



HORIZON CITY

Incorporated 1988

**AGENDA
PUBLIC MEETING
REGULAR CITY COUNCIL MEETING
THE TOWN OF HORIZON CITY, TEXAS
Tuesday, May 14, 2024, 6:00 PM**

Notice is hereby given that a Regular City Council Meeting of the Town of Horizon City, Texas will be held on **Tuesday, May 14, 2024 at 6:00 PM** at City Council Chambers Room, 15001 Darrington Road, Horizon City, TX 79928, at which time the following will be discussed and considered:

Meeting Recording:

<https://horizoncity.webex.com/recordingservice/sites/horizoncity/recording/playback/14e0d32965d943849fda4d9396b0b877>

Recording Password: Horizon123

- 1. **Call to order; Pledge of Allegiance; Establishment of Quorum**
- 2. **Open Forum:**

CONSENT AGENDA

All matters listed under the CONSENT AGENDA are considered routine and will be enacted in one motion. There will be no separate discussion of these items unless a member(s) of the City Council requests one or more items be removed from the CONSENT AGENDA to the REGULAR AGENDA for separate discussion and action prior to the City Council's vote to adopt the CONSENT AGENDA.

- 3. **Approval of Minutes from:** **4**
 Mayor/City Clerk
 April 9, 2024 Regular City Council Meeting.
- 4. **Request to Excuse Absent Council Members:**
- 5. **Approval of Consent Agenda Items:**
REGULAR AGENDA
- 6. **Presentation:** **9**
 Mayor/El Paso County
 On a presentation by El Paso County Commissioner Iliana Holguin regarding a Neighborhood Associations initiative.
- 7. **Discussion and Action:** **23**
 Mayor/Miguel Romero
 On the Texas Workforce Solutions Youth Internship Program.
- 8. **Discussion and Action:** **42**
 Mayor/Finance Director
 On the acceptance of findings of the Town of Horizon City audit prepared by SBNG, PC for FY2023.
- 9. **Discussion and Action:** **144**
 Mayor/CIP Manager
 On an update on the Capital Improvement Program.
- 10. **Discussion and Action:** **155**
 Mayor/CIP Manager
 Update on the ARPA Program.

11. Discussion and Action: **169**
Mayor/Chief Vargas
That the Town of Horizon City approve the submission of an application for the State Crisis Intervention Grant Program to the Office of the Governor of the State of Texas.

12. Presentation:
Mayor/Chief Vargas
On a Proclamation declaring May 12 - May 18, 2024 as Police Week.

13. Presentation: **170**
Mayor/Chief Vargas
On the promotion of Heli Sierra to Sergeant.

14. Discussion and Action:
Mayor/Chief Vargas
On authorizing the Mayor or his designee to negotiate and sign an MOU with Ysleta Pueblo Del Sur Native Pathways Program for a summer youth work program.

15. Discussion: **172**
Mayor/Chief Planner

1st Reading of Ordinance No. _____, An Ordinance Adopting a Zoning Change Within the Municipal Limits of the Town of Horizon City, Texas; Rezoning Two Parcels From A-1 (Apartments) to C-1 (General Commercial); Containing Approximately 3.9686 Acres; Being A Parcel of Land Out of Section 31, Block 78, Township 3, Texas and Pacific Railway Company Surveys and A Portion of Section 31, Block 78, Township 3, Texas and Pacific Railway Company Surveys, Town of Horizon City, El Paso County, Texas; North of Horizon Blvd and West of Kenazo Ave; and Authorizing the Notation of the Change on the Official Zoning Map of the Town; Providing for the Following: Findings of Fact; Repealer; Severability; and Proper Notice and Hearing.

16. Discussion: **196**
Mayor/Finance Director

1st Reading of Ordinance No. 0296 Amendment No. 01, An ordinance amending Ordinance No. 0296 of the Town of Horizon City, adopting the municipal budget for the 2023-2024 fiscal year, to allow for the transfer of funds in the 2023 street maintenance surplus funds to the 2024 street maintenance program; and from the mass transit public service budget to the planning operating budget; and providing for repealer and severability clauses.

17. Executive Session
The City Council of the Town of Horizon City reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices,) and 551.086 (Economic Development).

Adjournment:

Motion to Adjournment: _____ 2nd _____

Dated this Friday, 5/10/24

By: _____
Elvia Schuller, City Clerk

I, the undersigned authority, hereby certify that the above notice of the Regular City Council Meeting of the Town of Horizon City, Texas is a correct copy of this notice, and that I posted this notice at least seventy-two (72) hours preceding the scheduled meeting at the City Hall Bulletin Boards of the Town of Horizon City, Texas on this Friday, 5/10/24 by 5:00 p.m.

Agenda Removed: _____ Time _____ By _____

In compliance with the Americans with Disabilities Act, the Town of Horizon City will provide for reasonable accommodations for persons attending meetings. Requests for auxiliary aids and services must be made 48 hours prior to this meeting by calling the City Clerk at (915) 852-1046.

**MINUTES
AGENDA
PUBLIC MEETING
REGULAR CITY COUNCIL MEETING
THE TOWN OF HORIZON CITY, TEXAS
Tuesday, April 9, 2024, 6:00 PM**

Notice is hereby given that a Regular City Council Meeting of the Town of Horizon City, Texas was held on **Tuesday, April 9, 2024 at 6:00 PM**, at City Council Chambers Room, 15001 Darrington Road, Horizon City, TX 79928, at which time the following was discussed and considered:

1. Call to order; Pledge of Allegiance; Establishment of Quorum

Meeting called to order at 6:00 pm. City Council Members Scott Quiroz and Ruben Mendoza were absent. Quorum Established.

2. Open Forum:

Camila Guerrero of Commissioner Illiana Holguin's Office, spoke regarding the upcoming County sponsored clean-up events taking place across the County.

CONSENT AGENDA

All matters listed under the CONSENT AGENDA are considered routine and will be enacted in one motion. There will be no separate discussion of these items unless a member(s) of the City Council requests one or more items be removed from the CONSENT AGENDA to the REGULAR AGENDA for separate discussion and action prior to the City Council's vote to adopt the CONSENT AGENDA.

3. Approval of Minutes from:

Mayor/City Clerk
3/12/24 Regular City Council Meeting.

4. Request to Excuse Absent Council Members:

5. Discussion and Action:

Mayor/CIP Manager
Regarding a Resolution authorizing the Mayor to sign the Temporary Easement Agreement between the Walmart Real Estate Business Trust, a Delaware statutory trust ("Grantor") and the Town of Horizon City ("Grantee") necessitated by the N. Darrington Reconstruction Project and to pay the consideration specified therein.

6. Discussion and Action:

Mayor/Planning Director
Regarding a Resolution authorizing the Mayor or his designee to sign all documents necessary to extend the substantial completion deadlines for the Horizon Crossing Unit Three and Horizon Town Center Unit Four subdivisions from March 31, 2024 to May 31, 2024.

7. Approval of Consent Agenda Items:

A motion was made by Councilman Padilla and seconded by Councilwoman Urrutia to excuse Councilmen Quiroz and Mendoza and approve the remainder of the consent agenda. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

REGULAR AGENDA

8. ***This item was postponed at the 3/12/24 Regular City Council Meeting.***

Discussion and Action:

Mayor/Finance Director

On a Resolution authorizing the Mayor to sign the Interlocal Agreement with the City of El Paso for Public Health and Environmental Services for the Town of Horizon City and the HIPAA Business Associate Agreement.

Compensation for these services provided by the City of El Paso will be \$203,941.00 for the FY 2023/2024 Contract. The term of the Agreement is September 1, 2023 through August 31, 2024.

Dr. Hector Ocaranza, El Paso Public Health Department Director, Mario D'Agostino, Deputy City Manager, and Sarah Cera, Assistant Health Director spoke regarding this item and answered Council questions.

A motion was made by Councilman Miller and seconded by Councilwoman Randleel to approve the resolution authorizing the Mayor to sign the Interlocal Agreement with the City of El Paso for Public Health and Environmental Services for the Town of Horizon City and the HIPAA Business Associate Agreement. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

9. **Discussion and Action:**

Mayor/CIP Manager

On an update on the Capital Improvement Program.

CIP Manager, Terry Quezada spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to accept the report as presented. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

10. **PRESENTATION:**

Mayor/Chief Vargas

On a Proclamation declaring April 14 - April 20, 2024 as Public Safety Telecommunicators Week.

Communications Manager, Elva Ramos and Lt. Jesus Ortega spoke regarding this item.

11. **Discussion and Action:**

Mayor/Chief Vargas

On authorization for the Mayor to sign the 2022 Operation Stonegarden Grant Interlocal Agreement with El Paso County.

Lt. Jesus Ortega and Lt. JC Rodriguez spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilman Padilla to authorize the Mayor to sign the 2022 Operation Stonegarden Grant Interlocal Agreement with El Paso County. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

12. **Discussion and Action:**

Mayor/Chief Vargas

On the approval of the 2024 Local Border Security Grant resolution.

Lt. Jesus Ortega and Lt. JC Rodriguez spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve the 2024 Local Border Security Grant resolution. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

13. **Discussion and Action:**

Mayor/Finance Director

On an Engagement Letter with Hilltop Securities for arbitrage services.

Finance Director, Lily Gaytan spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve the Engagement Letter with Hilltop Securities for arbitrage services. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

14. **Discussion and Action:**

Mayor/Chief Vargas

On an agreement with the FBI and Town of Horizon City for the FBI Violent Crimes Task Force OT Reimbursement.

City Clerk, Elvia Schuller informed Council that Police Chief, Marco Vargas requested this item be deleted.

A motion was made by Councilman Miller and seconded by Councilwoman Randleel to approve the deletion of this item as requested. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

Items #15 & #16 were taken together.

15. **Discussion:**

Mayor/Planning Director

1st Reading of Ordinance No. _____, An Ordinance Amending the Municipal Code of the Town of Horizon City, Texas, Chapter 10 (Subdivision Regulations), Exhibit 10A (Subdivision Ordinance), to Revise and Amend the Following: Section 2 (Minimum Standards), Subsection 2.8 (Parkland Dedication and Fees in Lieu) to Provide for Private Parkland Requirements; Section 4 (Subdivision Application Procedure and Approval Process), Subsection 4.1 (Requirements and Approval Process) to Amend Classification of Subdivisions and Revise Platting Requirements and Add State and City Requirements, Subsections 4.2 (Preliminary Plat Requirements) and 4.3 (Final Plat Requirements) to Add Amending and Minor Plat Requirements and to Amend the Numbering, Subsection 4.11 (Preparation of Recording Plat), to Add Authorization for Mayor to Sign Applicable Recording Subdivision Plats, Subsection 4.14 (Approval Authority) to Add Approval of Amending and Minor Plats and Appeal Process; Proper Notice and Hearing; and Effective Date; the Penalty Being as Provided in Section 810 of the Code of Ordinances of the Town of Horizon City, Texas, Creating a Misdemeanor Punishable by a Fine not to Exceed \$2,000.

16. **Discussion:**

Mayor/Planning Director

1st Reading of Ordinance No. _____, An Ordinance Amending the Municipal Code of the Town of Horizon City, Texas, Chapter 14 (Zoning), Exhibit A (Zoning Ordinance), to Revise and Amend the Following: Chapter 4 (Residential Districts), Section 405 (Bulk Regulations) to Add Reference to Subdivision Density Calculation for Parkland Requirements; Chapter 8 (General Provisions), Section 802 (Wall Standards) to Increase Rock and Mortar Allowance; Chapter 13 (Planned Unit Development), Section 1311 (Bulk Regulations) to Add Reference to Subdivision Density Calculation for Parkland Requirements; Chapter 14 (Open Space/Parks), Section 1405 (Bulk Standards) to Amend the Bulk Standards in the Open Space/Parks S-1 Zoning District; Proper Notice; and Effective Date; the Penalty Being as Provided in Section 810 of the Zoning Ordinance (No. 0102) of the Town of Horizon City, Texas, Creating a Misdemeanor Punishable by a Fine not to Exceed \$2,000.

Planning Director Michelle Garcia spoke regarding items #15 & 16 and requested both items be deleted.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve the deletion of Items #15 & 16 as requested. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

17. **PUBLIC HEARING:**

Mayor/Chief Planner

2nd Reading of Ordinance No. _____, an Ordinance vacating a 10'-foot Public Utility Easement Located at 1560 Pawling Dr. in a Portion of Lot 2, Block 2, Horizon Manor Unit One, Town of Horizon City, El Paso County, Texas; and Providing for Repealer and Severability Clauses.

Chief Planner, Art Rubio spoke regarding this item. No one from the public spoke.

18. **Discussion and Action:**

Mayor/Chief Planner

2nd Reading of Ordinance No. _____, an Ordinance vacating a 10'-foot Public Utility Easement Located at 1560 Pawling Dr. in a Portion of Lot 2, Block 2, Horizon Manor Unit One, Town of Horizon City, El Paso County, Texas; and Providing for Repealer and Severability Clauses.

A motion was made by Councilman Padilla and seconded by Councilman Miller to approve the Ordinance vacating a 10'-foot Public Utility Easement Located at 1560 Pawling Dr. in a Portion of Lot 2, Block 2, Horizon Manor Unit One, Town of Horizon City, El Paso County, Texas. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

19. **PUBLIC HEARING:**

Mayor/Chief Planner

2nd Reading of Ordinance No. _____, an Ordinance vacating a 10'-foot Public Utility Easement Located at 14476 Desert Sage Dr. in a Portion of Lot 13, Block 32, Horizon Mesa Unit Six, Town of Horizon City, El Paso County, Texas; and Providing for Repealer and Severability Clauses.

Chief Planner, Art Rubio spoke regarding this item. No one from the public spoke.

20. **Discussion and Action:**

Mayor/Chief Planner

2nd Reading of Ordinance No. _____, an Ordinance vacating a 10'-foot Public Utility Easement Located at 14476 Desert Sage Dr. in a Portion of Lot 13, Block 32, Horizon Mesa Unit Six, Town of Horizon City, El Paso County, Texas; and Providing for Repealer and Severability Clauses.

A motion was made by Councilman Padilla and seconded by Councilwoman Urrutia to approve the Ordinance vacating a 10'-foot Public Utility Easement Located at 14476 Desert Sage Dr. in a Portion of Lot 13, Block 32, Horizon Mesa Unit Six, Town of Horizon City, El Paso County, Texas. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

21. **Discussion and Action:**

Mayor/Chief Planner

On the **Final Subdivision Plat** application for **Rancho Desierto Bello Unit 16 (Case No. SDF24-0001)**, legally described as a portion of Leigh Clark Survey No. 297, Town of Horizon City, El Paso County, Texas. Containing 21.481 ± acres. Application submitted by Applicant/Representative TRE and Associates, LLC.

Chief Planner, Art Rubio spoke regarding this item.

A motion was made by Councilman Padilla and seconded by Councilman Miller to approve the **Final Subdivision Plat** application for **Rancho Desierto Bello Unit 16 (Case No. SDF24-0001)**, legally described as a portion of Leigh Clark Survey No. 297, Town of Horizon City, El Paso County, Texas. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

Items #22 & 23 were taken together.

22. Discussion and Action:

Mayor/Planning Director

On a resolution that the Mayor be authorized to sign a letter with the Town of Clint, Texas to allow the Bojorquez Law Firm to jointly represent the Town of Horizon City, Texas and the Town of Clint, Texas on a project known as the Interlocal Agreement regarding Vector Services.

23. Discussion and Action:

Mayor/Planning Director

On a Resolution authorizing the Mayor to sign an Interlocal Agreement between the Town of Horizon City, Texas and the Town of Clint, Texas for the Town of Horizon City, Texas to provide vector control services to the Town of Clint, Texas during the 2024 calendar year.

Planning Director, Michelle Garcia spoke regarding Items #22 & #23.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve resolution that the Mayor be authorized to sign a letter with the Town of Clint, Texas to allow the Bojorquez Law Firm to jointly represent the Town of Horizon City, Texas and the Town of Clint, Texas on a project known as the Interlocal Agreement regarding Vector Services and approve the Resolution authorizing the Mayor to sign an Interlocal Agreement between the Town of Horizon City, Texas and the Town of Clint, Texas for the Town of Horizon City, Texas to provide vector control services to the Town of Clint, Texas during the 2024 calendar year. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

24. Executive Session

The City Council of the Town of Horizon City reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices,) and 551.086 (Economic Development).

ADJOURNMENT

A motion was made by Councilwoman Randleel and seconded by Councilman Padilla to adjourn at 7:14 PM.

Approved this ____ day of _____, 20__.

Attest:

Elvia Schuller, City Clerk

Andres Renteria, Mayor



**COMMISSIONERS COURT ORDER:
COUNTY NEIGHBORHOOD ASSOCIATIONS**

Adopted September 21, 2020
Effective October 1, 2020



Administered By

Planning & Development Department
800 East Overland Suite 200
El Paso, Texas 79901
Neighborhoods@EPCounty.com | 915-273-3330

- *A Division of El Paso County Public Works* -



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STARTING A NEIGHBORHOOD ASSOCIATION

WHY FORM AN ASSOCIATION?

- Direct contact with Planning & Development staff as liaison to County Departments
- Availability to County officials and Departments at association meetings
- Capacity building opportunities (Summit, Neighborhood Coalition, etc.)
- Increased pride and awareness of what is happening in your neighborhood
- Direct notice and invitations to County activities

WHAT DOES THE COUNTY PROVIDE TO ASSOCIATIONS?

- Notice of planning applications (new developments, variance requests, etc.)
- Notice of upcoming County Commissioner's Court hearings with applicable items
- Respond within five (5) working days to requests for County-related information
- Maintains an updated Neighborhood Association Directory

WHAT DOES THE COUNTY REQUIRE FROM ASSOCIATIONS?

- Host at least one meeting per year
- Notify County Representative of annual general membership meeting
- Comply with the Neighborhood Association Court Order
- Maintain updated contact information of two (2) members
- Provide notice to members of planning and land use issues
- Establish an orderly process for making decisions (bylaws)
- Establish a defined method for reporting to the County, actions that reflect the association's position

HOW DOES MY COMMUNITY REGISTER OUR ASSOCIATION?

1. Form a core group of at least 15 members (from separate households/businesses)
2. Elect officers or a board of directors
3. Agree on, and approve by vote, bylaws for the association
4. Assign two (2) points-of-contact
5. Complete the Neighborhood Association Registration Form
6. Submit Completed Packet Including:
 - a. Registration Form
 - b. General Membership List (at least 15 members)
 - c. Signed Copy of Bylaws
 - d. Map of the Association's Geographic Boundaries (Staff will provide assistance)

TO SUBMIT A REGISTRATION PACKET OR FOR ANY ADDITIONAL INFORMATION:

PLANNING & DEVELOPMENT DEPARTMENT
ATTN: REDEVELOPMENT DIVISION
800 EAST OVERLAND AVENUE | SUITE 200
EL PASO, TEXAS 79901
NEIGHBORHOODS@EPCOUNTY.COM



NEIGHBORHOOD ASSOCIATION REGISTRATION FORM

Please Return Completed Form To:

Planning & Development Department
ATTN: Redevelopment Division
El Paso County
800 East Overland Suite 200
El Paso, Texas 79901

-or-

Neighborhoods@EPCounty.com

Submission Checklist:

- Copy of Approved Bylaws (Must meet all requirements of Neighborhood Association Recognition Order)
- Copy of Membership List of 15 or More Members (Including Required Contact Information)
- Copy of Signed E-mail Release Consent Form (Optional Release)

1. Proposed Name of the Association: Fabens Neighborhood Association

2. Designated Association Contacts (2) to Receive County Notices:

Primary Contact

Name:

Position:

Mailing Address:

Zip Code:

Phone:

Email:

Secondary Contact

Name:

Position:

Mailing Address:

Zip Code

Phone:

Email:

3. Elected Officers of Association:

President:

Vice President:

Secretary:

Treasurer:

4. Meeting Frequency & Location:

Monthly

Quarterly

Annual

Other:

Location & Day of Month:

5. Attach neighborhood and community priorities the Association would like to concentrate on. Include a general statement of purpose describing why the Association is seeking recognition.

I affirm that the association for which this application is being submitted meets the criteria for recognition.

Signature of Association President

Date



EMAIL RELEASE FORM

Records held by the County are generally considered public records. However, certain personal information such as personal email addresses (private email addresses that are not work or institutional email or website addresses) provided to the County may be confidential under State Law.

Notice relating to the County’s Use of Personal Email Addresses

The County intends to use email addresses provided to it on behalf of a registered Association for the primary purpose of communicating either directly or within group communications with the agents of the registered Association. Email address information provided to the County may be published to the public in any directories and Annual Neighborhood Reports compiled by the County from information provided to it. From time to time, the County receives requests for the release of information under the Texas Public Information Act and may release information in response to those requests.

Consent to Release of Personal Information Such as Email Addresses

I understand that records held by the County are generally considered public records and that certain personal information provided to the County may be confidential under State Law. Therefore, I have exercised and will continue to exercise in all my interactions with the County due care in providing to the County only information which I am comfortable being made public. I expressly give my consent to the County to release any email address information I provide to or use in my communications with the County to the public for all purposes including, but not limited to, the purposes mentioned above.

Date

Printed Name of Primary Contact

Signature of Primary

Date

Printed Name of Secondary Contact

Signature of Secondary



COMMISSIONERS COURT ORDER NEIGHBORHOOD ASSOCIATION PROGRAM

WHEREAS, El Paso County (“County”) is committed to providing the highest level of quality representation and service delivery to the residents of the community; and

WHEREAS, the Commissioners Court (“Court”) adopted the 2020-2024 Strategic Plan to provide a vision for agency growth and responsibilities for the County; and

WHEREAS, the Court identified the establishment of neighborhood associations as a strategic planning item to help facilitate public outreach and engagement throughout the unincorporated areas; and

WHEREAS, staff have evaluated best practices and developed an outreach plan for various communities, both suburban and rural, throughout the County’s unincorporated area;

BE IT THEREFORE ORDERED:

1. The El Paso County Neighborhood Association Program is established to facilitate the development of a community forum rooted in sharing of information, connecting residents with their County government, promoting activities and fostering civic engagement throughout the unincorporated area of El Paso County.
2. Proposed Neighborhood Associations will be required to:
 - a. Register with the County by completing all required documentation
 - b. Include a minimum of 15 individuals representing unique addresses
 - c. Host at least one (1) meeting per year
 - d. Designate a primary/secondary point of contact to receive official County notices
 - e. Adopt an Association Action Plan & Statement of Purpose
 - f. Develop neighborhood and community priorities
 - g. Establish orderly process for decision making/organization (adoption of bylaws)
 - h. Establish defined method for information sharing to County
 - i. Comply with additional administrative requirements as identified by County staff
3. The Planning & Development Department shall facilitate the Neighborhood Association Program for the County and provide the Court with quarterly updates on Association activity.

Signed this 21st day of September 2020

*Hon. Ricardo A. Samaniego
El Paso County Judge*

SAMPLE MATERIALS

The following materials are intended to serve only as a sample for each proposed Association. Upon request, the County will provide Word versions of each of the following sheets for consideration by each Association. All forms, templates, adoption of bylaws and actions shall be in accordance with the County Neighborhood Association Program Court Order. Each item should be tailored to fit the purpose of the Association and the needs of the group.

- Continued on Next Page -

**COUNTY NEIGHBORHOOD ASSOCIATION BYLAWS
FABENS NEIGHBORHOOD ASSOCIATION**

ARTICLE I. STATEMENT OF PURPOSE

The Fabens Association is being created by the community in order to make progress and improve the Fabens Community. Improvements such as beautification, security, grant ready status and an active Fabens Association will be available and accessible to the residents for questions, concerns and a place to voice their opinions.

ARTICLE II. NEIGHBORHOOD BOUNDARY

The Association boundary is estimated as follows: Precinct 172 and 173 of El Paso County.

ARTICLE III. MEMBERSHIP

The membership of this Association shall consist of residents, property owners or businesses within the neighborhood who have submitted their names on/for a membership list. An association must include, at a minimum, 15 individuals from unique property addresses within the Association's boundaries.

- A. Membership shall be open to all residents, property owners and businesses within the boundaries of the Association, as described herein.
- B. A Voting Member shall be a resident in attendance at an association meeting and that has established membership in the Association. A proxy is allowed with a signed authorization to allow that member to vote at meetings. Each member within the neighborhood shall be entitled to one vote.
- C. Membership shall not be denied on the basis of views or opinions contrary to the goals and purposes of the Association.
- D. Dues may be established at the discretion of the Voting Membership and shall not in any way be managed or overseen by El Paso County nor its officers nor presumed to be a requirement to establishment.

ARTICLE IV. OFFICERS

The Voting Members of the Association shall nominate and elect the Officers of the Association. The Officers of this Association shall hold office for a term of one (1) year or until successors are elected. The term of office shall begin at the close of the Annual Meeting. The Officers of the Association shall be President, Vice President, Secretary, and Treasurer. The Officers of the association will comprise the Board of Directors.

- A. The President shall call and preside at all meetings, shall act for and on behalf of the membership of the association, shall appoint any special committees necessary for the operation of association business, and shall act as official spokesperson for the association.
- B. The Vice President shall, in the absence of the President, assume all of the duties of that office and shall be responsible for publicity and notifications of meetings of the association.
- C. The Secretary shall keep a permanent record of all formal meetings and all legal documents and legal transactions of the association. The Secretary shall transcribe the minutes of each meeting and shall maintain a file copy of same.
- D. The Treasurer shall keep all financial receipts and a permanent record of all financial business of the association. An up-to-date financial report shall be submitted at each meeting. The Treasurer shall be responsible for membership and collection of dues if so required.
- E. Nominations of Officers shall be made from the floor at the annual meeting or by a slate presented from a nominating committee.
 - a. Election of Officers shall be held at the same meeting as the nominations.
 - b. Upon installation of the Officers whose terms begin at the close of the Annual Meeting, all documents, records, and any materials pertaining to the duties of the office as

- designated in the bylaws which are in the possession of the outgoing Officers shall be submitted to the newly elected counterpart within 14 days of the installation.
- c. Any vacancy occurring during the term of any Officer shall be filled by appointment by the Board of Directors.
 - d. Any officer can be removed from office by a 2/3rds majority vote of the Voting Members after a special meeting has been requested at least fourteen (14) days in advance. Notification of meetings involving the recall of Officers shall be conveyed to the Assistant Planner in the County Planning & Development Department at least seven (7) days prior to the meeting.

ARTICLE V. COMMITTEES

The President shall have the power to appoint committees as necessary to implement the purposes of the association. The President shall be an ex-officio member of all committees.

ARTICLE VI. MEETINGS

An annual meeting shall be held every second and fourth Wednesday at a time and place designated by the President. More frequent meetings shall be held at the discretion and direction of the President.

- A. 2/3rd of the Voting Members may call for a Special Meeting as needed.
- B. A quorum shall be established by a minimum of 10 or more members of the Association.
- C. At least a seven (7) day notice shall be provided in advance of any association meeting. Every effort will be made to notify all interested parties and members of the Association of upcoming meetings either by direct mailing, pamphlets, newsletters, or announcements at regularly scheduled meetings. This notice shall also be sent to the County Planning & Development Department – Association liaison.

ARTICLE VII. AMENDMENT OF BYLAWS

- A. These bylaws may be amended by a 2/3rd nomination vote of Voting Members and then passed by 2/3rds of the Board.
- B. Proposed amendments shall be read at the presiding meeting after being announced at a meeting directly preceding the presiding meeting.

ARTICLE VIII. GENERAL

- A. The rules in the current edition of Robert's Rules of Order shall govern the association, the Board of Directors, and all subcommittees in all cases to which they apply and do not conflict with the specific provisions of these Bylaws or any special rules that the association may adopt.
- B. If any part of the Bylaws or the application thereof is hereafter held invalid or unenforceable, the remainder shall not be affected thereby, and only the affected portions are declared eliminated.
- C. No officer, representative, spokesperson or member shall have any financial liability of the association.
- D. No officer, representative, spokesperson or member shall discriminate in employment and delivery of services in the exercise of the neighborhood association. We will not deny service to, or otherwise discriminate against, any person on the basis of race, color, religion, gender, sexual orientation, citizenship, marital status, age, national origin, ancestry, or physical or mental handicap.

Signature – President

Signature – Vice President

Date Adopted

**Bylaws Adoption shall be Notarized and the Official Record Submitted to the County within 72 Hours of Adoption*

**FABENS NEIGHBORHOOD ASSOCIATION
MEMBERSHIP LIST 2024**

#	Name	Address	Phone	E-Mail (optional)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

**NAME OF NEIGHBORHOOD ASSOCIATION
REGULAR MEETING AGENDA**

Date:

Location:

Time:

- 1) Call to Order
 - a. Opening Remarks
 - b. Introduction & Opening Remarks
 - c. Special Guests
- 2) Approval of Past Meeting Minutes
- 3) Approval of Reports (As Needed)
 - a. Officers
 - b. Standing Committees
 - c. Ad-Hoc Committees
- 4) Program (Discussion Only)
 - a. Guest Speaker or Educational Activity
- 5) Business
 - a. Old Business (Possible Action or Refer to Committee)
 - i. Topic A
 - ii. Topic B
 - b. New Business (Discussion for Future Action or Refer to Committee)
 - i. Topic A
 - ii. Topic B
- 6) Announcements
- 7) Adjournment

Next Meeting Date:

Month Day, Year

7) Adjournment

Next meeting (date, time & location)

**NAME OF NEIGHBORHOOD ASSOCIATION
REGULAR MEETING MEETINGS**

Date:

Location:

Time: Meeting was called to Order at 6:04 PM

Quorum Was Established:

Attendees Present: Name Officers & See Attached Sign-In Sheet for Regular Membership

Absent: Name Officers, Excused or Non-Excused

Approval of Minutes:

Motion to Approve Made by Person A; Motion Seconded by Person B

Vote: Unanimous

Reports:

Officers' Reports Given by (Name)

Committee Reports Given by (Name)

List each person delivering a report for each committee

Program:

Guest Speaker (Name) from the (Blank) Department/Agency gave a presentation regarding (blank)

Business:

1. The Association agrees to form at least 3 new Neighborhood Watch groups within the neighborhood association boundary.
2. The Association agrees to invite back Officer (Name) in 3 months to discuss progress of the Neighborhood Watch groups
3. Motion: To use funds to purchase a dozen block captain t-shirts
 - a. Motion by (Name), Seconded by (name)
 - b. Vote: Motion approved (12 in favor, 3 opposed)
4. Motion: Move to special project committee for block captain t-shirt design;
 - a. Motion by (Name), Seconded by (name)
 - b. Vote: Unanimous; (Name) in charge of special project committee

Announcements:

No Announcements

End Time: Meeting Adjourned at 7:54 PM

Next Meeting: Date, Time & Location)

Secretary Name:

Date of Approval:

**NAME OF YOUR NEIGHBORHOOD ASSOCIATION
NEIGHBORHOOD ACTION PLAN (20XX YEAR)**

Neighborhood action plan development guideline:

- ☑ Identify and prioritizes 1 to 3 issues that are of major concern to the neighborhood
- ☑ Identify general goals the residents would like to accomplished
- ☑ Form a committee for each issue to spearhead the drive to resolve the issue
- ☑ Create strategies, objectives, tasks and timelines on how to reach goals
- ☑ Identify available resources that can be utilized to assist the committee

Common neighborhood concerns:

- crime and safety
- neighborhood appearance
- traffic control and speeding
- infrastructure improvements

Create a purpose statement: This statement should state the primary reason in forming the neighborhood association and should be brief and broad.

For example:

To provide a safe, clean neighborhood to be proud to live in and raise our families

Create goals and objectives: Goals should be simple, specific, measurable, realistic and achievable. Objectives are the actions or tasks to achieve the goal within a reasonable timeframe with available resources.

For example:

Goal: Help neighbors get to know each other by holding social events

Objective: Host two potluck picnics at the local neighborhood park

Tasks:

- Hand out door-to door flyers
- Invite a guest speaker
- Seek sponsorship or donations
- Provide kids activities and games

Timeline: *(Select and combine activities with national pride/awareness days)*

- Great American Clean Up (countywide cleanup event held on a Saturday in April)
- National Night Out (community-policing event held the 1st Tuesday in August)

Resources:

- Membership dues
- Volunteer membership
- Local businesses
- County Departments and Community partners

Responsible:

- Assigned to A Committee



Work Based Learning and Subsidized Employment Training Program



Program. Auxiliary aids and services are available upon request to individuals with disabilities. Relay Texas: 711 (Voice) or 1-800-735-2989 (TTY). Igualdad de oportunidades de Empleo/Programas. Equipo auxiliar y servicios de apoyo están disponibles para personas con discapacidad ser requeridos. Relay Texas: 711 (Voz) o 1-800-735-2989 (TTY) Funded by all or in part of, the Department of Labor/ETA WIOA Formula Grants and Wagner-Peyser; the Department of Health and Human Services TANF and Child Care Development Fund; and the Food and Nutrition Service SNAP Employment & Training. Service SNAP Employment & Training.

Introduction

The CHOICES, NCP, WIOA and/or Special Projects Work Based Learning and Subsidized Employment Program is provided to eligible participants to broaden hands on experience with local employers. Funded through the US Department of Labor and administered by the Texas Workforce Commission, the Work Based Learning and Subsidized Employment Program is conducted locally by Grant Associates Inc. **Grant Associates Inc** serves as the **Workforce Solutions Borderplex** Service Operator and is responsible for the day-to-day operation of the programs offered.

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Congratulations!

You are, if you are reading this Handbook, you are entering a very potentially rewarding situation. If you are a Participant in this work agreement, you have earned the opportunity to learn from a "pro." This person has not only succeeded in the world of work but has committed to sharing his/her expertise and enthusiasm about achievement and success with you. It will be your responsibility to make the most of this opportunity, not only by cooperating with your Career Navigator and Work Based Learning Coordinator, but by showing you have the motivation and drive to "be all that you can be."

If you are a Worksite Supervisor, you have, as stated above, committed to serving as a role model for one or more program participants. With your guidance, the participant(s) will learn more than basic job skills; they will also see positive decision-making and problem-solving techniques; they will engage in and see the value of teamwork; they will see time management and initiative at work; all in all, they will get a firsthand view of what it takes to succeed in the workplace. And, with your encouragement, participants will be inspired to learn and grow right along with you.

As with any carefully planned project, there are guidelines and requirements for everyone involved (Supervisors, Participants, and WSB employees) with Work Based Learning and Subsidized Employment Program. This Handbook outlines those critical components and makes it easy for you to understand and comply with the paperwork and procedures. You will gain an overview of qualifications and expectations, standards for conduct, evaluation procedures, and documentation critical to the successful completion of the program. Becoming familiar with each of these items at the outset will help ensure a rewarding experience for all.

As you read through this Handbook you will notice there are three main sections. The first outlines the Expectations and Guidelines for Participants; the second section describes the Qualifications, Responsibilities, and Strategies for Worksite Supervisors. Various forms and documents appear throughout; be sure to read, complete, and display (if applicable) each one, as required. The third section, the Appendix, contains the **Work Experience Agreement**. It is critical that all parties involved read and sign this document.

Important Note: The following documents are to be posted at the worksite in a location accessible to Participants for the duration of the Work Based Learning and Subsidized Employment Program:

- **Job Description Form**
- **Emergency Contact Information Sheet**
- **Injury Procedure Incident Report**
- **Child Labor Laws**
- **Labor Laws**

Thank you and good luck as you enter this Work Based Learning and Subsidized Employment Program. Grant Associates believes in the power of employment and is committed to **helping all succeed!**

Program Overview

The following are the goals of the Work Based Learning and Subsidized Employment Program:

- Preparing participants for employment opportunities
- Development of Employability Skills
- Exposure to the world of work and development of industry acumen.
- Enhancement of "soft skills" necessary for future employment
- Support and supervision, along with regularly scheduled formal evaluations
- Career Coaching by Career Navigator and Work Based Learning Coordinators

Qualifications

All Participants in the **Work Based Learning and Subsidized Employment Program** must be determined eligible for this opportunity prior to the referral and interview process. All Participants in this program are involved in a professional development experience *prior to* and/or *during* their placement in this employment component.

Participants receive a thorough orientation to the WBL/SE participant employment-training component which establishes guidelines and expectations for professional conduct, as well as the identification and ownership of professional goals. Career Navigators and Work Based Learning Coordinators will maintain regular contact with Participants to ensure they receive appropriate support.

Worksite Supervisor Qualifications

Worksite Supervisors participating in the **Work Based Learning and Subsidized Employment Program** must:

- have superior leadership abilities
- exhibit and encourage good work habits
- teach and inspire confidence in each Participant
- hold Participants to a strict standard of attendance, punctuality and performance while motivating them to be part of a work team.
- possess an understanding of, and tolerance for, behavior of those that have little or no work experience
- maintain a positive, friendly manner, as well as an expectation of mutual respect.
- maintain the expectation that Worksite Supervisors be addressed by with respect (Mr., Mrs. or Miss). It's imperative that Participants comprehend the difference between a supervisor and a friend.
- lead by example. Participants will respond better to positive role modeling than to directives and commands. It is especially important that what supervisors *say* is supported by what they *do*!
- fosters establish a comfortable working relationship. Participants must feel free to ask questions, discuss problems, and offer solutions.
- define expectations and consistently hold Participants to these standards.
- Possess the ability to organize and assign appropriate duties and projects for Participants. The Work Based Learning and Subsidized Employment Program will be more rewarding for employer and Participant alike if Participants are assigned work that will not only keep them occupied for the hours they are at work, but will allow them to grow professionally, as well.

Participant Expectations and Guidelines

Participants are always expected to conduct themselves in a professional manner while employed. They are to adhere to the policies and procedures of the **Work Based Learning and Subsidized Employment Program**, as well as of the business in which they are training with. Infractions of the professional code of conduct will result in appropriate disciplinary action.

Standards of Professional Conduct

The following policies must be observed as part of the employment experience. These policies are not to suggest other policies at the worksite should not be developed and upheld, if deemed necessary.

Smoking Policy

It is the policy of this program to protect the health, comfort, and environment of Participants by establishing a no smoking policy.

Weapons Control Policy

It is the policy of this program that the possession, use, or sale of firearms, ammunition, fireworks or other dangerous weapons is prohibited. Violation of this code will result in immediate termination from the program. Offenders will fully be prosecuted of the law.

Drug Free Policy

It is the policy of this program that Participants shall not be involved in the unlawful use, possession, sale or transfer of drugs or narcotics in any manner. This includes the off-property abuse of alcohol, illegal drugs, controlled substances, or prescription drugs that impair the Participants ability to perform.

Sexual Misconduct Policy

It is the policy of this program to prohibit all sexual contact. Violation will result in immediate termination.

Dress Code Policy

It is the policy of this program that all Participants have good grooming habits and appropriate attire and will comply with the dress code policy defined by the worksite.

Visitor Policy

It is the policy of this program that Participants will not be allowed to have visitors or receive non-emergency personal telephone calls during work hours.

If at any time, the Participant violates any of the above policies, or if the Worksite Supervisor has other challenges with the Participant, the Career Navigator and/or Work Based Learning Coordinator will intervene as the official employer and determine any personnel action and/or continued program participation.

Work Based Learning and Subsidized Employment Program Expectations

Weekly Schedule

Participants schedules shall be determined by the worksite location and follow the schedule defined in the signed **Work Experience Agreement (Document #1)**.

Job Duties

A job title and clearly defined job responsibilities will be recorded on the **Job Description Form (Document #2)**. The Participant will perform such duties as noted, with necessary direction and supervision from the Worksite Supervisor.

Punctuality

A Participant is required to be punctual, which includes returning from breaks and lunch periods on time. If a Participant is late there must be an acceptable reason for the tardiness. In the event of chronic tardiness, a **Progress Report (Document #3)** notated as unsatisfactory will be issued.

Absenteeism

Regular attendance is required of all Participants. In the event an emergency should arise, Participants must call their Worksite Supervisor and Work Based Learning Coordinator 30 minutes prior to their designated work start time. Failure to call within the prescribed 30-minute period, or failure to report an absence, will result in a **Progress Report** notated as unsatisfactory which precedes an employment termination notification to Participant and Worksite Supervisor. Participants will be given an opportunity to improve in the area of concern in order to prevent termination from the program. **A Participant is not eligible for any compensation when not at work.**

Holidays

There are no provisions for Participants to be paid for legal holidays. All legal holidays that fall within the program period should be recognized as days off.

Inclement Weather (if applicable to job duties)

If completion of the Participant's job duties is contingent on the weather, it is the obligation of the worksite Supervisor to assign secondary job duties and list them on the **Job Description Form**.

Harassment

It is the expectation of the program that neither Participants nor the worksite staff shall conduct themselves in a manner definable as harassment. Reports of harassment shall be viewed as significant by Grant Associates and shall be reviewed with serious consideration.

Grievance Procedures

It is the policy of this program that no Participant will be discriminated against because of race, religion, color, handicap, sex, age, national origin, beliefs or political affiliation. A positive, goal-oriented program has been established to achieve this objective. All Participants will receive a copy of

the **Orientation to Complaint Form**. This form outlines the steps that must be taken in order to file a grievance or a complaint. It should be completed and filed in each Participant's file.

Child Labor & Labor Laws

The Child Labor Laws and Labor are designed to protect and benefit each Participant. Employers must comply with both federal and state laws. When federal and state standards are different, the rules that provide the most protection to all workers will apply. You are required to post the **Child Labor & Labor Laws** in the worksite area. Posters of said laws are available from the U.S. Department of Labor as well as from your state DOL. If you need assistance, please inform our staff.

Worker's Compensation

The program provides Work Related Injury payment for medical expenses for Participants injured on the job. If time is lost from the job due to injury, supervisors will indicate as such on the timesheet. **A Participant is not eligible for any compensation when not at work.**

Injury Instruction

Injuries must be reported to the Participant's Worksite Supervisor and Work Based Learning Coordinator as soon as possible. Participant will be directed to call 1-855-690-7299. Work Based Learning Coordinator will follow up with Manpower Government Solutions representative.

Payday

All payroll processing will be managed by Manpower Government Solutions. The Work Based Learning Coordinator will collect timesheets on specified days, and Participants' compensation will reflect time recorded thereon.

Instructions for Timesheets

A Participant's timesheet is the basis for calculating wages; therefore, it is very important that it is completed accurately. Your Participant(s) may have received monies through payroll in earlier segments of the employment training program. In that case, the Participant(s) should be 100% prepared to complete an error-free timesheet. It is then the responsibility of the Supervisor, along with the Participant, to verify all information recorded on the timesheets.

If the timesheet is completed incorrectly, a Participant will not be paid on time. It is important for each Participant to be aware that standard deductions, which include FICA and Social Security, are withdrawn from each paycheck.

Guidelines for accurate completion of the time sheet are as follows:

- Timesheets must be completed via electronic timesheet. Accommodations may be granted upon request to Work Based Learning Coordinator
- Participants must sign in and out for lunch break
- Participants may indicate a need to see Work Based Learning Coordinator for work related concerns and/or coaching
- Worksite Supervisors must verify and approve timesheet during the pay period via email confirmation with hours worked.

Progress Report Evaluations

Worksite Supervisors will meet one-on-one with Participant at least once a week to discuss the Participant's progress. After 3 weeks of Participant's start, both Participant and Worksite Supervisor will complete progress report. **Progress Report** will be collected, reviewed, and discussed with Participant by Work Based Learning Coordinator. At the end of Participant's employment training, a **Completion Report** will be completed by participant and Worksite Supervisor. **Completion Report** will be collected, reviewed, and discussed with Participant.

Unsatisfactory Progress

If a Participant demonstrates unsatisfactory performance or indicates assistance is needed it is the Worksite Supervisor's responsibility to report it to the Work Based Learning Coordinator as soon as possible. The Work Based Learning Coordinator will take immediate action to address the situation. In a meeting with the Participant, the Work Based Learning Coordinator will discuss the performance issue to get a complete understanding of the situation. If the concern cannot be resolved through communication between the Work Based Learning Coordinator, Worksite Supervisor and Participant, the Work Based Learning Coordinator will take the next step, which is to contact the Program Manager to receive further guidance. Disciplinary action will consist of any or all of the following:

- **Verbal discussion and warning to Participant.** Discussion is held with Work Based Learning Coordinator and Participant's Career Navigator
- **Issuance of the Unsatisfactory Progress Report to Participant.** This notification will outline the issue(s), recommend positive action steps to resolve the issue(s), and establish a time frame within which the corrective action should take place.
- **Termination of the Participant from the Program** Final termination rests with the Grant Associates Director. Neither the permanent personnel at the worksite, nor the Career Navigator have the authority to implement final termination. The Worksite Supervisor may request that a Participant not return to work if he /she deem the situation critical.

The final decision regarding the disciplinary action must be the result of consultation between the Worksite Supervisor, and Work Based Learning Coordinator, and the project director. The Worksite Supervisor may give warnings for unsatisfactory progress, but, if further formal action is needed, the Work Based Learning Coordinator *must* be notified.

Supervisor Responsibilities and Strategies

A Worksite Supervisor of **Work Based Learning and Subsidized Employment Program**

Participant has an extraordinary opportunity to make a significant impact - not only on the Participant, but also in the workplace and in the community. As noted in the beginning of this Handbook, it takes superior abilities to effectively supervise a Participant.

Guidelines and Expectations

The responsibilities of a supervisor include, but are not limited to, the following:

- Assist in the development of a job description for each position Participants will hold within your worksite.
- Orient Participants to the job as outlined in the job description, and to the workplace itself. Introduce them to co-workers, help them understand the policies and procedures, and clue them in to the "unwritten rules," as well.
- Help Participants understand their role within the organization.
- Explain and show Participants how the various tasks are to be performed. (Never assume they will automatically know as that sets both parties up for frustration and disappointment.)
- Help Participants recognize the importance of routine tasks. Understanding that each task is critical to the success of the department/organization will help them appreciate the contribution they are making.
- Assign tasks that are challenging to the Participants; help them develop their skills and confidence in their abilities.
- Assign an adequate number of projects to fill the hours of the workday. (Productivity and motivation go together and both are confidence builders!)
- Help Participants organize and prioritize their work.
- Provide adequate one-on-one supervision of Participant activities.
- Assist Participant in identifying daily and/or weekly work objectives.
- Provide Participant appropriate feedback on their performance through Bi-weekly Evaluations.
- Monitor completion of all timesheets on a bi-weekly basis.
- Above all, recognize that all participants want to reach their potential and need recognition for their efforts. You can be a catalyst that will instill a positive change in the participant in your workplace

Appendix

Document #1 Worksite Agreement

Document # 2 Job Description Form

Document # 3 Progress Evaluation



WORK EXPERIENCE AGREEMENT

Employer Name		Worksite Location		Job Title	
Participant Name		Start Date		End Date (on or about)	
Hourly Pay Rate		Maximum Hours:		Maximum Value:	

Workday	<i>SUN</i>	<i>MON</i>	<i>TUE</i>	<i>WED</i>	<i>THUR</i>	<i>FRI</i>	<i>SAT</i>
Daily Work Schedule	am	am	am	am	am	am	am
	pm	pm	pm	pm	pm	pm	pm
Total Scheduled Hours Per Week (Not to Exceed 40 Hours):							

Job Description and Duties: (as provided by employer & validated by WSB)

EMPLOYER (WORK SITE) ROLES AND RESPONSIBILITIES

Main Point of Contact – Immediate Supervisor		Phone Number:		Email:	
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Responsibilities of WORKSITE:

1. **WORKSITE** assures that **Workforce Solutions Borderplex** Participants will receive meaningful work experience in a fully supervised and safe working environment.
2. **WORKSITE** agrees to provide one (1) **WORKSITE** supervisor for Participants and designate at least a single alternate supervisor. The **WORKSITE** supervisor, whose qualifications are commensurate with the job specifications, shall be present during Employee Participant’s hours of work. In addition,



- **WORKSITE** will comply with the regulations set forth in the Supervisor Handbook.
 - Work hours may vary based on the needs of the **WORKSITE**, **up to 40 hours per week**
 - No Employee Participant shall work for more hours than stipulated under the terms of the AGREEMENT. At no time shall an Employee Participant be required to work, or be compensated for work in excess of 40 hours of work per week. **Any compensation for work that may occur in excess of 40 hours shall be the sole responsibility of the WORKSITE, and paid by the WORKSITE in accordance with applicable laws or regulations governing wages and hours, to include but not limited to rules set forth by the Fair Labor Standards Act (FLSA).**
 - **WORKSITE** shall have sufficient equipment and materials to perform the assigned job and sufficient meaningful work to occupy Employee Participant time during working hours.
 - **WORKSITE** supervisor or alternate supervisor shall sign time and attendance records on a weekly basis, verifying the accuracy of time worked. **WORKSITE** agrees to accept direct financial responsibility for overpayment of wages resulting from negligence and/or misrepresentation of actual time worked.
 - **WORKSITE** supervisor shall meet one-on-one with Employee Participant at least once a week to discuss Employee Participant's progress and complete the performance appraisal as required.
 - **WORKSITE** supervisor shall provide feedback through a Workforce Evaluation form to **Workforce Solutions** Borderplex staff during the participants third week of work experience/internship.
 - **WORKSITE** supervisor shall provide a completion report form to **Workforce Solutions Borderplex** staff once the participants work experience/internship has been completed.
 - **WORKSITE** will agree to comply with all employment laws.
 - **WORKSITE** will agree to accept the Non-Disclosure agreement provided in Appendix A.
3. **WORKSITE** agrees to post job description, emergency contact information and Child Labor Law poster in the work area of each Employee Participant. An alternate plan in case of inclement weather shall be listed on the job description of any assignment that involves mostly outdoor employment.
4. **WORKSITE** agrees to maintain the confidentiality of any and all information regarding Participants or their immediate families. **WORKSITE** shall not release any information to any other agency, entity, person or business without the specific approval of the Employee Participant's parent or guardian. In the event that **WORKSITE** receives a request under the Texas Public Information Act related to such information, **WORKSITE** agrees to notify Workforce Solutions so that interested parties may contact the Attorney General of Texas regarding the potential release of such information.
5. **Records and Reports:** At such times and in such forms as the Federal Government, State, or the **Workforce Solutions Borderplex** may require, the **WORKSITE** shall furnish statements, records, reports, data, and/or information pertaining to matters covered by the AGREEMENT, or related to implementation of the AGREEMENT.
6. **Project Monitoring and Project Close-Out:** At any time during the term of this AGREEMENT, **WORKSITE** shall permit the Secretary of Labor, the Comptroller General, **Workforce Solutions**



Borderplex or their authorized representative to monitor project performance pursuant to the terms of this **AGREEMENT**.

7. **Work Environment:** As our Work Experience and Subsidized Employment participants are provided through a federally funded work readiness program, we are required to provide a safe and healthy work environment. As a Worksite Employer for participants of this program, please certify that you:
- Promote frequent and thorough hand washing, including by providing workers, customers, and worksite visitors with a place to wash their hands. If soap and running water are not immediately available, provide alcohol-based hand rubs containing at least 60% alcohol.
 - Encourage workers to stay home if they are sick.
 - Encourage respiratory etiquette, including covering coughs and sneezes.
 - Provide customers and the public with tissues and trash receptacles.
 - Encourage physical distance among employees and between employees and others if state and local health authorities recommend the use of social distancing strategies.
 - Discourage workers from using other workers' phones, desks, offices, or other work tools and equipment, when possible.
 - Maintain regular housekeeping practices including routine cleaning and disinfecting of surfaces, equipment and other elements of the work environment.
 - Provide Personal Protective Equipment (PPE), such as masks and gloves, as needed.
 - Maintain policies requiring employees to report when they are sick or experiencing symptoms of COVID-19.
 - Notify workers and Grant Associates if anyone at the worksite is diagnosed with COVID-19

PARTICIPANT ROLES AND RESPONSIBILITIES

Include any other role & responsibilities, like reporting to work on time and as instructed, communicate with Case Manager with any questions or supportive services, etc...

Nondisclosure Agreement (NDA)

As part of your opportunity to participate in the Work Experience Program through Workforce Solutions Borderplex ("WSB") and its contractors and partners, you will have access to Confidential Information of the Worksite where you are assigned for your internship and work experience.

This Workforce Program Participant Nondisclosure Agreement (NDA) is written as an agreement between you, on the one hand, the WSB, on the other, to protect any Confidential Information of the Worksite where you perform your work experience.



An NDA is a binding contract to prevent sensitive information being disclosed. This NDA is a promise by you not to talk about, post on social media, discuss with family/friends, or otherwise publish Confidential Information from your Worksite. An NDA is often referred to as a “confidentiality agreement.”

The Confidential Information of your Worksite includes any type of data, information, or documentation (in electronic or paper form) that is treated as confidential under the law or by your Worksite. Confidential Information includes any personal information about others you obtain through your Worksite that would constitute an invasion of privacy for you to discuss or release outside of work. Confidential Information includes private or sensitive internal business and operational information for your Worksite. Examples of Confidential Information protected by this NDA are:

- Names, addresses, telephone numbers, and emails of customers, suppliers, participants
- Any private personal information of others, such as dates of birth, social security numbers, driver’s license numbers, family membership, income, health information, insurance information, test results, financial information.
- Internal corporate information such as financial information, sales information, strategies, legal matters, auditor information.
- Trade secrets, meaning any type of device, plan, program, app, that was developed and owned by your Worksite for its business.
- Business plans or strategies.

In return for WSB’s agreement to provide you with a paid Work Experience, you agree in return to keep your Worksite’s Confidential Information strictly confidential.

By your signature below, you are confirming that you have read, reviewed, and agree that:

- You will keep your Worksite’s Confidential Information in strict confidence, protect the security, integrity, and confidentiality of the Confidential Information and not permit unauthorized access to or unauthorized use, disclosure, publication, or dissemination of Confidential Information.
- You understand and agree that your Worksite owns its Confidential Information. This means you cannot use or take Confidential Information with you at the end of your Work Experience.
- You agree not to make unauthorized copies of or take Confidential Information and that you will not retain or keep any Confidential Information after your Work Experience ends.
- The obligation to keep Confidential Information confidential extends beyond your Work Experience for a minimum period of 10 years.
- Violations of this NDA may lead to financial penalties and termination of your Work Experience.

This NDA is in addition to any policies or agreements provided by your Worksite, and supplements any applicable law governing the confidentiality of your Worksite’s information or property.



WORKFORCE SOLUTIONS BORDERPLEX ROLES AND RESPONSIBILITIES

1. Workforce Solutions shall identify and refer Participants to the WORKSITE and shall provide subsequent support and assistance to the WORKSITE as needed during the operation of this program:
 - Provide case management to the Participants and identify barrier to employment for successful completion.
 - Support of general supervision to include ongoing feedback to both WORKSITE and supervisor.
2. Grant Associates designated subcontractor shall provide check-writing or electronic transfer of payroll services for Participant work activity according to a standard payroll schedule. Grant Associates designated subcontractor shall retain personnel files on all with the following contents:
 - Certificate of I-9/Employment Eligibility
 - Copy of Social Security Card
 - Participant Pay Rate
 - Signed Acknowledgement Grievance/Complaint Procedure
 - Consent for Criminal Background Check
 - Pre-Employment Drug Screening Information (or Wavier thereof) Management of critical incidents as the employer of record.
 - Timesheet management to include receipt and processing of said documents.
 - Worksite injury and Workers' Compensation coordination.
 - Review of worksite safety to include compliance with Wage and Hour and Federal/State Labor Law requirements.
3. Workforce Solutions will supply time sheets and performance appraisal templates.
4. Grant Associates designated subcontractor shall be considered the employer of record for the Participants placed on worksites per this Agreement and be responsible for all compensation to the Participants for work experience/internship activities at a WORKSITE location. In addition, Grant Associates designated subcontractor will assume responsibility for Workers' Compensation liability. The Grant Associates designated subcontractor will agree to comply with all employment laws and be solely responsible for any employment-related claims by the participants.
5. Workforce Solutions Borderplex will conduct a job analysis prior to the placement of an Employee Participant in work experience/internship, and develop a job description and specifications, if they do not already exist.



ALL PARTIES AGREEMENT

This AGREEMENT is entered into between _hereinafter referred to as the work experience/internship “WORKSITE,” and Workforce Solutions Borderplex, a non-profit corporation organized under the laws of the State of Texas hereafter referred to as “Workforce Solutions Borderplex.”

WITNESSETH:

It is the intent of this AGREEMENT to provide Workforce Solutions Borderplex and the WORKSITE an overview of the administrative and operational structure for the employment component of the work experience/internship program. Working with the targeted populations in the Local Workforce Development Area, Workforce Solutions Borderplex has received under contract federal funds to support an area work experience/internship program for eligible participants using non-profit, public and private employer worksites.

WHEREAS, The Congress of the United States has enacted the Workforce Innovation and Opportunity Act of 2014, Public Law 113- 128 (H.R. 803), hereinafter referred to as the “ACT”; and,

WHEREAS, Grant Associates has entered into a financial agreement with the Workforce Solutions Borderplex Workforce Development Board to provide for the delivery of services in local area for the operation of a work experience/internship program, and,

WHEREAS, Grant Associates designated subcontractor shall be considered the employer of record for the Participants placed on worksites per this Agreement and be responsible for all compensation to the Participants for work experience/internship activities at a WORKSITE location.

WHEREAS, the Local Area’s plan identifies a need for an employment program offering Work Experience/Internships for eligible and identified participants; and,

WHEREAS, Grant Associates designated subcontractor is ready, willing and able to provide payroll services and Workers’ Compensation coverage for this experience for those Participants working at the WORKSITE locations as the Employer of Record,

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained in this AGREEMENT, and subject to the terms, conditions and assurances as herein set forth, the parties do hereby agree as follows:

B. GENERAL TERMS

Agreement Period:

The term of this Agreement will be from the date of the last signature below and shall continue for a period as outlined in the agreement. Thereafter, this Agreement will automatically renew on a year-to-year basis, not to exceed three (3) year renewals.



Provisions:

If any provisions of this AGREEMENT are found to be in violation of local, state, or federal rule, law or regulation, the AGREEMENT shall be changed to comply with such law, rule or regulation.

Complaint Procedure:

Participants enrolled in Workforce Solutions Borderplex program services shall not be considered employees of the WORKSITE. Should the WORKSITE have any dissatisfaction, concern, or complaint about the manner in which the Workforce Solutions Borderplex Participants are performing responsibilities under this AGREEMENT, those matters shall be communicated to the designated Workforce Solutions Borderplex representative for appropriate action as deemed necessary.

Termination of Agreement:

Given the short-term operating period of work experience/internship programs, this AGREEMENT may be terminated by either party with written notice to the other party or by mutual agreement of both parties within 30 days of receipt of said notice.

Performance of Conditions:

Workforce Solutions Borderplex and the WORKSITE certify that all conditions precedent to the valid execution of the AGREEMENT or its parts has been satisfied. WORKSITE assures it possesses legal authority to participate in this AGREEMENT.

Laws Applicable:

It is the intent of the parties hereto that the terms and conditions of this AGREEMENT, and the work to be performed hereunder, are subject to the applicable provisions of Federal law, and any rules and regulations lawfully promulgated hereunder, and to all applicable state and local laws, ordinances, rules and regulations.

Compliance with WIOA:

WORKSITE agrees it will comply with the requirements of the Workforce Innovation and Opportunity Act of 2014 (P.L. 113-128), and with regulations and policies promulgated hereunder. Per the terms of this AGREEMENT, the WORKSITE, by signing this AGREEMENT, will comply with the following specific requirements required to provide services under the ACT.

- Maintenance of Effort: The WORKSITE will only provide services under this AGREEMENT, which in the absence of said AGREEMENT would not have been available to the Participants.
- Non-Displacement of Workers: The WORKSITE certifies that by entering into this AGREEMENT, no permanent full-time employee was displaced from their employment as a result of the terms of this AGREEMENT.
- Prohibition of Political Activities: All employees whose employment directly resulted from AGREEMENT funding shall not be involved in any political activities to include candidate and/or campaign support.
- Lobbying. The WORKSITE shall not use funds and/or human resources to promote or initiate any activity tied to lobbying efforts related to local, state and/or federal politics.



- Sectarian Activities. The WORKSITE shall not provide employment or training in sectarian activities and/or use contract resources to promote such activities.
- Union Activities. The WORKSITE shall not use any funds or resources provided under this AGREEMENT to assist, promote or deter union organizing and/or affect a collective bargaining process.

Rights and Remedies Not Waived:

Payment of wages by Grant Associates designated subcontractor shall not be construed as a waiver by the WORKSITE of their responsibility to provide competent management of Participants in this work-based activity. Although Grant Associates designated subcontractor shall be recognized as the employer of record of the Participants, the WORKSITE will maintain responsibility for direct supervision to include the maintenance of a safe and healthy working environment for Participants.

C. AGREEMENT EXECUTION:

The parties hereto have caused the AGREEMENT to be executed effective on the date last signed by the parties. The undersigned is an authorized representative of the Worksite Employer and hereby attests that the information set forth above is true and correct, to the best of his/her knowledge.

WORKSITE

Attest (Signature)
Title

Name
Date

PARTICIPANT

Attest (Signature)

Name
Date

WORKFORCE SOLUTIONS BORDERPLEX

Attest (Signature)
Title

Name
Date

Internal Reference Only

Participant ID

Funding Source

TOWN OF HORIZON CITY, TEXAS
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023

TOWN OF HORIZON CITY, TEXAS
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023

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TOWN OF HORIZON CITY, TEXAS
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023

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TOWN OF HORIZON CITY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2023

As management of Town of Horizon City, Texas, we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. We encourage readers to consider this information in conjunction with the basic financial statements.

Fund-based financial reporting and government-wide reporting are not viewed as being in conflict; however, they are not comparable. A significant portion of this analysis focuses on the changes in the government-wide statements, while still providing information on the Town's fund-based comparative changes.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

- The Town's total assets amounted to \$99,370,922. This represents an increase of 37.6% from the prior year.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,645,800 (net position). This represents an increase of 5.7% from the prior year.
- Total capital assets, net of accumulated depreciation amounted to \$49,495,243. This represents an increase of 4.5% from the prior year.
- Unrestricted net position, available to meet the Town's ongoing obligations, totaled \$7,276,063. The amount invested in capital assets, net of related debt, totaled \$29,749,656. Net position restricted for state mandated funds was \$620,081. This represents an increase of 5.8%, 5.3%, and 22.9% from the prior year, respectively.
- The Town's governmental fund balance sheet shows a combined ending fund balance of \$44,038,121, an increase of \$25,073,812 or 132.2% compared to the prior year fund balance.
- Total liabilities amounted to \$61,950,255 of which \$7,279,840 is due in less than one year. This represents an increase of \$25,291,197 and an increase of \$109,417, respectively, compared to the prior year.
- General Fund revenues were approximately 2.4% less than budgeted and actual expenses were less than budgeted expenses by approximately 1.5%, resulting in an overall increase in the fund balance of the General Fund of \$50,468.
- The Town's primary source of revenue comes from property taxes levied for general purpose and debt service, which amounted to \$6,642,789 in the current fiscal year. This represents approximately a 5.8% increase in comparison to the amount of property tax revenue in the prior fiscal year. Total revenues amounted to \$16,263,229, which represented an increase of \$3,743,912 from the prior year or 29.9%.

(Continued)

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023
(CONTINUED)**

- Total debt service expenditures for the year amounted to \$3,321,246, which represents an increase of 32.7% from prior year. The combined outstanding balance in bonds payable, capital leases, and intergovernmental payable was \$53,872,748 at the end of the fiscal year.
- The Town's revenues from sales taxes amounted to \$3,943,506 during 2023, of which \$650,269 was reserved for street maintenance and \$650,269 was reserved for economic development. Total sales taxes increased by approximately 4.7% from the prior year primarily due to an increase in commercial sales revenue in the Town's jurisdiction.
- The Town invested \$5,335,651 in equipment, intangibles, and infrastructure, resulting in a 4.5% increase in capital assets, net of accumulated depreciation. The Capital Improvements Fund maintains proceeds from Combination Tax and Revenue Series 2014 Certificates of Obligation, Combination Tax and Revenue Series 2019 Certificates of Obligation and Combination Tax and Revenue Series 2023 Certificates of Obligation which have been reserved by Town ordinance to be issued in infrastructure projects included in the Capital Improvements Master Plan. The Town's Capital Improvement Fund provided \$3,742,031 for infrastructure. At the end of the fiscal period, the net change in fund balance in the Capital Improvements Fund was \$24,367,311, representing a 249.6% increase from the prior year due to capital outlay expenditures and proceeds from bond issuance.
- The Town reports deferred inflows of resources on its general fund, debt service fund and TIRZ#2 fund. Deferred inflows of resources represent an acquisition of fund balance that applies to a future period which will not be recognized as an inflow of resources until that time. Unavailable revenues in the amount of \$131,768 at September 30, 2023, represent the portion of property tax revenue receivable collected within 60 days following the end of the fiscal year. This represents an increase of 7.3% from the prior year.
- During 2023, the Town participated in the Texas Municipal Retirement System ("TMRS") Pension Plan. The Town's net pension liability was measured at December 31, 2022, the Plan year, for a total amount of \$1,571,184. This represented an increase of \$174,472 from the previous year. In 2023, the Town recognized net pension expense of \$228,902, which represents an increase of \$47,125 from the previous year.
- At September 30, 2023, total deferred outflows and inflows of resources related to pensions were \$384,937 and \$138,296, respectively, which represented an increase of \$203,800 and \$4,415, respectively, from the previous year.
- In connection with its pension plan, the Town also offers a supplemental death benefit to all employees enrolled in TMRS. At December 31, 2022, the Plan year, the Town recognized a total liability of \$66,385 for the supplemental death benefit plan. This represents a decrease of \$22,359 or 25.19% from the previous year. Total deferred outflows and inflows of resources related to the Plan were \$20,894 and \$42,402, which represented an increase of \$2,491 and \$39,871 respectively, from the previous year.

(Continued)

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023 (CONTINUED)

- The Town received \$2,730,471 in operating grants and contributions. This represents an increase of \$2,380,043 or 679.1% from the previous year. This increase is attributed to an increase in expenditures for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) grant in the amount of \$788,076, as well as an in-kind federal and state award received from the Texas Department of Transportation for the improvement of roads in the amount of \$1,034,797.
- The Town's deferred revenue decreased by \$806,910, or 16%. This is due to a portion of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) being spent on construction and assistance to small businesses.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the financial position of the Town and are similar to private sector financial statements. The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements appear on pages 20 through 22 of this report.

The Statement of Net Position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position as of September 30, 2023. Net position is shown in three categories: 1) invested in capital assets, net of related debt, 2) restricted for state mandated funds, and 3) unrestricted.

The Statement of Activities presents information showing how the Town's net position changed during the fiscal year ended September 30, 2023. It provides a breakdown of revenues and expenses by function. All changes in net position are reported as soon as the underlying event, which contributes 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 affect cash flows in future fiscal periods. Examples of such items include revenues earned and expenses incurred but not yet paid, all of which will produce changes in cash in a future fiscal period.

Both statements attempt to distinguish functions of the Town that are principally supported by taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees. The governmental activities of the Town include general government, finance, executive, public services, building services, community development, public safety – police, public safety – dispatch, municipal court, storm water, code enforcement, parks and recreation, and planning. The Town does not engage in any business-type activities.

(Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

The government-wide financial statements not only include the Town itself, but also its component units, Town of Horizon City Type 4B Economic Development Corporation and Tax Increment Reinvestment Zone #1. The component units are blended with the Town's operations. More information can be found on pages 29 and 30.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town only has governmental funds. The governmental funds financial statements are on pages 23 through 28.

The Town's finances are segregated into four types of funds: General Fund, Special Revenue Funds, Debt Service Fund, and Capital Improvements Fund.

The General Fund reflects revenues and expenditures to provide all the basic Town services to the community, such as public safety, general government, streets, building services and community services.

The Special Revenue Funds are utilized to recognize and segregate revenues derived from grants and payments from other agencies not included in the General Fund. Grant revenues accounted for in the Special Revenue Funds have been restricted for specific uses by external authorities or regulation.

The Debt Service Fund is utilized to account for the payment of general long-term debt principal, interest, and related costs.

The Capital Improvements Fund is utilized to account for the use of reserved funds for the costs of infrastructure and other development projects. The balance remaining in this fund has been designated for these purposes by the Town Council Members and its activity is not included in the General Fund.

The Town does not maintain any Proprietary Funds.

Governmental funds are used to account for essentially the same functions of those reported in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. 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 to cash. The governmental fund statements provide a detailed *short-term view* of the Town's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near-future to finance the Town's programs.

The focus of governmental funds is narrower than that of government-wide financial statements; therefore, it can be useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations have been provided as a link between the governmental fund statements and

(Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

the government-wide financial statements to assist in this comparison. Pages 24 and 28 provide a reconciliation of the balance sheet of governmental funds to the statement of net position as well as a reconciliation of the statement of revenues, expenditures, and changes in funds balance of governmental funds to the statement of activities.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide fund financial statements. The notes to the financial statements can be found on pages 29 through 73 of this report.

OTHER INFORMATION

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules for its General Fund and its major Special Revenue Funds for which a budget has been approved by Town Council as well as required pension-related schedules. The report also includes other supplementary information consisting of the Town's combining schedules of Aggregate Non-Major Funds. The required and other supplementary information can be found on Pages 74 through 86.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole. The Town's net position (total assets and deferred outflows less liabilities and deferred inflows) at fiscal year-end totaled \$37,645,800 reflecting an increase of \$2,013,125 compared to the previous fiscal year. The table below summarizes the Town's total assets, deferred outflows or inflows of resources, liabilities and net position for the fiscal years ended September 30, 2023 and 2022.

	Net Position	
	<u>Governmental Activities</u>	
	<u>09/30/23</u>	<u>09/30/22</u>
Cash and cash equivalents	\$44,168,713	\$19,395,830
Investments	5,041,219	4,949,265
Receivables (taxes, grants, other miscellaneous), net	526,543	444,363
Prepaid expenses	132,114	63,366
Other assets	7,090	7,090
Capital assets, net of accumulated depreciation	49,495,243	47,368,691
Deferred outflows of resources	<u>405,831</u>	<u>199,540</u>
Total assets and deferred outflows of resources	<u>99,776,753</u>	<u>72,428,145</u>

(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position (Continued)

Short-term liabilities	\$ 7,279,840	\$ 7,170,423
Long-term liabilities	54,670,415	29,488,635
Deferred inflows of resources	<u>180,698</u>	<u>136,412</u>
Total liabilities and deferred inflows of resources	<u>62,130,953</u>	<u>36,795,470</u>
Net position:		
Invested in capital assets, net of related debt	29,749,656	28,251,219
Restricted for State mandated funds	620,081	504,384
Unrestricted	<u>7,276,063</u>	<u>6,877,072</u>
Total net position	<u>\$37,645,800</u>	<u>\$35,632,675</u>

Other indicators of the Town’s financial position and performance are revenues; program, general and restricted, and budget performance. Comparison of this indicator data as they are accumulated over the years may provide the reader with information of developing trends in the Town’s financial health.

For fiscal year 2023, the Town collected \$16,263,229 in revenues from all sources, while expending \$14,250,104, resulting in a net increase in financial position. The table below summarizes the fiscal years 2023 and 2022 revenues and expenses for the Town.

Change in Net Position

	<u>Year Ended</u>	
	<u>09/30/23</u>	<u>09/30/22</u>
Charges for services, fees, fines and forfeitures	\$ 1,498,762	\$ 1,476,756
Operating grants and contributions	<u>2,730,471</u>	<u>350,428</u>
Total program revenues	<u>4,229,233</u>	<u>1,827,184</u>
Property taxes-general purpose	6,642,789	6,275,736
Sales taxes	3,943,506	3,764,911
Franchise taxes	643,213	600,601
Interest income	720,583	86,859
Gain on disposal of assets	17,159	
Unrealized loss on investment		(87,893)
Miscellaneous income	<u>66,746</u>	<u>51,919</u>
Total general revenues	<u>12,033,996</u>	<u>10,692,133</u>
Total revenues	<u>16,263,229</u>	<u>12,519,317</u>

(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Change in Net Position
(Continued)**

	<u>Year Ended</u>	
	<u>09/30/23</u>	<u>09/30/22</u>
Public safety – police	\$ 3,242,202	\$ 2,819,841
Community development	2,263,589	2,223,799
General government	1,644,834	1,335,316
Parks and recreation	1,502,035	856,547
Interest on long-term debt	1,180,662	1,073,166
Public safety – dispatch	882,010	833,370
Finance	625,608	550,551
Bond issuance costs	577,630	
Public services	475,937	494,671
Information technology	449,286	360,096
Building services	396,212	412,716
Planning	313,393	227,748
Municipal court	241,028	250,749
Code enforcement	208,755	220,065
Storm water	204,543	245,348
Executive	<u>42,380</u>	<u>36,559</u>
Total expenses	<u>14,250,104</u>	<u>11,940,542</u>
Change in net position	<u>\$ 2,013,125</u>	<u>\$ 578,775</u>

Governmental Activities

The largest ongoing revenue source for the Town’s governmental activities is property taxes of \$6,642,789, which represents 41% of total revenues. Another significant source of revenue for governmental activities is state sharing of sales taxes. The sales tax revenue totals \$3,943,506 or 24% of total revenues for governmental activities. Additional significant sources of revenue for governmental activities are operating grants and contributions of \$2,730,471 or 17% of total revenues for governmental activities.

The largest expenditure categories among governmental activities were public safety – police and community development, totaling \$3,242,202 and \$2,263,589, respectively. The public safety – police expenditure category represents 23% of total expenditures and includes the cost of the Town providing police protection to residents. The community development expenditure category represents 16% of total expenditures mainly due to depreciation expense from infrastructure assets.

(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents the cost of each of the Town’s programs, as well as each program’s net cost (total cost less fees generated by the activities). The net cost shows the financial burden placed on the Town’s taxpayers for each of these functions.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>09/30/23</u>	<u>09/30/22</u>	<u>09/30/23</u>	<u>09/30/22</u>
Public safety - police	\$ 3,242,202	\$ 2,819,841	\$ 2,426,264	\$1,971,105
Community development	2,253,589	2,223,799	(358,740)	2,223,799
General government	1,644,834	1,335,316	1,075,681	580,171
Parks and recreation	1,502,035	856,547	1,502,035	856,547
Interest on long-term debt	1,180,662	1,073,166	1,180,662	1,073,166
Public safety – dispatch	882,010	833,370	882,010	833,370
Finance	625,608	550,551	625,608	550,551
Bond issuance costs	577,630		577,630	
Public services	475,937	494,671	475,937	494,671
Information technology	449,286	360,096	449,286	360,096
Building services	396,212	412,716	396,212	412,716
Planning	313,393	227,748	313,393	227,748
Municipal court	241,028	250,749	19,215	27,446
Code enforcement	208,755	220,065	208,755	220,065
Storm water	204,543	245,348	204,543	245,348
Executive	<u>42,380</u>	<u>36,559</u>	<u>42,380</u>	<u>36,559</u>
Totals	<u>\$14,250,104</u>	<u>\$11,940,542</u>	<u>\$10,020,871</u>	<u>\$10,113,358</u>

FINANCIAL ANALYSIS OF THE TOWN’S FUNDS

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

Governmental Funds

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

The Town’s governmental fund statements show a combined ending fund balance of \$44,038,121, an increase of \$25,073,812 compared to the prior year fund balance. Of this amount, \$3,570,459 (8.1%) constitutes unassigned fund balance, which is available for spending at the Town’s discretion. Of the total fund balances, \$40,335,548 (91.6%) is restricted for statutory requirements or committed for Town Council purposes. Less than 1% (or \$132,114) of the combined ending fund balance represents prepaid expenses in non-spendable form.

(Continued)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

Governmental Funds (Continued)

As mentioned earlier, the General Fund is the chief operating fund of the Town. The ending fund balance in the General Fund is \$5,348,669, an increase of \$50,468 compared to the prior year fund balance. Of this amount, \$3,497,057 (65.4%) is unassigned and available for spending at the Town's discretion. Of the remaining fund balances, \$1,720,898 (32.2%) is restricted for statutory requirements or committed for Town Council purposes and \$130,714 (2.4%) is in non-spendable form.

The Town's Special Revenue Fund for Federal Grants is used to account for the expenditures related to law enforcement and ARPA funding. The ending fund balance was \$53,681, an increase of \$53,506 when compared to prior year and is classified as restricted.

The Debt Service fund is used to account for the receipt of property taxes designated for debt service expenditures. The fund balance at year-end was \$221,744, an increase of \$26,844 compared to the prior year and is classified as unassigned fund balance.

The Town's Capital Improvements Fund is used to account for the designation of proceeds from Combination Tax and Revenue Series 2014 Certificates of Obligation, Combination Tax and Revenue Series 2019 Certificates of Obligation and Combination Tax and Revenue Series 2023 Certificates of Obligation that are to be used for future infrastructure and commercial development projects. The fund balance at year-end was \$34,127,161, an increase of \$24,367,311 compared to the prior year and is classified as funds committed by Town Council.

The Town's Aggregate Non-Major Funds had a combined fund balance of \$4,286,866, an increase of \$575,683 over the prior year. The Aggregate Non-Major Funds represent property taxes levied for the payment of the Eastlake project intergovernmental loan as well as funds committed for Horizon City Parks Transportation Reinvestment Zone #2 and Tax Increment Reinvestment Zone #1, and state and local grants received, as well as funds committed for the street maintenance and economic development funds. The Tax Increment Reinvestment Zone #1 has a payable to the general fund in the amount of \$150,000 which was used to cover expenditures during the year and therefore caused a deficit in the fund's unassigned balance. This deficit is expected to be eliminated the following year by increasing property tax revenues. The deficit has been classified as unassigned fund balance for the year ended September 30, 2023. The remaining fund balance in Aggregate Non-Major Funds is classified \$1,400 as nonspendable, \$6,451 as restricted, and \$4,427,357 as committed by Town Council.

(Continued)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

Governmental Funds (Continued)

**Year-End Governmental Fund Balances
September 30,**

	<u>2023</u>	<u>2022</u>
General Fund	\$ 5,348,669	\$ 5,298,201
Capital Improvements Fund	34,127,161	9,759,850
Debt Service Fund	221,744	194,900
Federal Grants Fund	53,681	175
Aggregate Non-Major Funds	<u>4,286,866</u>	<u>3,711,183</u>
Combined fund balances	<u>\$44,038,121</u>	<u>\$18,964,309</u>

The 132.2% increase in overall fund balance is primarily attributed to the issuance of 2023 Combination Tax and Revenue Certificates of Obligation.

Revenue Sources

Governmental fund revenues for the fiscal year ended September 30, 2023 and a comparison with the governmental fund revenues in the prior fiscal year are as follows:

	<u>2023</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>Over 2022</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Property taxes	\$ 6,633,718	40.9%	\$ 361,249	5.8%
Sales taxes	3,943,506	24.3%	178,595	4.7%
Grant income	2,730,471	16.8%	2,380,043	679.2%
Franchise taxes	643,213	4.0%	42,612	7.1%
Licenses, permits and fees	569,153	3.5%	(185,992)	(24.6)%
Charges for services	707,796	4.4%	209,488	42.0%
Fines and forfeitures	221,813	1.4%	(1,490)	(0.7)%
Interest income	720,583	4.4%	633,724	729.6%
Unrealized loss on investments		0.0%	87,893	100.00%
Other income	<u>66,746</u>	<u>0.3%</u>	<u>14,827</u>	<u>28.6%</u>
Total	<u>\$16,236,999</u>	<u>100%</u>	<u>\$3,720,949</u>	<u>29.7%</u>

(Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The original adopted General Fund budget for fiscal year September 30, 2023, totaled \$9,523,798. This was an increase of \$1,282,301 over the prior year budget. A budgeted increase in property taxes and license, permits, and fees revenue were the primary drivers in the revenue increase. The increase in budgeted revenue was to support the net effect of new personnel hires, salary adjustments and incentives. Full benefits for the additional positions are offset by decreases in contracted services. In addition, the Town anticipated increases in parks maintenance, utilities and leased equipment.

The increase in sales tax revenue is attributed to a continued increase in sales experienced by commercial establishments in the Town's taxing jurisdiction. In addition, the increase in grant income is due to a increase in allowable grant expenses. The increase in property taxes was attributed to an increase in the assessed value of the Town's taxing jurisdiction.

The amendments to the General Fund adopted budget during the 2023 fiscal year were reclassifications between department and capital expenditures. The amendments did not result in additional total budgeted appropriations.

The Town's annual budget reflects the financial commitment to services and improvements by the governing body. As such, budget performance at the end of the fiscal year may be used as an indicator of the Town's progress toward stated goals and objectives. During fiscal year 2023, the Town expended \$143,436 less than budgeted in the General Fund.

Final Budget Versus Actual Results General Fund

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues/inflows:				
Property taxes	\$4,249,228	\$4,249,228	\$4,300,695	\$ 51,467
Sales taxes	2,809,087	2,809,087	2,642,968	(166,119)
Franchise taxes	601,860	601,860	643,213	41,353
Licenses, permits and fees	833,446	833,446	569,153	(264,293)
Charges for services	719,513	719,513	707,796	(11,717)
Fines and forfeitures	212,102	212,102	221,813	9,711
Interest income	10,412	10,412	159,244	148,832
Other income	<u>88,150</u>	<u>88,150</u>	<u>55,914</u>	<u>(32,236)</u>
Total revenues	<u>\$9,523,798</u>	<u>\$9,523,798</u>	<u>\$9,300,796</u>	<u>\$(23,002)</u>

(Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

**Final Budget Versus Actual Results
General Fund (Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures/outflows:				
Public safety - police	\$2,836,869	\$2,743,639	\$2,745,774	\$ (2,135)
Public safety - dispatch	1,189,114	1,083,162	886,595	196,567
General government	872,919	872,919	731,156	141,763
Community development	516,381	516,381	504,420	11,961
Finance	620,560	620,560	604,055	16,505
Planning	392,494	392,494	286,998	105,496
Public services	502,100	502,100	467,040	35,060
Parks and recreation	562,626	562,626	687,856	(125,230)
Building services	462,573	462,573	386,136	76,437
Information technology	509,878	506,941	440,478	66,463
Municipal court	300,662	300,662	238,625	62,037
Code enforcement	266,314	266,314	195,914	70,400
Capital outlay	112,793	314,911	779,788	(464,877)
Debt service	213,190	213,190	294,414	(81,224)
Storm water	87,414	87,414	58,223	29,191
Executive	<u>47,401</u>	<u>47,402</u>	<u>42,380</u>	<u>5,022</u>
Total expenditures	<u>\$9,493,288</u>	<u>\$9,493,288</u>	<u>\$9,349,852</u>	<u>\$ 143,436</u>

CAPITAL ASSETS

The Town's financial statements present capital assets in two categories: those assets subject to depreciation (such as buildings and equipment) and those not subject to depreciation (such as land and construction in progress).

The Town's investment in capital assets for its governmental activities was \$49,495,243 net of accumulated depreciation. Major capital asset events during the current fiscal year included the following:

- The Town's investment in machinery and equipment increased by approximately \$209,028 primarily due to vehicles and equipment purchased for the public safety department.
- The Town's investment in infrastructure increased by \$204,766, which includes improvements to Corky Park and Golden Eagle Park projects.
- The Town had an increase in construction in progress of \$4,321,084, the majority of which was due to ongoing projects such as the North Darrington Road expansion.

(Continued)

CAPITAL ASSETS (CONTINUED)

- The Town had an increase in right-of-use assets of \$600,773 related to building and vehicle leases.

Capital assets held by the Town are summarized as follows:

	<u>09/30/23</u>	<u>09/30/22</u>
Land	\$ 876,527	\$ 876,527
Building and improvements	305,882	354,312
Equipment	812,127	849,504
Right-of-use assets	888,270	607,207
Infrastructure	39,805,063	42,164,866
Intangibles	181,666	211,651
Construction in progress	<u>6,625,708</u>	<u>2,304,624</u>
Total capital assets, net	<u>\$49,495,243</u>	<u>\$47,368,691</u>

Additional information on the Town's capital assets can be found in the notes to the financial statements on Pages 44 through 46.

LONG-TERM DEBT

At the end of the fiscal year, the Town had long-term debt outstanding in the amount of \$55,929,666. The Town's debt is composed of general obligation bonds, an intergovernmental payable, leases, accrued compensated absences, net pension liability and other post-employment benefit liability at September 30, 2023. The following table shows the change in long-term debt from 2022 to 2023:

	Long-Term Debt		
	Year Ended September 30,		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
Due within one year:			
Bonds payable (direct placement)	\$ 950,000	\$ 915,000	\$35,000
Leases	258,579	265,464	(6,885)
Compensated absences	<u>50,672</u>	<u>36,925</u>	<u>13,747</u>
	<u>1,259,251</u>	<u>1,217,389</u>	<u>41,862</u>

(Continued)

LONG-TERM DEBT (CONTINUED)

Due in more than one year:			
Bonds payable (direct placement)	\$46,740,000	\$22,280,000	\$24,460,000
Bond premium	2,247,680	1,583,014	664,666
Intergovernmental payable (direct borrowing)	3,161,754	3,576,744	(414,990)
Leases	514,735	257,100	257,635
Compensated absences	368,677	306,321	62,356
Net pension liability	1,571,184	1,396,712	174,472
Other post-employment benefit liability	<u>66,385</u>	<u>88,744</u>	<u>(22,359)</u>
	<u>54,670,415</u>	<u>29,488,635</u>	<u>25,181,780</u>
Total	<u>\$55,929,666</u>	<u>\$30,706,024</u>	<u>\$25,223,642</u>

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements on Pages 47 through 64 of this report.

ECONOMIC FACTORS AND FUTURE PLANS

The Town's financial health remains good with sufficient resources to continue the current level of service delivery. Improvements to the accounting system and continuing changes to the Town's internal fiscal policies and procedures will further enhance the Town's ability to monitor revenues and expenditures, as well as promote greater management oversight and control.

Continuing financial growth is projected. The Town enjoys steady growth and development in what was primarily a retirement community. With the continued development of commercial establishments and housing and construction and reconstruction of public infrastructure, the property tax base will continue to increase. Increases in housing units will bring new families to the Town and a concurrent increase in sales by local vendors and thus will increase the sales and franchise tax rebates to the Town. The continuing growth of these two income streams will ensure that the Town remains on firm financial ground for the foreseeable future.

The Town has adopted a three-year 2020-2022 Capital Improvement Plan ("CIP") that focuses on the construction, reconstruction, and repair of public infrastructure. The projects are being funded by various sources that include the Town's Transportation Reinvestment Zone, the State's Surface Transportation Program, and Certificates of Obligation (CO's); with most of the projects being funded by the issuance of the CO's. Through implementation of the CIP, the Town has been stimulating growth and expansion in its commercial and industrial sectors to help diversify its tax base, while providing its citizens with proper roadway and drainage improvements. Although the Plan was meant to end during 2022, it is still ongoing during 2023.

In 2020, the Town established Reinvestment Zone #1 (TIRZ #1), which receives 100% of the Town's portion of the tax increment and a percentage of the tax increment that each taxing unit elects to dedicate to the Zone, which is then used to foster new development in the Town. The Zone is reported as a blended component unit as the majority of the governing body consists of members from the Town's Council. The Zone's activities are reported in the Town's governmental activities as a special revenue fund.

(Continued)

REQUESTS FOR INFORMATION

Questions concerning this analysis, or the financial statements should be directed to the City Clerk, at 915-852-1046 or by mail to: Town of Horizon City, Texas, Attn: City Clerk, 14999 Darrington, Horizon City, Texas 79928.

Honorable Mayor Andres Renteria
Town of Horizon City, Texas

INDEPENDENT AUDITORS' REPORT

To Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Horizon City, Texas (“the Town”) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Horizon City, Texas’ basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Horizon City, Texas, as of September 30, 2023, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Horizon City, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

(Continued)

To Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Report on the Audit of the Financial Statements (Continued)

Auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

(Continued)

To Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related information and other post-employment benefit related information on Pages 1 through 15 and 74 through 86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Horizon City, Texas' basic financial statements. The combining aggregate non-major fund financial statements on Pages 85 and 86 and schedule of expenditures of federal and state awards on Pages 92 and 93, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

To Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated May 09, 2024, on our consideration of the Town of Horizon City, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Horizon City, Texas' 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 Town of Horizon City, Texas' internal control over financial reporting and compliance.

SBNG, PC

El Paso, Texas
May 09, 2024

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF NET POSITION

September 30, 2023

<u>ASSETS</u>	Governmental <u>Activities</u>
Cash and cash equivalents	\$ 44,168,713
Investments	5,041,219
Taxes receivable	474,779
Grants receivable	31,092
Other receivables, net	20,672
Prepaid expenses	132,114
Other assets	7,090
Non-depreciable capital assets	7,502,235
Depreciable capital assets, net of accumulated depreciation	<u>41,993,008</u>
Total assets	<u>99,370,922</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources related to pension	384,937
Deferred outflows of resources related to other post-employment benefit obligation	<u>20,894</u>
Total deferred outflows of resources	<u>405,831</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS

**STATEMENT OF NET POSITION
(CONTINUED)**

September 30, 2023

<u>LIABILITIES</u>	<u>Governmental Activities</u>
Accounts payable	\$ 1,346,652
Accrued liabilities	523,979
Deferred revenues	4,149,958
Due within one year:	
Bonds payable	950,000
Leases	258,579
Compensated absences	50,672
Due in more than one year:	
Bonds payable, net	48,987,680
Intergovernmental payable	3,161,754
Leases	514,735
Compensated absences	368,677
Net pension liability	1,571,184
Other post-employment benefit liability	<u>66,385</u>
Total liabilities	<u>61,950,255</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pension	138,296
Deferred inflows of resources related to other post-employment benefit obligation	<u>42,402</u>
Total deferred inflows of resources	<u>180,698</u>

NET POSITION

Net position:	
Invested in capital assets, net of related debt	29,749,656
Restricted for State mandated funds	620,081
Unrestricted	<u>7,276,063</u>
Total net position	<u>\$ 37,645,800</u>

The accompanying notes are an integral
part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2023

<u>FUNCTIONS/PROGRAMS</u>	<u>Direct Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expenses) and Changes in Net Position</u>
		<u>Charges for Services, Fees, Fines and Forfeitures</u>	<u>Operating Grants and Contributions</u>	
Primary government:				
Public safety - police	\$ 3,242,202	\$ 707,796	\$ 108,142	\$ (2,426,264)
Community development	2,263,589		2,622,329	358,740
General government	1,644,834	569,153		(1,075,681)
Parks and recreation	1,502,035			(1,502,035)
Interest on long-term debt	1,180,662			(1,180,662)
Public safety - dispatch	882,010			(882,010)
Finance	625,608			(625,608)
Bond issuance costs	577,630			(577,630)
Public services	475,937			(475,937)
Information technology	449,286			(449,286)
Building services	396,212			(396,212)
Planning	313,393			(313,393)
Municipal court	241,028	221,813		(19,215)
Code enforcement	208,755			(208,755)
Storm water	204,543			(204,543)
Executive	42,380			(42,380)
Total governmental activities	<u>\$ 14,250,104</u>	<u>\$ 1,498,762</u>	<u>\$ 2,730,471</u>	<u>(10,020,871)</u>
		General revenues:		
		Property taxes		6,642,789
		Sales taxes		3,943,506
		Franchise taxes		643,213
		Interest income		720,583
		Gain on disposal of capital assets		17,159
		Miscellaneous income		66,746
		Total general revenues		<u>12,033,996</u>
		Change in net position		2,013,125
		Net position, beginning of year		<u>35,632,675</u>
		Net position, end of year		<u>\$ 37,645,800</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HORIZON CITY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Special Revenue Fund - Federal Grants	Debt Service Fund	Capital Improvements Fund	Aggregate Non-Major Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents, non-pooled	\$ 1,046,750	\$	\$	\$ 34,567,605	\$ 682,912	\$ 36,297,267
Pooled cash and cash equivalents	1,631,838	3,586,472	(18)		2,653,154	7,871,446
Investments	3,197,417				847,957	4,045,374
Pooled investments	(3,576)	671,066	(7,824)		336,179	995,845
Taxes receivable	307,860		158,063		8,856	474,779
Due from other funds	150,000		103,156			253,156
Grants receivable		2,027			29,065	31,092
Other receivables, net	11,162			9,510		20,672
Other assets				3,590	3,500	7,090
Prepaid expenses	130,714				1,400	132,114
Total assets	<u>\$ 6,472,165</u>	<u>\$ 4,259,565</u>	<u>\$ 253,377</u>	<u>\$ 34,580,705</u>	<u>\$ 4,563,023</u>	<u>\$ 50,128,835</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 732,115	\$ 55,926	\$	\$ 453,544	\$ 105,067	\$ 1,346,652
Accrued liabilities	196,946				12,234	209,180
Unearned revenue		4,149,958				4,149,958
Due to other funds	103,156				150,000	253,156
Total liabilities	<u>1,032,217</u>	<u>4,205,884</u>	<u></u>	<u>453,544</u>	<u>267,301</u>	<u>5,958,946</u>
Deferred inflows of resources:						
Deferred property taxes	91,279		31,633		8,856	131,768
Total deferred inflows of resources	<u>91,279</u>	<u></u>	<u>31,633</u>	<u></u>	<u>8,856</u>	<u>131,768</u>
Fund balances:						
Nonspendable	130,714				1,400	132,114
Restricted	559,949	53,681			6,451	620,081
Committed	1,160,949			34,127,161	4,427,357	39,715,467
Unassigned	3,497,057		221,744		(148,342)	3,570,459
Total fund balances	<u>5,348,669</u>	<u>53,681</u>	<u>221,744</u>	<u>34,127,161</u>	<u>4,286,866</u>	<u>44,038,121</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,472,165</u>	<u>\$ 4,259,565</u>	<u>\$ 253,377</u>	<u>\$ 34,580,705</u>	<u>\$ 4,563,023</u>	<u>\$ 50,128,835</u>

The accompanying notes are an integral
part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Year Ended September 30, 2023

Total fund balances of governmental funds in the balance sheet		\$ 44,038,121
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	65,434,768	
Accumulated depreciation	<u>(15,939,525)</u>	49,495,243
Pension related deferred inflows and outflows are not due and payable in the current period, and are not available to pay current period expenditures, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pension		384,937
Deferred outflows of resources related to other post-employment benefit obligation		20,894
Deferred inflows of resources related to pension		(138,296)
Deferred inflows of resources related to other post-employment benefit obligation		(42,402)
Certain property tax revenues will be collected after year-end but are not available soon enough to pay for the current period expenditures and, therefore, are deferred on the modified accrual basis in governmental funds:		
Deferred property taxes		131,768
Net pension and other post-employment benefit liabilities represent pensions liabilities in excess of the total pension assets, which are not available to pay current period expenditures and, therefore, excluded from the governmental funds:		
Net pension liability		(1,571,184)
Other post-employment benefit liability		(66,385)
Some liabilities applicable to the Town's governmental activity are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position:		
Leases	(773,314)	
Bonds payable	(49,937,680)	
Intergovernmental payable	(3,161,754)	
Compensated absences	(419,349)	
Accrued interest	<u>(314,799)</u>	<u>(54,606,896)</u>
Total net position of governmental activities		<u>\$ 37,645,800</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year Ended September 30, 2023

	General Fund	Special Revenue Fund - Federal Grants	Debt Service Fund	Capital Improvements Fund	Aggregate Non-Major Funds	Total Governmental Funds
<u>REVENUES</u>						
Property taxes	\$ 4,300,695	\$	\$1,808,286	\$	\$ 524,737	\$ 6,633,718
Sales taxes	2,642,968				1,300,538	3,943,506
Federal and state grants		856,824		1,815,059	58,588	2,730,471
Charges for services	707,796					707,796
Interest income	159,244	60,433	20,066	429,763	51,077	720,583
Franchise taxes	643,213					643,213
Licenses, permits and fees	569,153					569,153
Fines and forfeitures	221,813					221,813
Other income	55,914			9,510	1,322	66,746
Total revenues	9,300,796	917,257	1,828,352	2,254,332	1,936,262	16,236,999
<u>EXPENDITURES</u>						
Capital outlay	779,788	595,771		3,742,031	218,061	5,335,651
Public safety - police	2,745,774	73,391			50,142	2,869,307
General government	731,156	194,589			547,788	1,473,533
Public safety - dispatch	886,595					886,595
Parks and recreation	687,856					687,856
Finance	604,055		12,618			616,673
Community development	504,420			1,514	63,112	569,046
Public services	467,040					467,040
Information technology	440,478					440,478
Building services	386,136					386,136
Planning	286,998			1,883		288,881

(Continued)

TOWN OF HORIZON CITY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(CONTINUED)**

Year Ended September 30, 2023

	General Fund	Special Revenue Fund - Federal Grants	Debt Service Fund	Capital Improvements Fund	Aggregate Non-Major Funds	Total Governmental Funds
<u>EXPENDITURES (Continued)</u>						
Municipal court	\$ 238,625	\$	\$	\$	\$	\$ 238,625
Code enforcement	195,914					195,914
Storm water	58,223					58,223
Executive	42,380					42,380
Debt service:						
Bond issuance costs			577,630			577,630
Principal	249,981		915,000		452,019	1,617,000
Interest	44,433	_____	947,399	_____	134,784	1,126,616
Total expenditures	9,349,852	863,751	2,452,647	3,745,428	1,465,906	17,877,584
Excess (deficit) of revenues over (under) expenditures	(49,056)	53,506	(624,295)	(1,491,096)	470,356	(1,640,585)

(Continued)

TOWN OF HORIZON CITY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(CONTINUED)**

Year Ended September 30, 2023

	General Fund	Special Revenue Fund - Federal Grants	Debt Service Fund	Capital Improvements Fund	Aggregate Non-Major Funds	Total Governmental Funds
Other financing sources (uses):						
Transfers out	\$ (549,113)	\$	\$ (25,504,154)	\$	\$ (3,696)	\$ (26,056,963)
Transfers in	168,046			25,858,407	30,510	26,056,963
Proceeds from bond issuance			26,155,293			26,155,293
Proceeds from leases	<u>480,591</u>	<u> </u>	<u> </u>	<u> </u>	<u>78,513</u>	<u>559,104</u>
Total other financing sources	<u>99,524</u>	<u> </u>	<u>651,139</u>	<u>25,858,407</u>	<u>105,327</u>	<u>26,714,397</u>
Net change in fund balance	50,468	53,506	26,844	24,367,311	575,683	25,073,812
Fund balance, beginning of the year	<u>5,298,201</u>	<u>175</u>	<u>194,900</u>	<u>9,759,850</u>	<u>3,711,183</u>	<u>18,964,309</u>
Fund balance, end of the year	<u>\$ 5,348,669</u>	<u>\$ 53,681</u>	<u>\$ 221,744</u>	<u>\$ 34,127,161</u>	<u>\$ 4,286,866</u>	<u>\$ 44,038,121</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

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

Year Ended September 30, 2023

Net change in fund balances – total governmental funds		\$ 25,073,812
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the government-wide statements, the cost of those assets are depreciated over their estimated useful lives:		
Capital outlay	5,335,651	
Depreciation expense	<u>(3,204,914)</u>	2,130,737
The net effect of transactions involving capital assets (i.e., sales, disposals)		
Basis of assets disposed	(4,185)	
Cancellation of lease liability	<u>21,344</u>	
Disposal of assets		17,159
Because some property taxes will not be collected for several months after the Town’s fiscal year ends, they are not considered “available” revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.		
Change in deferred property taxes		9,071
The proceeds from lease liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Leases		(559,104)
The proceeds from certificates of obligation and premiums provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.		
		(26,155,293)
Payment of principal on bonds and intergovernmental payable as well as amortization of bond premiums is an expenditure in the governmental funds but the principal payment reduces long-term liabilities in the statement of net position and interest expense in the statement of activities is reduced by bond premium amortization. Amortization for the current year amounted to \$80,627.		
		1,410,617
Payment of principal on finance leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		
		287,010
Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in pension liability	(174,472)	
Change in other post-employment benefit liability	22,359	
Change in accrued interest payable	(134,673)	
Change in compensated absences payable	(76,103)	
Change in deferred inflows related to pension	(4,415)	
Change in deferred inflows related to other post-employment benefits	(39,871)	
Change in deferred outflows related to other post-employment benefits	2,491	
Change in deferred outflows related to pension	<u>203,800</u>	<u>(200,884)</u>
Change in net position of governmental activities		<u>\$ 2,013,125</u>

The accompanying notes are an integral
part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

NOTES TO FINANCIAL STATEMENTS

ORGANIZATION AND OPERATIONS

The Town of Horizon City, Texas, (“the Town”) operates under a Council-Mayor form of government. The Mayor and all council members are elected at large. The Town provides general administrative services, public safety, streets and roads maintenance, public service, municipal court, and community development. The Town’s Council (“the Council”) is responsible for legislative and fiscal control of the Town.

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Horizon City, Texas are discussed in subsequent sections of the notes to the financial statements. The remainder of the notes to the financial statements are organized to provide explanations including required disclosures of the Town’s financial activities for the fiscal year ended September 30, 2023.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – As required by generally accepted accounting principles, these financial statements present the activities of the Town, its component units, and fiduciary activities. All activities of the Town are governmental in nature and are financed through taxes and other non-exchange transactions. Component units are legally separate organizations for which the Town is financially accountable or other organizations whose nature and significant relationship with the Town are such that exclusion would cause the Town’s financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and (i) either the Town’s ability to direct the Organization or (ii) the potential for the Organization to provide a financial benefit to or impose a financial burden on the Town.

Blended component units, although legally separate entities are, in substance, part of the Town’s operations. Accordingly, data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. Further, the Town is not aware of any entity which would consider itself to be a discrete component unit of the Town.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units –

Town of Horizon City Type 4B Economic Development Corporation (“EDC”) – Established to promote economic development activities within the Town of Horizon City, Texas to eliminate unemployment, encourage public welfare and develop projects of public interest related to sports, culture, tourism, amusement and commerce. The Corporation was established in 2011 and receives 0.25% of sales taxes collected by the Town, as designated by Town Ordinance. The Corporation is reported as a blended component unit as its governing body is appointed by the Town’s Council and the Council has authority to make final approval of the Corporation’s budget. In addition, the Town acts as a fiscal agent and is responsible for monitoring the Corporation’s finances. The Corporation’s activities are reported in the Town’s governmental activities as a special revenue fund. Separate financial statements are not prepared for the Corporation. The Corporation’s fiscal year ends on September 30.

Tax Increment Reinvestment Zone #1 (“TIRZ”) – Established in 2020 and receives 100% of the Town’s portion of the tax increment and a percentage of the tax increment that each taxing unit elects to dedicate to TIRZ, which is then used to foster new development in the Town. TIRZ is reported as a blended component unit because the majority of the governing body consists of members from the Town’s Council. TIRZ’s activities are reported in the Town’s governmental activities as a special revenue fund. The Corporation’s fiscal year ends on September 30. There are no separate financial statements prepared for TIRZ.

Government-Wide and Fund Financial Statements – The government-wide financial statements (the statement of net position and the statement of activities) report information on all activities of the Town. The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not included among program revenues are reported instead as general revenue.

The Town has four major governmental funds. Aggregate non-major governmental funds are reported as a separate column in the fund financial statements.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property tax revenues are recognized in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

Grants and entitlements and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Town receives cash.

In addition to assets and liabilities, the government fund balance sheet and the government-wide statement of net position may report separate sections of deferred outflows of resources and deferred inflows of resources. Accounting policies regarding deferred outflows and inflows of resources are explained on Page 36.

Fund Accounting – The Town’s accounting system is operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts for recording its assets, liabilities, revenues, expenditures, and fund balances. The various funds are for the purpose of carrying on specific activities or to obtain certain objectives. The various funds are grouped by type in the financial statements.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued) –

The Town reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the Town. It is used to account for all financial resources of the general government, except those accounted for in another fund.

Special Revenue Fund – Federal Grants – This Special Revenue Fund is used to account for the expenditures of federal awards that have been restricted for use in public safety and other departments. Grant revenue is recognized when compliance with the various contract requirements is achieved.

Debt Service Fund – This fund accounts for the accumulation of financial resources for the payment of principal and interest on the Town’s general obligation debt.

Capital Improvements Fund – This fund accounts for the capital expenditures of 2014, 2019 and 2023 Combination Tax and Revenue Certificates of Obligation proceeds designated for use in infrastructure and commercial development projects.

Additionally, the Town reports the following non-major governmental funds:

Special Revenue Fund – Street Maintenance – This Special Revenue Fund is used to account for the expenditures of sales taxes reserved for maintaining existing streets. The Fund receives 0.25% of sales tax revenue every year as determined by voter referendum.

Special Revenue Fund – Economic Development – This Special Revenue Fund is used to account for the expenditures of sales taxes reserved for fostering economic growth in the Town. The Fund receives 0.25% of sales tax revenue every year as determined by voter referendum. Expenditures for economic growth are determined by the Economic Development Corporation, a blended component unit of the Town, and approved by the Town Council.

Special Revenue Fund – State and Local Grants – This Special Revenue Fund is used to account for the expenditures of state and local awards that have been restricted for use in public safety and other emergency spending. Grant revenue is recognized when compliance with the various contract requirements is achieved.

Special Revenue Fund – Special Events – This Special Revenue Fund is used to account for donations committed for environmental work and other special events.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued) –

Special Revenue Fund – Transportation Reinvestment Zone #2 – This Special Revenue Fund is used to account for tax revenues generated from the incremental tax values on the Transportation Reinvestment Zone #2 created by Town Ordinance pursuant to Section 222.106 of the Texas Transportation Code (“Municipal TRZ Act”). TRZ #2 revenues are restricted for the financing and maintenance of the Eastlake Blvd. Expansion Project.

Special Revenue Fund – Tax Increment Reinvestment Zone – This Special Revenue Fund is used to account for tax revenues generated from the incremental tax values on the Tax Increment Reinvestment Zone #1 created by Town Ordinance pursuant to Chapter 311 of the Texas Tax Code. TIRZ #1 revenues are restricted to foster development in the zone.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict current guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fiduciary Activities – Effective October 1, 2020, the Town has adopted GASBS No. 84, “*Fiduciary Activities*.” The standard establishes guidance regarding what constitutes fiduciary activities for accounting and financial reporting purposes, the recognition of liabilities to beneficiaries, and how fiduciary activities should be reported. Management has evaluated the criteria established by GASBS No. 84 and has not identified any activities or assets that are required to be reported as fiduciary activities as defined by GASBS No. 84.

Revenues – Exchange and Non-Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within 60 days of fiscal year-end. Under the modified accrual basis, interest and charges for services are considered to be both measurable and available at fiscal year-end.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Non-Exchange Transactions (Continued) – Non-exchange transactions, in which the Town receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenses/Expenditures – On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budgets and Budgetary Accounting – The Town is required by the Texas Constitution to adopt an annual balanced budget. The Town Council officially adopts the annual budget ordinance and all project ordinances and has the authority to amend such ordinances. All budgets are prepared on the budgetary basis of accounting as required by Texas law.

Cash and Cash Equivalents and Investments – Funds on deposit were maintained in interest bearing accounts and secured at the balance sheet date by the Federal Deposit Insurance Corporation and U.S. Government Securities.

The Town maintains and controls one major cash pool and one investment pool. The balance and activity in the cash pool and investment pool is allocated to each individual fund of the Town. In addition, the Town holds non-pooled cash and investment accounts discretely presented in separate funds.

Statutes authorize the Town to invest in Certificates of Deposit, repurchase agreements, passbook, bankers' acceptances, and other available bank investments, provided that approved securities are pledged in an amount equal to the amount of funds on deposit.

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the Town, are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments. Investments are recorded at fair value, which is based on quoted market prices.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax Calendar – The Town is responsible for the assessment, collection, and apportionment of property taxes. The Council levies property taxes on October 1. The certified tax roll from El Paso Central Appraisal District reflected an adjusted taxable value of \$1,262,353,899 for the year ended September 30, 2023. Taxes are due upon receipt of the tax bill and are delinquent if not paid by January 31 of the year following in which levied. On January 1 of each year, a tax lien attaches to property to secure the payment of tax revenues, penalties and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable in the current period. The Town’s 2022-2023 tax rate was \$.524390, per \$100 of assessed valuation. The Town incurred expenditures of \$83,846 for the services provided by El Paso Central Appraisal District for the year ended September 30, 2023.

Grants and Contracts Receivable – Grants and contracts receivable are stated at net realizable value. In determining whether to record an allowance for doubtful accounts, management makes a judgmental determination based on an evaluation of the facts and circumstances related to each account. On September 30, 2023, management determined all outstanding grants and contracts receivable to be fully collectable. Accordingly, no grants and contracts receivable allowance has been established.

Capital Assets – General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are recorded at cost (or estimated historical cost) if purchased or constructed and updated for additions and retirements during the year. Donated capital assets are recorded at estimated fair market value at the date of the donation. The Town maintains a capitalization threshold of \$2,500. The Town maintains infrastructure asset records consistent with all other capital assets. Infrastructure is capitalized upon completion of construction. Improvements are also capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation is determined using the straight-line method over the estimated useful lives of the capital assets.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and improvements	40
Right-to-use buildings	40
Machinery and equipment	7
Right-to-use vehicles	7
Office furniture and equipment	5-7
Infrastructure	25

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences – The Town’s regular employees are granted compensated absence pay in varying amounts based on length of service. Earned compensated absences may be carried over up to a specified number of hours. Compensated absences are reported as accrued liabilities in the government-wide financial statements. Governmental funds report only compensated absences payable to currently terminating employees which are included in wages and benefits payable.

Pension – For purposes of measuring the net pension liability and other post-employment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and other post-employment benefit expenses, information about the fiduciary net position of the Texas Municipal Retirement System Insurance Plan (“TMRS”) and additions to/deductions from TMRS’s fiduciary net position have been determined on the same basis as they are reported by TMRS, on the economic resources measurement focus and accrual basis of accounting. 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 related to benefit plans are reported at fair value.

Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond discounts and premiums are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond discounts or premiums. Bond issuance costs, except for prepaid bond insurance, are reported as expenses in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issue costs. Bond and other long-term debt proceeds are reported as another financing source net of applicable premium or discount. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred Outflows of Resources and Deferred Inflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time. For the year ended September 30, 2023, the Town recognized deferred outflows of resources and deferred inflows of resources on its government-wide financial statements that were related to pension and other post-employment benefit plans. The fund basis financial statements include deferred inflows of resources related to unavailable property tax revenues.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance – Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained. On September 30, 2023, nonspendable fund balance consisted of prepaid expenses in the amount of \$132,114.

Restricted fund balance – amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors). Restricted fund balance in the amount of \$620,081 at September 30, 2023 represents amounts mandated by the State of Texas, the detail of which can be found on Page 65.

Committed fund balance – amounts that can be spent only for specific purposes determined by a resolution of the Town Council, the Town’s highest level of decision-making authority. The committed fund balance of \$39,716,217 is composed of funds for street development and maintenance, economic development, and capital improvement, the detail of which can be found on Page 66.

Assigned fund balance – amounts the Town intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Amounts may be assigned by Town Council by resolution.

Unassigned fund balance – amounts that are available for any purpose; these amounts are reported in the Town’s General Fund and Debt Service Fund.

Net Position – Net position is displayed in three components:

- 1) Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued) –

- 2) Restricted net position – consists of net position with constraints placed on their use either by a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Net Position/Fund Balance Flow Assumptions – The Town may elect to fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements and restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted balances to have been depleted before unrestricted balances are applied.

Internal Balances – Amounts reported in the fund financial statements as interfund receivables, payables, and advances, if any, are eliminated in the government-wide governmental columns of the statement of net position.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Allowance for Doubtful Accounts – Accounts receivable are stated net of an allowance for doubtful accounts. Management periodically evaluates the collectability of its accounts receivable. The allowance for doubtful accounts amounted to \$769 at September 30, 2023.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

ACCOUNTING CHANGES

On October 1, 2021, the Town implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, (“SBITA”) (GASB 96). This standard requires recognition of certain subscription assets and subscription liabilities for software subscriptions that were previously classified as intangible assets. An SBITA is defined as a contract that conveys control of the right to use another party’s information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The IT software agreements held by the Town did not meet the criteria of an SBITA under the new pronouncement and implementation of the new statement did not have an effect on the Town’s financial statements.

DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents

At September 30, 2023, the reported amount of the Town’s deposits was \$44,168,713 and the bank balance was \$44,181,350. These deposits are held in deposit accounts, money market funds, and intergovernmental investment pools. Cash held in the Capital Improvement Fund in the amount of \$34,567,605 has been committed through Town Ordinance to be used in infrastructure projects. Cash held in the Economic Development Fund in the amount of \$1,268,118 has been committed through Town Council Ordinance to be used in economic development projects. Cash held in the General Fund totaling \$762,518 has been committed as a stabilization amount through charter requirements. There are other balances other than cash that have been committed through Council Ordinances.

Statutes require the classification of funds held by the Town into three categories:

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the Town. Such funds must be maintained as cash, withdrawable on demand, including negotiable order of withdrawal (NOW) accounts. At September 30, 2023, all deposits held by the Town were classified as Category 1.

Category 2 consists of “inactive” funds – those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Cash Equivalents (Continued)

Category 3 consists of “interim” funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 1) Commercial paper;
- 2) Bankers’ acceptances;
- 3) Repurchase agreements;
- 4) Certificates of deposit; and
- 5) Obligation of, or Guaranteed by Governmental Agencies, such as letters of credit or direct obligations.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town’s deposits may not be returned, or the Town will not be able to recover collateral securities in the possession of an outside party. The Town’s investment policy requires that bank deposits, including certificates of deposits and repurchase agreements, be 100% secured by collateral valued at market less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Collateral agreements must be approved prior to deposit of funds. The Council approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of an evaluation committee.

In addition, the Town requires that any deposits in intergovernmental investment pools be approved by resolution of the Town Council. Investment pools are also required to meet certain minimum ratings to be monitored on a monthly basis. Any investment pool that fails to meet the minimum required ratings shall be liquidated.

Custodial Credit Risk - Bank deposits were insured by the FDIC up to \$250,000. Money market funds are insured by the SIPC up to \$500,000. The Town has an investment policy which requires collateralization for bank deposits, certificates of deposits, and repurchase agreements. Management evaluates the exposure to credit risk for deposits exceeding the amount insured by the FDIC and SIPC by comparing the amounts of cash on-hand to collateral funds. On September 30, 2023, pledged collateral funds securing the Town’s deposits had a fair market value of \$5,315,238, which exceeded the combined bank balance for WestStar Bank of \$5,098,602.

The Town’s investment policy does not require that deposits held in investment accounts or intergovernmental investment pools be collateralized. On September 30, 2023, cash equivalents held in investment accounts totaling \$8,420,598 were insured by the FDIC up to \$1,743,731. Management does not believe the Town is exposed to any significant credit risk.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Cash Equivalents (Continued)

Intergovernmental Investment Pools – LOGIC is a local government investment pool organized and existing as a business trust under the laws of the State of Texas with all participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the participants. The units in LOGIC have not been registered under the Securities Act of 1933, as amended, or any state securities law. Its general investment objective is safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return. The portfolio seeks to maintain a net asset value of \$1.00 per unit and is designed to be used for investment of funds which may be needed at any time. LOGIC’s Board of Trustees has determined, in good faith, that it is in the best interests of the portfolio and the unitholders to maintain a stable net asset value of \$1.00 per unit, by virtue of utilization of the amortized cost method which generally approximates the market value of the assets and has been deemed to be a proxy for fair value. The portfolio will continue to use this method only so long as the Board believes that it fairly reflects the market-based net asset value per unit. Units of LOGIC are currently rated “AAAm” by Standard & Poor’s. Further information is available at the LOGIC website www.logic.org. The Town held \$30,662,150 in LOGIC at September 30, 2023. The Town’s investment policy does not require deposits in intergovernmental investment pools to be collateralized.

Investments

The Town’s investments are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. The categories are described as follows:

- Category A: Insured, registered, or securities held by the Town or its agent in the Town’s name.
- Category B: Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the Town’s name.
- Category C: Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent, but not in the Town’s name.

The investment of surplus funds is governed by a policy of the Town. Investments in collateral mortgage obligations are prohibited. The maximum allowable stated maturity of any authorized investment type cannot exceed two years to maturity.

Investments held in the Economic Development Fund in the amount of \$847,957 have been committed through Town Council Ordinance to be used in economic development projects. There are other balances other than investments that have been committed through Council Ordinances.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments consist of the following at September 30, 2023:

	<u>Category</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
General Fund	A	\$3,193,841	\$3,193,841
Federal Grants Fund	A	671,066	671,066
Debt Service Fund	A	(7,824)	(7,824)
Aggregate Non-Major Funds	A	<u>1,184,136</u>	<u>1,184,136</u>
Total		<u>\$5,041,219</u>	<u>\$5,041,219</u>

The Town's investments consisted of certificates of deposit with maturities in excess of three months. Investments are reported at fair value which approximates cost. All investments are maintained in eight separate financial institutions in the name of the Town. All certificates of deposit are fully insured by the FDIC.

Concentration of Credit Risk – The Town shall not invest more than 50% of its total deposits and investments with a single issuer, except for intergovernmental investment pools. At September 30, 2023, the Town had the following investments in single issuers representing more than five percent of the total investments on-hand (excluding intergovernmental investment pools):

Issuer A	\$ 504,475
Issuer B	400,000
Issuer C	281,896
Issuer D	<u>277,461</u>
Total	<u>\$1,463,832</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

PROPERTY TAX AND OTHER RECEIVABLES

Property tax and other receivables consist of the following at September 30, 2023:

	<u>Gross</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net</u>
Governmental activities:			
Property taxes, current	\$383,443	\$	\$383,443
Property taxes, delinquent	<u>91,336</u>	<u> </u>	<u>91,336</u>
Property taxes, total	474,779		474,779
Other	<u>21,441</u>	<u>(769)</u>	<u>20,672</u>
Total governmental activities	<u>\$496,220</u>	<u>\$(769)</u>	<u>\$495,451</u>

GRANTS RECEIVABLE

Grants receivable arise from amounts due to the Town from granting agencies for allowable expenditures not reimbursed at year-end. Grants receivable consisted of the following at September 30, 2023:

Border Star	\$21,833
Stone Garden	<u>9,259</u>
Total	<u>\$31,092</u>

INTERFUND RECEIVABLES AND PAYABLES

The composition of the Town's interfund balances as of September 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Tax Reinvestment Zone	\$150,000
Debt Service	General Fund	<u>103,156</u>
	Total interfund receivables and payables	<u>\$253,156</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The composition of the Town's transfers as of September 30, 2023 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 168,046	\$ 549,113
Capital Improvements Fund	25,858,407	
Debt Service Fund		25,504,154
Special Events Fund	30,510	
State and Local Grants Fund	<u> </u>	<u>3,696</u>
Total	<u>\$26,056,963</u>	<u>\$26,056,963</u>

The Town's Special Events Fund's only source of revenue during the year ended September 30, 2023 was interest income, therefore the General Fund transferred \$30,510 to cover expenses. The Town issued certificates of obligation to finance construction of public works, and transferred proceeds from bond issuances to the Capital Improvements Fund. In addition, the General Fund transferred \$354,253 to the capital improvements fund to cover the cost of various infrastructure projects.

CAPITAL ASSETS

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

	<u>September 30,</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>September 30,</u>
	<u>2022</u>				<u>2023</u>
Non-depreciable assets:					
Land	\$ 876,527	\$	\$	\$	\$ 876,527
Construction in progress	<u>2,304,624</u>	<u>4,321,084</u>	<u> </u>	<u> </u>	<u>6,625,708</u>
Total non-depreciable capital assets	<u>3,181,151</u>	<u>4,321,084</u>	<u> </u>	<u> </u>	<u>7,502,235</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

CAPITAL ASSETS (CONTINUED)

	September 30, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	September 30, <u>2023</u>
Depreciable assets:					
Building and improvements	\$ 851,522	\$	\$	\$	\$ 851,522
Right-of-use building leases	164,718	475,712			640,430
Equipment	3,394,610	209,028			3,603,638
Right-of-use vehicle leases	1,132,576	125,061	(58,590)		1,199,047
Intangibles	279,677				279,677
Infrastructure	<u>51,153,453</u>	<u>204,766</u>	<u> </u>	<u> </u>	<u>51,358,219</u>
Total depreciable capital assets	<u>56,976,556</u>	<u>1,014,567</u>	<u>(58,590)</u>	<u> </u>	<u>57,932,533</u>
Accumulated depreciation:					
Building and improvements	(497,210)	(48,430)			(545,640)
Right-of-use building leases	(99,261)	(104,945)			(204,206)
Equipment	(2,545,106)	(246,405)			(2,791,511)
Right-of-use vehicle leases	(590,826)	(210,580)	54,405		(747,001)
Intangibles	(68,026)	(29,985)			(98,011)
Infrastructure	<u>(8,988,587)</u>	<u>(2,564,569)</u>	<u> </u>	<u> </u>	<u>(11,553,156)</u>
Total accumulated depreciation	<u>(12,789,016)</u>	<u>(3,204,914)</u>	<u>54,405</u>	<u> </u>	<u>(15,939,525)</u>
Depreciable capital assets, net	<u>44,187,540</u>	<u>(2,190,347)</u>	<u>(4,185)</u>	<u> </u>	<u>41,993,008</u>
Total capital assets, net	<u>\$ 47,368,691</u>	<u>\$ 2,130,737</u>	<u>\$ (4,185)</u>	<u> </u>	<u>\$ 49,495,243</u>

(Continued)

**TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the government for the year ended September 30, 2023 as follows:

Community development	\$1,696,297
Parks and recreation	814,344
Public safety – police	386,358
Storm water	146,320
Administration	77,796
Planning	25,803
Code enforcement	13,699
Building services	11,906
Finance	10,630
Information technology service	9,291
Public services	8,897
Municipal court	<u>3,573</u>
Total provisions for depreciation	<u>\$3,204,914</u>

DEFERRED REVENUE

Deferred revenue was composed of the following at September 30, 2023:

Coronavirus State and Local Fiscal Recovery Funds (SLFRF), authorized by the American Rescue Plan Act (ARPA)	\$4,050,166
Forfeiture funds received from Customs and Border Protection	<u>99,792</u>
Total deferred revenue	<u>\$4,149,958</u>

During the year ended September 30, 2022, the Town received a total of \$4,876,630 in SLFRF funds. Only \$826,464 has been spent at September 30, 2023, therefore the remaining balance remains in deferred revenue. The Department of Treasury of the United States released a Final Rule stating funds are to be spent in four broad categories: public health and economic impacts, premium pay, general government revenue loss, and investments in water, sewer, and broadband. SLFRF funds may be used to cover eligible costs incurred during the period that begins on March 3, 2021 and ends December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expensed by December 31, 2026.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT

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

	Balance at September 30, 2022	Additions	Reductions	Balance at September 30, 2023	Due Within One Year
Compensated absences	\$ 343,246	\$ 382,298	\$ (306,195)	\$ 419,349	\$ 50,672
Intergovernmental payable (direct borrowings)	3,576,744		(414,990)	3,161,754	
Bonds payable, net (direct placement)	24,778,014	26,155,293	(995,627)	49,937,680	950,000
Leases					
Vehicles	455,108	83,392	(205,588)	332,912	152,529
Buildings	67,456	475,712	(102,766)	440,402	106,050
Net pension liability	1,396,712	174,472		1,571,184	
Other post-employment benefit liability	<u>88,744</u>	<u> </u>	<u>(22,359)</u>	<u>66,385</u>	<u> </u>
	<u>\$30,706,024</u>	<u>\$27,271,167</u>	<u>\$(2,047,525)</u>	<u>\$55,929,666</u>	<u>\$1,259,251</u>

Compensated absences

The Town's leave policy allows employees to accumulate paid time off up to 80 hours per year with a maximum accumulation of 800 hours. Upon termination, any accumulated paid time off will be paid to the employee. As of September 30, 2023, employees had approximately 14,275 hours of accumulated paid-time-off.

Total accrued compensated absences	<u>\$419,349</u>
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(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT (CONTINUED)

Intergovernmental payable – CRRMA construction liability (Direct Borrowings)

The Town entered into an interlocal agreement with the County of El Paso (“the County”) and the Camino Real Regional Mobility Authority (“the Authority”), to provide funding for improvements to Eastlake Blvd. referred to as the “Eastlake Blvd. Phase 2 Roadway Improvement Project.” The Project is defined in the Town’s Ordinance No. 0219 and includes design and reconstruction of the existing roadway, with the possibility of adding new connections between other existing roadways, pedestrian improvements, and aesthetic improvements such as landscaping and public arts. The Town has committed to repay the Authority for 22.7% of the construction cost of the project. The construction of the Project was finished on April 4, 2018. The Town will make annual payments commencing on May 1, 2020 and on May 1st each year thereafter until the final payment date in 2036 when any remaining outstanding balance shall be due and payable. The parties agree that the applicable interest rate payable by the Town shall be 3.73% simple, per annum. Total revenues generated by the Town’s Transportation Reinvestment Zone #2 have been pledged to pay the entire outstanding balance.

\$3,161,754

Future minimum principal payments due on the intergovernmental payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2024	\$	\$ 168,241	\$ 168,241
2025		212,359	212,359
2026	136,351	124,417	260,768
2027	193,184	117,470	310,654
2028	241,715	108,778	350,493
2029-2033	2,063,295	343,416	2,406,711
2034-2037	<u>527,209</u>	<u>12,597</u>	<u>539,806</u>
Totals	<u>\$3,161,754</u>	<u>\$1,087,278</u>	<u>\$4,249,032</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT (CONTINUED)

Bonds Payable (Direct Placements)

The Town issued \$750,000 of Public Improvement Revenue Bonds, Series 2005 to finance the cost of rehabilitation and improvements to infrastructure. Interest only payments are due at an interest rate of 3.95% from date of issuance through February 23, 2007. Varying principal and interest payments are due semi-annually beginning August 15, 2007 through August 2029. \$ 285,000

The Town issued \$14,675,000 of Combination Tax and Revenue Bonds, Series 2014 to finance the cost of rehabilitation and improvements to infrastructure. Interest only payments are due at 4% of face value from the date of issuance through February 2017. Interest rate varies from 3.25% to 4.0% over the term of the bonds. Varying principal and interest payments are due semi-annually beginning August 15, 2017 through August, 2038. The original bond issue included a \$532,500 offering premium to be amortized over the life of the bond. The effective yield rate is approximately 3.65%. 11,270,000

The Town issued \$11,830,000 of Combination Tax and Revenue Certificates of Obligation, Series 2019 to finance the cost of rehabilitation and improvements to infrastructure. Interest only payments are due at 3% of face value from the date of issuance through June 2019. Interest rate varies from 3% to 5% over the term of the bonds. Varying principal and interest payments are due semi-annually beginning August 15, 2020 through August, 2043. The original bond issue included a \$1,416,005 reoffering premium to be amortized over the life of the bond. The effective yield rate is approximately 3.18%. 10,725,000

The Town issued \$25,410,000 of Combination Tax and Revenue Certificates of Obligation, Series 2023 to finance the cost of construction projects as well as new municipal facilities. Interest only payments are due at 2.25% of face value from the date of issuance through February 2027. Interest rate varies from 4% to 5% over the term of the bonds. Varying principal and interest payments are due semi-annually beginning August 15, 2027 through August, 2048. The original bond issue included a \$745,293 reoffering premium to be amortized over the life of the bond. The effective yield rate is approximately 4.15%. 25,410,000

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT (CONTINUED)

Bonds Payable (Direct Placements) (Continued)

Total bonds payable outstanding (Direct Placements)	\$47,690,000
Unamortized bond premium	<u>2,247,680</u>
 Total bonds payable, net	 49,937,680
Less amount due in one year	<u>950,000</u>
 Amount due after one year	 <u>\$48,987,680</u>

Annual debt service for the outstanding bonds, as shown on Page 47-48, is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2024	\$ 950,000	\$ 2,000,229	\$ 2,950,229
2025	990,000	2,009,606	2,999,606
2026	1,030,000	1,970,038	3,000,038
2027	1,765,000	1,925,159	3,690,159
2028	1,840,000	1,843,835	3,683,835
2029-2033	10,300,000	7,919,379	18,219,379
2034-2038	12,725,000	5,440,575	18,165,575
2039-2043	10,070,000	3,040,908	13,110,908
2044-2048	<u>8,020,000</u>	<u>1,082,594</u>	<u>9,102,594</u>
 Totals	 <u>\$47,690,000</u>	 <u>\$27,232,323</u>	 <u>\$74,922,323</u>

Totals of principal and interest components equal required minimum payments for periods shown, and total principal equals the net present value of these bonds and notes.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT (CONTINUED)

The portion of Series 2014 bond certificates having a stated maturity of August 15, 2036 and August 15, 2038 are subject to mandatory sinking fund redemption prior to maturity at face value plus any accrued interest at the redemption date on the respective dates and in principal amounts as follows:

4% Term Certificates due August 15, 2036, priced to yield 4.05%:

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2035	\$860,000
August 15, 2036	\$895,000

4% Term Certificates due August 15, 2038, priced to yield 4.09%:

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2037	\$935,000
August 15, 2038	\$970,000

The portion of Series 2019 bond certificates having a stated maturity of August 15, 2043 is subject to mandatory sinking fund redemption prior to maturity at face value plus any accrued interest at the redemption date on the respective dates and in principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2040	\$685,000
August 15, 2041	\$710,000
August 15, 2042	\$740,000
August 15, 2043	\$770,000

No portion of Series 2023 bond certificates is subject to mandatory sinking fund redemption.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT (CONTINUED)

Leases

The Town entered into a master lease agreement with Enterprise Fleet Management Trust for the use of vehicles needed for the public safety and code enforcement departments. Management estimates that up to 33 vehicles will be leased over a period of five years. During the year ended September 30, 2019, the Town had entered into 16 lease contracts with similar terms and conditions. The original leased principal for these 16 agreements is \$521,055. At September 30, 2020, the Town had entered into 6 additional lease contracts. The original leased principal for the additional 6 agreements is \$188,134. At September 2021, the Town terminated one of the prior leases and entered into one lease that replaced the old agreement. The original leased principal for the new lease is \$35,565. At September 2022, the Town had entered into 5 additional lease contracts with a leased principal value of \$166,614. During the year ended September 30, 2023, the Town terminated two of the prior lease agreements and entered into two new agreements to replace the terminations, as well as one additional lease. The original leased principal for the 3 agreements is \$83,392. The agreements have varying monthly payments, which range from \$355 to \$859, and include implicit interest rates varying from 10.9% to 15.22% per annum. The lease agreements' maturity dates vary from October 2023 to March 2027 and are secured by vehicles.

Total vehicle lease obligations	\$332,912
Less amount due in one year	<u>152,529</u>
Amount due in more than one year	<u>\$180,383</u>

The Town entered into a lease agreement for the use of headquarters space for the Town of Horizon City Type 4B Economic Development Corporation. The lease agreement has a term of twenty-four months. The agreement was extended two additional years beginning April 2023 at a rate of \$3,400 per month. The Town also extended its lease agreement for the court and police department building through June 30, 2028, at a rate of \$6,750 per month through June 30, 2026, and increases to \$8,250 per month through June 30, 2028. The implicit interest rates for these leases are 4.06% and 4.13%, respectively.

Total building lease obligations	\$440,402
Less amount due in one year	<u>106,050</u>
Amounts due in more than one year	<u>\$334,352</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

LONG-TERM DEBT (CONTINUED)

Leases (Continued)

Annual debt service for the lease obligations is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2024	\$258,579	\$39,977	\$298,556
2025	144,507	27,783	172,290
2026	141,891	18,842	160,733
2027	131,649	7,341	138,990
2028	<u>96,688</u>	<u>1,011</u>	<u>97,699</u>
Totals	<u>\$773,314</u>	<u>\$94,954</u>	<u>\$868,268</u>

Amortization expense for leased vehicles is included in total depreciation expense recognized for the year. At September 30, 2023, total leased vehicles and buildings had a carrying balance of \$284,907 and \$436,224, respectively. Total amortization recognized in 2023 was \$315,525.

EMPLOYEE PENSION PLAN

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

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

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the Town-financed monetary credits with interest. The retiring member may select one of three monthly benefit 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 total member contributions and interest.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

EMPLOYEE PENSION PLAN (CONTINUED)

Benefits (Continued) – The Town’s city-financed monetary credits are composed of prior service credits and current service credits. Prior service credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit, current service credit and updated service credit adopted times an employee’s deposits that would have been made, based on the average salary prior to participation, for the number of months the employee has been employed, accruing 3% annual interest, and including the matching ratio adopted by the Town. In August 2021, the Town elected to offer restricted prior service credit.

Prior service credit is a monetary credit that the Town may grant to eligible employees when the Town joined TMRS. The credit is used in calculating the employee’s retirement benefit and is based on compensation they earned while working for the Town before the Town joined TMRS.

Current service credits are monetary credits for service performed by an employee after the Town joins TMRS and are based on a percentage (100%, 150%, or 200%) of the employee’s total contributions and interest credits. The Town designates the rate of their employee contributions and interest is credited on contribution balances annually at a guaranteed minimum 5% rate. A change in the Town’s matching ratio is applied prospectively.

Updated Service Credit (USC) is a monetary credit the Town may grant to active members. The USC calculation is performed annually on a member’s account and may grant supplemental financial credits. The USC calculation considers a member’s salary history and the Town’s plan changes and may increase the value of a member’s benefit at retirement.

Members in the Town of Horizon City, Texas can retire at age 60 or with 20 years of service regardless of age and are vested after 5 years. Members may work for more than one TMRS city during their career. If an individual has become vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

The Town elected to grant 100% prior service cost to all participating employees and has elected a matching percentage of 150%. In addition, the Town elected to participate in the Supplemental Death Benefits Fund of the System for each of the Town’s employees who are members of the system for the purpose of providing in-service death benefits and post-retirement death benefits.

Employees Covered by Benefit Terms

Inactive employees or beneficiaries currently receiving benefits:	7
Inactive employees entitled to but not yet receiving benefits:	27
Active employees:	<u>81</u>
 Total	 <u>115</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

EMPLOYEE PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms (Continued)

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

Employees of the Town were required to contribute 5% of their annual gross earnings during the fiscal year 2023. The contribution rates for the Town were 5.75% and 5.72% in calendar years 2022 and 2023, respectively, for both the defined cash-balance pension plan and the Supplemental Death Benefits Fund. The Town’s contributions to TMRS were \$257,953 during the year ended September 30, 2023. Contributions to the supplemental benefit funds are only recognized when benefits are paid. There were no payments made from the supplemental benefits fund during the year ended September 30, 2023.

At the December 31, 2022, valuation and measurement date, the following data was used by the Plan’s actuary to determine the Town’s contribution rate:

Annual payroll:	\$4,137,952
Average age of contributing members:	40.6
Average length of service in years of contributing members:	6.6

Net Pension Liability – The "Net Pension Liability" (“NPL”) is the difference between the "Total Pension Liability" (“TPL”) and the Plan's Fiduciary Net Position" (“FNP”) at the December 31, 2022 valuation and measurement date. The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service. The FNP is determined on the same basis used by the pension plans.

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

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

EMPLOYEE PENSION PLAN (CONTINUED)

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

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

The long-term expected rate of return on pension plan investments was 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 in plan year 2022 are summarized in the following table:

<u>Long-Term Expected Real Asset Class</u>	<u>Target Allocation</u>	<u>Rate of Return (Arithmetic)</u>
Global equity	35%	7.70%
Core fixed income	6%	4.90%
Non-core fixed income	20%	8.70%
Other public and private markets	12%	8.10%
Real estate	12%	5.80%
Private equity	10%	11.80%
Hedge funds	5%	6.90%

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

EMPLOYEE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued) – Significant assumptions and units used to measure net pension liability are summarized in the following table:

<u>Net Pension Liability/ (Asset)</u>	<u>December 31, 2022</u>
Total pension liability	\$3,388,499
Fiduciary net position	<u>1,817,315</u>
Net pension liability/(asset)	<u>\$1,571,184</u>
Fiduciary net position as a percentage of total pension liability	53.63%
Pensionable covered payroll	\$4,137,952
Net pension liability as a percentage of covered payroll	37.97%
Discount rate	6.75%
Long-term expected rate of return, net of investment expense	6.75%
Municipal bond rate (1)	4.05%

(1) The rate is based on the Fidelity Index’s “20-Year Municipal GO AA Index” daily rate closest to but not later than December 31, 2022.

Discount Rate – The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

EMPLOYEE PENSION PLAN (CONTINUED)

Schedule of Changes in Net Pension Liability/(Asset) – The change in the reported net pension liability for the measurement period ended December 31, 2022 is as follows:

	<u>Total Pension Liability (a)</u>	<u>Increase (Decrease) Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (a)-(b)</u>
Balance as of December 31, 2021	\$3,018,566	\$1,621,854	\$1,396,712
Changes for the year:			
Service cost	321,519		321,519
Interest on total pension liability	210,406		210,406
Difference between expected and actual experience	(37,592)		(37,592)
Benefit payments, including refunds of contributions	(124,400)	(124,400)	
Net investment income		(119,788)	119,788
Administrative expenses		(1,024)	1,024
Other		1,222	(1,222)
Employee contributions		206,898	(206,898)
Employer contributions	<u> </u>	<u>232,553</u>	<u>(232,553)</u>
Balance as of December 31, 2022	<u>\$3,388,499</u>	<u>\$1,817,315</u>	<u>\$1,571,184</u>

A schedule of Changes in Net Pension Liability and Related Ratios, in addition to the information above, includes multi-year trend information and is presented in the Required Supplementary Information section and can be found on page 79 of this report.

Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate as of December 31, 2022:

	<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
Net Pension Liability	<u>\$2,172,406</u>	<u>\$1,571,184</u>	<u>\$1,084,088</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

EMPLOYEE PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

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

Net Pension Expense – Pension expense for the year ended September 30, 2023, is recognized by the Town as follows:

<u>Pension Expense/ (Income)</u>	<u>January 1, 2021 to December 31, 2022</u>
Service cost	\$321,519
Interest on total pension liability	210,406
Employee contributions	(206,898)
Projected earnings on plan investments	(109,475)
Administrative expenses	1,024
Other changes in fiduciary net position	(1,222)
Recognition of current year outflow (inflow) of resources-liabilities	(4,524)
Recognition of current year outflow (inflow) of resources-assets	45,853
Amortization or prior year outflows (inflows) of resources-liabilities	(6,504)
Amortization or prior year outflows (inflows) of resources-assets	<u>(21,277)</u>
Net pension expense	<u>\$228,902</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

EMPLOYEE PENSION PLAN (CONTINUED)

Net Pension Expense (Continued) – As of September 30, 2023, the deferred outflows and inflows of resources related to the pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made subsequent to measurement date	\$194,922	\$
Changes in pension assumptions		911
Difference between actual and expected pension experience	6,605	86,036
Difference between expected and actual investment earnings	<u>183,410</u>	<u>51,349</u>
Total	<u>\$384,937</u>	<u>\$138,296</u>

Deferred outflows of resources related to pensions reported \$194,922 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,

2023	\$208,470
2024	19,144
2025	20,434
2026	34,823
2027	(11,028)
Thereafter	<u>(25,202)</u>
Total	<u>\$246,641</u>

At September 30, 2023, the Town had outstanding contributions due to the Plan in the amount of \$48,672.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town offers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF), which is administered by the Texas Municipal Retirement System (TMRS). The SDBF is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore, doesn’t meet the definition of a trust under GASB Statement 75 and as such the SDBF is considered to be an unfunded OPEB plan. The retiree portion of the SDBF is considered a single employer, defined benefit OPEB plan. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits – The death benefit for active Members provides a lump-sum payment approximately equal to the Member’s annual salary (calculated based on the Member’s actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is an “other post-employment benefit” and is a fixed amount of \$7,500.

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

Inactive employees or beneficiaries currently receiving benefits:	7
Inactive employees entitled to but not yet receiving benefits:	5
Active employees:	<u>81</u>
 Total	 <u>93</u>

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

Total OPEB Liability – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Methods and Assumptions

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate (1)	4.05%

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Total OPEB Liability (Continued) –

Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

(1) The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022, valuation, were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Schedule of Changes in Total OPEB Liability – The change in the reported OPEB liability for the measurement period ended December 31, 2022, is as follows:

	<u>Total OPEB Liability</u>
Balance as of December 31, 2021	\$88,744
Changes for the year:	
Service cost	15,310
Interest on total OPEB liability	1,770
Differences between expected and actual experience	5,780
Changes in assumptions or other inputs	(44,805)
Benefit payments	<u>(414)</u>
 Balance as of December 31, 2022	 <u>\$66,385</u>
 Total OPEB Liability as a Percentage of Covered Payroll	 <u>1.60%</u>

Sensitivity Analysis – The following presents the Total OPEB liability of the Town, calculated using the discount rate of 4.05%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.05%) or one percentage point higher (5.05%) than the current rate as of December 31, 2022:

	1% Decrease in Discount Rate <u>(3.05%)</u>	Current Discount Rate <u>(4.05%)</u>	1% Increase in Discount Rate <u>(5.05%)</u>
Total OPEB liability	<u>\$83,168</u>	<u>\$66,385</u>	<u>\$53,665</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Expense – OPEB expense for the year ended September 30, 2023, is recognized by the Town as follows:

<u>OPEB Expense/ (Income)</u>	<u>January 1, 2021 to December 31, 2022</u>
Service cost	\$15,310
Interest on total OPEB liability	1,770
Recognition of deferred outflows/inflows of resources:	
Difference between expected and actual experience	218
Changes in assumptions	<u>(2,277)</u>
Total OPEB expense	<u>\$15,021</u>

As of September 30, 2023, the deferred outflows and inflows of resources related to OPEB are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in pension assumptions	\$15,385	\$39,244
Difference between actual and expected pension experience	5,923	3,158
Contributions made subsequent to measurement date	<u>(414)</u>	<u> </u>
Total	<u>\$20,894</u>	<u>\$42,402</u>

Amounts currently reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2023	\$ (2,059)
2024	(2,059)
2025	(2,059)
2026	(2,059)
2027	(2,059)
Thereafter	<u>(10,799)</u>
	<u>\$ (21,094)</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The Town recognizes certain deferred outflows of resources and deferred inflows of resources that are related to its participation in employee pension plans. At September 30, 2023, deferred outflows of resources with a balance of \$405,831 represented contributions to the employee benefit plan that were made subsequent to the latest Plan measurement date and differences between actual and expected pension experience to the Town’s pension plan and other post-employment benefit plan. Deferred inflows of resources with a balance of \$180,698 represent changes in assumptions, differences between actual and expected pension experience, and differences between expected, and actual earnings to the Town’s pension plan and other post-employment benefit plan.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unavailable revenue received after 60 days is fully recognized as revenue on the government-wide statements. Unavailable revenue at the government-wide level arises only when the Town receives resources before it has a legal claim to them. Unavailable revenues in the amount of \$131,768 at September 30, 2023, represent property tax revenue received up to 60 days following year-end (unavailable to pay liabilities of the current period).

RESTRICTED NET POSITION AND RESTRICTED FUND BALANCE

Restricted net position and restricted fund balance consist of those funds that are restricted for use as mandated by the State of Texas, and include the following:

PEG Capital Fund	\$164,555
Technology Fund	143,811
Security Fund	143,355
Children’s Fund	72,664
Federal Grants	53,681
Truancy	24,415
Time Payments	9,949
State and Local Grants	6,451
STDS	714
Jury Fund	<u>486</u>
Total	<u>\$620,081</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

COMMITTED FUND BALANCE

Committed fund balance consists of those funds that can be spent only for specific purposes as determined by the Town Council, and includes the following:

Capital Improvements Plan Fund	\$34,127,161
Street Construction and Maintenance	2,288,932
Economic Development	2,088,404
Stabilization by City Charter	762,518
Other Capital Improvements	398,431
Keep Horizon Beautiful	17,659
Transportation Reinvestment Zone #2	<u>32,362</u>
Total	<u>\$39,715,467</u>

DEFICIT FUND BALANCE

The Tax Increment Reinvestment Zone #1 Fund had a deficit at September 30, 2023 of \$148,342. This deficit will be financed through future revenues of the fund.

RISK POOL

The Town is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; and natural disaster. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amounts of loss can be reasonably estimated. The Town is a participant in an intergovernmental risk pool for its workers' compensation, liability, and property insurance. Participants in this pool are required to pay "premiums" on the insurance selected. Should a loss occur, the Town is liable only for the deductible. The risk pool purchases reinsurance to cover future losses. At September 30, 2023, no claims were dismissed with Texas Municipal League – Intergovernmental Risk Pool.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

RISK POOL (CONTINUED)

Coverages provided are as follows:

Errors and omissions liability (per occurrence)	\$1,000,000
Law enforcement liability (per occurrence)	\$1,000,000
Automobile liability (each accident)	\$1,000,000
General liability (per occurrence)	\$1,000,000
Real and personal property liability	\$10,301,230
Information security and privacy liability	\$2,000,000
Flood liability	\$1,500,000
Earthquake liability	\$10,000,000
Boiler and machinery liability	\$100,000
Mobile equipment liability	\$201,255
Public employee dishonesty liability	\$100,000
Forgery or alteration	\$100,000

Workers' compensation coverage is maintained by paying premiums to the Texas Municipal League Intergovernmental Risk Pool.

COMMITMENTS AND CONTINGENCIES

City of El Paso

The Town entered into an interlocal agreement with the City of El Paso in which the Town will receive animal shelter service from the City. The period of the contract began on September 1, 2021, for a year and the contract automatically renews every year. The Town incurred costs of \$26,498 in animal shelter services provided by the City in 2023.

The Town entered into an interlocal agreement with the City of El Paso in which the Town will receive public health and environmental services from the City, including but not limited to providing food handling permits, disease control, immunization services, vector control, and air control. The period of the contract began on September 1, 2022, and ended on August 31, 2023. Total compensation for the public health and environmental services provided by the City was \$174,604 for the year ended September 30, 2023.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

COMMITMENTS AND CONTINGENCIES (CONTINUED)

County of El Paso

The Town entered into an interlocal agreement with the County of El Paso in which the Town received animal control services by and through the El Paso County Sheriff's Office. The period of the contract began on October 1, 2018, and ended on September 30, 2021. The agreement was renewed on October 1, 2021 and the Town incurred costs of \$16,464 under this contract for the year ended September 30, 2023. The new agreement ends on September 30, 2024.

The Town entered into an interlocal agreement with the County of El Paso in which the Town received public works services from the County, including operation, maintenance, and repair of public works infrastructure. The period of the contract began March 8, 2016, and automatically renews every year. The fees for this agreement are as follows:

Support services	\$22-50 per hour
Road and bridge services	\$15-54 per hour
	\$112 per sign
	\$73-350,000 per mile
Maintenance operations	\$49-51 per hour

Town of Clint

The Town entered into an interlocal agreement with the Town of Clint in which the Town will provide mosquito control services to the Town of Clint. The period of the contract began May 1, 2022 and ended on October 31, 2022, renews every year and is in the amount of \$23,393.

Texas Department of Transportation

In December 2021, the Town entered into a Local Transportation Project Advance Funding Agreement with the Texas Department of Transportation ("TXDOT") for the North Darrington Road Reconstruction. The agreement provides access to federal and state funds for the reconstruction Darrington Road from Eastlake Boulevard to Oxbow Drive. Funding for construction and supervision is provided by the U.S. Department of Transportation and was passed through TXDOT to the Town on a reimbursement basis. TXDOT is responsible for managing federal and state funds committed to this project. Accordingly, all federal and state funds expended for this project are recognized by the Town as an in-kind donation. Estimated budgets for the project are established in the Advance Funding Agreement and total \$20,113,538. The Agreement stipulates the Town's participation (match) in the project's budget, which is not to exceed \$1,120,304. In addition, any costs incurred for the project in excess of federal and state budget caps are to be matched by the Town. Total matching payments made by the Town from inception of the project through September 30, 2023 amounted to \$1,120,304.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Texas Department of Transportation (Continued)

In October 2021, the Town entered into a Local Transportation Project Advance Funding Agreement with the Texas Department of Transportation (“TXDOT”) for the installation of safety lights along Darrington Road. The agreement provides access to federal and state funds. Funding for construction and supervision is provided by the U.S. Department of Transportation and was passed through TXDOT to the Town on a reimbursement basis. TXDOT is responsible for managing federal and state funds committed to this project. Accordingly, all federal and state funds expended for this project are recognized by the Town as an in-kind donation. Estimated budgets for the project are established in the Advance Funding Agreement and total \$906,886. The Agreement stipulates the Town’s participation (match) in the project’s budget, which is not to exceed \$86,704. In addition, any costs incurred for the project in excess of federal and state budget caps are to be matched by the Town. Total matching payments made by the Town from inception of the project through September 30, 2023, amounted to \$3,695.

In October 2021, the Town entered into a Local Transportation Project Advance Funding Agreement with the Texas Department of Transportation (“TXDOT”) for the installation of safety lights along North Kenazo Avenue. The agreement provides access to federal and state funds. Funding for construction and supervision is provided by the U.S. Department of Transportation and was passed through TXDOT to the Town on a reimbursement basis. TXDOT is responsible for managing federal and state funds committed to this project. Accordingly, all federal and state funds expended for this project are recognized by the Town as an in-kind donation. Estimated budgets for the project are established in the Advance Funding Agreement and total \$466,920. The Agreement stipulates the Town’s participation (match) in the project’s budget, which is not to exceed \$47,485. In addition, any costs incurred for the project in excess of federal and state budget caps are to be matched by the Town. Total matching payments made by the Town from inception of the project through September 30, 2023, amounted to \$3,633.

Other Commitments

The Town entered into an interlocal agreement with Camino Real Regional Mobility Authority (CRRMA) for acquiring properties for the development of the North Darrington Reconstruction project. The Town’s responsibilities include utility relocations, environmental permitting, appraisals, as well as the design and planning of the North Darrington reconstruction project. CRRMA is responsible in aiding the Town with the right-of-way acquisitions and appraisals necessary for the project. The agreement began August 9, 2022, and will continue in effect until the completion of the services to be provided. The total estimated cost of this project is \$1,296,406. The Town incurred expenses of \$588,946 under this contract for the year ended September 30, 2023.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other Commitments (Continued)

The Town entered into an interlocal agreement with El Paso Emergency Services District #1 (“ESD#1”) in which the Town’s public safety department will provide dispatching services to ESD#1, including but not limited to providing staff 24 hours a day, 7 days a week, to answer emergency services and dispatch responses for ESD#1 personnel. The original period of the contract began October 1, 2014, and ended September 30, 2015. The contract will be renewed every year unless both parties agree to terminate the agreement. Total compensation for the services provided by the Town during the year ended September 30, 2023 was \$222,166. The agreement requires the annual contract amount be revisited every year and approved by both parties.

The Town entered into an interlocal agreement with El Paso Emergency Services District #2 (“ESD#2”) in which the Town’s public safety department will provide dispatching services to ESD#2, including but not limited to providing staff 24 hours a day, 7 days a week, to answer emergency services and dispatch responses for ESD#2 personnel. The original period of the contract began on March 1, 2015, and ended on September 30, 2015. The contract will be renewed every year unless both parties agree to terminate the agreement. Total compensation for the services provided by the Town during the year ended September 30, 2023 was \$473,954. The agreement requires the annual contract amount be revisited every year and approved by both parties.

The Town entered into an agreement with Elite Medical Transport in which the Town received emergency ambulance services. The period of the contract began on March 1, 2021, and expired on February 28, 2022. The contract was renewed on March 8, 2022, for a three year term, with two options to extend for an additional year. The renewed agreement requires quarterly payments be made in the amount of \$41,175. The Town incurred costs of \$176,698 under this contract for the year ended September 30, 2023.

The Town entered into an agreement with Abescape Landscaping, LLC in which the Town received parks and grounds maintenance services. The period of the contract began on July 1, 2021, and expires on December 31, 2023. The total contract cost for the period of service is \$872,371. The Town incurred costs of \$403,876 under this contract for the year ended September 30, 2023.

The Town entered into an agreement with Able City, LLC to provide architectural design standards for the Town’s Transit Oriented Development for an estimated project amount of \$129,550. The Town had expended \$51,573 under this contract as of September 30, 2023.

In connection with its Capital Improvements Plan, the Town has contracts with general contractors and professional engineering providers for the design, construction and supervision of various infrastructure projects. The Town expects the contracts to be completed or renewed within a one-year term.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Town is party to various legal proceedings, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Town and, therefore, no liability has been accrued at September 30, 2023.

RELATED PARTY

Town of Horizon City Type 4B Economic Development Corporation (“the Corporation”) was established in 2011 and receives 0.25% of sales taxes collected by the Town, as designated by Council Ordinance. The Corporation is reported as a blended component unit as its governing body is appointed by the Town’s Council and the Council has authority to make final approval of the Corporation’s budget. In addition, the Town acts as a fiscal agent and is responsible for monitoring the Corporation’s finances. The Corporation’s activities are reported in the Town’s governmental activities as a special revenue fund.

Tax Increment Reinvestment Zone #1 (“TIRZ”), Texas was established in 2020 and receives 100% of the Town’s portion of the tax increment and a percentage of the tax increment that each taxing unit elects to dedicate to TIRZ. TIRZ is reported as a blended component unit because the majority of the governing body consists of members from the Town’s Council. TIRZ’s activities are reported in the Town’s governmental activities as a special revenue fund.

FEDERAL AND STATE GRANTS

In the normal course of operations, the Town receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS

In June 2020, GASB Statement No. 99, “*Omnibus 2022*” was issued. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues and accounting and financial reporting for financial guarantees are addressed by this Statement as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- Clarification of provisions in Statement No. 87, *Leases*.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. Implementation of the new statement did not have an effect on the Town’s financial statements.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Implementation of the new statement did not have an effect on the Town’s financial statements.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

(Continued)

TOWN OF HORIZON CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The Town is evaluating how this pronouncement will affect the financial statements with regard to accounting and financial reporting for financial guarantees.

In June 2022, GASB Statement No. 100, “*Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62,” was issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

In June 2022, GASB Statement No. 101, “*Certain Risk Disclosures*,” was issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

SUBSEQUENT EVENTS

Effective January 2024, the Town entered into an agreement with the CRRMA for the development of a Transit Center Project for the Town. CRRMA will provide planning services, which will include finding a location for the proposed Transit Center and developing of draft site locations following the specifications required by the U.S. Department of Housing and Urban Development. The total Town commitment for the planning phase of the project is \$87,838.

On January 2024, the Horizon City Economic Development Corporation (“EDC”), a component unit of the Town, entered into a Chapter 380 Economic Development Performance Agreement with a Developer. Under the Agreement, the Town will sell property located on 1560 Pawling to the Developer. In turn, the Developer will demolish existing structures and construct five commercial structures with an approximate investment of \$3,100,000. The project is expected to benefit surrounding properties, and to increase commercial activity of available high-quality business and industrial properties in the Town. The project is expected to be substantially complete within a year of the beginning of demolition. During the term of the project, the EDC will provide financial incentives in the form of grants to the Developer, for a total commitment of \$147,442, subject to certain conditions and milestones to be completed by the Developer.

Subsequent events were evaluated through May 09, 2024, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF HORIZON CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues/inflows:				
Property taxes	\$ 4,249,228	\$ 4,249,228	\$ 4,300,695	\$ 51,467
Sales taxes	2,809,087	2,809,087	2,642,968	(166,119)
Franchise taxes	601,860	601,860	643,213	41,353
Licenses, permits and fees	833,446	833,446	569,153	(264,293)
Charges for services	719,513	719,513	707,796	(11,717)
Fines and forfeitures	212,102	212,102	221,813	9,711
Interest income	10,412	10,412	159,244	148,832
Other income	<u>88,150</u>	<u>88,150</u>	<u>55,914</u>	<u>(32,236)</u>
 Total revenues	 <u>9,523,798</u>	 <u>9,523,798</u>	 <u>9,300,796</u>	 <u>(223,002)</u>
 Expenditures/outflows:				
Public safety - police	2,836,869	2,743,639	2,745,774	(2,135)
Public safety - dispatch	1,189,114	1,083,162	886,595	196,567
General government	872,919	872,919	731,156	141,763
Community development	516,381	516,381	504,420	11,961
Finance	620,560	620,560	604,055	16,505
Planning	392,494	392,494	286,998	105,496
Public services	502,100	502,100	467,040	35,060
Parks and recreation	562,626	562,626	687,856	(125,230)
Building services	462,573	462,573	386,136	76,437
Information technology	509,878	506,941	440,478	66,463
Municipal court	300,662	300,662	238,625	62,037
Code enforcement	266,314	266,314	195,914	70,400
Capital outlay	112,793	314,911	779,788	(464,877)
Debt service	213,190	213,190	294,414	(81,224)
Storm water	87,414	87,414	58,223	29,191
Executive	<u>47,401</u>	<u>47,402</u>	<u>42,380</u>	<u>5,022</u>
 Total expenditures	 <u>9,493,288</u>	 <u>9,493,288</u>	 <u>9,349,852</u>	 <u>143,436</u>

(Continued)

TOWN OF HORIZON CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(CONTINUED)**

Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of revenues (expenditures) over expenditures (revenues)	\$ 30,510	\$ 30,510	\$ (49,056)	\$ (79,566)
Other financing sources (uses):				
Proceeds from capital leases			480,591	480,591
Transfers in			168,046	168,046
Transfers out	<u>(30,510)</u>	<u>(30,510)</u>	<u>(549,113)</u>	<u>(518,603)</u>
Total other financing uses	<u>(30,510)</u>	<u>(30,510)</u>	<u>99,524</u>	<u>130,034</u>
Excess of revenue (expenditures) over expenditures (revenue) - budgetary basis			50,468	50,468
Fund balance, beginning of year	<u>5,298,201</u>	<u>5,298,201</u>	<u>5,298,201</u>	<u> </u>
Fund balance, end of year	<u><u>\$ 5,298,201</u></u>	<u><u>\$ 5,298,201</u></u>	<u><u>\$ 5,348,669</u></u>	<u><u>\$ 50,468</u></u>
Budget basis excess			<u>\$ 50,468</u>	
GAAP basis excess			50,468	
Fund balance, beginning of year			<u>5,298,201</u>	
Fund balance, end of year			<u><u>\$ 5,348,669</u></u>	

See notes to required supplementary information.

TOWN OF HORIZON CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - FEDERAL GRANTS FUND**

Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues/inflows:				
Grant income	\$2,492,619	\$ 2,492,619	\$ 856,824	\$ (1,635,795)
Interest income			60,433	60,433
Prior year surplus	<u>139,452</u>	<u>139,452</u>	<u> </u>	<u>(139,452)</u>
Total revenues	<u>2,632,071</u>	<u>2,632,071</u>	<u>917,257</u>	<u>(1,714,814)</u>
Expenditures/outflows:				
Public safety - police	73,951	73,951	73,391	560
General government	543,300	543,300	194,589	348,711
Capital outlay	<u>2,014,820</u>	<u>2,014,820</u>	<u>595,771</u>	<u>1,419,049</u>
Total expenditures	<u>2,632,071</u>	<u>2,632,071</u>	<u>863,751</u>	<u>1,768,320</u>
Excess of revenues over expenditures			53,506	53,506
Fund balance, beginning of the year	<u>175</u>	<u>175</u>	<u>175</u>	<u> </u>
Fund balance, end of the year	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 53,681</u>	<u>\$ 53,506</u>

See notes to required supplementary information.

TOWN OF HORIZON CITY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Basis of Accounting – The Town’s budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received and cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.

Budgetary Process – The budgetary process is prescribed by provisions of Title 4, Chapter 102, of the Local Government Code of the Texas Legislature and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting.

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified by resolution of the Town Council. Only the General Fund, Debt Service Fund, Street Maintenance Fund, Economic Development Fund, Special Event Fund, Federal Grants Fund, State Grants Fund, Tax Increment Reinvestment Zone #1 and Transportation Reinvestment Zone #2 are budgeted and appropriated. The level of budgetary control is at the department level for the Town. Any budgetary modifications at this level may only be made by resolution of the Town Council. Only budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget are included as required supplementary information in accordance with GASB 34.

Under the Town’s by-laws, revenues not specifically related to a particular fund shall be deposited into the Town’s General Fund. Monies can only be transferred from the General Fund by resolution of the Town Council.

Appropriations – An annual appropriation resolution must be passed by September 15 of the preceding year for the period October 1 to September 30. The appropriation resolution fixes spending authority at the fund and department level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among funds and objects within a fund may be modified during the year only by a resolution of the Council. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriations in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as final budgeted amounts in the schedules of budgetary comparison represent the final appropriation amounts, including all supplemental appropriations.

Lapsing of Appropriations – At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(CONTINUED)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated Resources – As part of the Town’s budgetary process, the Council approves the official estimated resources. The official estimated resources states the projected revenue of each fund. Prior to September 30, the Town must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the official estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about October 1, the estimated resources are amended to include any unencumbered balances from the preceding year. The estimated resources may be further amended during the year if Council determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year ended September 30, 2023.

BUDGET OVER-EXPENDITURES

The Town’s actual expenditures exceeded appropriations in the general fund in the following departments:

Public safety – police	\$ 2,135
Parks and recreation	125,230
Capital outlay	464,877
Debt service	<u>81,224</u>
Total	<u>\$673,466</u>

The public safety – police department exceeded appropriations due to an increase in salaries paid for hours worked for special events and holidays. Parks and recreation experienced an increase in its water expense due to its water park being open and an increase in contracted services for parks maintenance and rehabilitation. The Town exceeded capital outlay appropriations due to the recognition of capital outlays for right-of-use leased assets of vehicles and building space, which are not included as expenditures under budgetary accounting. The Town also exceeded its debt service appropriations due to the payments of principal under lease obligations, which are typically included in the budget as rent expense under various departments.

TOWN OF HORIZON CITY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended December 31, 2013 through 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Years 2013 - 2017</u>
Total Pension Liability						
Service cost	\$ 321,519	\$ 283,280	\$ 267,525	\$ 246,651	\$ 227,568	N/A
Interest on total pension liability	210,406	184,748	156,655	134,423	111,226	N/A
Change in benefit terms					1,534,956	N/A
Difference between expected and actual experience	(37,592)	(24,523)	9,221	(52,221)		N/A
Change in assumptions				(1,415)		N/A
Benefit payments/refund of contributions	<u>(124,400)</u>	<u>(40,609)</u>	<u>(9,554)</u>	<u>(7,486)</u>	<u>(1,879)</u>	<u>N/A</u>
Net change in total pension liability	369,933	402,896	423,847	319,952	1,871,871	N/A
Total pension liability, beginning	<u>3,018,566</u>	<u>2,615,670</u>	<u>2,191,823</u>	<u>1,871,871</u>		<u>N/A</u>
Total pension liability, ending	<u>3,388,499</u>	<u>3,018,566</u>	<u>2,615,670</u>	<u>2,191,823</u>	<u>1,871,871</u>	<u>N/A</u>
Fiduciary Net Position						
Employer contributions	232,553	210,992	204,640	185,067	170,748	N/A
Employee contributions	206,898	183,471	173,718	157,907	145,689	N/A
Net investment income	(119,788)	147,641	53,618	49,203		N/A
Benefit payments/refund of contributions	(124,400)	(40,609)	(9,554)	(7,486)	(1,879)	N/A
Administrative expenses	(1,024)	(676)	(343)	(275)		N/A
Other	<u>1,222</u>	<u>5</u>	<u>(14)</u>	<u>(9)</u>		<u>N/A</u>
Net change in fiduciary net position	195,461	500,824	422,065	384,407	314,558	N/A
Fiduciary net position, beginning	<u>1,621,854</u>	<u>1,121,030</u>	<u>698,965</u>	<u>314,558</u>		<u>N/A</u>
Fiduciary net position, ending	<u>1,817,315</u>	<u>1,621,854</u>	<u>1,121,030</u>	<u>698,965</u>	<u>314,558</u>	<u>N/A</u>
Net pension liability	<u>\$ 1,571,184</u>	<u>\$ 1,396,712</u>	<u>\$ 1,494,640</u>	<u>\$ 1,492,858</u>	<u>\$ 1,557,313</u>	<u>\$N/A</u>
Fiduciary net position as a percentage of total pension liability	53.63%	53.73%	42.86%	31.89%	16.80%	N/A
Pensionable covered payroll	\$ 4,137,952	\$ 3,669,425	\$ 3,474,351	\$ 3,158,143	\$ 2,913,801	\$N/A
Net pension liability as a percentage of covered payroll	37.97%	38.06%	43.02%	47.27%	53.45%	

This schedule is presented to illustrate the requirement to show information for 10 years; however, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here; therefore, we have shown only years for which the new GASB statements have been implemented.

See independent auditors' report.

TOWN OF HORIZON CITY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS

Years Ended September 30, 2014 through 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Years 2014 - 2017</u>
Actuarially determined contribution	\$ 250,410	\$ 233,010	\$ 205,449	\$ 199,168	\$ 181,876	\$ 122,493	\$N/A
Contributions in relation to the actuarially determined contribution	<u>257,953</u>	<u>237,022</u>	<u>208,933</u>	<u>202,931</u>	<u>184,048</u>	<u>123,956</u>	N/A
Contribution excess	<u>\$ (7,543)</u>	<u>\$ (4,012)</u>	<u>\$ (3,484)</u>	<u>\$ (3,763)</u>	<u>\$ (2,172)</u>	<u>\$ (1,463)</u>	N/A
Covered payroll	\$ 4,491,887	\$ 4,120,982	\$ 3,549,524	\$ 3,385,938	\$ 3,103,685	\$ 2,090,333	\$N/A
Contributions as a percentage of covered payroll	5.74%	5.75%	5.89%	5.99%	5.93%	5.93%	N/A

This schedule is presented to illustrate the requirement to show information for 10 years; however, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here; therefore, we have shown only years for which the new GASB statements have been implemented.

See independent auditors' report and notes to schedule of pension contributions.

TOWN OF HORIZON CITY, TEXAS

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS

Year Ended December 31, 2022

VALUATION DATE

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

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal.
Amortization method	Level percentage of payroll, closed.
Remaining amortization period	21 years (longest amortization ladder)
Asset valuation method	10-year smoothed market; 12% soft corridor.
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation.
Investment rate of return	6.75%
Retirement age	Experience-based table of rates specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

OTHER INFORMATION

Notes There were no benefit changes during the year.

TOWN OF HORIZON CITY, TEXAS

**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT
BENEFIT LIABILITY AND RELATED RATIOS**

Years Ended December 31, 2013 though 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Years 2013 - 2017</u>
Total Other Post-Employment Benefit ("OPEB") Liability						
Service cost	\$ 15,310	\$ 13,210	\$ 10,423	\$ 6,632	\$ 6,993	\$N/A
Interest on total OPEB liability	1,770	1,564	1,420	1,316	1,016	N/A
Change in benefit terms					27,207	N/A
Difference between expected and actual experience	5,780	(975)	2,013	(4,826)		N/A
Change in assumptions	(44,805)	3,353	11,298	11,173		N/A
Benefit payments (1) (2)	(414)				(3,073)	N/A
Net change in total OPEB liability	(22,359)	17,152	25,154	14,295	32,143	N/A
Total OPEB liability, beginning	88,744	71,592	46,438	32,143		N/A
Total OPEB liability, ending	<u>\$ 66,385</u>	<u>\$ 88,744</u>	<u>\$ 71,592</u>	<u>\$ 46,438</u>	<u>\$ 32,143</u>	<u>\$N/A</u>
Pensionable covered payroll	\$ 4,137,952	\$ 3,669,425	\$ 3,474,351	\$ 3,158,143	\$ 2,913,801	\$N/A
Net pension liability as a percentage of covered payroll	1.60%	2.42%	2.06%	1.47%	1.10%	N/A

(1) Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a Supplemental Death Benefits Fund benefit.

(2) Due to the Supplemental Death Benefits Fund being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

This schedule is presented to illustrate the requirement to show information for 10 years; however, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 75, they should not be shown here; therefore, we have shown only years for which the new GASB statements have been implemented.

See independent auditors' report and notes to schedule of changes in total OPEB liability and related ratios.

TOWN OF HORIZON CITY, TEXAS

SCHEDULE OF OTHER POST-EMPLOYMENT BENEFIT CONTRIBUTIONS

Years Ended September 30, 2014 through 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Years 2014 - 2017</u>
Actuarially determined contribution	\$	\$	\$	\$	\$	\$	\$N/A
Contributions in relation to the actuarially determined contribution	_____	_____	_____	_____	_____	_____	N/A
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$N/A</u>
Covered payroll	\$ 4,491,887	\$ 4,120,982	\$ 3,549,524	\$ 3,385,938	\$ 3,103,685	\$ 2,090,333	\$N/A
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	N/A

This schedule is presented to illustrate the requirement to show information for 10 years; however, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 75, they should not be shown here, therefore, we have shown only years for which the new GASB statements have been implemented.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

TOWN OF HORIZON CITY, TEXAS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES -
AGGREGATE NON-MAJOR FUNDS

September 30, 2023

	Special Revenue Fund - State and Local Grants	Street Maintenance Fund	Economic Development Fund	Special Revenue Fund - Special Events	Transportation Reinvestment Zone #2	Tax Increment Reinvestment Zone #1	Aggregate Non-Major Funds
ASSETS							
Cash and cash equivalents, non-pooled	\$	\$	\$ 665,253	\$ 17,659	\$	\$	\$ 682,912
Pooled cash and cash equivalents	(22,614)	2,074,351	602,865		5,694	(7,142)	2,653,154
Investments			847,957				847,957
Pooled investments		297,776			26,668	11,735	336,179
Grants receivable	29,065						29,065
Taxes receivable					8,844	12	8,856
Other assets			3,500				3,500
Prepaid expenses			1,400				1,400
Total assets	<u>\$ 6,451</u>	<u>\$ 2,372,127</u>	<u>\$ 2,120,975</u>	<u>\$ 17,659</u>	<u>\$ 41,206</u>	<u>\$ 4,605</u>	<u>\$ 4,563,023</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Due to other funds	\$	\$	\$	\$	\$	\$150,000	\$ 150,000
Accrued liabilities			12,234				12,234
Accounts payable		83,195	18,937			2,935	105,067
Total liabilities		<u>83,195</u>	<u>31,171</u>			<u>152,935</u>	<u>267,301</u>
Deferred inflows of resources:							
Deferred property taxes					8,844	12	8,856
Total deferred inflows of resources					<u>8,844</u>	<u>12</u>	<u>8,856</u>
Fund balances:							
Nonspendable			1,400				1,400
Restricted	6,451						6,451
Committed		2,288,932	2,088,404	17,659	32,362		4,427,357
Unassigned						(148,342)	(148,342)
Total fund balances	<u>6,451</u>	<u>2,288,932</u>	<u>2,089,804</u>	<u>17,659</u>	<u>32,362</u>	<u>(148,342)</u>	<u>4,286,866</u>
Liabilities, deferred inflows of resources and fund balances	<u>\$ 6,451</u>	<u>\$ 2,372,127</u>	<u>\$ 2,120,975</u>	<u>\$ 17,659</u>	<u>\$ 41,206</u>	<u>\$ 4,605</u>	<u>\$ 4,563,023</u>

See independent auditors' report.

TOWN OF HORIZON CITY, TEXAS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - AGGREGATE NON-MAJOR FUNDS

Year Ended September 30, 2023

	<u>Special Revenue Fund - State and Local Grants</u>	<u>Street Maintenance Fund</u>	<u>Economic Development Fund</u>	<u>Special Revenue Fund - Special Events</u>	<u>Transportation Reinvestment Zone #2</u>	<u>Tax Increment Reinvestment Zone #1</u>	<u>Aggregate Non-Major Funds</u>
<u>REVENUES</u>							
Property taxes	\$	\$	\$	\$	\$517,139	\$ 7,598	\$ 524,737
Sales taxes		650,269	650,269				1,300,538
Federal and state grants	58,588						58,588
Interest income		22,308	27,783	140	743	103	51,077
Other income					<u>1,322</u>		<u>1,322</u>
Total revenues	<u>58,588</u>	<u>672,577</u>	<u>678,052</u>	<u>140</u>	<u>519,204</u>	<u>7,701</u>	<u>1,936,262</u>
<u>EXPENDITURES</u>							
Public safety - police	50,142						50,142
Capital outlay		139,548	78,513				218,061
General government			480,772			67,016	547,788
Community development		41,202		21,910			63,112
Debt service:							
Principal			37,029		414,990		452,019
Interest			<u>1,371</u>		<u>133,413</u>		<u>134,784</u>
Total expenditures	<u>50,142</u>	<u>180,750</u>	<u>597,685</u>	<u>21,910</u>	<u>548,403</u>	<u>67,016</u>	<u>1,465,906</u>
Excess of revenues (expenditures) over expenditures (revenues)	<u>8,446</u>	<u>491,827</u>	<u>80,367</u>	<u>(21,770)</u>	<u>(29,199)</u>	<u>(59,315)</u>	<u>470,356</u>
Other financing sources (uses):							
Transfers out	(3,696)						(3,696)
Transfers in				30,510			30,510
Proceeds from leases			<u>78,513</u>				<u>78,513</u>
Total other financing sources	<u>(3,696)</u>		<u>78,513</u>	<u>30,510</u>			<u>105,327</u>
Net change in fund balance	4,750	491,827	158,880	8,740	(29,199)	(59,315)	575,683
Fund balance, beginning of the year	<u>1,701</u>	<u>1,797,105</u>	<u>1,930,924</u>	<u>8,919</u>	<u>61,561</u>	<u>(89,027)</u>	<u>3,711,183</u>
Fund balance, end of the year	<u>\$ 6,451</u>	<u>\$ 2,288,932</u>	<u>\$2,089,804</u>	<u>\$ 17,659</u>	<u>\$ 32,362</u>	<u>\$ (148,342)</u>	<u>\$ 4,286,866</u>

See independent auditors' report.

AUDITORS' SECTION

INDEPENDENT AUDITORS' 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 Andres Renteria
and Members of Town Council
Town of Horizon 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Horizon City, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Horizon City, Texas' basic financial statements and have issued our report thereon dated May 09, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Horizon City, Texas' 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 Town of Horizon City, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Horizon City, Texas' 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 entity'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.

(Continued)

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To the Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Report on Internal Control over Financial Reporting (Continued)

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Horizon City, Texas' 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SBNG, PC

El Paso, Texas
May 09, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM
GUIDANCE AND TEXAS UNIFORM GRANT MANAGEMENT STANDARDS***

To the Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Town of Horizon City, Texas' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and *Texas Uniform Grant Management Standards* that could have a direct and material effect on each of Town of Horizon City, Texas' major federal and state programs for the year ended September 30, 2023. Town of Horizon City, Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Town of Horizon City, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *Texas Uniform Grant Management Standards*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Horizon City, Texas 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 federal and state program. Our audit does not provide a legal determination of Town of Horizon City, Texas's compliance with the compliance requirements referred to above.

(Continued)

To the Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

Report on Compliance for Each Major Federal and State Program (Continued)

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 Town of Horizon City, Texas' federal and state programs.

Auditors' 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 Town of Horizon City, Texas' 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and *Texas Uniform Grant Management Standards* 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 Town of Horizon City, Texas' compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and *Texas Uniform Grant Management Standards* 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 Town of Horizon City, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Horizon City, Texas' 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 the Uniform Guidance and *Texas Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of Town of Horizon City, Texas' 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.

(Continued)

To the Honorable Mayor Andres Renteria
and Members of Town Council
Town of Horizon City, Texas

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 federal and 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 federal and 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 federal and 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 Auditors' 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 the Uniform Guidance and *Texas Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

SBNG, PC

El Paso, Texas
May 09, 2024

TOWN OF HORIZON CITY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended September 30, 2023

Program Title	Assistance Listing Number	Agency or Pass- Through Number	Contract Period	Award Amount	Amount Expended
FEDERAL EXPENDITURES					
U.S. Department of Homeland Security - FEMA					
<i>Passed through Texas Office of the Governor - Homeland Security Grants Division</i>					
Homeland Security Grant Program	97.067	3007407	03/01/2022 - 02/28/2023	\$ 59,113	<u>\$ 48,405</u>
Total 97.067					<u>48,405</u>
Total Department of Homeland Security					<u>48,405</u>
U.S. Department of the Treasury					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	10/01/2021 - 12/31/2024	\$ 4,876,630	<u>807,270</u>
Total 21.027					<u>807,270</u>
Equitable Sharing	21.016	N/A	12/02/2022 - 12/31/2024	\$ 99,078	<u>1,149</u>
Total 21.016					<u>1,149</u>
Total U.S. Department of Treasury					<u>808,419</u>
U.S. Department of Transportation					
<i>Passed through the Texas Department of Transportation</i>					
North Darrington Road Reconstruction	20.205	0924-06-587	09/14/2022 - completion	\$ 14,236,616	557,578
Darrington Road Safety Lights	20.205	0924-06-644	10/25/2021 - completion	\$ 781,254	77,690
North Kenazo Avenue Safety Lighting	20.205	0924-06-643	10/20/2021 - completion	\$ 399,529	<u>399,529</u>
Total 20.205					<u>1,034,797</u>
Total U.S. Department of Transportation					<u>1,034,797</u>
Total federal expenditures					<u>1,891,621</u>

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TOWN OF HORIZON CITY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(CONTINUED)
Year Ended September 30, 2023

Program Title	Assistance Listing Number	Agency or Pass-Through Number	Contract Period	Award Amount	Amount Expended
STATE EXPENDITURES					
Texas Office of the Governor - Homeland Security Grants Division					
Local Border Security Program	State	2999508	09/01/2022 - 08/31/2023	\$ 85,044	\$ <u>53,850</u>
Texas Treasury Safekeeping Trust Company					
Opioid Abatement	State	N/A	03/15/2023 - 09/30/2023	\$ 2,361	<u>2,361</u>
Texas Comptroller of Public Accounts					
Law Enforcement Officer Standards and Education	State	N/A	10/01/2022 - 09/30/2023	\$ 2,377	<u>2,377</u>
Texas Department of Transportation					
North Darrington Road Reconstruction	State	0924-06-587	09/14/2022 - completion	\$ 4,756,618	<u>780,262</u>
Total state expenditures					<u>838,850</u>
Total federal and state expenditures					<u>\$2,730,471</u>

See notes to schedule of expenditures of federal and state awards and independent auditors' report.

TOWN OF HORIZON CITY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended September 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Town of Horizon City, Texas is presented to assist in understanding City of Socorro, Texas' Schedule of Expenditures of Federal and State Awards. The Schedule and notes are representations of City of Socorro, Texas' management, who is responsible for their integrity and objectivity.

Basis of Accounting and Presentation – The Schedule of Expenditures of Federal and State Awards is prepared using the accrual basis of accounting. The information in this schedule is presented in accordance with the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Indirect Costs – Town of Horizon City, Texas does not currently have a negotiated indirect cost reimbursement rate approved by a Federal Cognizant Agency; therefore, the Town has elected to use the de minimis rate of 10% of modified total direct costs as an indirect cost allocation factor, as allowed under 2CFR §200.414.

Subrecipients – There were no sub-recipients of the Federal Awards received by the Town of Horizon City, Texas for the year ended September 30, 2023.

In-Kind Award Reporting – Expenditures of the federal and state awards received under the Highway Planning and Reconstruction Cluster are composed entirely of in-kind awards provided by the United States Department of Transportation and the Texas Department of Transportation, the pass-through agency. Federal expenditures for this award are managed by the pass-through agency and are used in the design, construction and supervision of improvements of major roads within the Town's limits.

Total federal awards expended by the pass-through agency from inception of the project through September 30, 2023, amount to \$1,034,797 and has been recognized as an in-kind federal award in the current fiscal year.

Total expenditures of state awards received under the Highway Planning and Reconstruction Cluster include an in-kind match of supervision and oversight costs provided by the Texas Department of Transportation, the pass-through agency. Total in-kind award is valued at approximately \$780,262 and has been recognized as an in-kind state grant award in the current fiscal year.

The Town is responsible for making matching payments to the pass-through agency for design, engineering, construction, purchase of land, utilities relocation and supervision at various phases of the project. Total matching payments provided by the Town to the pass-through agency from inception of the project through September 30, 2023, amount to \$1,255,165.

The Town's policy is to recognize the federal and state funds used for this project as an in-kind award on the basis of historical cost, as reported by the pass-through agency to the Town.

TOWN OF HORIZON CITY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2023

I. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Town of Horizon City, Texas.
2. No significant deficiencies or material weaknesses were reported in the audit of the financial statements of Town of Horizon City, Texas as reported in the Independent Auditors' 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*.
3. There were no instances of material non-compliance disclosed by the audit of the financial statements of Town of Horizon City, Texas, which would be required to be reported in accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses in internal control over major federal and state award programs were reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and *Texas Uniform Grant Management Standards*.
5. The auditors' report on compliance for the major federal and state programs for Town of Horizon City, Texas expresses an unmodified opinion on each major federal and state program.
6. There are no audit findings that are required to be reported in accordance with the Uniform Guidance and *Texas Uniform Grant Management Standards*.
7. The programs tested as major federal programs were the Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing 21.027 and the Highway Planning and Construction program, Assistance Listing 20.205.
8. The program tested as a major state program was the North Darrington Road Reconstruction.
9. The threshold used for distinguishing between Type A and B programs was \$750,000 for federal and state programs.
10. Town of Horizon City, Texas did not qualify as a low-risk auditee for Federal nor State purposes.

(Continued)

TOWN OF HORIZON CITY, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Year Ended September 30, 2023

**II. AUDIT FINDINGS RELATING TO THE FINANCIAL STATEMENTS
WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH
“GOVERNMENT AUDITING STANDARDS”**

Current Year Findings: None

Prior Year Findings: None.

**III. AUDIT FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE
AWARDS PROGRAMS AUDIT.**

Current Year Findings: None.

Prior Year Findings: None.

See independent auditors' report.



**TOWN OF HORIZON CITY
MEMORANDUM**

Date: May 9, 2024
To: Honorable Mayor and Members of City Council
From: Teresa Quezada, CIP Manager *Teresa Quezada 5/14/24*
SUBJECT: On an update on the Capital Improvement Program

Per the City Charter, staff will present an update on the three-year Capital Improvement Program (CIP) for Council's consideration. The CIP includes projects funded through the 2014 Certificates of Obligation, 2019 Certificates of Obligation (2018 CIP), 2023 Certificates of Obligation (2023 CIP), federal funds distributed through the El Paso Metropolitan Organization (MPO), anticipated TRZ funds, ARPA funds, HUD Grant funds, and other potential funding sources that staff intends to pursue.

The CIP includes projects previously approved by the Council as well as infrastructure needs Council and staff have identified.

This mid-year report complies with the charter requirement for a 3-year program to be submitted to Council "at least three months prior to the final date for submission of the annual budget." For several years, staff has presented this report in May to comply with the charter's timing requirements and to preview the CIP that will be presented to Council. This year, the CIP will cover fiscal years 2025, 2026 and 2027.

Staff requests that the minutes for the May 14, 2024, meeting reflect an acknowledgement of the report.

Town of Horizon City Capital Improvement Program

Council Meeting
May 14, 2024

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Capital Program

Per Charter requirement for 3-year program, submitted to Council “at least three months prior to the final date for submission of the annual budget.”

Capital Improvement Plan



CAPITAL IMPROVEMENT PLAN - FUNDED AND UNFUNDED PROJECTS

Project Name and Type	Total	2024	2025	2026	2027	Funding Source(s)
Drainage Improvements & Land						
N. Darrington Recon.-ROW Acquisition	\$ 284,936	\$ 284,936	\$ -	\$ -	\$ -	ARPA
Drainage Improvements	950,000	693,650	256,350	-	-	ARPA
Carson Drainage Improvement	-	-	-	-	-	2014 CO's
Miscellaneous Drainage Improvements	136,041	136,041	-	-	-	2014 CO's
Upgrades to Storm Water Ponds and Rock Wall Constr	76,488	76,488	-	-	-	2014 CO's
Rodman Drainage	-	-	-	-	-	2014 CO's
Master Drainage Study	-	-	-	-	-	TBD
Drainage Improvements Downstream of Golf Course	-	-	-	-	-	TBD
Total	\$ 1,447,465	\$ 1,191,115	\$ 256,350	\$ -	\$ -	
Economic Development						
Transit Plaza at TOD	3,200,000	384,000	2,816,000	-	-	TIRZ & other sources
Total	\$ 3,200,000	\$ 384,000	\$ 2,816,000	\$ -	\$ -	
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Non-Capitalized Expenditures Related to a Specific Program						
Capital Improvement Program 2014-2016						
General	5,000	5,000	-	-	-	2014 CO's
Capital Improvement Program 2018 General	5,000	5,000	-	-	-	2019 CO's
Total	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	
Park Improvements and Land						
Corky Park Improvements	-	-	-	-	-	2019 CO's
New Park	6,736,585	4,244,585	2,492,000	-	-	2019 CO's and 2023 CO's
Benton/Ryderwood Dog Park	782,118	419,618	362,500	-	-	2019 CO's and 2014 CO's
Duaneburg to Carroll T. Welch Open Space Path	-	-	-	-	-	TBD
West Eastlake Estates Park Improvements	-	-	-	-	-	TBD
Park Upgrades - New Standards	-	-	-	-	-	TBD
Total	\$ 7,518,703	\$ 4,664,203	\$ 2,854,500	\$ -	\$ -	
Street Infrastructure						
Breaux Street Improvements (from Horizon Blvd. to Nunda)	1,001,450	1,001,450	-	-	-	Street Maintenance Fund
2022 Street Maintenance Program	-	-	-	-	-	Street Maintenance Fund
Oxbow and Pawling Street Improvements	1,859,492	1,859,492	-	-	-	2014 CO's
Sign Replacement and ADA Ramp Construction	-	-	-	-	-	2014 CO's
Pavement Management Information System	69,689	-	69,689	-	-	2014 CO's
Horizon Blvd Path Improvements	365,000	65,000	300,000	-	-	2019 CO's



CAPITAL IMPROVEMENT PLAN - FUNDED AND UNFUNDED PROJECTS

Project Name and Type	Total	2024	2025	2026	2027	Funding Source(s)
Ensor Welch Path Improvements	250,000	50,000	200,000	-	-	2019 CO's
North Darrington Reconstruction	13,619,176	2,485,400	5,332,708	5,801,068	-	2014 CO's, STP, CRRSA
N. Kenazo Safety Lighting Project - FY 2022	498,179	498,179	-	-	-	2014 CO's TXDOT Safety Project Funding
South Darrington Safety Lighting Project	973,522	973,522	-	-	-	2014 CO's & TXDOT Safety Project Funding
S. Darrington Rd. Repaving	13,450,000	-	-	-	13,450,000	TBD
N. Kenazo Ave. Reconstruction	15,703,000	-	-	-	15,703,000	TBD
S. Kenazo Ave. Reconstruction	9,530,000	-	-	-	9,530,000	TBD
Kenazo Dr. Extension	6,177,000	-	-	-	6,177,000	TBD
Alberton Ave./Antwerp Rd. Construction	16,519,000	-	-	-	16,519,000	TBD
School Zone Upgrades	-	-	-	-	-	TBD
Darrington Illumination	-	-	-	-	-	TBD
Rifton Illumination	-	-	-	-	-	TBD
S. Kenazo Illumination	-	-	-	-	-	TBD
Sidewalk Construction on Arterials & Collectors	-	-	-	-	-	149 TBD
New Traffic Signals/Roundabouts	-	-	-	-	-	TBD
McMahon Street Improvements	-	-	-	-	-	TBD
Duanesburg Street Improvements (from Horizon Blvd. to S. Kenazo)	-	-	-	-	-	TBD
Texas Rainbow Extension to N. Kenazo	-	-	-	-	-	TBD
Horizon Blvd. Median Improvements between Ashford and Rifton Ct.	-	-	-	-	-	TBD
Horizon Boulevard - Intersection Improvements at Darrington.	-	-	-	-	-	TBD
Horizon Boulevard - Intersection Improvements at Horizon Crossing	-	-	-	-	-	TBD
Update and Expand Hike and Bike Trails	-	-	-	-	-	TBD
ADA Transition Plan - Implementation	-	-	-	-	-	TBD
Dilley and Delake Drives	8,700,000	1,044,000	7,656,000	-	-	2014 CO's and 2023 CO's TIRZ & other sources
Howard Lowe Rd. ROW Improvements	-	-	-	-	-	TBD
Rodman Street Improvements	-	-	-	-	-	TBD
Rodman Multi-Use Path	-	-	-	-	-	TBD
Total	\$ 88,715,508	\$ 7,977,043	\$ 13,558,397	\$ 5,801,068	\$ 61,379,000	
Administrative Buildings and Land						
City Hall Build Out	500,000	359,170	140,830	-	-	ARPA



CAPITAL IMPROVEMENT PLAN - FUNDED AND UNFUNDED PROJECTS

Project Name and Type	Total	2024	2025	2026	2027	Funding Source(s)
Municipal Facilities - Phase 2 - Town Hall and						
Municipal Court	13,400,000	100,000	1,800,000	-	11,500,000	TBD
ADA Transition Plan	2,223,829	2,223,829	-	-	-	2014 CO's
Total	\$ 16,123,829	\$ 2,682,999	\$ 1,940,830	\$ -	\$ 11,500,000	
Public Safety Buildings and Land						
City Hall/Police Headquarters	15,000,000	12,067,010	2,932,990	-	-	2023 COs
Total	\$ 15,000,000	\$ 12,067,010	\$ 2,932,990	\$ -	\$ -	
Quality of Life Buildings and Land						
Multipurpose Center	-	-	-	-	-	TBD
Renovate Oz Glaze Senior Center	-	-	-	-	-	TBD
Develop a Community Pool	-	-	-	-	-	TBD
Total	\$ -	\$ -	\$ -	\$ -	\$ -	150
Computers and Software Systems						
Virtual Meeting Capabilities	100,000	100,000	-	-	-	ARPA
Total	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	
Grand Total	\$ 132,015,505	\$ 29,076,370	\$ 24,359,067	\$ 5,801,068	\$ 72,879,000	

Capital Fund by Category

Project Type	Amount	Percent of Total CIP
Drainage Improvements & Land	\$ 1,447,465	1.10%
Economic Development	\$ 3,200,000	2.42%
Non-Capitalized Expenditures	\$ 10,000	0.01%
Park Improvements and Land	\$ 7,518,703	5.69%
Street Infrastructure	\$ 88,715,508	67.15 ¹⁵¹ %
Administrative Buildings & Land	\$ 16,123,829	12.20%
Public Safety Buildings & Land	\$ 15,000,000	11.35%
Computers and Software Systems	\$ 100,000	0.08%
	\$ 132,115,505	100.00%

Highlights

- Opened proposals for **Municipal Facilities Phase 1** – anticipating contract award Summer 2024
- **Oxbow, Pawling and Breaux** street & drainage improvements – scheduled completion Summer 2024
- **S. Darrington Safety Lighting** – scheduled completion Summer 2024
- **N. Darrington Reconstruction ROW** – finalizing easements
- **N. Darrington Reconstruction**
 - Finalizing utility agreements
 - Coordinating for SIB loan to fund gap

Highlights

- **Rodman Shared Use Path** – anticipating design start Summer 2024.
- **Dilley, Delake and Transit Plaza Design** – pending HUD approval for design start.
- **2023-2024 Street Maintenance Program** – construction¹⁵³ start scheduled for summer 2024. (Non-CIP, but involves construction).

Town of Horizon City Capital Improvement Program

Council Meeting
May 14, 2024

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Town of Horizon City ARPA Update

May 14, 2024
Council Meeting

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American Rescue Plan Projects

Updated: May 6, 2024

Program	Project Description	Allocation	Adjusted Allocation	Variance	Costs & Contracts to Date	Balance
Administration	City Attorney - Legal Services	\$ 46,000	\$ 46,000	\$ -	\$ 73,947	\$ (27,947)
Administration	Personal Protective Equipment	\$ 336,000	\$ 336,000	\$ -	\$ 5,529	\$ 330,471
Administration	Other Services & Equipment - HR services, additional sanitation	\$ 288,000	\$ 155,000	\$ (133,000)	\$ -	\$ 155,000
Administration	Rental of Portable offices	\$ 42,000	\$ 42,000	\$ -	\$ 35,218	\$ 6,782
Administration	Collaborative Projects - Food distribution, testing sites, broadband initiatives	\$ 138,000	\$ 138,000	\$ -	\$ -	\$ 138,000
Administration	Facilities - rental of additional offices	\$ 117,000	\$ -	\$ (117,000)	\$ -	\$ -
Administration	General Operations	\$ 967,000	\$ 717,000	\$ (250,000)	\$ 114,694	\$ 602,306
CIP/Planning	Virtual Meeting Capabilities	\$ 100,000	\$ 100,000	\$ -	\$ 91,244	\$ 8,756
CIP/Planning	City Hall Build Out	\$ 500,000	\$ 750,000	\$ 250,000	\$ 2,100	\$ 747,900
CIP/Planning	Demolition of Former FAA Facility	\$ 250,000	\$ -	\$ (250,000)	\$ 4,200	\$ 156,200
CIP/Planning	N. Darrington Reconstruction - ROW Acquisition	\$ 950,000	\$ 890,000	\$ (60,000)	\$ 1,400,966	\$ (510,966)
CIP/Planning	N. Darrington Reconstruction - Utility Relocation	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
CIP/Planning	Drainage Improvements	\$ 950,000	\$ 1,200,000	\$ 250,000	\$ 6,300	\$ 1,193,700
CIP/Planning	Horizon City Property Portfolio	\$ 900,000	\$ 810,000	\$ (90,000)	\$ -	\$ 810,000
CIP/Planning	City-initiated rezoning in TOD	\$ -	\$ -	\$ -	\$ -	\$ -
CIP/Planning	Transit Plaza Siting	\$ -	\$ 90,000	\$ 90,000	\$ -	\$ 90,000
CIP/Planning	Air Quality Analysis for Transit Plaza and Horizon-Socorro Circulator Route	\$ -	\$ -	\$ -	\$ -	\$ -
CIP/Planning	Transit Plaza property acquisition (if necessary)	\$ -	\$ -	\$ -	\$ -	\$ -
CIP/Planning	City Hall Property Acquisition (if necessary)	\$ -	\$ -	\$ -	\$ -	\$ -
CIP/Planning	Dilley Construction (if necessary)	\$ -	\$ -	\$ -	\$ -	\$ -
CIP/Planning	CIP/Planning Totals	\$ 3,650,000	\$ 3,900,000	\$ 250,000	\$ 1,504,810	\$ 2,395,190
				\$ -	\$ -	\$ -
HEDC	Small Business Grant and Incentive Fund	\$ 250,000	\$ 250,000	\$ -	\$ 249,265	\$ 735

Program Total	\$ 4,867,000	\$ 4,867,000	\$ -	\$ 1,868,769	\$ 2,998,231
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Blue Font - Projects presented in November 2023 to Council

Milestones

- **December 31, 2024** – obligated funds (amounts under contract) reported to the federal government
- **April 30, 2025** – interim report of estimated costs submitted to the federal government

Virtual Meeting Capabilities

- Equipment has been ordered
- Scheduled for installation late May 2024 with testing to follow

City Hall Build Out

Reviewing contracting options

- Architectural services were not available through buy boards or other options
- City procurement

N. Darrington Reconstruction – ROW Acquisition

- Pond acquisition complete
- Pending temporary and permanent easements for signal at Darrington and Pawling
- Will use part of funding for utility relocation costs

Drainage Improvements

- Developing scope of work for Carson Drainage Improvements
- Will procure through City processes using federal requirements throughout process.

City-initiated rezoning in TOD

- Next step in planning efforts to achieve vision in TOD
- Exploring options to reduce administrative time

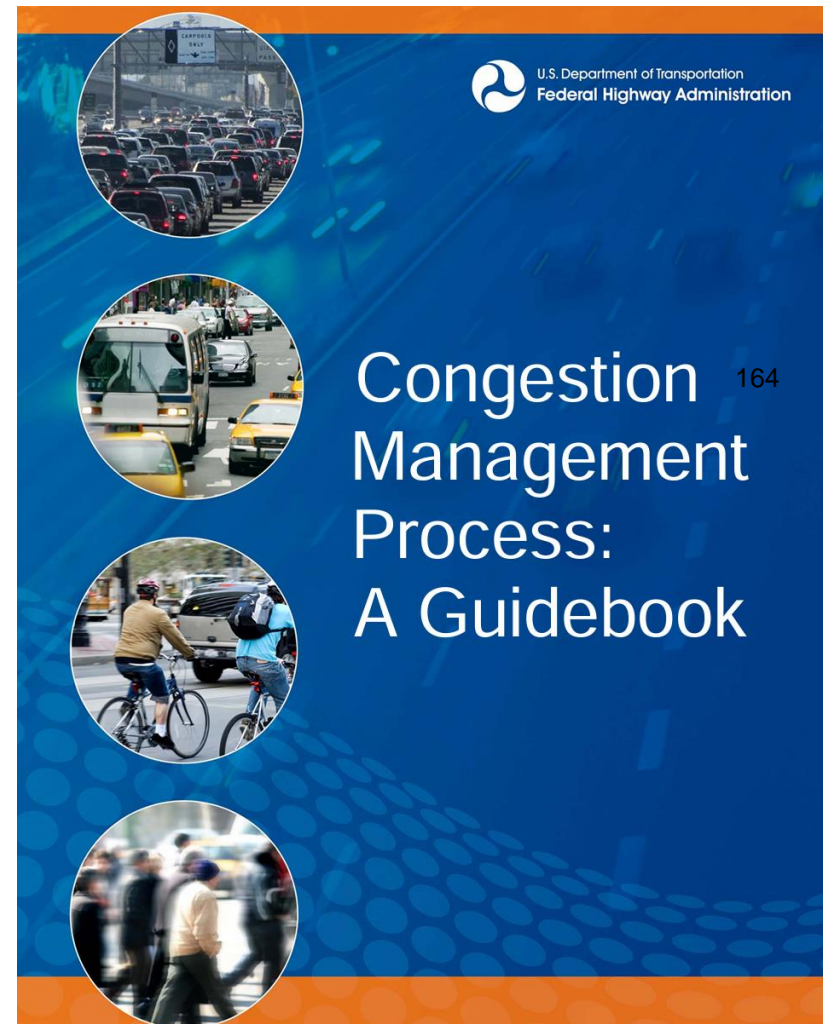


Transit Plaza Siting

- Siting study underway
- 3 options under review and available by end of June 2024
- Final site selection – August 2024

Air Quality Analysis for Projects

- Transit Plaza
- Horizon-Socorro Circulator Route
- Analyses required to secure Congestion Mitigation and Air Quality (CMAQ) funds
- Coordinating with El Paso Area Transit Service - LGC



Transit Plaza Property Acquisition

- Acquisition to follow federal requirements upon completion of the site assessment.

City Hall Phase 2 - Property Acquisition¹⁶⁵

- Acquisition, only if necessary, once the site assessment project is completed.

Dilley Construction (if necessary)

- Upon completion of the design for Dilley and Delake, can utilize these funds for the construction of Dilley.

Ongoing monitoring

- Will conduct quarterly evaluations to determine project progress and make alternate recommendations if appropriate.

Town of Horizon City ARPA Update

May 14, 2024
Council Meeting

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RESOLUTION

OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE GRANTS DIVISION

FY2025 State Crisis Intervention Grant Program

WHEREAS, The City Council of the Town of Horizon City finds it in the best interest of the citizens of Horizon City, that the Horizon City Crisis Intervention Program be operated for the 1st year; and

WHEREAS, The City Council of the Town of Horizon City agrees to provide applicable matching funds for the said project as required by the Office Of the Governor, Criminal Justice Grants Division grant application and

WHEREAS, The City Council of the Town of Horizon City agrees that in the event of loss or misuse of the Office of the Governor funds, the City Council of the Town of Horizon City assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, The City Council of the Town of Horizon City designates the Mayor of the Town of Horizon City as the grantee’s authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that City Council of the Town of Horizon City approves submission of the grant application for the Crisis Intervention Program to the Office of the Governor.

Signed by:

Passed and approved this _____ of _____ , _____

Mayor
Horizon City, Texas

ATTEST:

Elvia Schuler
City Clerk
Horizon City, Texas

Grant Number: 5181501

Memorandum of Action 24-09



TO: Personnel Concerned

FROM: Police Chief Marco A. Vargas 

RE: Promotion of Personnel

DATE: April 26, 2024

Effective Sunday May 5, 2024, Officer Heli Sierra is promoted to Sergeant. Promotion Ceremony will take place during City Council Meeting on Tuesday May 14, 2024 at 6:00pm.

Congratulations!

Thank You,



**TOWN OF HORIZON CITY
MEMORANDUM**

Date: May 14, 2024
To: Honorable Mayor and Members of City Council
From: Art Rubio, Planner
SUBJECT: **1st Reading of Ordinance No. _____**, An Ordinance Adopting a Zoning Change Within the Municipal Limits of the Town of Horizon City, Texas; Rezoning Two Parcels From A-1 (Apartments) to C-1 (General Commercial); Containing Approximately 3.9686 Acres; Being A Parcel of Land Out of Section 31, Block 78, Township 3, Texas and Pacific Railway Company Surveys and A Portion of Section 31, Block 78, Township 3, Texas and Pacific Railway Company Surveys, Town of Horizon City, El Paso County, Texas; North of Horizon Blvd and West of Kenazo Ave; and Authorizing the Notation of the Change on the Official Zoning Map of the Town; Providing for the Following: Findings of Fact; Repealer; Severability; and Proper Notice and Hearing.

The Planning & Zoning Commission will be reviewing and making a recommendation to the City Council on May 20, 2024.

The applicant's request is to rezone the property to C-1 (General Commercial) Zoning District to allow for commercial uses currently not permitted in A-1 (Apartments) Zoning District, the proposed uses will provide goods and services needed by the community. Staff recommendation to the Planning and Zoning Commission is approval, based on compatibility with surrounding properties to the east and southwest of the subject property.

Attached for your review are the draft Ordinances and the consolidated staff report that will be presented to the Planning and Zoning Commission.

ORDINANCE NO. _____

AN ORDINANCE ADOPTING A ZONING CHANGE WITHIN THE MUNICIPAL LIMITS OF THE TOWN OF HORIZON CITY, TEXAS; REZONING TWO PARCELS FROM A-1 (APARTMENTS) TO C-1 (GENERAL COMMERCIAL); CONTAINING APPROXIMATELY 3.9686 ACRES; BEING A PARCEL OF LAND OUT OF SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILWAY COMPANY SURVEYS AND A PORTION OF SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILWAY COMPANY SURVEYS, TOWN OF HORIZON CITY, EL PASO COUNTY, TEXAS; NORTH OF HORIZON BLVD AND WEST OF KENAZO AVE; AND AUTHORIZING THE NOTATION OF THE CHANGE ON THE OFFICIAL ZONING MAP OF THE TOWN; PROVIDING FOR THE FOLLOWING: FINDINGS OF FACT; REPEALER; SEVERABILITY; AND PROPER NOTICE AND HEARING.

WHEREAS, an application was made to change a designated zone for a parcel of property as identified herein within the municipal limits of the Town of Horizon City; and

WHEREAS, said application was forwarded to and considered by the Town of Horizon City Planning and Zoning Commission; and

WHEREAS, the Planning and Zoning Commission has complied with all state and local laws affecting the changing of zones and held a public hearing to obtain public comments; and

WHEREAS, the Planning and Zoning Commission has recommended that the zoning on the parcel of property be rezoned to C-1 (General Commercial) Zoning District; and

WHEREAS, the City Council of the Town of Horizon City ("Town Council") seeks to promote safe, orderly and consistent use and development of real property; and

WHEREAS, the notice required by the Texas Local Government Code has been published in the official newspaper and given to adjacent property owners; and

WHEREAS, public hearings have been held by the Town Council as required by law; and

WHEREAS, all written and oral protests (if any) submitted against the proposed zoning change have been reviewed and considered; and

WHEREAS, the Town Council in its decision for rezoning finds that such rezoning is in the public interest of the Town of Horizon City, Texas; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the Town has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the Town and is necessary or proper for carrying out a power granted by law to the Town; and

WHEREAS, pursuant to Texas Local Government Code Chapter 211, the Town is authorized to promulgate and enforce zoning regulations; and

WHEREAS, the Town Council finds that it is necessary and proper for the good government, peace, and order of the Town of Horizon City to adopt this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF HORIZON CITY, TEXAS. THAT:

I. REZONING

The zoning be changed from A-1 (Apartments) to C-1 (General Commercial) Zoning District within the meaning of the Zoning Ordinance contained in Chapter 14 on the Horizon City Municipal Code, for approximately 3.9686 acres, more or less, and legally described by Metes & Bounds and Survey Maps, Exhibit "A" attached hereto and by reference included herein:

II. ZONING MAP

The zoning map for the Town of Horizon City shall be modified to include the zoning changes directed by this ordinance.

III. FINDINGS OF FACT

That this ordinance was duly enacted with all requisites and formalities incident thereto the enactment of ordinance, and such is evidenced by the signatures below; and further that the foregoing recitals are incorporated into this ordinance by reference as findings of fact as if expressly set forth herein.

IV. REPEALER

All ordinances, resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the effect of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

V. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

VI. PROPER NOTICE AND MEETING

It is officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52, Texas Local Government Code.

PASSED AND APPROVED this the ___ day of _____, 2024, by a vote of ___ (ayes) to ___ (nays) to ___ (abstentions) of the **Town Council of Horizon City, Texas.**

Town of Horizon City

By: _____
Andres Renteria, Mayor

ATTEST:

By: _____
Elvia Schuller, TRMC, City Clerk

APPROVED AS TO FORM:

Sylvia Borunda Firth, City Attorney

First Reading: 05/14/2024
Second Reading: 06/11/2024

EXHIBIT "A"

ATCON ENGINEERING
A 2.9686 ACRE PARCEL
BEING A PORTION OF SECTION 31, BLOCK 78,
TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS,
MAY 19, 1999

PROPERTY DESCRIPTION
(PARCEL 4-D)

BEING A PORTION OF SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS, EL PASO COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE AT THE SOUTHWEST CORNER FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS, THENCE NORTH 89°56'48" EAST ALONG THE CENTERLINE OF HORIZON BOULEVARD AND ALONG THE SOUTH LINE FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS A DISTANCE OF 3350.36 FEET TO A POINT ON THE CENTERLINE INTERSECTION OF HORIZON BOULEVARD AND EASTLAKE DRIVE; THENCE, NORTH 00°03'12" EAST ALONG THE CENTERLINE OF EASTLAKE DRIVE A DISTANCE OF 130.00 FEET TO A POINT; THENCE, 978.99 FEET ALONG THE CENTERLINE OF EASTLAKE DRIVE AND ALONG THE ARC OF A CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF 28°42'39", A RADIUS OF 1953.69 FEET AND A CHORD WHICH BEARS NORTH 14°24'31" WEST A DISTANCE OF 968.78 FEET TO A POINT; THENCE, NORTH 28°43'38" WEST CONTINUING ALONG SAID CENTERLINE A DISTANCE OF 1512.51 FEET TO A POINT; THENCE, SOUTH 61°14'10" WEST A DISTANCE OF 60.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTLAKE DRIVE AND TO THE POINT OF BEGINNING FOR THE PARCEL OF LAND DESCRIBED HEREIN;

THENCE, SOUTH 28°45'50" EAST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 233.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, SOUTH 61°14'10" WEST A DISTANCE OF 555.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, NORTH 28°45'50" WEST A DISTANCE OF 233.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, NORTH 61°14'10" EAST A DISTANCE OF 555.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 129,314.81 OR 2.9686 ACRES OF LAND MORE OR LESS.

NOTES:

1. BEARINGS RECITED HEREIN ARE BASED ON THE SOUTH LINE FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD CO. SURVEYS.
2. A PARCEL PLAN OF THE SAME DATE ACCOMPANIES THIS DESCRIPTION.
3. NOT A GROUND SURVEY.

EXHIBIT "A"

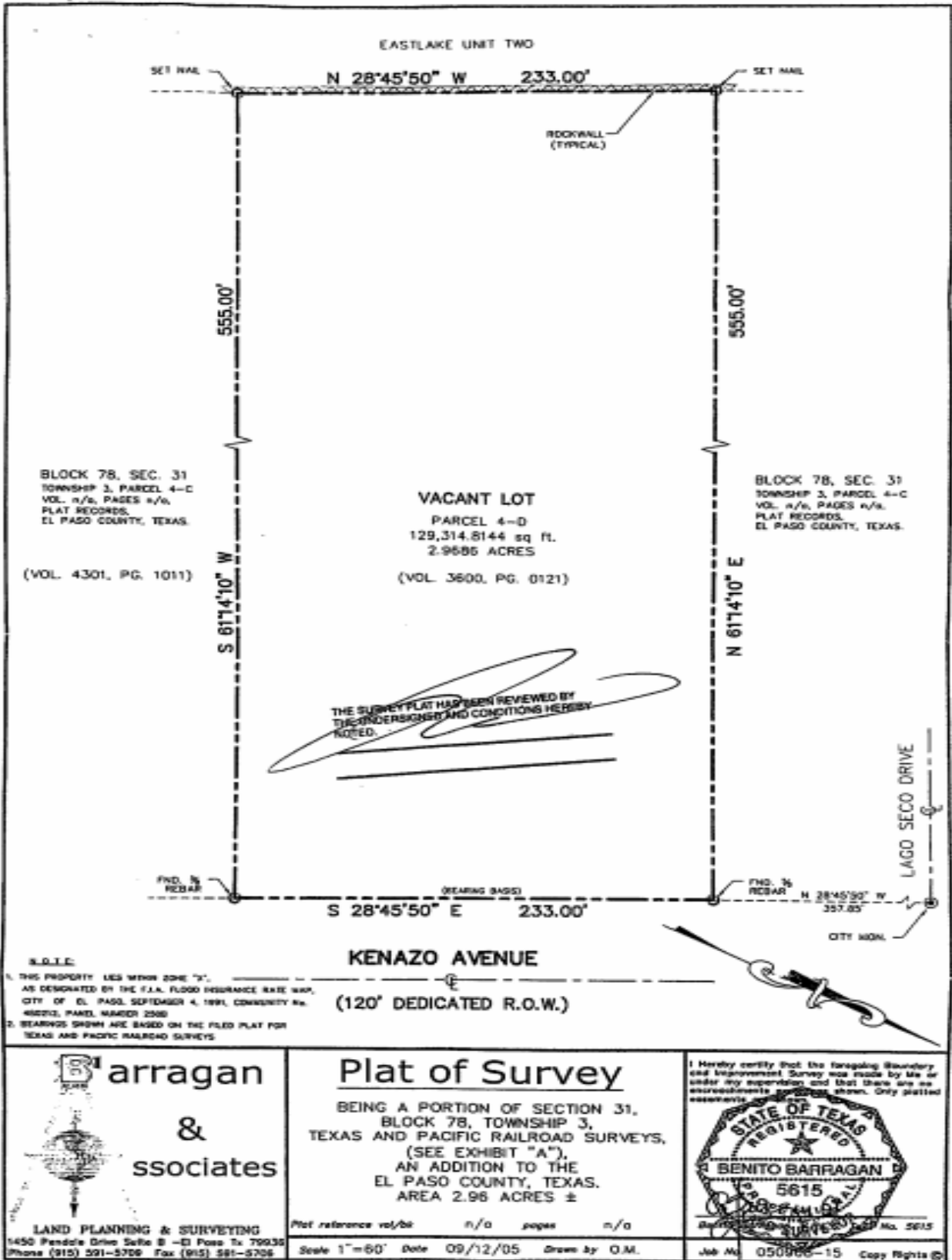


EXHIBIT "A"

A parcel of land out of Section 31, Block 78, Township 3, TEXAS AND PACIFIC RAILWAY COMPANY SURVEYS, El Paso County, Texas, according to the Resurvey done by El Paso County, Texas and being more particularly described by Metes and Bounds as follows:

COMMENCING at a city monument located at the intersection of the centerline of Lago Seco Drive and westerly right-of-way line of N. Kenazo Blvd.; THENCE, S 28°45'50" E, along said westerly right-of-way line, distance of 358.88 feet, to a point marking the northeasterly corner for said 2.9686 acre tract, from whence a found 1/2" rebar for the southeasterly corner for said 2.9686 acre tract bears, S 28°45'50" E, along said westerly right-of-way line, distance of 233.00 feet;

THENCE, S 61°14'10" W, a distance of 10.00 feet to a set 5/8" rebar with cap stamped "B&A", said rebar also being the POINT OF BEGINNING of this parcel;

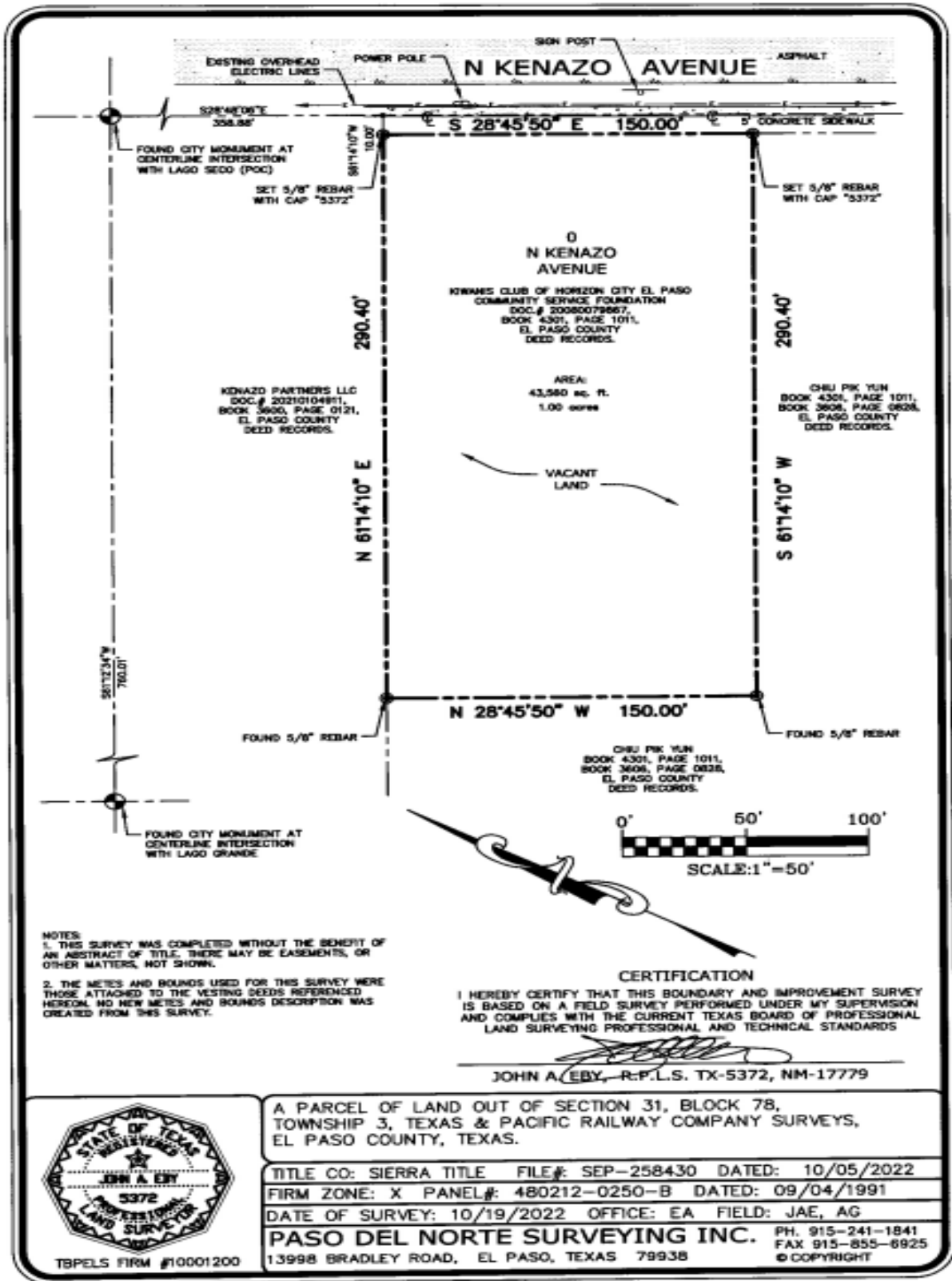
THENCE, S 28°45'50" E, parallel to said westerly right-of-way line, a distance of 150.00 feet to a set 5/8" rebar with cap stamped "B&A" for a corner of this parcel;

THENCE, S 61°14'10" W, a distance of 290.40 feet to a set 5/8" rebar with cap stamped "B&A" for a corner of this parcel;

THENCE, N 28°45'50" W, a distance of 150.00 feet to a set 5/8" rebar with cap stamped "B&A" on the northerly line of said 2.9686 acre tract for a corner of this parcel;

THENCE, N 61°14'10" E, along said northerly line, a distance of 290.40 feet to the POINT OF BEGINNING of this parcel and containing in all 43,560 sq. ft. or 1.00 acres of land more or less.

EXHIBIT "A"





TOWN OF HORIZON CITY
Planning and Zoning Commission Staff Report

Case No.: ZRZ24-0001

Application Type: **Rezoning**
P&Z Hearing Date: May 20, 2024
Staff Contact: Art Rubio, Planner
 915-852-1046 ext. 407; arubio@horizoncity.org

Address/Location:

Property ID No.:

Legal Description: A Parcel of Land Out Of Section 31, Block 78, Township 3, Texas and Pacific Railway Company Surveys and A Portion of Section 31, Block 78, Township 3, Texas and Pacific Railway Company Surveys, Town of Horizon City, County of El Paso, Texas ±3.9686-acres

Property Owner(s): Kenazo Partners, LLC

Applicant/Rep.: Karam Development

Nearest Park: Desmond Corcoran

Nearest School: Horizon Middle School & Desert Hills Elementary (CISD)

SURROUNDING PROPERTIES:		
	Zoning	Land Use
N	R-9 (Single-Family Dwelling)/R4 (Single-Family Dwelling)	Single-Family Dwellings
E	R-2 (Single-Family Dwelling)/C-1 (General Commercial)/PUD (Planned Unit Development)	Single-Family Dwellings, Schools
S	A-1 (Apartments)/R-9 (Single-Family Dwelling)/C-1 (General Commercial)	Vacant, Apartments, Single-Family Dwellings, Shopping center
W	R-9 (Single-Family Dwelling)	Single-Family Dwellings
LAND USE AND ZONING:		
	Existing	Proposed
Land Use	Vacant	Shopping Center-Retail, Office, Restaurant
Zoning	A-1 (Apartments)	C-1 (General Commercial)

Application Description:

The applicant requested to rezone approximately 3.9686 of land that is currently vacant. The subject property is currently zoned A-1 (Apartments) and is proposed to be rezoned as C-1 (General Commercial) to allow for retail and medical offices.

Notice:

In accordance with Section 211.007 of the Texas Local Government Code, notices of the April 15, 2024, public hearing for the rezoning request were sent to those property owners

within 200 feet of the subject property 15 days prior to each meeting, then posted in the El Paso Times Newspaper 15 days prior to each meeting. In addition, the applicant is required to erect signs notifying the public of the proposed rezoning on the site proposed for rezoning fifteen (15) days prior to the Planning and Zoning Commission public hearing. Staff has confirmed that the sign has been up 15 days prior to the P&Z public hearing.

Shaping Our Horizon:2030 A Comprehensive and Strategic Plan – Future Land Use Map Designation:

Horizon City's, Shaping Our Horizon: 2030 Comprehensive and Strategic Plan designates this property as Parks and Open Space, the existing zoning district is A-1 (Apartments). There are existing C-1 zoned properties to the south and east of the subject property. A change of zone from A-1 to C-1 would create a buffer between the lower density residential dwellings to the higher residential dwellings existing to the south of the subject property.

Staff Recommendation:

Staff recommends **APPROVAL** of the zone change from A-1 to C-1 in support of a variety of services and goods that are needed to support both low and high density residential in the community. The subject property is located adjacent to a major arterial and compatible C-1 commercial zoning districts to the south and east of the subject property.

Planning Division Comments:

The applicant is aware that the subject property is in tract survey form and a subdivision plat is required prior to the issuance of any grading or building permits.

Options available to the Planning and Zoning Commission:

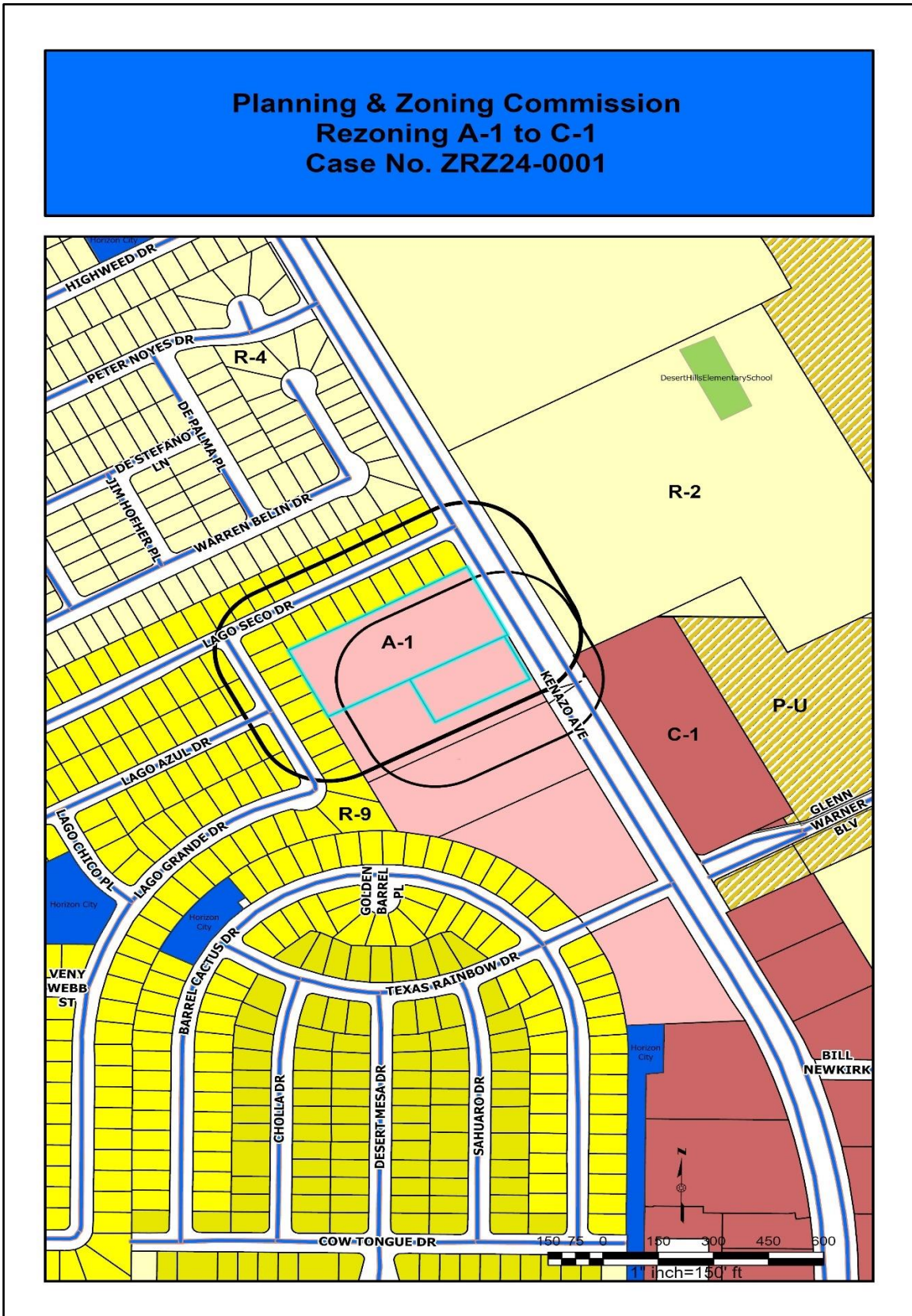
The Planning and Zoning Commission may consider the following options and additional requirements that it identifies when reviewing this Rezoning application:

1. Recommend approval of the request for a rezoning to C-1 Zoning District as stated.
2. Recommend approval of the request for rezoning as stated, including any modifications to bring the rezoning into conformance with the Zoning Ordinance and the Vision 2030: Comprehensive and Strategic Plan.
3. Recommend denial of the Applicant's request for rezoning finding that it is not in conformance with the Zoning Ordinance and/or the Vision 2030: Comprehensive and Strategic Plan.
4. Recommend a set postponement should the Commission determine it is not prepared to make a final recommendation, the applicant requests a postponement or if the Commission needs additional information to make a final recommendation.

Attachments:

- 1 - Zoning Designation Map
- 2 – Aerial Map
- 3 - Future Land Use Map (Comp Plan)
- 4 – Zoning Plan
- 5 – Plot Plan
- 6 – Application

Attachment 1: Zoning Designation

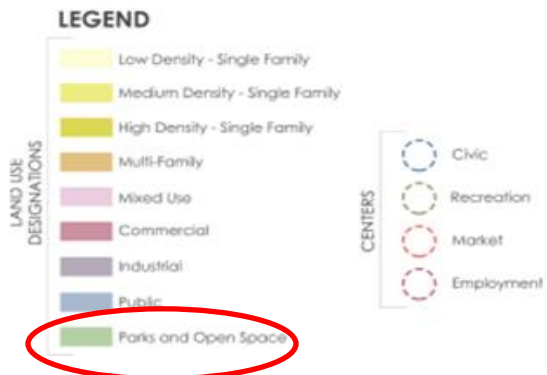
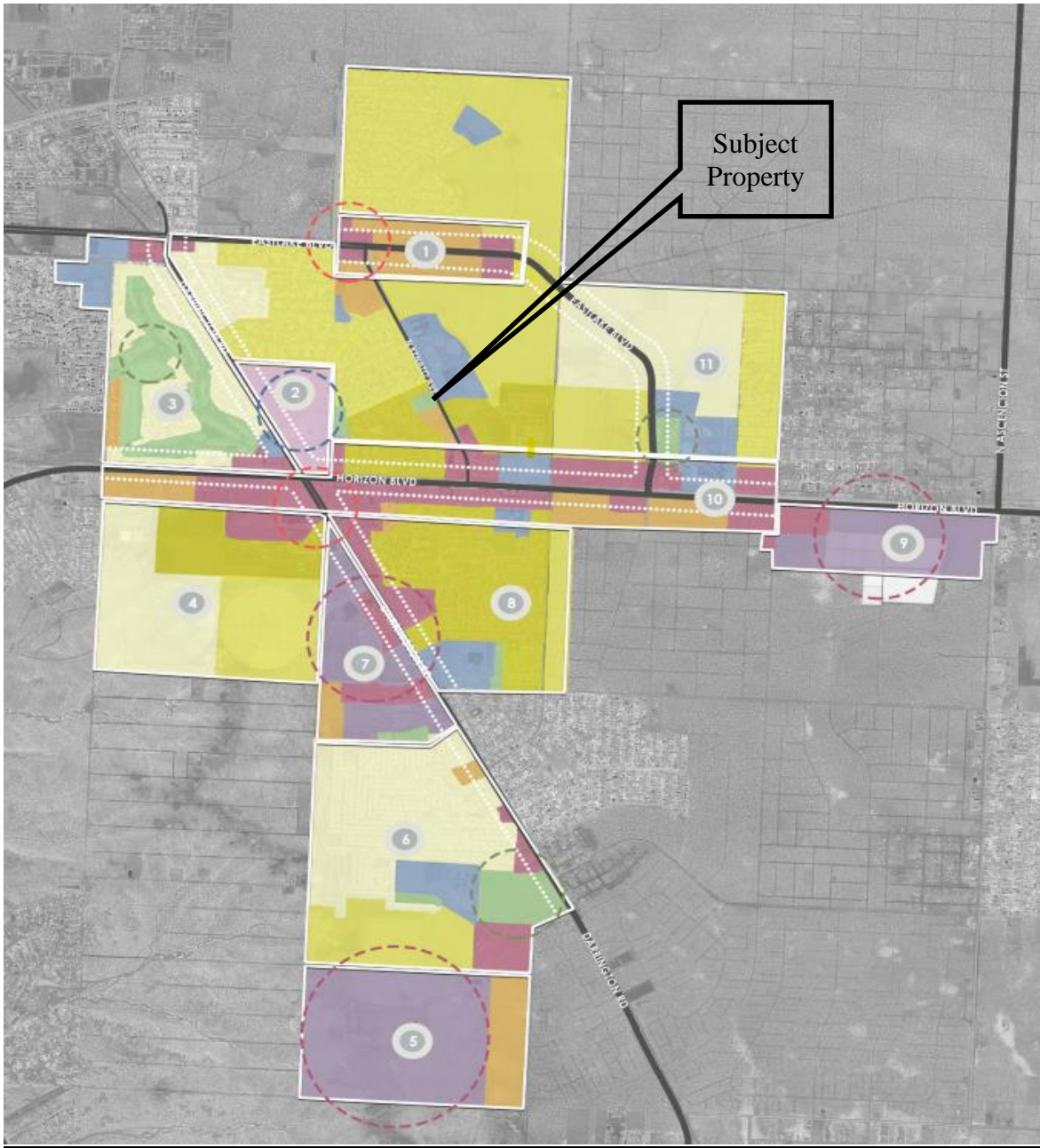


Attachment 2: Aerial

**Planning & Zoning Commission
Rezoning A-1 to C-1
Case No. ZRZ24-0001**

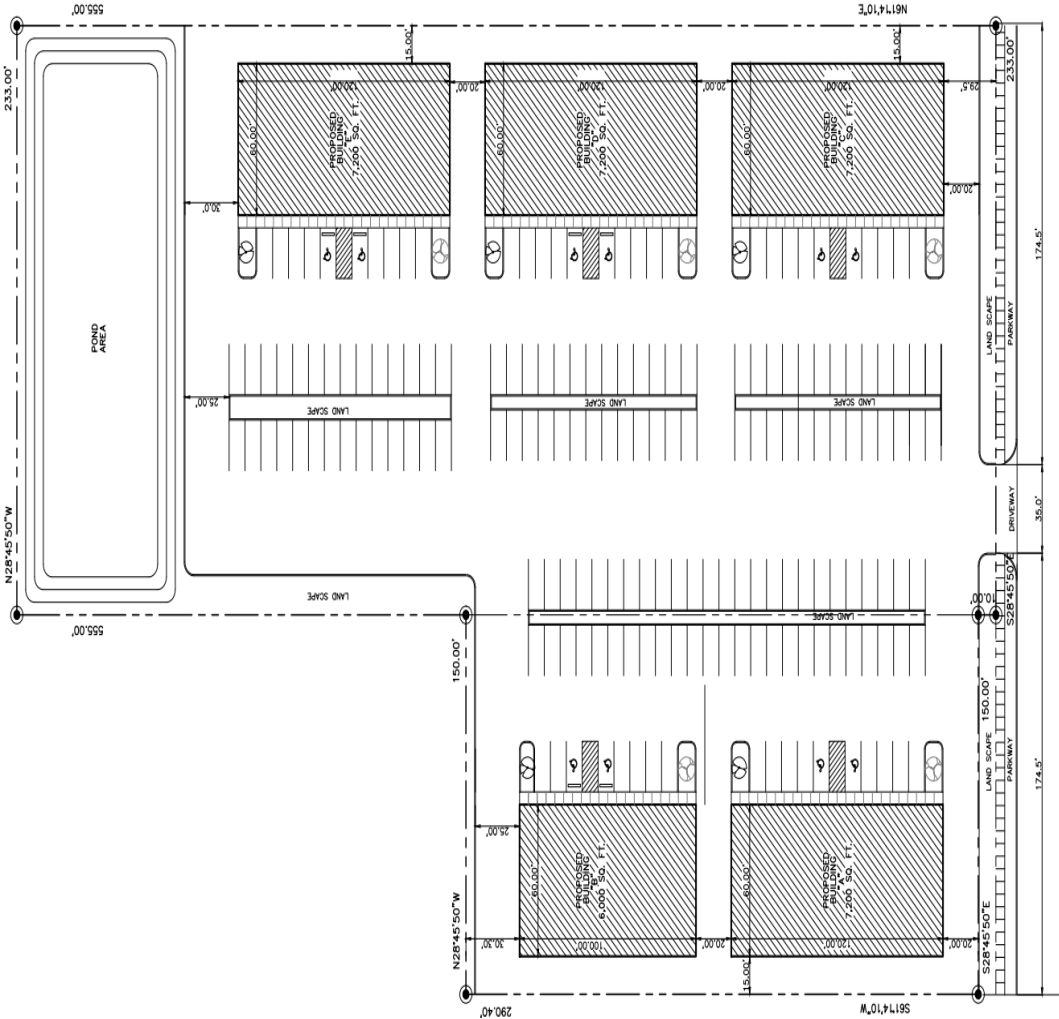


Attachment 3: Future Land Use Map



Attachment 4: Conceptual Zoning Plan

<p>REVISIONS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>																							<p>PROJECT NUMBER: </p> <p>ISSUE DATE: 11-15-25</p> <p>FILE: </p>	<p>N. KENAZO AVE. EL PASO COUNTY, TEXAS</p> <h2 style="font-size: 2em; margin: 0;">KENAZO PLAZA</h2>	<p>JLJ DESIGNS</p> <p>CELL (915) 329-4346 9434 WISCONSIN BLVD. SUITE 134 EL PASO, TEXAS 79935</p>	<p>SHEET TITLE SITE PLAN</p> <p>SHT. 01 OF 01</p>



N. KENAZO AVE.

SITE PLAN

LEGAL DESCRIPTION
PORTION OF SECTION 31, BLOCK 7A, TOWNSHIP 3,
RANGE 12E, COUNTY OF EL PASO, TEXAS

SCALE: 1" = 30.0'

NORTH

Attachment 5: Metes & Bounds and Survey Map

ATCON ENGINEERING
A 2.9686 ACRE PARCEL,
BEING A PORTION OF SECTION 31, BLOCK 78,
TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS,
MAY 19, 1999

**PROPERTY DESCRIPTION
(PARCEL 4-D)**

BEING A PORTION OF SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS, EL PASO COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE AT THE SOUTHWEST CORNER FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS, THENCE NORTH 89°56'41" EAST ALONG THE CENTERLINE OF HORIZON BOULEVARD AND ALONG THE SOUTH LINE FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS A DISTANCE OF 3350.36 FEET TO A POINT ON THE CENTERLINE INTERSECTION OF HORIZON BOULEVARD AND EASTLAKE DRIVE; THENCE, NORTH 09°03'12" EAST ALONG THE CENTERLINE OF EASTLAKE DRIVE A DISTANCE OF 130.00 FEET TO A POINT; THENCE, 978.99 FEET ALONG THE CENTERLINE OF EASTLAKE DRIVE AND ALONG THE ARC OF A CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF 28°42'39", A RADIUS OF 1853.69 FEET AND A CHORD WHICH BEARS NORTH 14°24'31" WEST A DISTANCE OF 968.78 FEET TO A POINT; THENCE, NORTH 28°43'30" WEST CONTINUING ALONG SAID CENTERLINE A DISTANCE OF 1512.51 FEET TO A POINT; THENCE, SOUTH 61°14'10" WEST A DISTANCE OF 60.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTLAKE DRIVE AND TO THE POINT OF BEGINNING FOR THE PARCEL OF LAND DESCRIBED HEREIN;

THENCE, SOUTH 28°45'50" EAST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 233.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, SOUTH 61°14'10" WEST A DISTANCE OF 555.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

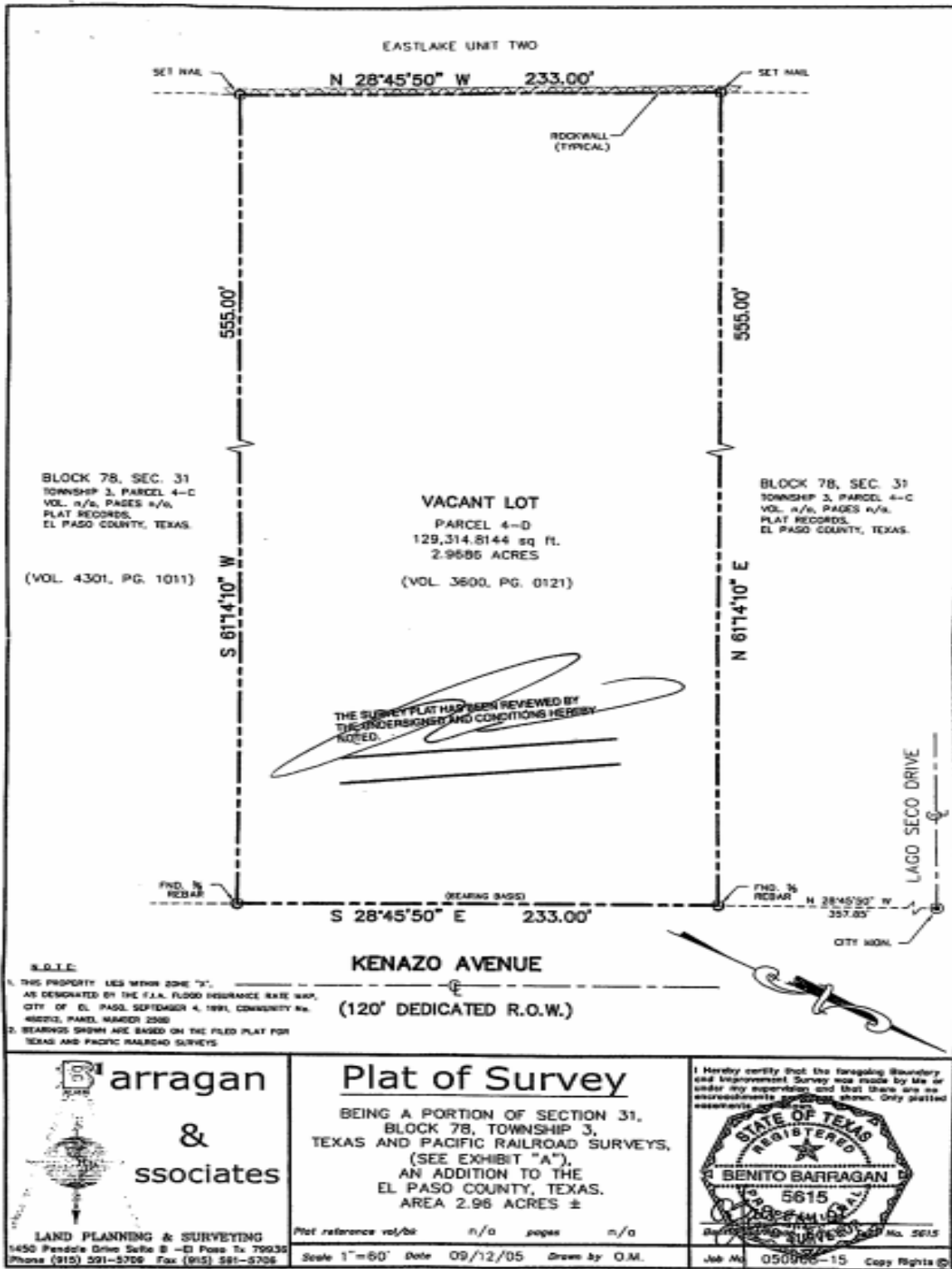
THENCE, NORTH 28°45'50" WEST A DISTANCE OF 233.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, NORTH 61°14'10" EAST A DISTANCE OF 555.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 129,314.81 OR 2.9686 ACRES OF LAND MORE OR LESS.

NOTES:

1. BEARINGS RECITED HEREIN ARE BASED ON THE SOUTH LINE FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD CO. SURVEYS.
2. A PARCEL PLAN OF THE SAME DATE ACCOMPANIES THIS DESCRIPTION.
3. NOT A GROUND SURVEY.

Attachment 5: Metes & Bounds and Survey Map



Attachment 5: Metes & Bounds and Survey Map

A parcel of land out of Section 31, Block 78, Township 3, TEXAS AND PACIFIC RAILWAY COMPANY SURVEYS, El Paso County, Texas, according to the Resurvey done by El Paso County, Texas and being more particularly described by Metes and Bounds as follows:

COMMENCING at a city monument located at the intersection of the centerline of Lago Seco Drive and westerly right-of-way line of N. Kenazo Blvd.; THENCE, S 28°45'50" E, along said westerly right-of-way line, distance of 358.88 feet, to a point marking the northeasterly corner for said 2.9686 acre tract, from whence a found 1/2" rebar for the southeasterly corner for said 2.9686 acre tract bears, S 28°45'50" E, along said westerly right-of-way line, distance of 233.00 feet;

THENCE, S 61°14'10" W, a distance of 10.00 feet to a set 5/8" rebar with cap stamped "B&A", said rebar also being the POINT OF BEGINNING of this parcel;

THENCE, S 28°45'50" E, parallel to said westerly right-of-way line, a distance of 150.00 feet to a set 5/8" rebar with cap stamped "B&A" for a corner of this parcel;

THENCE, S 61°14'10" W, a distance of 290.40 feet to a set 5/8" rebar with cap stamped "B&A" for a corner of this parcel;

THENCE, N 28°45'50" W, a distance of 150.00 feet to a set 5/8" rebar with cap stamped "B&A" on the northerly line of said 2.9686 acre tract for a corner of this parcel;

THENCE, N 61°14'10" E, along said northerly line, a distance of 290.40 feet to the POINT OF BEGINNING of this parcel and containing in all 43,560 sq. ft. or 1.00 acres of land more or less.

Attachment 6: Online Application



Town of Horizon City, TX
Town of Horizon City Hall

14999 Darrington Road
 Horizon City, TX 79928
 915-852-1046
<https://www.horizoncity.org/>

PERMIT

ZRZ24-0001	REZONE (ZONE CHANGE/CONDITION RELEASE)
SITE ADDRESS: 0 UNKNOWN HORIZON CITY PRIMARY PARCEL: X57800033101270 PROJECT NAME: REZONING	ISSUED: EXPIRES:

APPLICANT: Karam, TJ
 709 Cervantes Ct
 El Paso, TX 79922
 915-204-0095

OWNER: KENAZO PARTNERS LLC
 2022 MURCHISON STE 104
 EL PASO, TX 79902-3058

Detail Name	Detail Value
Select Type:	Rezone
Briefly explain why you are requesting a Rezone/Condition Release	Develop the property to commercial use for the neighborhood.
Land's Present Use	Vacant
Land's Present Zone	A-1
Land Vacant	Y
Land Lot Size	2.9686 Acres
Structure on Land	N
Structure's Size	N/A
Land's Proposed Use	Commercial
Proposed Zone Use	C-1
Will you be making any improvements to the existing lot or structure?	Y
This request includes Site Development Plans for approval?	Y
NOTICE: Applicant is responsible for all expenses incurred by the City in connection with the Specific Use Permit Application request, including but not limited to attorney's fees, engineering fees and publication. Additional charges will be invoiced separately and shall be paid to the Town prior to City Council action.	I acknowledge
Comments due date	4/8/2024
Planning and Zoning Commission review date	5/20/2024
City Council date	6/11/2024

99-2601

ATCON ENGINEERING
A 2.9686 ACRE PARCEL
BEING A PORTION OF SECTION 31, BLOCK 78,
TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS,
MAY 19, 1999

PROPERTY DESCRIPTION
(PARCEL 4-D)

BEING A PORTION OF SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS, EL PASO COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE AT THE SOUTHWEST CORNER FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS, THENCE NORTH 89°56'48" EAST ALONG THE CENTERLINE OF HORIZON BOULEVARD AND ALONG THE SOUTH LINE FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD SURVEYS A DISTANCE OF 3350.36 FEET TO A POINT ON THE CENTERLINE INTERSECTION OF HORIZON BOULEVARD AND EASTLAKE DRIVE; THENCE, NORTH 00°03'12" EAST ALONG THE CENTERLINE OF EASTLAKE DRIVE A DISTANCE OF 130.00 FEET TO A POINT; THENCE, 978.99 FEET ALONG THE CENTERLINE OF EASTLAKE DRIVE AND ALONG THE ARC OF A CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF 28°42'39", A RADIUS OF 1953.69 FEET AND A CHORD WHICH BEARS NORTH 14°24'31" WEST A DISTANCE OF 968.78 FEET TO A POINT; THENCE, NORTH 28°45'50" WEST CONTINUING ALONG SAID CENTERLINE A DISTANCE OF 1512.51 FEET TO A POINT; THENCE, SOUTH 61°14'10" WEST A DISTANCE OF 60.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTLAKE DRIVE AND TO THE POINT OF BEGINNING FOR THE PARCEL OF LAND DESCRIBED HEREIN;

THENCE, SOUTH 28°45'50" EAST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 233.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, SOUTH 61°14'10" WEST A DISTANCE OF 555.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

THENCE, NORTH 28°45'50" WEST A DISTANCE OF 233.00 FEET TO A POINT FOR A CORNER OF THIS PARCEL;

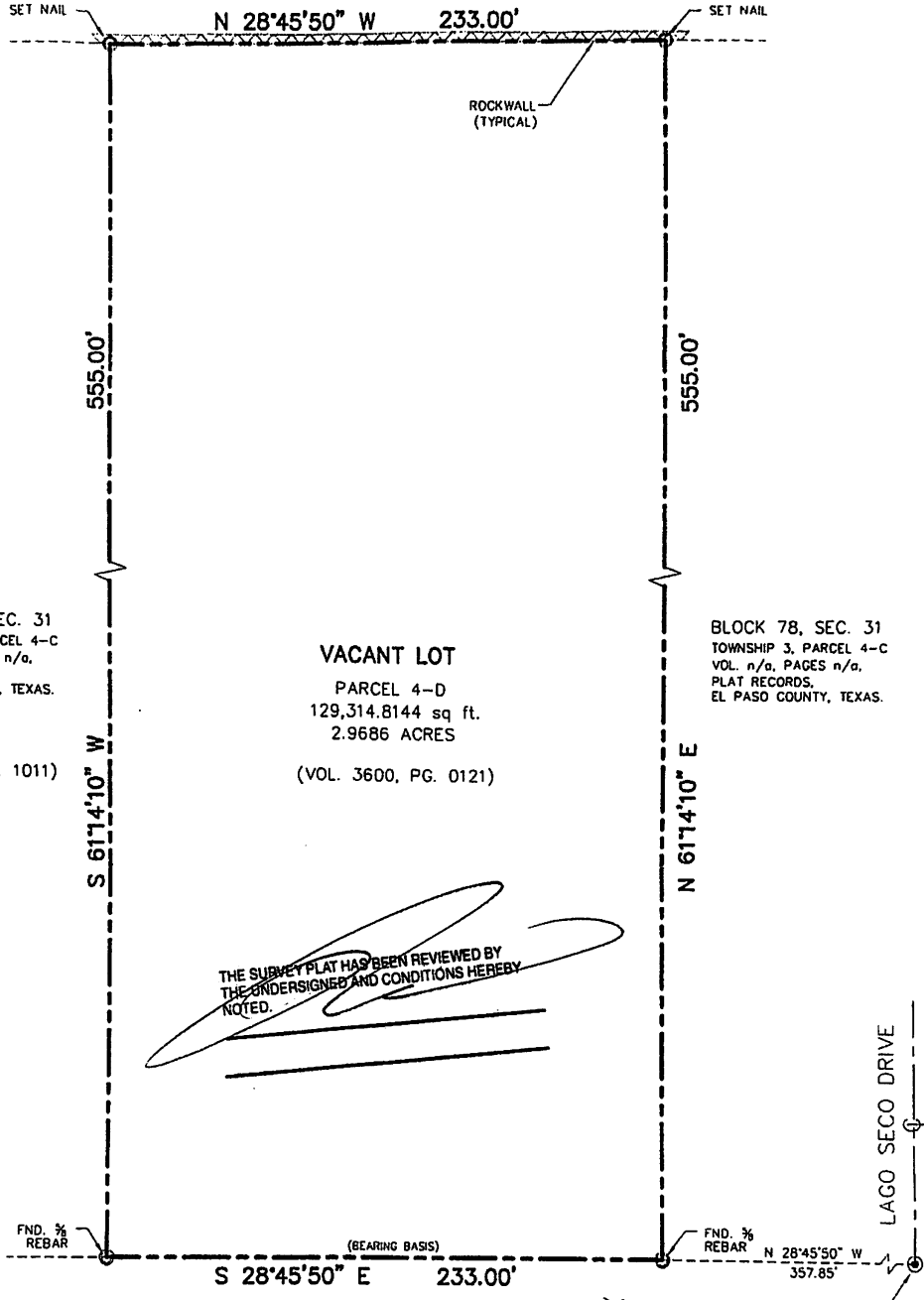
THENCE, NORTH 61°14'10" EAST A DISTANCE OF 555.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 129,314.81 OR 2.9686 ACRES OF LAND MORE OR LESS.

NOTES:

1. BEARINGS RECITED HEREIN ARE BASED ON THE SOUTH LINE FOR SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD CO. SURVEYS.
2. A PARCEL PLAN OF THE SAME DATE ACCOMPANIES THIS DESCRIPTION.
3. NOT A GROUND SURVEY.

EXHIBIT A

EASTLAKE UNIT TWO



BLOCK 78, SEC. 31
TOWNSHIP 3, PARCEL 4-C
VOL. n/a, PAGES n/a,
PLAT RECORDS,
EL PASO COUNTY, TEXAS.

(VOL. 4301, PG. 1011)

VACANT LOT

PARCEL 4-D
129,314.8144 sq ft.
2.9686 ACRES

(VOL. 3600, PG. 0121)

BLOCK 78, SEC. 31
TOWNSHIP 3, PARCEL 4-C
VOL. n/a, PAGES n/a,
PLAT RECORDS,
EL PASO COUNTY, TEXAS.

THE SURVEY PLAT HAS BEEN REVIEWED BY
THE UNDERSIGNED AND CONDITIONS HEREBY
NOTED.

N.O.T.E.

1. THIS PROPERTY LIES WITHIN ZONE "X", AS DESIGNATED BY THE F.I.A. FLOOD INSURANCE RATE MAP, CITY OF EL PASO, SEPTEMBER 4, 1991, COMMUNITY No. 480212, PANEL NUMBER 250B
2. BEARINGS SHOWN ARE BASED ON THE FILED PLAT FOR TEXAS AND PACIFIC RAILROAD SURVEYS

KENAZO AVENUE

(120' DEDICATED R.O.W.)

Barragan & Associates

LAND PLANNING & SURVEYING
1450 Pendle Drive Suite B - El Paso Tx 79936
Phone (915) 591-5708 Fax (915) 591-5705

Plat of Survey

BEING A PORTION OF SECTION 31,
BLOCK 78, TOWNSHIP 3,
TEXAS AND PACIFIC RAILROAD SURVEYS,
(SEE EXHIBIT "A"),
AN ADDITION TO THE
EL PASO COUNTY, TEXAS.
AREA 2.96 ACRES ±

Plot reference vol/bk 198/a pages n/a

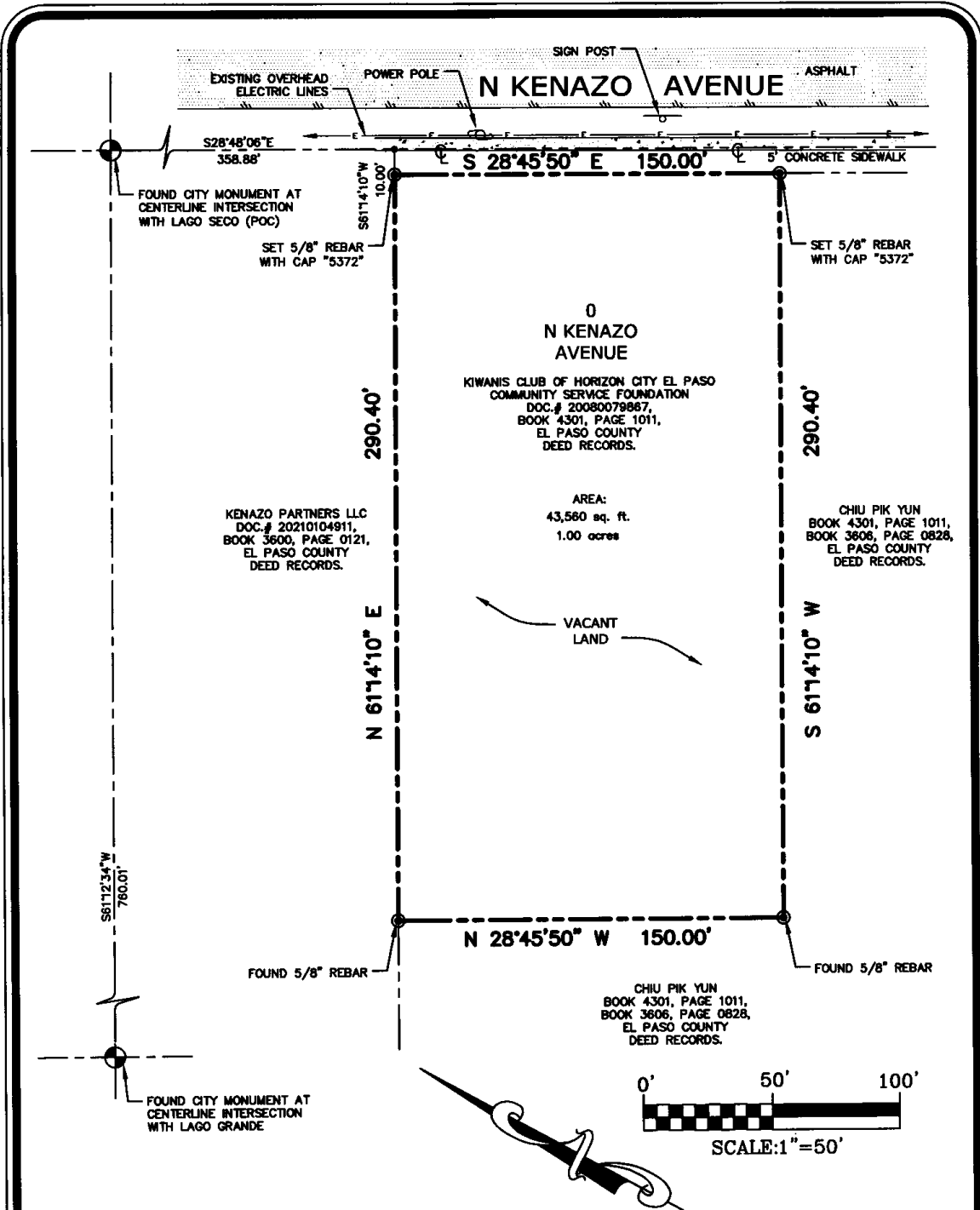
Scale 1"=60' Date 09/12/05 Drawn by O.M.

I Herby certify that the foregoing Boundary and Improvement Survey was made by Me or under my supervision and that there are no encroachments or easements shown. Only platted easements are shown.

STATE OF TEXAS REGISTERED SURVEYOR
BENITO BARRAGAN
No. 5615

Belting Barragan, Registered Surveyor No. 5615

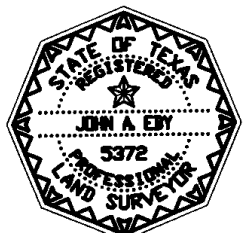
Job No. 050908-15 Copy Rights ©



NOTES:
 1. THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS, OR OTHER MATTERS, NOT SHOWN.
 2. THE METES AND BOUNDS USED FOR THIS SURVEY WERE THOSE ATTACHED TO THE VESTING DEEDS REFERENCED HEREON. NO NEW METES AND BOUNDS DESCRIPTION WAS CREATED FROM THIS SURVEY.

CERTIFICATION
 I HEREBY CERTIFY THAT THIS BOUNDARY AND IMPROVEMENT SURVEY IS BASED ON A FIELD SURVEY PERFORMED UNDER MY SUPERVISION AND COMPLIES WITH THE CURRENT TEXAS BOARD OF PROFESSIONAL LAND SURVEYING PROFESSIONAL AND TECHNICAL STANDARDS

[Signature]
 JOHN A. EBY, R.P.L.S. TX-5372, NM-17779



A PARCEL OF LAND OUT OF SECTION 31, BLOCK 78, TOWNSHIP 3, TEXAS & PACIFIC RAILWAY COMPANY SURVEYS, EL PASO COUNTY, TEXAS.

TITLE CO: SIERRA TITLE FILE#: SEP-258430 DATED: 10/05/2022
 FIRM ZONE: X PANEL#: 480212-0250-B DATED: 09/04/1991
 DATE OF SURVEY: 10/19/2022 OFFICE: EA FIELD: JAE, AG
PASO DEL NORTE SURVEYING INC. PH. 915-241-1841
 13998 BRADLEY ROAD, EL PASO, TEXAS 79938 FAX 915-855-6925
 © COPYRIGHT

TBPELS FIRM #10001200



**TOWN OF HORIZON CITY
MEMORANDUM**

Date: May 9, 2024
To: Honorable Mayor and Members of City Council
From: Teresa Quezada, CIP Manager *Teresa Quezada*
SUBJECT: Ordinance No. 0296 Amendment No. 01, an ordinance amending Ordinance No. 0296 of the Town of Horizon City, adopting the municipal budget for the 2023-2024 fiscal year, to allow for the transfer of funds in street maintenance fund

Amendment No. 01 amends the budget adopted through Ordinance No. 0296 to establish the budget for the award of the construction contract for the 2023-2024 Street Maintenance Program. The amendment appropriates \$509,700 from the Street Maintenance Fund Surplus and allocates it to various accounts which will be utilized during the project duration.

The second part of the amendment transfers \$13,000 from the Public Service Operating Budget to the Planning Operating budget.

The amendment is introduced on May 14, 2024, and will be scheduled for public hearing at the June 11, 2024, meeting.

ORDINANCE NO. 0296 AMENDMENT NO. 01

AN ORDINANCE AMENDING ORDINANCE NO. 0296 OF THE TOWN OF HORIZON CITY, ADOPTING THE MUNICIPAL BUDGET FOR THE 2023-2024 FISCAL YEAR, TO ALLOW FOR THE TRANSFER OF FUNDS IN THE 2023 STREET MAINTENANCE SURPLUS FUNDS TO THE 2024 STREET MAINTENANCE PROGRAM; AND FROM THE MASS TRANSIT PUBLIC SERVICE BUDGET TO THE PLANNING OPERATING BUDGET; AND PROVIDING FOR REPEALER AND SEVERABILITY CLAUSES.

WHEREAS, an Ordinance was enacted on September 12, 2023, which adopted a budget for the fiscal year of October 1, 2023, to September 30, 2024, for the Town of Horizon City; and

WHEREAS, it is now necessary to amend said budget for municipal purposes to allow for the transfer of funds from the 2023 Street Maintenance Fund Surplus in the amount of \$509,700.00 to the 2024 Street Maintenance Program. The funding and expenditure are necessary to provide for the 2024 Street Maintenance Program.

WHEREAS, it is now necessary to amend said budget for municipal purposes to allow for the transfer of funds from Mass Transit in the Public Service Budget to City Engineer in the Planning Budget in the amount of \$13,000.00. The funding and expenditure are necessary to provide for surveying services related to the ETJ expansion effort.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF HORIZON CITY, that:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

2. BUDGET AMENDMENT

That funds shall be transferred, as set forth in Attachment A, for the above-stated purpose.

3. REPEALER

To the extent reasonably possible, ordinances are to be read together in harmony. However, all ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections, or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

5. PROPER NOTICE & MEETING

This budget amendment shall be in file with the City Clerk for public inspection. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the _____ day of _____, 2024, by a vote of ___ (ayes) to ___ (nays) to ___ (abstentions) of the City Council of Horizon City, Texas.

TOWN OF HORIZON CITY

By: _____
Andres Renteria, Mayor

ATTEST:

By: _____
Elvia Schuller, City Clerk

APPROVED AS TO FORM:

By: _____
Sylvia Borunda Firth,
Assistant City Attorney

First Reading: _____

Second Reading: _____

ATTACHMENT “A”

Budget Amendment 2023-2024 No. 1

Street Maintenance Program 2024

Line No.	Description	Adopted Budget	Amendment Amount	Amended Budget
1	Sales Tax Revenue	\$ 660,698	\$ -	\$ 660,698
2	Prior Year Balance	\$ 595,399	\$ 509,700	\$ 1,105,099
3	Total Revenues	\$ 1,256,097	\$ 509,700	\$ 1,765,797
4	Operating Expenses	\$ 140,607	\$ -	\$ 140,607
5	Engineer – Construction Dev & Sup.	\$ 106,090	\$ -	\$ 106,090
6	Construction - Contracted	\$ 824,000	\$ 439,000	\$ 1,263,000
7	Capital Project - Project Management Engineer - Construction	\$ 82,400	\$ (78,900)	\$ 3,500
8	Management	\$ 103,000	\$ 149,600	\$ 252,600
9	Total Expenses	\$ 1,256,097	\$ 509,700	\$ 1,765,797

Public Service Operating Budget and Planning Operating Budget

Account	Current Budgeted Amount	Amendment	Revised Budgeted Amount
01-502-5105 Mass Transit	\$100,000.00	(\$13,000.00)	\$87,000.00
01-509-5160 City Engineer - Contracted	\$39,655.00	\$13,000.00	\$52,655.00