City of Haltom City, Texas

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Haltom City, Texas' (the City's) compliance with the types of compliance requirements identified as subject to audit in the Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of the City's major state programs for the year ended September 30, 2025. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of TxGMS. Our responsibilities under those standards and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of TxGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards Required by the Texas Grant Management Standards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Haltom City, Texas' basic financial statements. We issued our report thereon, dated March 17, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by TxGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
March 17, 2026

City of Haltom City, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

I. Summary of the Auditor's Results:

Financial Statements

a. An unmodified opinion was issued on the financial statements.

b. Internal control over financial reporting:

Material weakness(es) identified?	X Yes	No
Significant deficiency(ies) identified that are not considered a material weakness?	Yes	X None Reported

c. Noncompliance material to financial statements noted? — Yes / X No

Noncompliance material to financial statements noted?	Yes	X No

Major Programs

d. Internal control over major programs:

Material weakness(es) identified?	Yes	X No
Significant deficiency(ies) identified that are not Considered a material weakness?	Yes	X None Reported

e. An unmodified opinion was issued on compliance for the major State program.

f. Any audit findings disclosed that were required to be reported in accordance with TxGMS?

Any audit findings disclosed that were required to be reported in accordance with TxGMS?	Yes	X No

g. Identification of major program:

Program/Cluster Name
Texas Parks and Wildlife Department - Recreation Grant - Local Parks Grant Program - North Park

h. The dollar threshold used to distinguish between type A and type B programs. $750,000

City of Haltom City, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*:

Finding 2025-001

Reconciliation

Criteria/Condition: Audit procedures identified that certain balances related to accrued health insurance liabilities and arbitrage liabilities were not recorded in accordance with U.S. GAAP. This resulted in adjustments to multiple balances, including the following:

- Capital Improvements Fund – Decrease interest payable by $891,299, increase fund balance by $709,873, and increase interest revenue by $181,426.
- Discretely Presented Component Unit – Increase net position by $148,038, decrease accrued liabilities by $135,892 and increase health insurance expenses by $12,146.
- Drainage Utility Fund – Decrease accrued liabilities by $182,338, increase fund balance by $149,582, and decrease health insurance expense by $32,756.

( ) Compliance Finding ( ) Significant Deficiency (X) Material Weakness

Context/Cause: Account balances were not reviewed in enough detail to ensure proper accrual and inclusion of costs as of year-end.

Effect or Potential Effect: Correcting entries were posted in order to properly recognize these balances, including prior period adjustments.

Recommendation: We recommend that the City implement additional procedures to provide timely review of all account balances to ensure that balances are recorded appropriately.

Respondent Officials' Response: See Corrective Action Plan

III. Findings and Questioned Costs for State Awards:

There were no matters reported.

IV. Summary of Prior Year Findings

There were no prior year findings.

City of Haltom City, Texas
Corrective Action Plan
For the Year Ended September 30, 2025

Finding 2025-001 - Reconciliation

Response:

Management concurs with the finding and notes that the adjustments relates to the proper year-end presentation and classification of accrued liabilities in accordance with U.S. GAAP. Our arbitrage liability initially reflected within the governmental fund financial statements required reclassification to the government-wide financial statements based on the timing of when the liabilities become due and payable.

With respect to the health insurance liability, the City has already initiated corrective actions. An external consultant was engaged to review the existing process for tracking and allocating health insurance costs and related liabilities across funds. Recommendations from that review are to be implemented to enhance reconciliation procedures and improve documentation.

In addition, management plans to perform an assurance review of health insurance payments and other employee benefit costs for recent fiscal years to verify that costs recognized by each fund appropriately reflects actual benefit expenses. This review will help confirm historical balances and ensure a consistent allocation methodology moving forward, particularly following the City's implementation in the last few years of a new ERP system.

Management believes these actions will strengthen year-end review procedures and enhance internal controls over the recognition and reconciliation of benefit-related liabilities.

Responsible Official: Stormy Johnson, Finance Director

Implementation Date: March 2026

City of Haltom City, Texas

Schedule of Expenditures of State Awards

For the Year Ended September 30, 2025

State Grantor/ Pass-Through Grantor/ Program Title	Contract Number	Expenditures
TEXAS PARKS and WILDLIFE DEPARTMENT		
Direct Awards		
Recreation Grants - Local Parks Grant Program - North Park	50-00514	$ 750,000
North Park - Pond Installation	N/A	10,000
Total Texas Parks and Wildlife Department		760,000
TEXAS COMMISSION on LAW ENFORCEMENT		
Passed through the Texas Comptroller		
Law Enforcement Officer Standards Education (LEOSE)	17560031050004	3,352
Total Texas Commission on Law Enforcement		3,352
TOTAL EXPENDITURES OF STATE AWARDS		$ 763,352

City of Haltom City, Texas

Notes to Schedule of Expenditures of State Awards
For the Year Ended September 30, 2025

1. Basis of Presentation

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the City and is presented on the accrual basis of accounting as described in Note 1 to the basic financial statements for the year ended September 30, 2025. The information in the Schedule of Expenditures of State Awards is presented in accordance with the requirements of the Texas Grant Management Standards (TxGMS).

The City elected not to use the de minimis indirect cost rate.

CITY COUNCIL MEMORANDUM/RESOLUTION

City Council Meeting:	**Monday, March 23, 2026, 6:00 PM**
Department:	**Finance**
Subject:	**AD VALOREM TAX ABATEMENT POLICY UPDATE**

BACKGROUND

On February 28, 1994, the City Council adopted a policy establishing guidelines for the granting of abatements of ad valorem taxes. Section XI of the Policy states that the City Council must review the guidelines and criteria every two (2) years. This policy will be reviewed again in 2028. The attached policy has been reviewed by Staff and our legal counsel.

Changes made were as follows:

1. Several definitions and references within the policy were updated to reflect current Texas statutes, including references to Texas Government Code Chapter 2303 (Enterprise Zones) and Texas Tax Code Chapter 312.

   Reason -To ensure the policy reflects current state law and avoids references to outdated statutes.

2. Language in the application section was updated to clarify that City staff will review applications and conduct necessary analysis, negotiations, and due diligence prior to presenting a proposed tax abatement agreement to the City Council.

   Reason - To better reflect the City's current administrative process and ensure adequate evaluation of economic development proposals prior to Council consideration.

3. Updates to public hearing and notice procedures - Sections related to public hearings, notices, and approval of tax abatement agreements were updated to align more clearly with statutory notice requirements under Texas Tax Code Chapter 312 and the Texas Open Meetings Act.

   Reason - To improve transparency and ensure procedural compliance with state law when establishing reinvestment zones or approving tax abatement agreements.

4. Clarification of approval and various voting requirements - Language regarding approval thresholds and variance approvals was updated to reflect the appropriate City Council voting requirements, consistent with Chapter 312.

   Reason - To ensure consistency with statutory requirements governing adoption or modification of tax abatement guidelines.

5. Transparency and reporting updates - Administrative language was added clarifying that the City will provide a link on the City website to the Texas Comptroller's published tax abatement information, consistent with state transparency requirements.

   Reason - To ensure compliance with statewide reporting and transparency requirements for economic development agreements.

6. General formatting and clarity improvements - Additional edits were made throughout the policy to correct formatting issues, remove placeholder language from prior templates, improve clarity of definitions, and ensure consistent references to Haltom City.

Reason - These revisions improve readability and administrative consistency without changing the overall intent of the policy.

Overall impact to the proposed revisions do not substantially change the City's existing tax abatement criteria or thresholds. Instead, the updates primarily clarify statutory references, improve procedural language, enhance transparency requirements and correct formatting and terminology. The policy will continue to guide the City's evaluation of potential tax abatement agreements intended to support economic development while protecting the City's tax base.

FISCAL IMPACT

There is no direct fiscal impact associated with the adoption of the updated Ad Valorem Tax Abatement Policy. The proposed revisions primarily clarify statutory references, administrative procedures, and transparency requirements and do not modify the existing investment thresholds, abatement limits, or eligibility criteria.

Future fiscal impacts would only occur if the City Council approves a specific tax abatement agreement under this policy. Any such agreement would be evaluated individually and presented to the City Council with a detailed fiscal analysis of the projected economic benefits and potential property tax revenue impacts.

RECOMMENDATION

Staff recommends that the City Council renew the Ad Valorem Tax Abatement Policy.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HALTOM CITY:

That the above stated Staff recommendations are hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Haltom City, Texas this 9TH day of December 2024, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, §551.001 *et seq*.

APPROVED	ATTEST:
____________________	____________________
Dr. An Truong, Mayor	Imelda B. Rodriguez, City Secretary

APPROVED AS TO FORM:

____

Wayne Olson, City Attorney

Attachments

Policy Update Showing Edits

Tax Abatement Policy Clean

ATTACHMENT A
CITY OF HALTOM CITY
POLICY ON AD VALOREM TAX ABATEMENT

March 9, 2026

GENERAL PURPOSE AND OBJECTIVES

The City of Haltom City is committed to the promotion of high~~-~~-quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Because these objectives are generally served by the enhancement and expansion of the local economy, the City of Haltom City will, on a case-by-case basis, ~~give consideration to~~consider providing incentives to stimulate economic development in the City. It is the policy of the City of Haltom City that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. Nothing herein shall imply or suggest that the City of Haltom City is under any obligation to provide tax abatement to any applicant. All ~~applicants~~applications shall be considered on a case-by-case basis, and the decision to approve or deny tax abatement shall be at the sole discretion of the City Council.

II. DEFINITIONS

(a) ~~(a)~~ Abatement means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a ~~reinvestment or enterprise zone designed for economic development purposes~~tax abatement zone.

(b) Eligible Jurisdiction means the City of Haltom City, ~~Birdville Independent School District,~~ Tarrant County, and any special district that is defined as a taxing unit under Chapter 312 of the Tax Code and that levies ad valorem taxes upon and provides services to property located within the proposed or existing ~~enterprise or reinvestment zone~~tax abatement zone. Birdville Independent School District is not an eligible jurisdiction.

(c) Agreement means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.

(d) Base Year Value means the assessed value of real and personal property located in a ~~reinvestment~~tax abatement zone on the year of execution of an agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.

(e) Deferred Maintenance means improvements necessary for continued operations which do not improve productivity or alter the process technology.

(f) ~~(f)~~ Economic Life means the number of years the property improvements are expected to be in service in a facility. In no circumstances shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code unless approved by an affirmative vote of five members of the City Council.

(g)

~~(g)~~ Enterprise Zone means an area ~~designed as such~~created for purposes of tax abatement and other economic incentives as authorized by ~~Article 5190.7, Vernon's Civil Statutes~~Texas Government Code Chapter 2303.

(h) Expansion means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for purposes of increasing production capacity.

(i) Facility means property improvements completed or in the process of construction which together comprise an integral whole.

(j) Fixed Machinery and Equipment and/or Personal Property means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure.

(k) Full-time job means one that consists of 2000 or more hours per calendar year.

(l) Manufacturing Facility means buildings and structures, including fixed machinery and equipment and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(m) Modernization means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.

(n) New Facility means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(o) Commercial Services Facilities means buildings and structures, used to service and/or house individuals on a permanent or temporary basis and from which a commercial service is provided.

(p) Other Basic Industry means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County or the Fort Worth Consolidated Metropolitan Statistical Area and result in the creation of new permanent jobs and bring new wealth to the City.

(q) Regional Distribution Center Facility means ~~building~~buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to store and then ship goods to another location.

(r) Regional Service Facility means ~~building~~buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

(s) Reinvestment Zone is an area ~~designed as such~~created for the purpose of tax abatement as authorized by the Texas Property Redevelopment and Tax Abatement Act codified in Chapter 312 of the Texas Tax Code.

(t) Research Facility means ~~building~~buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(u) Regional ~~retail facility~~Retail Facility means buildings and structures, including fixed machinery and equipment, used, or to be used, to provide retail services from which a majority of revenues generated by activity at the facility are derived from outside Haltom City.

(v) Tax Abatement Zone means a reinvestment zone or enterprise zone created for economic development purposes.

III. ABATEMENT AUTHORIZED

(a) *Authorized Facility.* A facility may be eligible for abatement if it is a manufacturing facility, a commercial services facility, a research facility, a regional distribution center facility, a regional service facility, a regional retail facility, or other basic industry. In extraordinary circumstances, abatement for other types of facilities may be considered by the City. The economic life of a facility and any improvements must exceed the life of the abatement agreement.

(b) *Authorized Date.* A facility shall be eligible for tax abatement if the City Council has approved such abatement prior to the commencement of construction. However, such facility must meet the criteria established in this policy and will be considered on a case-by-case basis.

(c) *Creation of New Value.* Abatement may be granted only for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the City and the property owner and lessee, where applicable, subject to such limitations as the City Council may impose.

(d) *New and Existing Facilities.* Abatement may be granted for new facilities and for improvements to existing facilities being modernized or expanded.

(e) *Eligible Property.* Abatement may be extended to the value above the Base Year of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements necessary to the operation and administration of the facility.

(f) *Ineligible Property.* The following classes of property shall be fully taxable and ineligible for abatement:

- Land
- Inventories
- Supplies
- Furnishings or other forms of movable personal property
- Vehicles, vessels, or aircraft
- Deferred maintenance investments
- Residential property
- Property that is associated with any activity that is illegal under federal, state or local law
- Property to be rented or leased except as provided in Section III (g) of this policy
- Any property included in the ~~Base Year Value~~base year value as defined herein

(g) *Leased Facilities.* If a facility eligible for tax abatement is leased, the agreement shall be executed with both the lessor and ~~then~~the lessee. A facility will not be eligible for abatement as a new facility if a lease has been entered into prior to submittal of an application for abatement.

(h) *Value and Term of Abatement.* Abatement shall be granted effective with the January valuation date~~,~~ immediately following the date of execution of the agreement. The amount of the abatement in any one year shall not exceed fifty percent (50%) of the increase over the base year value. In cases where the amount of new investment exceeds $8,000,000, and the number of jobs created exceeds 200, the City Council may, by affirmative vote of five members of the City Council, exceed this percentage.

Under no circumstances shall the value of the abatement exceed one hundred percent (100%) of the value of eligible property in a single year, and the duration of abatement shall not exceed ten (10) years or one-half of the economic life of the eligible property, whichever is less.

The following criteria shall be considered in determining percentage of value to be abated and the term of the abatement.

~~1.~~(1) Number and types of jobs to be created or retained as a result of the project.

~~2.~~(2) Sales taxes, hotel/motel taxes, or other incomes to the City or other taxing entities that would be generated by the project.

~~3.~~(3) Off-site infrastructure investment to be made by the applicant, as a result of the project.

(4) Degree to which the project makes a contribution to redevelopment efforts.

~~4.~~

(i) *Economic Qualifications.* In order to be eligible to receive tax abatement, an applicant must meet the following qualifications:

~~1.~~(1) A new facility not located in an Enterprise Zone must be reasonably expected to invest four million dollars ($4,000,000) in the facility within two years of entering into the abatement agreement, and create or retain and sustain a minimum of 25 full-time jobs.

~~2.~~(2) A new facility located in an Enterprise Zone must be reasonably expected to invest two million dollars ($2,000,000) in the facility within two years of entering into the abatement agreement and create or retain and sustain throughout the term of the agreement, 10 new full-time jobs.

~~3.~~(3) An expanded or modernized facility not located in an Enterprise Zone must be reasonably expected to invest two and one-half million dollars ($2,500,000) in expansion or modernization within two years of entering into the abatement agreement and create and sustain 10 new full-time jobs.

~~4.~~(4) An expanded or modernized facility located in an Enterprise Zone must be reasonably expected to invest one and one-half million dollars ($1,500,000) within two years of entering into the abatement agreement and create and sustain 10 new full-time jobs.

~~An~~
~~5.~~(5) The applicant ~~must agree~~agrees to ~~recruit for~~actively market employment ~~in~~opportunities created by the project to residents of the City of Haltom City and Tarrant County~~,~~; and ~~give preference to Haltom City~~to make a good-faith effort to hire qualified local applicants~~ who meet job qualifications~~, consistent with applicable federal and ~~have acceptable work history~~state employment and anti-discrimination laws.

~~6.~~(6) An applicant must agree to solicit bids from Haltom City businesses for the provision of supplies, goods, and services whenever reasonably available and to purchase the items from Haltom City businesses when their bids and quality of products offered are equal or superior to those of other bidders. All purchasing shall remain consistent with applicable federal and state procurement and competition laws.

(j) *Taxability.* From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

~~1.~~(1) The value of ineligible property as defined in Section III~~.~~((f~~.~~)) shall be fully taxable.

~~2.~~(2) The base year value of existing eligible property shall be fully taxable.

~~3.~~(3) The additional value of new eligible property shall be taxable in accordance with terms of the abatement agreement.

~~4.~~(4) The additional value of all new eligible property shall be fully taxable at the end of the abatement period.

IV. APPLICATION

(a) Any present or potential owner of taxable property in Haltom City may request tax abatement by filing a written application with the City Manager.

(b) The application shall consist of a completed application form including:

(1) A general description of the new improvements to be undertaken.

(2) A description list of the improvements for which abatement is requested.

(3) A list of the kind, number and location of all proposed improvements to the property.

(4) A map and property description.

(5) A time schedule for undertaking and completing the proposed improvements.

(6) Information regarding the number and ~~type~~types of jobs to be created.

(7) Salary levels for each type of job.

(8) Estimated annual payroll.

(9) The number of existing employees expected to transfer to the facility and their current employment location.

In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The City may require such financial and other information as deemed appropriate for evaluating, to be attached to the application.

(c) Upon receipt of a completed application for creation of a reinvestment zone, the City Manager shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.

(d) Upon receipt of a completed application ~~and/~~or request to participate in ~~an~~a tax abatement agreement, ~~the~~ City ~~Manager must~~staff shall review and ~~provide a recommendation~~evaluate the request in accordance with applicable policies and guidelines. Staff will conduct negotiations, analysis, and due diligence as necessary to ~~the~~develop proposed terms for consideration.

The City Council ~~within~~ shall be notified of a proposed tax abatement agreement no less than thirty (30) days ~~and~~ prior to the required public hearing.

(e) The City shall not establish a reinvestment zone or enter into an abatement agreement if it finds that the request was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.

(f) Variance. Request for variance from the provisions of Subsections (a), (h), and (i) of Section III shall be made in written form to the City Manager. The total duration of abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant is requesting a variance. ~~Request~~A request for variance must be approved by ~~a two-thirds~~affirmative vote of five members of the City Council.

V. PUBLIC HEARINGS AND APPROVAL

(a) ~~(a)~~ The City Council may not adopt ~~a resolution~~an ordinance designating a reinvestment zone ~~or enter into a tax abatement agreement~~ until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation or agreement. ~~Notice of the hearing shall be given to the presiding officers of other eligible jurisdictions in writing in~~ In accordance with ~~state law. In addition~~Texas Tax Code Chapter 312, notice of the public hearing shall be published ~~in accordance with state law~~and shall be given in writing to the presiding officers of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.

~~(b) Prior to entering into a tax abatement agreement, the City Council may, at its option, hold a public hearing at which interested persons are entitled to speak and present written materials for or against the approval of the tax abatement agreement.~~

~~(c~~

(b) In order to enter into a tax abatement agreement, the City Council must find that the terms of the proposed agreement meet these Guidelines and

Criteria and that:

(1) there will be no substantial adverse effect on the provision of public services or the ~~jurisdiction's service or~~ City's tax base; ~~and~~

(2) the planned use of the property will not constitute a hazard to public safety, health or morals; ~~and~~

(3) the applicant has sufficient financial capacity to complete the project; and

(4) the project will not violate any federal, state, or local codes or laws.

VI. AGREEMENT

(a) ~~After approval, the City shall formally pass a resolution and~~The public notice of the meeting at which the City Council will consider the approval of a tax abatement agreement shall be posted in accordance with the Open Meetings Act, except the notice must be posted at least 30 days before the meeting. The notice must contain:

(1) The name of the property owner (and lessee, if applicable) and the name of the applicant for the tax abatement agreement;

(2) The name and location of the tax abatement zone in which the property subject to the agreement is located;

(3) A general description of the nature of the improvements or repairs included in the agreement; and

(4) The estimated cost of the improvements or repairs.

(b) Not later than the seventh day before the date on which the City enters into a tax abatement agreement, the City shall deliver to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located a written notice that the City intends to enter into the agreement, along with a copy of the proposed agreement.

(c) If the City Council finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria of this policy, it shall vote approving the tax abatement agreement. After approval, the City Manager shall execute an agreement with the owner of the facility and lessee as required. The agreement shall include:

~~(a)~~(d) estimated value to be abated and base year value;

~~(b)~~(e) percent or amount of value to be abated each year as provided in Section III (h);

~~(c)~~(f) the commencement date and the termination date of abatement;

~~(d)~~(g) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Section IV (b);

~~(e)~~(h) contractual obligation in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment or other provisions that may be required for uniformity or by state law~~,~~; and~~;~~

~~(f)~~(i) amount of investment and number and ~~type~~types of jobs to be created.

VII. RECAPTURE

(a) Should the City determine that the company or individual is in default of any of the terms and conditions of the abatement agreement, the City shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement may be terminated or the length of the agreement or the percentage of taxes abated may be reduced at the sole discretion of the City Council.

(b) In the event that the company or individual:

(1) Allows its ad valorem taxes owed to the City or other ~~affected jurisdiction~~taxing units to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or

(2) violates any of the terms and conditions of the abatement agreement and fails to resolve such violations within sixty (60) days from the date of written notice of such violations,

the agreement then may be terminated and all taxes previously abated recaptured and paid within sixty (60) days of the termination.

(c) In the event that the facility is completed and begins producing goods and/or services, but subsequently discontinues such production for a period of one year during the abatement period for any reason excepting fire, explosion or other casualty or accident or natural disaster ~~for a period of one year during the abatement period~~, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for the calendar year shall be paid to the City within sixty (60) days of the termination.

(d) Upon completion of construction, the City shall annually (or at such other times as deemed appropriate by the City Manager) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the City Council. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with any other written documentation requested by the City Manager, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the City for the evaluation which shall include, but not be limited to, the following:

(1) the number and dollar amounts of all construction contracts and subcontracts awarded to date on the project~~.~~; and

(2) the total number of employees of the company, their gross salaries, and the job classifications of each employee; and

(3) the amount of service and supply contracts awarded to Haltom City businesses for the prior twelve (12) month period~~.~~; and

(4) Should the dollars, percentages, or actions not meet the original or modified requirements of the abatement, a statement shall be provided explaining the reason for failure to meet the requirements and a recommenced course of rectification.

VIII. ADMINISTRATION

(a) The Chief Appraiser of the Tarrant County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment.

(b) The agreement shall stipulate that employees and/or designated representatives of the City will have access to the facility during the term of the abatement to conduct inspections to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

(c) ~~(c)~~ Upon completion of construction, the City shall annually or more often if deemed necessary by the City Manager, evaluate facilities receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the City Council.

(d) The Director of Information Technology of the City shall provide a direct link on the City's website to the location of tax abatement agreement information published on the Texas Comptroller's Internet website under Section 403.0246, Government Code.

IX. ASSIGNMENT

Unexpired portions of tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the City Council, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee is indebted to the City for ad valorem taxes or other obligations, or if the City Council finds that the assignee is financially or otherwise incapable of performing its responsibilities under the contract.

X. SEVERABILITY AND LIMITATIONS

In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, the judgment shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

XI. EXPIRATION AND GUIDELINES

(a) The Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the City Council of Haltom City to determine whether the goals of the abatement program have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed or eliminated.

(b) Prior to the date for review, as defined above, these Guidelines and Criteria may be modified by a ~~two-thirds~~three-fourths vote of the City Council, as provided for in ~~the Texas Property Redevelopment and~~Chapter 312, Tax ~~Abatement Act~~Code.

ATTACHMENT A
CITY OF HALTOM CITY
POLICY ON AD VALOREM TAX ABATEMENT
March 23, 2026

GENERAL PURPOSE AND OBJECTIVES

The City of Haltom City is committed to the promotion of high-quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Because these objectives are generally served by the enhancement and expansion of the local economy, the City of Haltom City will, on a case-by-case basis, consider providing incentives to stimulate economic development in the City. It is the policy of the City of Haltom City that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. Nothing herein shall imply or suggest that the City of Haltom City is under any obligation to provide tax abatement to any applicant. All applications shall be considered on a case-by-case basis, and the decision to approve or deny tax abatement shall be at the sole discretion of the City Council.

II. DEFINITIONS

(a) Abatement means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a tax abatement zone.

(b) Eligible Jurisdiction means the City of Haltom City, Tarrant County, and any special district that is defined as a taxing unit under Chapter 312 of the Tax Code and that levies ad valorem taxes upon and provides services to property located within the proposed or existing tax abatement zone. Birdville Independent School District is not an eligible jurisdiction.

(c) Agreement means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.

(d) Base Year Value means the assessed value of real and personal property located in a tax abatement zone on the year of execution of an agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.

(e) Deferred Maintenance means improvements necessary for continued operations which do not improve productivity or alter the process technology.

(f) Economic Life means the number of years the property improvements are expected to be in service in a facility. In no circumstances shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code unless approved by an affirmative vote of five members of the City Council.

(g) Enterprise Zone means an area created for purposes of tax abatement and other economic incentives as authorized by Texas Government Code Chapter 2303.

(h) Expansion means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for purposes of increasing production capacity.

(i) Facility means property improvements completed or in the process of construction which together comprise an integral whole.

(j) Fixed Machinery and Equipment and/or Personal Property means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure.

(k) Full-time job means one that consists of 2000 or more hours per calendar year.

(l) Manufacturing Facility means buildings and structures, including fixed machinery and equipment and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(m) Modernization means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.

(n) New Facility means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(o) Commercial Services Facilities means buildings and structures, used to service and/or house individuals on a permanent or temporary basis and from which a commercial service is provided.

(p) Other Basic Industry means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County or the Fort Worth Consolidated Metropolitan Statistical Area and result in the creation of new permanent jobs and bring new wealth to the City.

(q) Regional Distribution Center Facility means buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to store and then ship goods to another location.

(r) Regional Service Facility means buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

(s) Reinvestment Zone is an area created for the purpose of tax abatement as authorized by the Texas Property Redevelopment and Tax Abatement Act codified in Chapter 312 of the Texas Tax Code.

(t) Research Facility means buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(u) Regional Retail Facility means buildings and structures, including fixed machinery and equipment, used, or to be used, to provide retail services from which a majority of revenues generated by activity at the facility are derived from outside Haltom City.

(v) Tax Abatement Zone means a reinvestment zone or enterprise zone created for economic development purposes.

III. ABATEMENT AUTHORIZED

(a) *Authorized Facility.* A facility may be eligible for abatement if it is a manufacturing facility, a commercial services facility, a research facility, a regional distribution center facility, a regional service facility, a regional retail facility, or other basic industry. In extraordinary circumstances, abatement for other types of facilities may be considered by the City. The economic life of a facility and any improvements must exceed the life of the abatement agreement.

(b) *Authorized Date.* A facility shall be eligible for tax abatement if the City Council has approved such abatement prior to the commencement of construction. However, such facility must meet the criteria established in this policy and will be considered on a case-by-case basis.

(c) *Creation of New Value.* Abatement may be granted only for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the City and the property owner and lessee, where applicable, subject to such limitations as the City Council may impose.

(d) *New and Existing Facilities.* Abatement may be granted for new facilities and for improvements to existing facilities being modernized or expanded.

(e) *Eligible Property.* Abatement may be extended to the value above the Base Year of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements necessary to the operation and administration of the facility.

(f) *Ineligible Property.* The following classes of property shall be fully taxable and ineligible for abatement:

- Land
- Inventories
- Supplies
- Furnishings or other forms of movable personal property
- Vehicles, vessels, or aircraft
- Deferred maintenance investments
- Residential property
- Property that is associated with any activity that is illegal under federal, state or local law
- Property to be rented or leased except as provided in Section III (g) of this policy
- Any property included in the base year value as defined herein

(g) *Leased Facilities.* If a facility eligible for tax abatement is leased, the agreement shall be executed with both the lessor and the lessee. A facility will not be eligible for abatement as a new facility if a lease has been entered into prior to submittal of an application for abatement.

(h) *Value and Term of Abatement.* Abatement shall be granted effective with the January valuation date immediately following the date of execution of the agreement. The amount of the abatement in any one year shall not exceed fifty percent (50%) of the increase over the base year value. In cases where the amount of new investment exceeds $8,000,000, and the number of jobs created exceeds 200, the City Council may, by affirmative vote of five members of the City Council, exceed this percentage.

Under no circumstances shall the value of the abatement exceed one hundred percent (100%) of the value of eligible property in a single year, and the duration of abatement shall not exceed ten (10) years or one-half of the economic life of the eligible property, whichever is less.

The following criteria shall be considered in determining percentage of value to be abated and the term of the abatement.

(1) Number and types of jobs to be created or retained as a result of the project.

(2) Sales taxes, hotel/motel taxes, or other incomes to the City or other taxing entities that would be generated by the project.

(3) Off-site infrastructure investment to be made by the applicant, as a result of the project.

(4) Degree to which the project makes a contribution to redevelopment efforts.

(i) *Economic Qualifications.* In order to be eligible to receive tax abatement, an applicant must meet the following qualifications:

(1) A new facility not located in an Enterprise Zone must be reasonably expected to invest four million dollars ($4,000,000) in the facility within two years of entering into the abatement agreement, and create or retain and sustain a minimum of 25 full-time jobs.

(2) A new facility located in an Enterprise Zone must be reasonably expected to invest two million dollars ($2,000,000) in the facility within two years of entering into the abatement agreement and create or retain and sustain throughout the term of the agreement, 10 new full-time jobs.

(3) An expanded or modernized facility not located in an Enterprise Zone must be reasonably expected to invest two and one-half million dollars ($2,500,000) in expansion or modernization within two years of entering into the abatement agreement and create and sustain 10 new full-time jobs.

(4) An expanded or modernized facility located in an Enterprise Zone must be reasonably expected to invest one and one-half million dollars ($1,500,000) within two years of entering into the abatement agreement and create and sustain 10 new full-time jobs.

(5) The applicant agrees to actively market employment opportunities created by the project to residents of the City of Haltom City and Tarrant County; and to make a good-faith effort to hire qualified local applicants, consistent with applicable federal and state employment and anti-discrimination laws.

(6) An applicant must agree to solicit bids from Haltom City businesses for the provision of supplies, goods, and services whenever reasonably available and to purchase the items from Haltom City businesses when their bids and quality of products offered are equal

or superior to those of other bidders. All purchasing shall remain consistent with applicable federal and state procurement and competition laws.

(j) *Taxability.* From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

(1) The value of ineligible property as defined in Section III (f) shall be fully taxable.

(2) The base year value of existing eligible property shall be fully taxable.

(3) The additional value of new eligible property shall be taxable in accordance with terms of the abatement agreement.

(4) The additional value of all new eligible property shall be fully taxable at the end of the abatement period.

IV. APPLICATION

(a) Any present or potential owner of taxable property in Haltom City may request tax abatement by filing a written application with the City Manager.

(b) The application shall consist of a completed application form including:

(1) A general description of the new improvements to be undertaken.

(2) A description list of the improvements for which abatement is requested.

(3) A list of the kind, number and location of all proposed improvements to the property.

(4) A map and property description.

(5) A time schedule for undertaking and completing the proposed improvements.

(6) Information regarding the number and types of jobs to be created.

(7) Salary levels for each type of job.

(8) Estimated annual payroll.

(9) The number of existing employees expected to transfer to the facility and their current employment location.

In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The City may require such financial and other information as deemed appropriate for evaluating, to be attached to the application.

(c) Upon receipt of a completed application for creation of a reinvestment zone, the City Manager shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.

(d) Upon receipt of a completed application or request to participate in a tax abatement agreement, City staff shall review and evaluate the request in accordance with applicable policies and guidelines. Staff will conduct negotiations, analysis, and due diligence as necessary to develop proposed terms for consideration.

The City Council shall be notified of a proposed tax abatement agreement no less than thirty (30) days prior to the required public hearing.

(e) The City shall not establish a reinvestment zone or enter into an abatement agreement if it finds that the request was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.

(f) Variance. Request for variance from the provisions of Subsections (a), (h), and (i) of Section III shall be made in written form to the City Manager. The total duration of abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant is requesting a variance. A request for variance must be approved by affirmative vote of five members of the City Council.

V. PUBLIC HEARINGS AND APPROVAL

(a) The City Council may not adopt an ordinance designating a reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation or agreement. In accordance with Texas Tax Code Chapter 312, notice of the public hearing shall be published and shall be given in writing to the presiding officers of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.

(b) In order to enter into a tax abatement agreement, the City Council must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:

(1) there will be no substantial adverse effect on the provision of public services or the City’s tax base;

(2) the planned use of the property will not constitute a hazard to public safety, health or morals;

(3) the applicant has sufficient financial capacity to complete the project; and

(4) the project will not violate any federal, state, or local codes or laws.

VI. AGREEMENT

(a) The public notice of the meeting at which the City Council will consider the approval of a tax abatement agreement shall be posted in accordance with the Open Meetings Act, except the notice must be posted at least 30 days before the meeting. The notice must contain:

(1) The name of the property owner (and lessee, if applicable) and the name of the applicant for the tax abatement agreement;

(2) The name and location of the tax abatement zone in which the property subject to the agreement is located;

(3) A general description of the nature of the improvements or repairs included in the agreement; and

(4) The estimated cost of the improvements or repairs.

(b) Not later than the seventh day before the date on which the City enters into a tax abatement agreement, the City shall deliver to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located a written notice that the City intends to enter into the agreement, along with a copy of the proposed agreement.

(c) If the City Council finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria of this policy, it shall vote approving the tax abatement agreement. After approval, the City Manager shall execute an agreement with the owner of the facility and lessee as required. The agreement shall include:

(d) estimated value to be abated and base year value;

(e) percent or amount of value to be abated each year as provided in Section III (h);

(f) the commencement date and the termination date of abatement;

(g) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Section IV (b);

(h) contractual obligation in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment or other provisions that may be required for uniformity or by state law; and

(i) amount of investment and number and types of jobs to be created.

VII. RECAPTURE

(a) Should the City determine that the company or individual is in default of any of the terms and conditions of the abatement agreement, the City shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement may be terminated or the length of the agreement or the percentage of taxes abated may be reduced at the sole discretion of the City Council.

(b) In the event that the company or individual:

(1) Allows its ad valorem taxes owed to the City or other taxing units to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or

(2) violates any of the terms and conditions of the abatement agreement and fails to resolve such violations within sixty (60) days from the date of written notice of such violations,

the agreement then may be terminated and all taxes previously abated recaptured and paid within sixty (60) days of the termination.

(c) In the event that the facility is completed and begins producing goods and/or services, but subsequently discontinues such production for a period of one year during the abatement period for any reason excepting fire, explosion or other casualty or accident or natural disaster, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for the calendar year shall be paid to the City within sixty (60) days of the termination.

(d) Upon completion of construction, the City shall annually (or at such other times as deemed appropriate by the City Manager) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the City Council. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with any other written documentation requested by the City Manager, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the City for the evaluation which shall include, but not be limited to, the following:

(1) the number and dollar amounts of all construction contracts and subcontracts awarded to date on the project; and

(2) the total number of employees of the company, their gross salaries, and the job classifications of each employee; and

(3) the amount of service and supply contracts awarded to Haltom City businesses for the prior twelve (12) month period; and

(4) Should the dollars, percentages, or actions not meet the original or modified requirements of the abatement, a statement shall be provided explaining the reason for failure to meet the requirements and a recommenced course of rectification.

VIII. ADMINISTRATION

(a) The Chief Appraiser of the Tarrant County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment.

(b) The agreement shall stipulate that employees and/or designated representatives of the City will have access to the facility during the term of the abatement to conduct inspections to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

(c) Upon completion of construction, the City shall annually or more often if deemed necessary by the City Manager, evaluate facilities receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the City Council.

(d) The Director of Information Technology of the City shall provide a direct link on the City's website to the location of tax abatement agreement information published on the Texas Comptroller's Internet website under Section 403.0246, Government Code.

IX. ASSIGNMENT

Unexpired portions of tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the City Council, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee is indebted to the City for ad valorem taxes or other obligations, or if the City Council finds that the assignee is financially or otherwise incapable of performing its responsibilities under the contract.

X. SEVERABILITY AND LIMITATIONS

In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, the judgment shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

XI. EXPIRATION AND GUIDELINES

(a) The Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the City Council of Haltom City to determine whether the goals of the abatement program have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed or eliminated.

(b) Prior to the date for review, as defined above, these Guidelines and Criteria may be modified by a three-fourths vote of the City Council, as provided for in Chapter 312, Tax Code.