



CITY OF BUNKER HILL VILLAGE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025



CITY OF BUNKER HILL VILLAGE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
December 31, 2025

Prepared by:

Gerardo Barrera
City Administrator and Acting City Secretary

Susan Grass
Director of Finance

CITY OF BUNKER HILL VILLAGE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2025

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CITY OF BUNKER HILL VILLAGE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2025

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INTRODUCTORY SECTION



May 19, 2026

To the Honorable Mayor, City Council
Members, and Citizens of the
City of Bunker Hill Village, Texas:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report for the City of Bunker Hill Village, Texas (the "City") for the fiscal year (FY) ended December 31, 2025. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of the operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

Crowe, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2025. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City was incorporated under the laws of the State of Texas (the "State") in 1954. The City is an independent political subdivision of the State governed by the elected council and a mayor and is considered a primary government. The City is a Type A general law municipality, which operates under a "Council-Manager" form of government. The Council is comprised of the Mayor and five council members, who are responsible for passing ordinances, adopting the budget, committee members, appointing the City Secretary, appointing the Director of Finance, and appointing a City Administrator. Council Positions 1 through 3 are elected every two years during an even-numbered year, while the Mayor and Council Positions 4 and 5 are elected every two years during an odd-numbered year. The City Administrator serves at the will of the Mayor and Council and is responsible for carrying out the policies and ordinances, overseeing the day-to-day operations of the City, and exercising supervision and control over all employees of the City.

The City provides the following municipal services: public safety, municipal court, streets and drainage, solid waste collection, water and wastewater services, permits and planning, and general administration.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
LETTER OF TRANSMITTAL
December 31, 2025

The City is one of the six cities in the Memorial Villages and is located ten miles west of downtown Houston. As of December 31, 2025, the City has a land area of 1.44 square miles and an estimated population of 3,889. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

City ordinance establishes the fiscal year as January 1 through December 31. Also, the City ordinance requires the City Administrator and Mayor to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Administrator is required to inform the Council of any amendments to expenditures for any fund or department. Amendments must be approved by the Council.

Budgetary control has been established at the department level for the general fund and fund level for other funds. Monthly financial reports for Council are produced showing budget and actual revenues and expenditures. Individual line items are reviewed, analyzed, and approved by City Council on a monthly basis for budgetary compliance.

ECONOMIC CONDITION AND OUTLOOK

The City is zoned 100% residential and encompasses a 1.44 square mile area located in Harris County and is bound on the east by Blalock Road, the south by Memorial Drive, the north by Taylorcrest Road, and the west by a part of Tealwood areas west of Gessner Road. The City is within Spring Branch Independent School District which is one of the most desired school districts in the Houston metropolitan area. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Piney Point Village, and Hedwig Village. The City is close to the largest and busiest freeway in the nation. A majority of inhabitants are employed throughout the Houston urban area.

There is very little vacant and/or undeveloped land in the City, as a result, construction generally involves rebuilding and remodeling. The City continues to experience a stable outlook in taxable property values. Its taxable property values reached over \$2.96 billion in the fiscal year 2025. Among reasons for this strength is the City's convenient proximity to the Galleria, Energy Corridor, downtown Houston, the Texas Medical Center, as well as the ever-evolving Memorial area.

The City's tax rate is among the lowest in the Houston area and the State is anticipated to remain relatively stable into the future due to residential property values.

The City's relative stability is the result of a desire for suburban families to live closer to work. The City contracts with the Memorial Villages Police Department and Village Fire Department for law enforcement and emergency services. Due to proactive measures from both departments, the City maintains a low crime rate and above average response time to emergency calls. The City has a hometown appeal which attracts many of the residents. These factors have contributed to the relative stability of property values in the City.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
LETTER OF TRANSMITTAL
December 31, 2025

The value of real property in the City is expected to stay strong in 2026. Expenditures are expected to remain steady with considerations for the continued competitive pressure on personnel costs and potential increases in the cost of employee health benefits.

The City approved a flat property tax rate for the tax year 2025 at 0.271 that fell below the voter-approval rate calculations.

LONG-TERM FINANCIAL PLANNING

The City is committed to infrastructure maintenance. Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually updates a five-year Capital Improvement Plan (the “Plan”) and prepares for capital projects for water, wastewater, drainage, and municipal facilities. The Plan is prepared by staff and presented to the City Council for review and acceptance. The Plan requires funding sources to be identified for each project.

The Council's policy on capital projects funding is first “pay-as-you-go” with cash and second to the use of certificate of obligation bonds in order to undertake a greater number of capital projects. A portion of general fund revenues and utility fund revenues is allocated each year to cover bond payments, and a portion is allocated to the Capital Improvements Fund each year to fund those capital projects that will be funded by cash.

Major Initiatives

Fiscal year 2025 was a year of accomplishments for the City. The list below highlights some of the significant City activities:

- Completed Bunker Hill Road and Taylorcrest Design and Asphalt Street Overlay
- Completed Williamsburg Lane Drainage Improvements
- Completed water line replacement project on Mayerling, Rhett and Tara.
- Completed the Bunker Hill Road and Greenbay Ln. Underground Utility Project (sanitary sewer).
- Completed the meter replacement project throughout the City.
- Completed and engineering and capacity study for all Ground Water Storage Tanks (GST)
- Upgraded the Supervisory Control and Data Acquisition Programmable Logic Controllers (SCADA PLC) Hardware
- Rehab of the Public Works Maintenance Shed

Annual Budget

The City maintains an annual budget approved by the City Council for all funds for management purposes. The Capital Improvement Plan is approved each year by the City Council and funded through a separate capital projects fund for the City's governmental funds and within the water and wastewater enterprise fund. The legal level of budgetary control (i.e., the level at which expenditures for governmental activities cannot legally exceed the appropriated amounts) is established at the department level for the general fund and fund level for all other funds. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
LETTER OF TRANSMITTAL
December 31, 2025

Financial Information

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that employees, in the normal course of business, will detect, and/or prevent, errors or irregularities that could be material to the financial statements.

Independent Audit

Sections 103.001 through 103.004 of the Local Government Code require the City to have an annual audit of its financial records and accounts. The independent auditors' report, prepared by Crowe, LLP, is presented as the first component of the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bunker Hill Village for its annual comprehensive financial report for the fiscal year ending December 31, 2024. This was the second year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

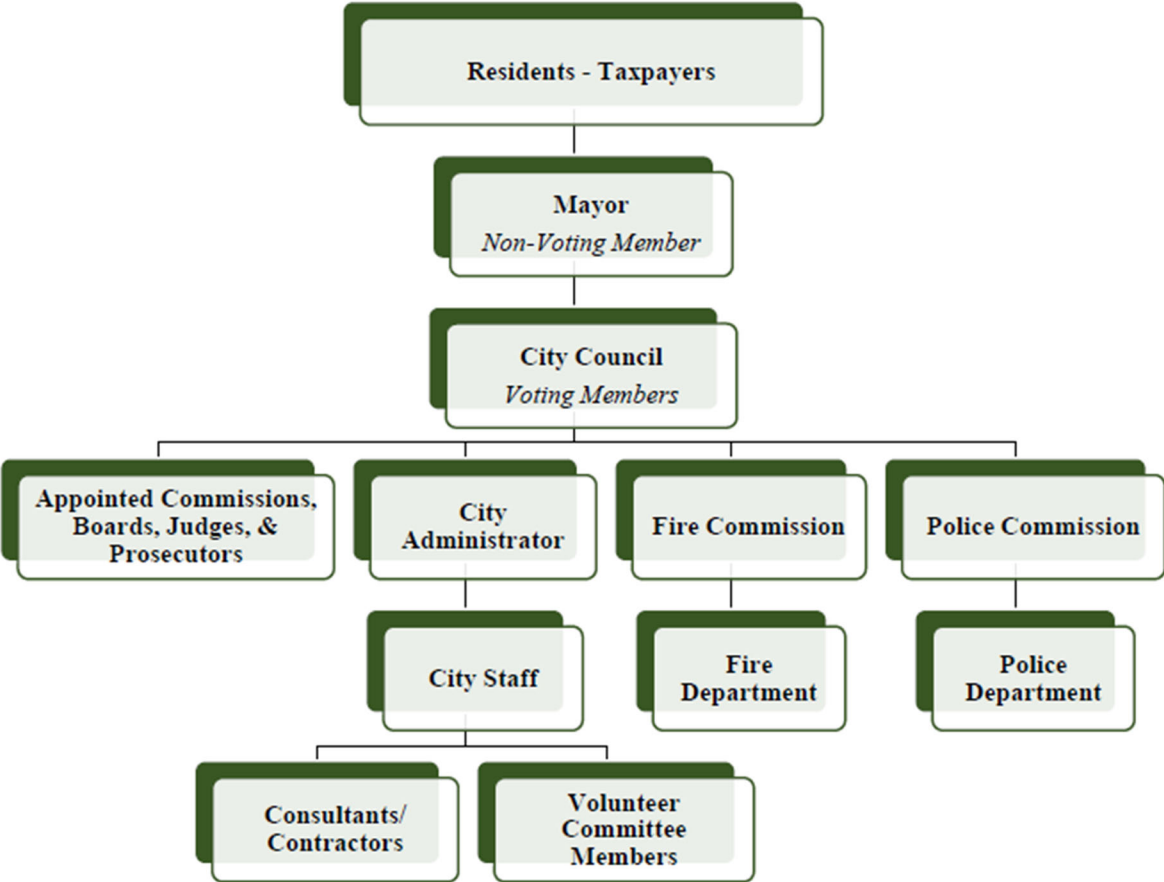
ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated service of the Finance Department. Appreciation is expressed to all City employees, especially to those who were instrumental in the successful completion of this report. Additionally, I would also like to thank the Mayor, the Council, and the City Administrator for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Susan Grass, CFE, CGFO
Director of Finance

CITY OF BUNKER HILL VILLAGE, TEXAS
ORGANIZATIONAL CHART
December 31, 2025





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bunker Hill Village
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF BUNKER HILL VILLAGE, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2025

<u>Elected Officials</u>	<u>Position</u>	<u>End of Term</u>
Keith Brown	Mayor	May, 2027
Susan Schwartz	Council Member/Mayor Pro-Tem	May, 2028
Eric Thode	Council Member	May, 2028
Carl Morerer	Council Member	May, 2028
Josh Pratt	Council Member	May, 2027
Andrew Poor	Council Member	May, 2027
<u>Appointed Officials</u>	<u>Position</u>	
Gerardo Barrera	City Administrator	
Susan Grass	Director of Finance	

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council Members of the
City of Bunker Hill Village, Texas

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bunker Hill, Texas (the "City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefit liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules as listed in the table of contents 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Crowe LLP
Crowe LLP

Houston, Texas
May 19, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – The City's basic services are reported here including general government, public safety, and public works. Interest payments on the City's debt are also reported here. Sales taxes, property taxes, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection/treatment operations.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

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

The City maintains seven governmental funds. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, which are considered to be major funds for reporting purposes. The metro fund, the restricted court fund, the restricted donation fund, and the offsite tree program fund are special revenue funds that are considered to be nonmajor funds for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, and special revenue funds. Budgetary comparison schedules have been provided for each of these funds to demonstrate compliance with these budgets.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

Proprietary Funds

The City maintains one type of proprietary fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water distribution, wastewater collection/treatment, and solid waste operations. The proprietary fund financial statements provide separate information for the water distribution, wastewater collection/treatment, and solid waste operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$45,952,240 as of December 31, 2025.

A portion of the City's net position, 70%, reflects its investment in capital assets (e.g., land, facilities, infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. The City's net investments in capital assets was \$32,155,876 at December 31, 2025, which was an increase of \$3,275,966 from the prior year. This increase in net investment in capital assets is primarily due to a decrease in debt related to capital assets.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS						
Current and other assets	\$ 18,287,539	\$ 4,903,429	\$ 23,190,968	\$ 17,362,296	\$ 6,520,394	\$ 23,882,690
Capital assets, net	26,574,835	14,818,442	41,393,277	25,381,927	13,819,343	39,201,270
Total assets	<u>44,862,374</u>	<u>19,721,871</u>	<u>64,584,245</u>	<u>42,744,223</u>	<u>20,339,737</u>	<u>63,083,960</u>
DEFERRED OUTFLOWS						
ON RESOURCES						
Deferred charge on refunding	10,502	-	10,502	12,953	-	12,953
Deferred outflow s - pensions	142,801	189,879	332,680	129,782	173,683	303,465
Deferred outflow s - OPEB	1,070	-	1,070	2,564	-	2,564
Total deferred outflow s on resources	<u>154,373</u>	<u>189,879</u>	<u>344,252</u>	<u>145,299</u>	<u>173,683</u>	<u>318,982</u>
LIABILITIES						
Long-term liabilities	4,939,837	5,004,568	9,944,405	5,759,121	5,229,312	10,988,433
Other liabilities	204,703	433,168	637,871	124,918	2,330,579	2,455,497
Total liabilities	<u>5,144,540</u>	<u>5,437,736</u>	<u>10,582,276</u>	<u>5,884,039</u>	<u>7,559,891</u>	<u>13,443,930</u>
DEFERRED INFLOWS						
ON RESOURCES						
Deferred inflow s - pensions	26,223	29,254	55,477	13,461	13,378	26,839
Deferred inflow s - OPEB	5,555	-	5,555	8,881	-	8,881
Deferred inflow s - lease	310,210	-	310,210	327,444	-	327,444
Unavailable revenue - property taxes	8,022,739	-	8,022,739	7,375,949	-	7,375,949
Total deferred inflow s on resources	<u>8,364,727</u>	<u>29,254</u>	<u>8,393,981</u>	<u>7,725,735</u>	<u>13,378</u>	<u>7,739,113</u>
NET POSITION						
Net investment in capital assets	21,990,939	10,164,937	32,155,876	19,958,041	8,921,869	28,879,910
Restricted	290,537	-	290,537	265,948	-	265,948
Unrestricted	9,226,004	4,279,823	13,505,827	9,055,759	4,018,282	13,074,041
Total net position	<u>\$ 31,507,480</u>	<u>\$ 14,444,760</u>	<u>\$ 45,952,240</u>	<u>\$ 29,279,748</u>	<u>\$ 12,940,151</u>	<u>\$ 42,219,899</u>

A portion of the City's net position, \$290,537, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position, \$13,505,827, may be used to meet the City's ongoing obligation to citizens and creditors.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

The City's total net position increased by \$3,732,341 or 9% during the current fiscal year. Total assets increased by \$1,500,285 which is the net result of an increase in net capital assets of \$2,192,007 due mainly to an increase in infrastructure additions in the current year and a decrease in current and other assets of \$691,722 due mainly to a decrease in cash and cash equivalents from unspent advanced grant funding in prior year. Total deferred outflows of resources increased by \$25,270 which was primarily due to the change in deferred outflows related to the pension plan. The decrease in total liabilities of \$2,861,654 was a decrease in other liabilities due primarily from a decrease in unearned revenue for the American Rescue Plan grant as the revenue has now been recognized in the current year and a decrease in long-term liabilities due mainly to principal payments on debt. Total deferred inflows of resources increased by \$654,868 which was primarily due to an increase in unavailable revenues from property taxes collected for fiscal year 2025.

Statement of Activities

The following table provides a summary of the City's changes in net position:

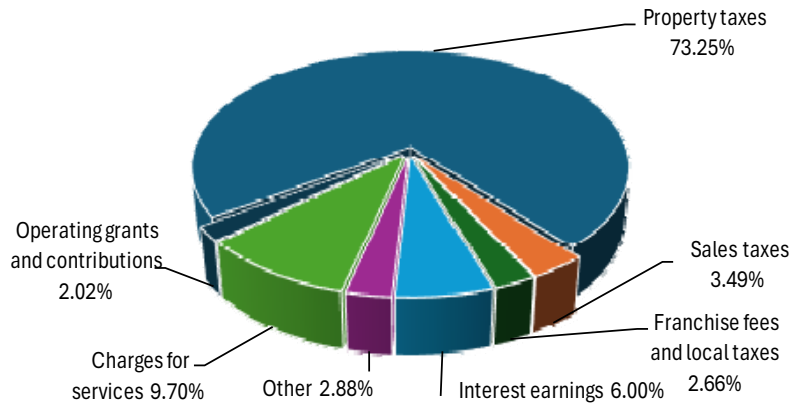
	For the Year Ended December 31 ,2025			For the Year Ended December 31, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues						
Charges for services	\$ 999,564	\$ 5,406,255	\$ 6,405,819	\$ 1,097,545	\$ 4,794,556	\$ 5,892,101
Operating grants and contributions	208,302	879,439	1,087,741	395,081	-	395,081
General revenues						
Property taxes	7,545,942	-	7,545,942	7,247,788	-	7,247,788
Sales taxes	359,487	-	359,487	313,395	-	313,395
Franchise fees and local taxes	274,741	-	274,741	290,723	-	290,723
Interest earnings	617,611	65,000	682,611	788,359	65,004	853,363
Other	296,294	6,872	303,166	180,002	5,000	185,002
Total revenues	<u>10,301,941</u>	<u>6,357,566</u>	<u>16,659,507</u>	<u>10,312,893</u>	<u>4,864,560</u>	<u>15,177,453</u>
Expenses						
General government	1,312,286	-	1,312,286	1,618,897	-	1,618,897
Public safety	4,569,869	-	4,569,869	4,311,309	-	4,311,309
Public works	1,818,309	-	1,818,309	1,617,953	-	1,617,953
Interest and fiscal charges	73,745	-	73,745	100,119	-	100,119
Water, wastewater, and solid waste	-	5,152,957	5,152,957	-	5,256,419	5,256,419
Total expenses	<u>7,774,209</u>	<u>5,152,957</u>	<u>12,927,166</u>	<u>7,648,278</u>	<u>5,256,419</u>	<u>12,904,697</u>
Increase (decrease) in net position before transfers	<u>2,527,732</u>	<u>1,204,609</u>	<u>3,732,341</u>	<u>2,664,615</u>	<u>(391,859)</u>	<u>2,272,756</u>
Transfers in (out)	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>(800,000)</u>	<u>800,000</u>	<u>-</u>
Change in net position	<u>2,227,732</u>	<u>1,504,609</u>	<u>3,732,341</u>	<u>1,864,615</u>	<u>408,141</u>	<u>2,272,756</u>
Net position-beginning of year	<u>29,279,748</u>	<u>12,940,151</u>	<u>42,219,899</u>	<u>27,415,133</u>	<u>12,532,010</u>	<u>39,947,143</u>
Net position-end of year	<u>\$ 31,507,480</u>	<u>\$ 14,444,760</u>	<u>\$ 45,952,240</u>	<u>\$ 29,279,748</u>	<u>\$ 12,940,151</u>	<u>\$ 42,219,899</u>

(Continued)

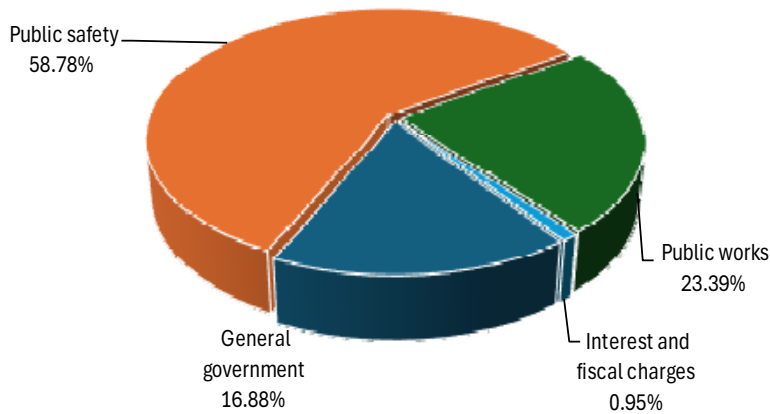
CITY OF BUNKER HILL VILLAGE, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year ended December 31, 2025

Graphic presentation of the selected data from the summary tables follow to assist in the analysis of the City's activities.

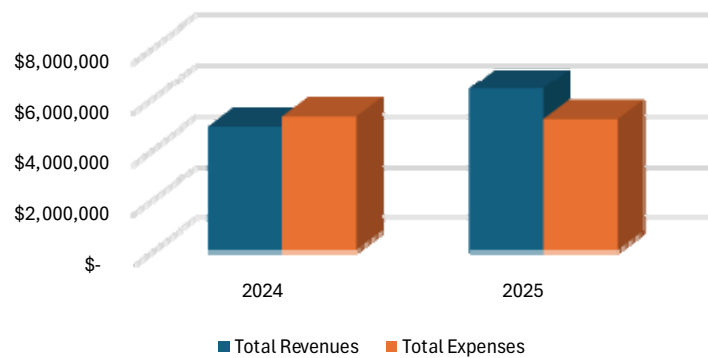
Governmental Revenues



Governmental Expenses



Business-Type Activities



(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

Current year revenues for the governmental activities decreased by \$10,952. There was a decrease in investment earnings of \$170,748 due to a decrease in interest rates on deposits, operating grants and contributions of \$186,779 due primarily to a decrease in grants related to community development, charges for services of \$97,981 due mainly to a decrease in services for permits and licenses, and a decrease in franchise and other taxes of \$15,982. These decreases in revenue were offset by an increase in property tax revenue of \$298,154 due to an increase in assessed property tax values from residential properties, sales tax revenue of \$46,092 due to an increase in economic activity, and other revenues of \$116,292 due mainly to adjustments related to prior year cost allocations from the Memorial Village Police Department (MVPD) and Village Fire Department (VFD). Governmental activities expenses increased by \$125,931 compared to the prior year, which included an increase in expenses for public safety and public works. The increase in public safety expenses of \$258,560 is due to an increase in expenses from MVPD and VFD. The increase in public works expenses of \$200,356 is primarily due to an increase in depreciation expense from an increase in depreciable infrastructure in current and recent years. These increases in governmental activities expenses were offset by a decrease in expenses for general government of \$306,611 due primarily to a decrease in costs related to storm damage in prior year and a decrease interest expense on debt of \$26,374.

Revenues for business-type activities increased by \$1,493,006. This increase was due to more charges for services for water and wastewater services due primarily to an increase in utility billing rates and increase in revenue from the American Rescue Plan grant. Expenses decreased \$103,462 primarily from a decrease in wastewater treatment fees.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

The City's governmental funds reflect a combined fund balance of \$9,687,392. Of this, \$96,568 is restricted for Metro, \$151,736 is restricted for debt service, \$35,267 is restricted for enabling legislation, and \$6,966 is restricted for public services from restricted donations. The City has assigned \$144,244 for emergency purposes, \$4,442,596 for capital projects uses, \$206,725 for facilities, \$282,247 for the police department, and \$249,111 for the offsite tree program. The City has unassigned fund balance of \$4,071,932.

Overall, there was an increase in combined fund balance of \$345,171 in comparison to the prior year. Governmental fund revenues exceeded expenditures by \$645,171 and transferred \$300,000 to the water and wastewater fund.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$4,071,932, while total fund balance reached \$4,705,148. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 66% of total expenditures, while total fund balance represents 76% of the same amount. The general fund included revenues of \$9,211,186, expenditures of \$6,152,741, and transfers to the capital projects fund and water and wastewater fund of \$2,443,855. Revenues within the general fund increased by \$82,583 from the prior fiscal year, which was primarily due to a net result of an increase in property tax revenues of \$446,910 due to an increase in assessed property tax values, decrease in interest earnings of \$170,427 from a decrease in interest rates

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

on deposits, and decrease in intergovernmental revenues of \$242,747 from a decrease in community development grants. Expenditures for the general fund increased by \$158,178 from the prior fiscal year, which was primarily due to the net result of an increase in public safety expenditures of \$272,173 from service costs from MVPD and VFD net of a decrease in general government expenditures of \$92,185 due mainly to a decrease in debris removal costs from storms in prior year.

The debt service fund had an increase in fund balance for the year of \$9,347. The debt service fund property tax revenues increased by \$27,388 from prior fiscal year due to an increase in assessed property tax values. The debt service fund expenditures from prior fiscal year decreased by \$41,169 from prior year due to a decrease in principal and interest on debt. The ending debt service fund balance of \$151,736 is restricted for future debt service payments.

The capital projects fund had a decrease in fund balance of \$321,826, which included transfers in from the general fund of \$2,143,855 for current and future year projects. The capital projects fund ending total fund balance was \$4,442,596, which is considered assigned for future capital projects. There was an increase in capital projects fund expenditures from prior fiscal year of \$1,868,780 due primarily to an increase in capital outlay for City infrastructure and an increase in revenues from prior fiscal year of \$55,968 due to an increase in deposits assigned to the capital projects fund.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget reported a planned increase in the fund balance for the general fund of \$154,537. The amended final budget reported a planned increase of \$251,699 in the general fund. Original budgeted revenues were amended and increased by \$315,670 due primarily to an increase in property tax revenues from an increase in expected assessed property tax values and other revenues for adjustments related to prior year cost allocation from MVPD and VFD during the fiscal year. The original expenditures were amended and increased by \$218,508 due primarily to an increase in utility costs for electricity and service costs for general government and public safety.

The general fund actual net increase in general fund balance was \$614,590, resulting in a positive budget variance of \$362,891. The actual revenues exceeded final budgeted revenues of \$9,137,602 by a net \$73,584 and the final budgeted expenditures of \$6,442,048 exceeded actual expenditures by \$289,307 with no negative budget variances across all expenditure functions.

CAPITAL ASSETS

At the end of the year, the City's governmental and business-type activities had invested \$41,393,277 in a variety of capital assets and infrastructure (net of accumulated depreciation). The City's capital asset current activity included additions of \$3,996,543 and depreciation expense of \$1,804,536.

Major capital asset events during the year included the following:

- Improvements for Bunker Hill Road and Taylorcrest overlay of \$1,997,626.
- Underground utility infrastructure and waterline replacement of \$1,209,437.
- Replacement of water meters throughout the City for \$101,326.
- Drainage improvements to the City's roads of \$135,737.

More detailed information about the City's capital assets is presented in note 3. to the financial statements.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

LONG-TERM DEBT

At the end of the year, the City had total governmental and business-type activities long-term debt outstanding of \$8,590,000. Governmental activities long-term debt outstanding included general obligation bonds of \$2,845,000 and certificates of obligation of \$1,235,000. Business-type activities long-term debt outstanding included certificates of obligation of \$4,510,000. During the year, the City had an overall decrease in long-term debt of \$1,000,000. More detailed information about the City's long-term liabilities is presented in note 3. to the financial statements.

The current underlying Standards and Poor's ratings on both debt issues for general obligation bonds and certificates of obligation are AAA.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In continuing the vision of Bunker Hill Village, the City plans to expand and improve quality infrastructure, facilities, and public services to meet current and future needs. The City continues to experience growth due to new construction and redevelopments and will continue to focus on maintaining an even balance within City limits.

The City's adopted budget for the general fund expenditures for fiscal year 2026 totals \$6.7 million with budgeted transfers out of \$2.6 million to the capital projects fund. The fiscal year 2026 budgeted debt service fund expenditures for principal and interest payments on debt outstanding that are funded from taxes levied on all taxable property located within the City limits is \$1,194,718.

The adopted total property tax rate for the 2025 tax levy which is for revenues in fiscal year 2025 is \$0.271 per \$100 of taxable property values, which is the same tax rate from the 2024 tax levy. The assessed value on taxable property for the 2025 tax levy was approximately \$2.96 billion, which was an increase from the assessed value on taxable property for the 2024 tax levy of approximately \$2.74 billion.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Director of Finance, City of Bunker Hill Village, 11977 Memorial Drive, Houston, Texas, 77024.

BASIC FINANCIAL STATEMENTS

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,747,572	\$ 3,812,055	\$ 16,559,627
Restricted cash and cash equivalents	-	17,700	17,700
Receivables, net	5,203,068	1,073,674	6,276,742
Lease receivable	336,899	-	336,899
	<u>18,287,539</u>	<u>4,903,429</u>	<u>23,190,968</u>
Capital assets			
Nondepreciable capital assets	156,505	299,402	455,907
Net depreciable capital assets	26,418,330	14,519,040	40,937,370
	<u>26,574,835</u>	<u>14,818,442</u>	<u>41,393,277</u>
Total assets	<u>44,862,374</u>	<u>19,721,871</u>	<u>64,584,245</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	10,502	-	10,502
Deferred outflows - pensions	142,801	189,879	332,680
Deferred outflows - OPEB	1,070	-	1,070
Total deferred outflows of resources	<u>154,373</u>	<u>189,879</u>	<u>344,252</u>
LIABILITIES			
Accounts payable and other current liabilities	174,000	299,808	473,808
Accrued interest payable	30,703	19,098	49,801
Unearned revenue	-	96,562	96,562
Customer deposits	-	17,700	17,700
Long-term liabilities			
Long-term liabilities due within one year	767,076	270,570	1,037,646
Long-term liabilities due in more than one year	4,172,761	4,733,998	8,906,759
	<u>4,939,837</u>	<u>5,004,568</u>	<u>9,944,405</u>
Total liabilities	<u>5,144,540</u>	<u>5,437,736</u>	<u>10,582,276</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	26,223	29,254	55,477
Deferred inflows - OPEB	5,555	-	5,555
Deferred inflows - lease	310,210	-	310,210
Unavailable revenue - property taxes	8,022,739	-	8,022,739
Total deferred inflows of resources	<u>8,364,727</u>	<u>29,254</u>	<u>8,393,981</u>
NET POSITION			
Net investment in capital assets	21,990,939	10,164,937	32,155,876
Restricted for			
Debt service	151,736	-	151,736
Metro	96,568	-	96,568
Enabling legislation	35,267	-	35,267
Public services	6,966	-	6,966
Unrestricted	<u>9,226,004</u>	<u>4,279,823</u>	<u>13,505,827</u>
Total net position	<u>\$ 31,507,480</u>	<u>\$ 14,444,760</u>	<u>\$ 45,952,240</u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Government Activities	Business-Type Activities	Total
Primary Government						
Governmental activities						
General government	\$ 1,312,286	\$ 945,062	\$ -	\$ (367,224)	\$ -	\$ (367,224)
Public safety	4,569,869	54,502	-	(4,515,367)	-	(4,515,367)
Public works	1,818,309	-	208,302	(1,610,007)	-	(1,610,007)
Interest and fiscal charges	73,745	-	-	(73,745)	-	(73,745)
Total governmental activities	<u>7,774,209</u>	<u>999,564</u>	<u>208,302</u>	<u>(6,566,343)</u>	<u>-</u>	<u>(6,566,343)</u>
Business-type activities						
Water and wastewater	4,642,927	4,910,671	879,439	-	1,147,183	1,147,183
Solid waste	510,030	495,584	-	-	(14,446)	(14,446)
Total business-type activities	<u>5,152,957</u>	<u>5,406,255</u>	<u>879,439</u>	<u>-</u>	<u>1,132,737</u>	<u>1,132,737</u>
Total primary government	<u>\$ 12,927,166</u>	<u>\$ 6,405,819</u>	<u>\$ 1,087,741</u>	<u>(6,566,343)</u>	<u>1,132,737</u>	<u>(5,433,606)</u>
General revenues						
Taxes						
Property taxes				7,545,942	-	7,545,942
Sales taxes				359,487	-	359,487
Franchise fees and local taxes				274,741	-	274,741
Interest earnings				617,611	65,000	682,611
Other				296,294	6,872	303,166
Transfers, net				(300,000)	300,000	-
Total general revenues				<u>8,794,075</u>	<u>371,872</u>	<u>9,165,947</u>
Change in net position				2,227,732	1,504,609	3,732,341
Beginning net position				<u>29,279,748</u>	<u>12,940,151</u>	<u>42,219,899</u>
Ending net position				<u>\$ 31,507,480</u>	<u>\$ 14,444,760</u>	<u>\$ 45,952,240</u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 7,360,695	\$ 503,780	\$ 4,487,928	\$ 395,169	\$ 12,747,572
Receivables, net	4,564,267	582,833	55,968	-	5,203,068
Lease receivable	336,899	-	-	-	336,899
Total assets	<u>\$ 12,261,861</u>	<u>\$ 1,086,613</u>	<u>\$ 4,543,896</u>	<u>\$ 395,169</u>	<u>\$ 18,287,539</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 65,443	\$ -	\$ 101,300	\$ 7,257	\$ 174,000
Total liabilities	<u>65,443</u>	<u>-</u>	<u>101,300</u>	<u>7,257</u>	<u>174,000</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow s - lease	310,210	-	-	-	310,210
Unavailable revenue - property taxes	7,181,060	934,877	-	-	8,115,937
Total deferred inflow s of resources	<u>7,491,270</u>	<u>934,877</u>	<u>-</u>	<u>-</u>	<u>8,426,147</u>
FUND BALANCES					
Restricted					
Debt service	-	151,736	-	-	151,736
Metro	-	-	-	96,568	96,568
Enabling legislation	-	-	-	35,267	35,267
Public services	-	-	-	6,966	6,966
Assigned					
Capital projects	-	-	4,442,596	-	4,442,596
Emergency	144,244	-	-	-	144,244
Vehicles and technology	-	-	-	-	-
Facilities	206,725	-	-	-	206,725
Police department	282,247	-	-	-	282,247
Offsite tree program	-	-	-	249,111	249,111
Unassigned	4,071,932	-	-	-	4,071,932
Total fund balances	<u>4,705,148</u>	<u>151,736</u>	<u>4,442,596</u>	<u>387,912</u>	<u>9,687,392</u>
Total liabilities, deferred inflow s of resources, and fund balances	<u>\$ 12,261,861</u>	<u>\$ 1,086,613</u>	<u>\$ 4,543,896</u>	<u>\$ 395,169</u>	<u>\$ 18,287,539</u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2025

Total fund balances for governmental funds \$ 9,687,392

Amounts reported for the Statement of Net Position:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Nondepreciable capital assets	156,505
Depreciable capital assets	39,848,180
Accumulated depreciation	(13,429,850)

Deferred outflows and inflows related to the pension and other postemployment benefits (OPEB) are not reported in the governmental funds.

Deferred outflows - pensions	142,801
Deferred inflows - pensions	(26,223)
Deferred outflows - OPEB	1,070
Deferred inflows - OPEB	(5,555)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

Unavailable revenue related to property taxes	93,198
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Deferred outflows from deferred charge on refunding of debt are not reported in the governmental funds.

10,502

Liabilities from accrued interest payable and long-term liabilities from debt, compensated absences, net pension liability, and total OPEB liability are not reported in the governmental funds.

Accrued interest payable	(30,703)
Long-term liabilities due within one year	(767,076)
Long-term liabilities due in more than one year	(4,172,761)

Net position of governmental activities	\$ 31,507,480
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See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 6,770,129	\$ 911,590	\$ -	\$ -	\$ 7,681,719
Sales taxes	359,487	-	-	134,000	493,487
Charges for services	54,502	-	-	-	54,502
Franchise fees and local taxes	274,741	-	-	-	274,741
Fines and forfeitures	245,440	-	-	9,677	255,117
Licenses and permits	689,945	-	-	-	689,945
Interest earnings	599,314	18,000	-	297	617,611
Intergovernmental	18,334	-	55,968	-	74,302
Other	199,294	-	-	97,000	296,294
Total revenues	<u>9,211,186</u>	<u>929,590</u>	<u>55,968</u>	<u>240,974</u>	<u>10,437,718</u>
Expenditures					
Current					
General government	1,203,792	-	-	69,182	1,272,974
Public safety	4,568,756	-	-	1,113	4,569,869
Public works	380,193	-	109,406	127,619	617,218
Debt service					
Principal	-	765,000	-	-	765,000
Interest and fiscal charges	-	155,243	-	-	155,243
Capital outlay	-	-	2,412,243	-	2,412,243
Total expenditures	<u>6,152,741</u>	<u>920,243</u>	<u>2,521,649</u>	<u>197,914</u>	<u>9,792,547</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,058,445</u>	<u>9,347</u>	<u>(2,465,681)</u>	<u>43,060</u>	<u>645,171</u>
Other financing sources (uses)					
Transfers in	-	-	2,143,855	-	2,143,855
Transfers (out)	(2,443,855)	-	-	-	(2,443,855)
Total other financing sources (uses)	<u>(2,443,855)</u>	<u>-</u>	<u>2,143,855</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balances	614,590	9,347	(321,826)	43,060	345,171
Beginning fund balances	<u>4,090,558</u>	<u>142,389</u>	<u>4,764,422</u>	<u>344,852</u>	<u>9,342,221</u>
Ending fund balances	<u>\$ 4,705,148</u>	<u>\$ 151,736</u>	<u>\$ 4,442,596</u>	<u>\$ 387,912</u>	<u>\$ 9,687,392</u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances - total governmental funds	\$	345,171
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset acquisitions		2,412,243
Depreciation expense		(1,219,335)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Net change in deferred revenue		(135,777)
Changes in net pension and other postemployment benefits (OPEB) liability (asset) and deferred inflows related to the net pension and OPEB liability (asset) in the governmental funds.		
Net pension liability		(4,775)
Total OPEB liability		(237)
Deferred outflows - pensions		13,019
Deferred outflows - OPEB		(1,494)
Deferred inflows - pensions		(12,762)
Deferred inflows - OPEB		3,326
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal paid on long-term debt, net of refunding bonds issued		765,000
Amortization of premium		77,441
Amortization of deferred loss on refunding		(2,451)
Accrued interest expense		6,508
Some expenses 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.		
Compensated absences		(18,145)
Change in net position of governmental activities	\$	<u><u>2,227,732</u></u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF NET POSITION -
PROPRIETARY FUND
December 31, 2025

	Business-Type Activities		
	<u>Water and Wastewater</u>	<u>Nonmajor Solid Waste</u>	<u>Total Enterprise</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,771,183	\$ 40,872	\$ 3,812,055
Restricted cash and cash equivalents	17,700	-	17,700
Receivables, net	960,058	113,616	1,073,674
Total current assets	<u>4,748,941</u>	<u>154,488</u>	<u>4,903,429</u>
Noncurrent assets			
Capital assets:			
Land	144,163	-	144,163
Construction in progress	155,239	-	155,239
Building	3,431,938	-	3,431,938
Infrastructure	20,821,891	-	20,821,891
Water rights	446,890	-	446,890
Machinery and equipment	873,925	-	873,925
Less accumulated depreciation	(11,055,604)	-	(11,055,604)
Total noncurrent assets	<u>14,818,442</u>	<u>-</u>	<u>14,818,442</u>
Total assets	<u>19,567,383</u>	<u>154,488</u>	<u>19,721,871</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	189,879	-	189,879
Total deferred outflows of resources	<u>189,879</u>	<u>-</u>	<u>189,879</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	292,916	6,892	299,808
Accrued interest payable	19,098	-	19,098
Unearned revenue	96,562	-	96,562
Customer deposits	17,700	-	17,700
Bonds payable - current	245,000	-	245,000
Compensated absences - current	25,570	-	25,570
Total current liabilities	<u>696,846</u>	<u>6,892</u>	<u>703,738</u>
Noncurrent liabilities			
Bonds payable, net of premium	4,408,505	-	4,408,505
Compensated absences	7,682	-	7,682
Net pension liability	317,811	-	317,811
Total noncurrent liabilities	<u>4,733,998</u>	<u>-</u>	<u>4,733,998</u>
Total liabilities	<u>5,430,844</u>	<u>6,892</u>	<u>5,437,736</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	29,254	-	29,254
Total deferred inflows of resources	<u>29,254</u>	<u>-</u>	<u>29,254</u>
NET POSITION			
Net investment in capital assets	10,164,937	-	10,164,937
Unrestricted	4,132,227	147,596	4,279,823
Total net position	<u>\$ 14,297,164</u>	<u>\$ 147,596</u>	<u>\$ 14,444,760</u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
For the year ended December 31, 2025

	Business-Type Activities		
	Water and Wastewater	Nonmajor Solid Waste	Total Enterprise
Operating revenues			
Water and wastewater charges	\$ 4,910,671	\$ -	\$ 4,910,671
Solid waste fees	-	495,584	495,584
Other	6,872	-	6,872
Total operating revenues	<u>4,917,543</u>	<u>495,584</u>	<u>5,413,127</u>
Operating expenses			
Water and wastewater	3,979,677	-	3,979,677
Sanitation	-	510,030	510,030
Depreciation	585,201	-	585,201
Total operating expenses	<u>4,564,878</u>	<u>510,030</u>	<u>5,074,908</u>
Operating income (loss)	<u>352,665</u>	<u>(14,446)</u>	<u>338,219</u>
Nonoperating revenues (expenses)			
Intergovernmental	879,439	-	879,439
Interest earnings	65,000	-	65,000
Interest and fiscal charges	(78,049)	-	(78,049)
Total nonoperating revenues (expenses)	<u>866,390</u>	<u>-</u>	<u>866,390</u>
(Loss) before transfers	1,219,055	(14,446)	1,204,609
Transfers			
Transfers in	300,000	-	300,000
Total transfers	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Change in net position	1,519,055	(14,446)	1,504,609
Beginning net position	<u>12,778,109</u>	<u>162,042</u>	<u>12,940,151</u>
Ending net position	<u>\$ 14,297,164</u>	<u>\$ 147,596</u>	<u>\$ 14,444,760</u>

See notes to financial statements.

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For the year ended December 31, 2025

	Business-Type Activities		
	Water and Wastewater	Nonmajor Solid Waste	Total Enterprise
Cash flows from operating activities			
Receipts from customers	\$ 4,842,968	\$ 495,476	\$ 5,338,444
Payments to suppliers	(4,203,322)	(509,783)	(4,713,105)
Payments to employees	(774,082)	-	(774,082)
Net cash provided (used) by operating activities	<u>(134,436)</u>	<u>(14,307)</u>	<u>(148,743)</u>
Cash flows from noncapital financing activities			
Transfers	<u>300,000</u>	-	<u>300,000</u>
Net cash provided by noncapital financing activities	<u>300,000</u>	-	<u>300,000</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(1,584,300)	-	(1,584,300)
Principal paid on capital debt	(235,000)	-	(235,000)
Interest payments	(89,105)	-	(89,105)
Net cash (used) by capital and related financing activities	<u>(1,908,405)</u>	-	<u>(1,908,405)</u>
Cash flows from investing activities			
Interest received	<u>65,000</u>	-	<u>65,000</u>
Net cash provided by investing activities	<u>65,000</u>	-	<u>65,000</u>
Net increase (decrease) in cash and cash equivalents	(1,677,841)	(14,307)	(1,692,148)
Beginning cash and cash equivalents	<u>5,466,724</u>	<u>55,179</u>	<u>5,521,903</u>
Ending cash and cash equivalents	<u>\$ 3,788,883</u>	<u>\$ 40,872</u>	<u>\$ 3,829,755</u>
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	\$ 3,771,183	\$ 40,872	\$ 3,812,055
Restricted cash and cash equivalents	17,700	-	17,700
	<u>\$ 3,788,883</u>	<u>\$ 40,872</u>	<u>\$ 3,829,755</u>

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For the year ended December 31, 2025

	Business-Type Activities		
	Water and Wastewater	Nonmajor Solid Waste	Total Enterprise
Reconciliation of operating (loss) to net cash provided(used) by operating activities			
Operating (loss)	\$ 352,665	\$ (14,446)	\$ 338,219
Adjustments to reconcile operating (loss) to net cash provided by operating activities			
Depreciation	585,201	-	585,201
Changes in operating assets and liabilities			
(Increase) decrease in			
Accounts receivable	(75,075)	(108)	(75,183)
Deferred outflows - pensions	(16,196)	-	(16,196)
Increase (decrease) in			
Accounts payable and accrued liabilities	(1,016,632)	247	(1,016,385)
Customer deposits	500	-	500
Compensated absences	13,284	-	13,284
Net pension liability	5,941	-	5,941
Deferred inflows - pensions	15,876	-	15,876
Net cash provided by operating activities	\$ (134,436)	\$ (14,307)	\$ (148,743)

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City of Bunker Hill Village, Texas (the “City”) was organized in 1954. The City operates under the general laws of the State of Texas (the “State”). The City Council is the principal legislative body of the City. The City Administrator is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Administrator is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services (through Memorial Villages Police Department and Village Fire Department), municipal court, planning and development, public works to include streets and drainage and water and wastewater services, solid waste collection and disposal, and general administration.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The Bunker Hill Village Inc. is a blended component unit reported with the primary government as a governmental fund. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are both legally and substantively separate from the government. There were no discretely presented component units that were both legally and substantively separate in the government-wide financial statements. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City participates in an interlocal cooperation agreement with other contracting cities to receive public safety services from the Village Fire Department and the Memorial Villages Police Department. The City has no significant influence over the administration or operation of these entities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

BHV Inc.: On March 21, 2023, the Mayor and City Council authorized the creation and approved the Articles of Incorporation and the bylaws of BHV Inc. which is the legal name of the City's restricted donation fund BHV Inc. is a nonprofit corporation as defined by the Internal Revenue Code of 1986, as amended, and the applicable rulings of the Internal Revenue Service of the United States prescribed and promulgated thereunder. BHV Inc. is organized under the provisions of the Development Corporation Act applicable to corporations governed under Chapter 505 of the State of Texas Local Government Code.

BHV Inc. is governed by a Board of Directors, which consists of the Mayor and City Council. BHV Inc. records donations that are restricted for public services to support the City's public works and disaster operations building enhancement projects. BHV Inc. is considered a blended component unit for financial reporting purposes and is reported as if it were part of the City's operations. The revenues, expenditures, and other financing sources/uses of BHV Inc. are reported within the City's restricted donation fund, which is considered a nonmajor fund for reporting purposes.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

Basis of Presentation - Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water, wastewater, and solid waste functions and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation - Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following governmental fund:

General Fund: The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and public services. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund: The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Special Revenue Funds: The *special revenue funds* are used to account for proceeds of specific revenue sources that are assigned or legally restricted to expenditures for specified purposes. All of the special revenue funds are considered nonmajor funds for reporting purposes.

Capital Projects Fund: The *capital projects fund* is used to account for the expenditures of resources accumulated from the general fund and related interest earnings for capital improvement projects. The capital projects fund is considered a major fund for reporting purposes.

The City reports the following proprietary fund:

Enterprise Funds: The *enterprise funds* are used to account for the operations that provide water and wastewater collection, wastewater treatment, and sanitation operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water and wastewater fund is considered a major fund for reporting purposes.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the governmental-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

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

Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposits in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents".

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

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

- Direct obligations of the U.S. government
- Fully collateralized certificates of deposit
- Money market accounts
- Statewide investment pools

Capital Assets: Capital assets, which include property, machinery, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for vehicles and equipment and \$25,000 for all other capital asset types and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, machinery, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Assets Depreciation</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 50 years
Machinery and equipment	5 to 10 years
Vehicles	4 to 20 years
Water and wastewater system	20 to 65 years
Infrastructure	50 to 65 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue is related to property taxes levied for the subsequent year. The governmental activities Statement of Net Position reported unavailable revenue related to property taxes of \$8,022,739 which included property tax collections for the property taxes levied for the subsequent year of \$3,078,338.
- A deferred inflow related to lease receivable is recognized at the fund level under modified accrual basis of accounting and on the Statement of Net Position under the full accrual basis of accounting. The revenue is recognized at the fund level and on the Statement of Activities as the deferred inflow from lease receivable is amortized.

At the fund level, the City has two types of items, which arise under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and deferred inflows from leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Employee Absences: The City recognizes a liability for compensated absences for leave that has been earned but not used and for leave that has been used but not yet paid or settled, in accordance with GASB Statement No. 101, *Compensated Absences*. Leave that has been earned but not used is recognized as a liability when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The liability for compensated absences is reported in the government-wide and proprietary fund financial statements. Governmental funds recognize expenditures and liabilities for compensated absences only to the extent that liabilities are expected to be liquidated with expendable available financial resources. The liability includes salary-related payments, where applicable.

For vacation leave, the City's policy permits employees to accumulate earned but unused vacation benefits up to certain limitations, which are eligible for payment upon separation from employment at the employee's current rate of pay.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For sick leave, the City's policy permits employees to accumulate earned but unused sick leave. Accumulated sick leave lapses upon separation from employment and is not paid upon termination unless otherwise approved by the City Council. Accordingly, a liability is recognized only for the portion of accumulated sick leave that is more likely than not to be used for paid time off or otherwise paid or settled.

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and wastewater infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Leases: The City is a lessor for a noncancellable lease of a cell/communication tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for the lease.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription-Based Information Technology Arrangements: The City has noncancellable subscription-based information technology arrangements (“SBITAs”) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the government-wide financial statements. The City’s SBITAs are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

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

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

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City's policy is to maintain a minimum unassigned fund balance in the general fund of six months of current year operating expenditures and unrestricted net position in the enterprise fund of three months of current year operating expenses.

Estimates: The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

Other Postemployment Benefits: The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. 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. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

Revenues and Expenditures/Expenses:

Program Revenues: Amounts reported as 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 segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes: Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of budgetary control, as defined by the charter, is at the department level for the general fund and fund level for other funds. Appropriations lapse at the end of the year. Supplemental budget appropriations were made for the fiscal year. The general fund, debt service fund, and all of the special revenue funds have adopted budgets.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of December 31, 2025, the carrying amount of the City's bank accounts was \$13,480,768. The total bank balance for the bank accounts was \$13,487,466. The cash deposits held in the bank accounts as of December 31, 2025, and during the year ended December 31, 2025, were initially covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2025, the City had the following cash equivalents in pooled investments:

<u>Investment Type</u>	<u>Value</u>	<u>Average Maturity (Years)</u>
Texas CLASS	\$ 3,096,559	0.12
Total investments	<u>\$ 3,096,559</u>	
Portfolio weighted average maturity		0.12

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term investments.

Credit risk. State law and the City's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of year end, the City's investments in the investment pool were rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the U.S. government or the issuing U.S. agency.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the City's deposits may not be returned in the event of a bank failure. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of December 31, 2025, fair value of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

Texas CLASS - The Texas Cooperative Liquid Assets Securities System Trust ("CLASS") is a public funds investment pool under Section 2256.016 of the Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Receivables: The following comprise receivable balances as of December 31, 2025:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>
Property taxes	\$ 4,454,766	\$ 582,833	\$ -	\$ -	\$ -
Sales taxes	73,431	-	-	-	-
Accounts	-	-	-	957,843	112,837
Franchise fees	36,070	-	-	-	-
Intergovernmental	-	-	55,968	-	-
Miscellaneous	-	-	-	14,084	2,573
Allowance	-	-	-	(11,869)	(1,794)
Total	<u>\$ 4,564,267</u>	<u>\$ 582,833</u>	<u>\$ 55,968</u>	<u>\$ 960,058</u>	<u>\$ 113,616</u>

Lease Receivable: The City has a lease agreement (the "Agreement") as a lessor for the use of their cell tower with the lessee (American Tower Inc.) to install and operate communication equipment. The remaining term of the Agreement, including the renewal option in which it is reasonably certain will be exercised, is 18 years as of December 31, 2025. The annual payments for the lease range from \$15 to \$24 thousand. As of December 31, 2025, the value of the lease receivable is \$336,899. The interest rate on the lease receivable is based on the City's incremental borrowing rate of 2.03%. The lease revenue for fiscal year 2025 was \$24,335, which consists of an interest payment on the lease receivable of \$7,101 and the amortization of the deferred inflow of resources from the lease of \$17,233. The remaining principal and interest payments from leases are as follows:

<u>Fiscal Year Ending December 31</u>	<u>Lease Receivable</u>			<u>Amortization of Deferred Inflows</u>
	<u>Lease Receipts</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 13,141	\$ 6,839	\$ 19,980	\$ 17,233
2027	13,408	6,572	19,980	17,234
2028	13,680	6,300	19,980	17,234
2029	13,958	6,022	19,980	17,234
2030	14,241	5,739	19,980	17,234
2031-2035	85,752	24,138	109,890	86,170
2036-2040	110,736	14,141	124,877	86,170
2041-2043	71,983	2,942	74,925	51,701
Total	<u>\$ 336,899</u>	<u>\$ 72,693</u>	<u>\$ 409,592</u>	<u>\$ 310,210</u>

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets: The following is a summary of changes in capital assets for governmental activities for the year:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	
<u>Governmental activities</u>				
Capital assets not being depreciated/amortized				
Land	\$ 24,944	\$ -	\$ -	\$ 24,944
Construction in progress	417,344	2,053,594	(2,339,377)	131,561
Total capital assets not being depreciated/amortized	442,288	2,053,594	(2,339,377)	156,505
Other capital assets				
Infrastructure	35,776,312	2,629,974	(141,751)	38,264,535
Buildings	1,244,296	-	-	1,244,296
Vehicles and equipment	283,241	68,052	(11,944)	339,349
Total other capital assets	37,303,849	2,698,026	(153,695)	39,848,180
Less accumulated depreciation/amortization for				
Infrastructure	(11,961,676)	(1,172,054)	141,751	(12,991,979)
Buildings	(222,445)	(29,037)	-	(251,482)
Vehicles and equipment	(180,089)	(18,244)	11,944	(186,389)
Total accumulated depreciation/amortization	(12,364,210)	(1,219,335)	153,695	(13,429,850)
Other capital assets, net	24,939,639	1,478,691	-	26,418,330
Total governmental activities capital assets, net	\$ 25,381,927	\$ 3,532,285	\$ (2,339,377)	26,574,835
			Less associated debt	(4,594,398)
			Plus deferred charge on refunding	10,502
			Net investment in capital assets	\$ 21,990,939

Depreciation was charged to governmental functions as follows:

General government	\$ 18,244
Public works	1,201,091
Total governmental activities depreciation expense	\$ 1,219,335

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The following is a summary of changes in capital assets for business-type activities for the year:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	
<u>Business-type activities</u>				
Capital assets not being depreciated/amortized				
Land	\$ 144,163	\$ -	\$ -	\$ 144,163
Construction in progress	957,544	1,466,003	(2,268,308)	155,239
Total capital assets not being depreciated/amortized	1,101,707	1,466,003	(2,268,308)	299,402
Other capital assets				
Buildings	3,419,938	12,000	-	3,431,938
Water rights	446,890	-	-	446,890
Machinery and equipment	873,925	-	-	873,925
Infrastructure	18,447,286	2,374,605	-	20,821,891
Total other capital assets	23,188,039	2,386,605	-	25,574,644
Less accumulated depreciation/amortization for				
Buildings	(1,166,407)	(49,399)	-	(1,215,806)
Water rights	(446,890)	-	-	(446,890)
Machinery and equipment	(344,381)	(46,455)	-	(390,836)
Infrastructure	(8,512,725)	(489,347)	-	(9,002,072)
Total accumulated depreciation/amortization	(10,470,403)	(585,201)	-	(11,055,604)
Other capital assets, net	12,717,636	1,801,404	-	14,519,040
Total business-type activities capital assets, net	\$ 13,819,343	\$ 3,267,407	\$ (2,268,308)	14,818,442
		Less associated debt		(4,653,505)
		Net investment in capital assets		\$ 10,164,937

Depreciation was charged to business-type functions as follows:

Water and wastewater	\$ 585,201
Total business-type activities depreciation expense	\$ 585,201

For the year ended December 31, 2025, there were no significant commitments related to construction in progress. The current construction in progress is related to engineering and design of road improvements and water system improvements.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt: The following is a summary of changes in the City's total long-term liabilities for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities</u>					
Bonds, notes, and other payables					
General obligation bonds	\$ 3,435,000	\$ -	\$ (590,000)	\$ 2,845,000 *	\$ 605,000
Certificates of obligation	1,410,000	-	(175,000)	1,235,000 *	140,000
Premium	591,839	-	(77,441)	514,398 *	-
Compensated absences	22,700	18,145 **	-	40,845	20,801
Net pension liability	278,217	4,775	-	282,992	-
Total OPEB liability	<u>21,365</u>	<u>237</u>	<u>-</u>	<u>21,602</u>	<u>1,275</u>
Total governmental activities	<u>\$ 5,759,121</u>	<u>\$ 23,157</u>	<u>\$ (842,441)</u>	<u>\$ 4,939,837</u>	<u>\$ 767,076</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 4,172,761</u>
				*Debt associated with governmental capital assets	<u>\$ 4,594,398</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities</u>					
Bonds, notes, and other payables					
Certificates of obligation	\$ 4,745,000	\$ -	\$ (235,000)	\$ 4,510,000 *	\$ 245,000
Premium	152,474	-	(8,969)	143,505 *	-
Compensated absences	19,968	13,284 **	-	33,252	25,570
Net pension liability	<u>311,870</u>	<u>5,941</u>	<u>-</u>	<u>317,811</u>	<u>-</u>
Total business-type activities	<u>\$ 5,229,312</u>	<u>\$ 19,225</u>	<u>\$ (243,969)</u>	<u>\$ 5,004,568</u>	<u>\$ 270,570</u>
				<u>Long-term liabilities due in more than one year</u>	<u>\$ 4,733,998</u>
				*Debt associated with business-type capital assets	<u>\$ 4,653,505</u>

** Changes in compensated absences are presented on a net basis rather than as separate increases and decreases.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. For the governmental activities, compensated absences are generally liquidated by the general fund. For governmental activities, the total OPEB liability is fully liquidated by the general fund.

Long-term debt at year end was comprised of the following debt issues:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
Governmental activities		
General Obligation Bonds		
Series 2014	2.00-2.75%	\$ 210,000
Series 2020	3.00-4.00%	2,635,000
Total		<u>2,845,000</u>
Certificates of obligation		
Series 2021	1.45-3.00%	1,235,000
Total governmental activities long-term debt		<u>\$ 4,080,000</u>
<u>Business-Type Activities</u>		
Series 2021	1.45-3.00%	4,510,000
Total business-type activities long-term debt		<u>\$ 4,510,000</u>

The City is not obligated in any manner for special assessment debt.

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and infrastructure. General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. A number of limitation and restrictions are contained in the various bonds. The City has complied with all significant limitations and restrictions. The governmental activities annual requirements to amortize the general obligation bonds that remained outstanding at year end were as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities - General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 605,000	\$ 95,588	\$ 700,588
2027	415,000	76,500	491,500
2028	430,000	59,600	489,600
2029	450,000	42,000	492,000
2030	465,000	23,700	488,700
2031	480,000	7,200	487,200
	<u>\$ 2,845,000</u>	<u>\$ 304,588</u>	<u>\$ 3,149,588</u>

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The City has issued tax and revenue certificates of obligation to provide funds for the acquisition and construction of major facilities and infrastructure. Certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. Repayment of certificates for governmental activities is from taxes levied on all taxable property located within the City, while business-type activities certificates will be paid with water and wastewater revenues. A number of limitations and restrictions are contained in the various certificate's ordinances. The City has complied with all significant limitations and restrictions. The governmental and business-type activities annual requirements to amortize the certificates of obligation that remained outstanding at year end were as follows:

Year Ending <u>December 31</u>	<u>Governmental Activities - Certificates of Obligation</u>		
	<u>Certificates of Obligation</u>		<u>Tax Refund</u>
	<u>Principal</u>	<u>Interest</u>	<u>Agreements</u>
2026	\$ 140,000	\$ 27,225	\$ 167,225
2027	310,000	20,475	330,475
2028	270,000	11,775	281,775
2029	220,000	6,075	226,075
2030	175,000	3,113	178,113
2031	120,000	900	120,900
	<u>\$ 1,235,000</u>	<u>\$ 69,563</u>	<u>\$ 1,304,563</u>

Year Ending <u>December 31</u>	<u>Business-Type Activities - Certificates of Obligation</u>		
	<u>Certificates of Obligation</u>		<u>Tax Refund</u>
	<u>Principal</u>	<u>Interest</u>	<u>Agreements</u>
2026	\$ 245,000	\$ 81,905	\$ 326,905
2027	250,000	74,480	324,480
2028	255,000	66,905	321,905
2029	265,000	61,093	326,093
2030	265,000	57,118	322,118
2031-2035	1,400,000	224,800	1,624,800
2036-2040	1,510,000	106,450	1,616,450
2040-2041	320,000	3,200	323,200
	<u>\$ 4,510,000</u>	<u>\$ 675,950</u>	<u>\$ 5,185,950</u>

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

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transactions: Transfers between the primary government funds during the year were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 2,143,855
General Fund	Water and Wastewater Fund	<u>300,000</u>
		<u>\$ 2,443,855</u>

Amounts transferred to the capital projects fund and water and wastewater fund were for funding of future project costs and current project costs related to street maintenance, road improvements, and utility rehabilitation projects.

Restricted Assets: As of December 31, 2025, the City held restricted cash and cash equivalents of \$17,700 in the enterprise fund for customer deposits.

Fund equity: As of December 31, 2025, \$35,267 of the City's total fund balance is restricted by enabling legislation, \$151,736 is restricted for debt service, \$6,966 is restricted donations for public services, and \$96,568 is restricted for Metro.

NOTE 4 - OTHER INFORMATION

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with approximately 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

The City is a member of the Texas Municipal League Workers' Compensation Intergovernmental Risk Pool (the "TML Pool"), which is not intended to operate as an insurance company, but rather a contracting mechanism by which the City provides self-insurance benefits to its employees. The TML Pool contracts with a third-party administrator for administration, investigation, and adjustment services in the handling of claims. Premiums are based on the estimated City payroll by risk factor and rates. The premiums are adjusted by the City's experience modifier. All loss contingencies, including claims incurred but not reported, if any, are recorded and accounted for by the TML Pool.

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

It was determined some years ago that 105 addresses in the City were connected and being serviced by the City of Houston for wastewater. It was also determined at that time that 15 addresses in the City of Houston were connected and being serviced by the City. Both parties agreed to service said wastewater as subject to the terms and conditions outlined in the waste disposal contract dated April 10, 2002. At this time, the parties have not determined the financial ramifications of the situation described above.

Pension Plan:

Texas Municipal Retirement System

Plan Description: The City participates as one of 938 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (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 (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmr.com.

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

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	2025	2024
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/ yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

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

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to, but not yet receiving, benefits	7
Active employees	9
Total	23

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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.23% and 10.97% in calendar years 2025 and 2024. The City's contributions to TMRS for the fiscal year ended December 31, 2025 were \$194,440 which were equal to the required contributions.

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

Actuarial Assumptions: The TPL in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

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

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected rate of return for each major asset class in fiscal year 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)*</u>
Global public equity	35%	7.1%
Core fixed income	6%	5.0%
Non-core fixed income	6%	6.8%
Hedge funds	5%	6.4%
Private equity	13%	8.5%
Private debt	13%	8.2%
Real estate	12%	6.7%
Infrastructure	6%	6.0%
Other private markets	<u>4%</u>	7.3%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the TPL 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, TMRS'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 TPL.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the NPL(A):

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Changes for the year			
Service cost	\$ 186,922	\$ -	\$ 186,922
Interest	339,918	-	339,918
Difference between expected and actual experience	203,448	-	203,448
Contributions - employer	-	188,051	(188,051)
Contributions - employee	-	71,854	(71,854)
Net investment income	-	462,707	(462,707)
Benefit payments, including refunds of employee contributions	(209,925)	(209,925)	-
Administrative expense	-	(2,970)	2,970
Other changes	-	(70)	70
Net Changes	520,363	509,647	10,716
Balance at December 31, 2023	5,047,331	4,457,244	590,087
Balance at December 31, 2024	<u>\$ 5,567,694</u>	<u>\$ 4,966,891</u>	<u>\$ 600,803</u>

Sensitivity of the NPL to Changes in the Discount Rate: The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) 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:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	\$ 1,255,499	\$ 600,803	\$ 48,087

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

Pension Plan Fiduciary Net Position: Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: For the fiscal year ended December 31, 2025, the City recognized pension expense of \$204,867.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 138,240	\$ (3,832)
Changes in actuarial assumptions	-	(2,520)
Net difference between projected and actual investment earnings	-	(49,125)
Contributions subsequent to the measurement date	194,440	-
Total	<u>\$ 332,680</u>	<u>\$ (55,477)</u>

\$194,440 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending December 31, 2026.

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

<u>Fiscal Year ended December 31, 2025</u>	<u>Pension Expense</u>
2026	\$ 61,889
2027	116,127
2028	(62,882)
2029	(32,371)
Total	<u>\$ 82,763</u>

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

Other Postemployment Benefits:

TMRS Supplemental Death Benefit

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits. There are no assets accumulated in a GASB compliant trust related to this plan.

Benefits: The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2024 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to, but not yet receiving, benefits	1
Active employees	9
Total	14

Total OPEB Liability: The City's total OPEB liability of \$21,602 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	4.08%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent scale MP-2021 (with immediate convergence).
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 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with intermediate convergence) to account for future mortality improvements subject to the floor.

* The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.

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

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Changes for the year	
Service cost	\$ 1,026
Interest	819
Difference between expected and actual experience	16
Changes of assumptions	(1,316)
Benefit payments*	(308)
Net Changes	237
Beginning balance	21,365
Ending balance	\$ 21,602

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contribution for retirees.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

The discount rate increased from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	\$ 26,320	\$ 21,602	\$ 17,973

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended December 31, 2025, the City recognized a credit to OPEB expense of \$1,275.

The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 570	\$ (4,664)
Difference in expected and actual experience	180	(891)
Contributions subsequent to the measurement date	320	-
Total	<u>\$ 1,070</u>	<u>\$ (5,555)</u>

\$320 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending December 31, 2026.

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

<u>Fiscal Year ended December 31, 2025</u>	OPEB Expense
2026	\$ (2,834)
2027	(1,367)
2028	(239)
2029	(234)
2030	(131)
Total	<u>\$ (4,805)</u>

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

Deferred Compensation Plan: The City offers its employees a deferred compensation plan (the “Plan”) created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan’s trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the Plan, makes investment decisions, and disburses funds to employees in accordance with Plan provisions. During the fiscal year, \$79,424 was contributed to the Plan. The Plan has an invested balance of \$287,827 as of December 31, 2025.

Agreement with Metro and Harris County: On July 1, 1999, the City entered into a Congestion Mitigation/Traffic Management Agreement (the “Agreement”) with the Metropolitan Transit Authority of Harris County, Texas (“Metro”). Metro is to provide the City annual funding of \$134,000 for eligible transportation projects. In October 2019, the City approved Resolution 10-15-2019, supporting the Metronext Plan and extending the mobility payments through December 2040. This was contingent upon the Metro bond referendum passing, which passed in November 2019.

Related organizations and joint ventures:

Memorial Villages Police Department – Health Insurance Benefits. In November 2006, the City entered into an insurance agreement (the “Agreement”) by and between the Memorial Villages Police Department (the “Department”) and the City of Piney Point Village to collectively seek health and related ancillary benefits for each entity’s employees with the Department serving as the administrator. Under the terms of the Agreement, each party is responsible for the monthly premiums covering that entity’s employees.

Memorial Villages Water Authority. In July 1985, the City entered into a waste disposal agreement (the “Agreement”) with Memorial Villages Water Authority (the “Authority”). As part of this Agreement, the City paid 18.2 percent of the cost of construction for the wastewater treatment plant to the Authority. In March 2025, the City entered into a new Wholesale Wastewater Services Agreement, which supersedes prior arrangements. Under the Agreement, the Authority provides wastewater treatment services to the City through its regional system. The Agreement has an initial term of ten years with automatic renewal provisions. The City is required to pay for wastewater treatment services and its proportionate share of certain capital improvement and rehabilitation costs of the Authority’s system. The City retains responsibility for its wastewater collection system and customer billing.

Village Fire Department. The City has entered into an interlocal agreement (the “Agreement”) with the cities of Hunters Creek Village, Hedwig Village, Hilshire Village, Piney Point Village, and Spring Valley Village (the “Member Cities”) to create the Village Fire Department (VFD). The Agreement automatically renews for a period of five years unless terminated by at least one of the Member Cities. Under the terms of the Agreement, the City is liable for 19% of the VFD’s budget.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

Consolidated financial information of the VFD extracted from the audited financial statements for the year ended December 31, 2024, on which their auditors expressed an unmodified opinion, is as follows:

	VFD Total		City's Portion (19%)	
	<u>Net Position</u>	<u>Balance Sheet</u>	<u>Net Position</u>	<u>Balance Sheet</u>
Total assets and deferred outflows	\$ 10,221,732	\$ 2,833,946	\$ 1,942,129	\$ 538,450
Total liabilities and deferred inflows	<u>1,955,999</u>	<u>1,220,497</u>	<u>371,640</u>	<u>231,894</u>
Total participant's equity	<u>\$ 8,265,733</u>	<u>\$ 1,613,449</u>	<u>\$ 1,570,489</u>	<u>\$ 306,555</u>
	<u>Change in Net Position</u>	<u>Revenues and Expenditures</u>	<u>Change in Net Position</u>	<u>Revenues and Expenditures</u>
Total revenues	\$ 10,618,000	\$ 10,618,000	\$ 2,017,420	\$ 2,017,420
Total expenditures/expenses	<u>9,884,970</u>	<u>9,464,445</u>	<u>1,878,144</u>	<u>1,798,245</u>
Revenues over expenditures/ expenses	733,030	1,153,555	139,276	219,175
Total other financing sources	-	57,000	-	10,830
Beginning participant's equity	<u>7,532,703</u>	<u>402,894</u>	<u>1,431,214</u>	<u>76,550</u>
Ending participant's equity	<u>\$ 8,265,733</u>	<u>\$ 1,613,449</u>	<u>\$ 1,570,489</u>	<u>\$ 306,555</u>

Memorial Villages Police Department. The City has also entered into an interlocal agreement (the "Agreement") with the cities of Piney Point Village and Hunters Creek Village to create the Memorial Villages Police Department (MVPD). Under the terms of the Agreement, the City is liable for 33% of the MVPD's budget.

Consolidated financial information of the MVPD extracted from the audited financial statements for the year ended December 31, 2024, on which their auditors expressed an unmodified opinion, is as follows:

	MVPD Total		City's Portion (33%)	
	<u>Net Position</u>	<u>Balance Sheet</u>	<u>Net Position</u>	<u>Balance Sheet</u>
Total assets and deferred outflows	\$ 3,726,318	\$ 1,029,812	\$ 1,229,685	\$ 339,838
Total liabilities and deferred inflows	<u>7,614,846</u>	<u>797,937</u>	<u>2,512,899</u>	<u>263,319</u>
Total participant's equity	<u>\$ (3,888,528)</u>	<u>\$ 231,875</u>	<u>\$ (1,283,214)</u>	<u>\$ 76,519</u>
	<u>Change in Net Position</u>	<u>Revenues and Expenditures</u>	<u>Change in Net Position</u>	<u>Revenues and Expenditures</u>
Total revenues	\$ 7,882,744	\$ 7,764,243	\$ 2,601,306	\$ 2,562,200
Total expenditures/expenses	<u>10,258,775</u>	<u>8,093,705</u>	<u>3,385,396</u>	<u>2,670,923</u>
Revenues over expenditures/ expenses	(2,376,031)	(329,462)	(784,090)	(108,722)
Proceeds from sale of assets	-	36,920	-	12,184
Beginning participant's equity	<u>(1,512,497)</u>	<u>524,417</u>	<u>(499,124)</u>	<u>173,058</u>
Ending participant's equity	<u>\$ (3,888,528)</u>	<u>\$ 231,875</u>	<u>\$ (1,283,214)</u>	<u>\$ 76,519</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BUNKER HILL VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 6,643,292	\$ 6,741,292	\$ 6,770,129	\$ 28,837
Sales taxes	305,000	325,000	359,487	34,487
Charges for services	30,000	101,900	54,502	(47,398)
Franchise fees and local taxes	285,000	295,000	274,741	(20,259)
Fines and forfeitures	217,260	237,260	245,440	8,180
Licenses and permits	627,380	643,150	689,945	46,795
Interest earnings	600,000	580,000	599,314	19,314
Intergovernmental	-	18,334	18,334	-
Other	114,000	195,666	199,294	3,628
Total revenues	<u>8,821,932</u>	<u>9,137,602</u>	<u>9,211,186</u>	<u>73,584</u>
Expenditures				
General government				
General administration	1,273,760	1,367,860	1,193,280	174,580
Municipal court	12,700	12,700	10,512	2,188
Total general government	<u>1,286,460</u>	<u>1,380,560</u>	<u>1,203,792</u>	<u>176,768</u>
Public safety				
Fire	1,876,425	1,921,265	1,921,265	-
Police	2,645,655	2,725,223	2,647,491	77,732
Total public safety	<u>4,522,080</u>	<u>4,646,488</u>	<u>4,568,756</u>	<u>77,732</u>
Public works				
Streets and drainage	123,500	123,500	97,976	25,524
Permits and planning	291,500	291,500	282,217	9,283
Total public works	<u>415,000</u>	<u>415,000</u>	<u>380,193</u>	<u>34,807</u>
Total expenditures	<u>6,223,540</u>	<u>6,442,048</u>	<u>6,152,741</u>	<u>289,307</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>2,598,392</u>	<u>2,695,554</u>	<u>3,058,445</u>	<u>362,891</u>
Other financing sources (uses)				
Transfers (out)	<u>(2,443,855)</u>	<u>(2,443,855)</u>	<u>(2,443,855)</u>	<u>-</u>
Total other financing (uses)	<u>(2,443,855)</u>	<u>(2,443,855)</u>	<u>(2,443,855)</u>	<u>-</u>
Net change in fund balance	<u>\$ 154,537</u>	<u>\$ 251,699</u>	614,590	<u>\$ 362,891</u>
Beginning fund balance			<u>4,090,558</u>	
Ending fund balance			<u>\$ 4,705,148</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF BUNKER HILL VILLAGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Ten Years

	Measurement Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 186,922	\$ 161,664	\$ 128,833	\$ 129,589	\$ 116,132	\$ 110,595	\$ 107,199	\$ 104,237	\$ 102,034	\$ 101,270
Interest (on the total pension liability)	339,918	321,144	270,257	253,520	237,241	219,295	213,174	197,104	184,637	175,323
Changes in benefit terms	-	458,236	(4,466)	-	-	-	-	-	-	-
Difference between expected and actual experience	203,448	(28,553)	34,043	15,752	(565)	43,428	(105,053)	62,665	21,467	26,875
Change of assumptions	-	(18,773)	-	-	-	12,170	-	-	-	51,452
Benefit payments, including refunds of employee contributions	(209,925)	(130,022)	(177,773)	(114,343)	(122,390)	(122,390)	(130,290)	(124,545)	(124,545)	(124,545)
Net change in total pension liability	520,363	763,696	250,894	284,518	230,418	263,098	85,030	239,461	183,593	230,375
Beginning total pension liability	5,047,331	4,283,635	4,032,741	3,748,223	3,517,805	3,254,707	3,169,677	2,930,216	2,746,623	2,516,248
Ending total pension liability	<u>\$ 5,567,694</u>	<u>\$ 5,047,331</u>	<u>\$ 4,283,635</u>	<u>\$ 4,032,741</u>	<u>\$ 3,748,223</u>	<u>\$ 3,517,805</u>	<u>\$ 3,254,707</u>	<u>\$ 3,169,677</u>	<u>\$ 2,930,216</u>	<u>\$ 2,746,623</u>
Plan fiduciary net position										
Contributions - employer	\$ 188,051	\$ 94,088	\$ 83,474	\$ 84,347	\$ 71,519	\$ 79,978	\$ 69,773	\$ 71,659	\$ 56,125	\$ 57,835
Contributions - employee	71,854	62,487	55,124	55,077	49,179	46,862	45,015	44,088	40,171	41,143
Net investment income	462,707	459,926	(315,990)	496,561	268,936	474,161	(95,245)	388,379	179,309	3,951
Benefit payments, including refunds of employee contributions	(209,925)	(130,022)	(177,773)	(114,343)	(122,390)	(122,390)	(130,290)	(124,545)	(124,545)	(124,545)
Administrative expense	(2,970)	(2,926)	(2,734)	(2,298)	(1,740)	(2,680)	(1,841)	(2,013)	(2,026)	(2,407)
Other	(70)	(19)	3,262	16	(67)	(80)	(97)	(102)	(109)	(119)
Net change in plan fiduciary net position	509,647	483,534	(354,637)	519,360	265,437	475,851	(112,685)	377,466	148,925	(24,142)
Beginning plan fiduciary net position	4,457,244	3,973,710	4,328,347	3,808,987	3,543,550	3,067,699	3,180,384	2,802,918	2,653,993	2,678,135
Ending Plan Fiduciary Net Position	<u>\$ 4,966,891</u>	<u>\$ 4,457,244</u>	<u>\$ 3,973,710</u>	<u>\$ 4,328,347</u>	<u>\$ 3,808,987</u>	<u>\$ 3,543,550</u>	<u>\$ 3,067,699</u>	<u>\$ 3,180,384</u>	<u>\$ 2,802,918</u>	<u>\$ 2,653,993</u>
Net Pension Liability	<u>\$ 600,803</u>	<u>\$ 590,087</u>	<u>\$ 309,925</u>	<u>\$ (295,606)</u>	<u>\$ (60,764)</u>	<u>\$ (25,745)</u>	<u>\$ 187,008</u>	<u>\$ (10,707)</u>	<u>\$ 127,298</u>	<u>\$ 92,630</u>
Plan fiduciary net position as a percentage of total pension liability	89.21%	88.31%	92.76%	107.33%	101.62%	100.73%	94.25%	100.34%	95.66%	96.63%
Covered Payroll	\$ 1,024,879	\$ 892,676	\$ 787,488	\$ 786,821	\$ 702,551	\$ 669,464	\$ 643,067	\$ 629,828	\$ 573,870	\$ 587,753
Net pension liability as a percentage of covered payroll	58.62%	66.10%	39.36%	-37.57%	-8.65%	-3.85%	29.08%	-1.70%	22.18%	15.76%

CITY OF BUNKER HILL VILLAGE, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Ten Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 194,440	\$ 112,429	\$ 88,553	\$ 83,473	\$ 84,347	\$ 70,754	\$ 78,352	\$ 69,773	\$ 71,675	\$ 56,125
Contributions in relation to the actuarially determined contribution	<u>194,440</u>	<u>187,758</u>	<u>94,088</u>	<u>83,473</u>	<u>84,347</u>	<u>71,535</u>	<u>80,777</u>	<u>69,773</u>	<u>71,675</u>	<u>56,125</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (75,329)</u>	<u>\$ (5,535)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (781)</u>	<u>\$ (2,425)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,066,595	\$ 1,024,879	\$ 892,676	\$ 787,488	\$ 786,821	\$ 702,551	\$ 669,464	\$ 643,067	\$ 629,828	\$ 573,870
Contributions as a percentage of covered payroll	18.23%	18.32%	10.54%	10.60%	10.72%	10.18%	12.07%	10.85%	11.38%	9.78%

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. 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; 12.00% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience of the study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis with scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females.
3. Other Information: There were no benefit changes during the year.

CITY OF BUNKER HILL VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS FUND
Last Eight Years

	Measurement Year							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability								
Service cost	\$ 1,026	\$ 1,428	\$ 2,284	\$ 2,439	\$ 1,827	\$ 1,205	\$ 1,350	\$ 1,134
Interest (on the total OPEB liability)	819	834	543	657	760	829	1,082	1,079
Difference between expected and actual experience	16	(1,769)	527	(6,441)	(924)	(446)	(10,892)	-
Change of assumptions	(1,316)	1,132	(11,270)	928	3,831	3,739	(1,452)	2,136
Benefit payments**	(308)	(268)	(866)	(866)	(281)	(402)	(322)	(315)
Net change in total OPEB liability	<u>237</u>	<u>1,357</u>	<u>(8,782)</u>	<u>(3,283)</u>	<u>5,213</u>	<u>4,925</u>	<u>(10,234)</u>	<u>4,034</u>
Beginning total OPEB liability	<u>21,365</u>	<u>20,008</u>	<u>28,790</u>	<u>32,073</u>	<u>26,860</u>	<u>21,935</u>	<u>32,169</u>	<u>28,135</u>
Ending total OPEB liability	<u>\$ 21,602</u>	<u>\$ 21,365</u>	<u>\$ 20,008</u>	<u>\$ 28,790</u>	<u>\$ 32,073</u>	<u>\$ 26,860</u>	<u>\$ 21,935</u>	<u>\$ 32,169</u>
Covered-Employee payroll	\$ 1,024,879	\$ 892,676	\$ 787,488	\$ 786,821	\$ 702,551	\$ 669,464	\$ 643,067	\$ 629,828
Total OPEB liability as a percentage of Covered Employee payroll	2.11%	2.39%	2.54%	3.66%	4.57%	4.01%	3.41%	5.11%

* Only eight years of information is currently available. The City will build this schedule over the next two-year period.

** Due to the SDBF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 SUPPLEMENTAL DEATH BENEFITS FUND
 Last Eight Years

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	4.08%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with intermediate convergence) to account for future mortality improvements subject to the floor.
3. Other Information: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75 to pay related benefits.
 *The discount rate was based on Bond Buyer “20-Bond GO Index” rate closest to, but not later than December 31, 2024. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial study for the period ending December 31, 2022.
 There were no benefit changes during the year.

COMBINING STATEMENTS AND SCHEDULES

CITY OF BUNKER HILL VILLAGE, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL
 DEBT SERVICE FUND
 For the year ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 826,738	\$ 826,738	\$ 911,590	\$ 84,852
Interest earnings	18,000	18,000	18,000	-
Total revenues	<u>844,738</u>	<u>844,738</u>	<u>929,590</u>	<u>84,852</u>
Expenditures				
Debt service				
Principal	765,000	765,000	765,000	-
Interest and fiscal charges	156,344	156,344	155,243	1,101
Total expenditures	<u>921,344</u>	<u>921,344</u>	<u>920,243</u>	<u>1,101</u>
Net change in fund balance	<u>\$ (76,606)</u>	<u>\$ (76,606)</u>	9,347	<u>\$ 85,953</u>
Beginning fund balance			<u>142,389</u>	
Ending fund balance			<u>\$ 151,736</u>	

CITY OF BUNKER HILL VILLAGE, TEXAS
NONMAJOR GOVNERMENTAL FUNDS
FUND DESCRIPTIONS
For the year ended December 31, 2025

SPECIAL REVENUE FUNDS

Metro Fund

The Metro Fund accounts for the revenue collected from an interlocal agreement with Metro to receive \$134,000 annually through December 2040 and to be used for street maintenance and improvements on major thoroughfares.

Restricted Court Fund

The Restricted Court Fund is used to account for revenues from municipal court collections that are restricted for court technology and court security expenditures.

Restricted Donation Fund

The Restricted Donation Fund is used to account for donations made to the City that are restricted for public services within the City. The fund includes the activities of BHV Inc., a nonprofit corporation organized to support the City's public works and disaster operations building enhancement projects. BHV Inc. is reported as a blended component unit of the City because its governing body consists of the Mayor and City Council and its activities are substantively the same as the City's operations.

Offsite Tree Fund

The Offsite Tree Fund accounts for revenues related to funds received from participating parties for an alternative means to meet the City's Tree Ordinance for new development. Participating parties are able to pay for trees to be planted in the City's rights-of-way when the number of trees, over the minimum required, cannot be planted on private property.

CITY OF BUNKER HILL VILLAGE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2025

	Special Revenue Funds				Total Nonmajor Governmental Funds
	<u>Metro</u>	<u>Restricted Court</u>	<u>Restricted Donation</u>	<u>Offsite Tree</u>	
ASSETS					
Cash and cash equivalents	\$ 103,825	\$ 35,267	\$ 6,966	\$ 249,111	\$ 395,169
Total assets	<u>\$ 103,825</u>	<u>\$ 35,267</u>	<u>\$ 6,966</u>	<u>\$ 249,111</u>	<u>\$ 395,169</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 7,257	\$ -	\$ -	\$ -	\$ 7,257
Total liabilities	<u>7,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,257</u>
FUND BALANCES					
Restricted					
Metro	96,568	-	-	-	96,568
Enabling legislation	-	35,267	-	-	35,267
Public services	-	-	6,966	-	6,966
Assigned					
Offsite tree program	-	-	-	249,111	249,111
Total fund balances	<u>96,568</u>	<u>35,267</u>	<u>6,966</u>	<u>249,111</u>	<u>387,912</u>
Total liabilities and fund balances	<u>\$ 103,825</u>	<u>\$ 35,267</u>	<u>\$ 6,966</u>	<u>\$ 249,111</u>	<u>\$ 395,169</u>

CITY OF BUNKER HILL VILLAGE, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the year ended December 31, 2025

	Special Revenue Funds				Total Nonmajor Governmental Funds
	<u>Metro</u>	<u>Restricted Court</u>	<u>Restricted Donation</u>	<u>Offsite Tree</u>	
Revenues					
Fines and forfeitures	\$ -	\$ 9,677	\$ -	\$ -	\$ 9,677
Interest earnings	-	-	297	-	297
Intergovernmental	134,000	-	-	-	134,000
Miscellaneous income	-	-	-	97,000	97,000
Total revenues	<u>134,000</u>	<u>9,677</u>	<u>297</u>	<u>97,000</u>	<u>240,974</u>
Expenditures					
Current					
General government	-	-	-	69,182	69,182
Public safety	-	1,113	-	-	1,113
Public works	127,619	-	-	-	127,619
Total expenditures	<u>127,619</u>	<u>1,113</u>	<u>-</u>	<u>69,182</u>	<u>197,914</u>
Net change in fund balance	6,381	8,564	297	27,818	43,060
Beginning fund balances	<u>90,187</u>	<u>26,703</u>	<u>6,669</u>	<u>221,293</u>	<u>344,852</u>
Ending fund balances	<u>\$ 96,568</u>	<u>\$ 35,267</u>	<u>\$ 6,966</u>	<u>\$ 249,111</u>	<u>\$ 387,912</u>

CITY OF BUNKER HILL VILLAGE, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 METRO FUND
 For the year ended December 31, 2025

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 134,000	\$ 134,000	\$ 134,000	\$ -
Total revenues	<u>134,000</u>	<u>134,000</u>	<u>134,000</u>	<u>-</u>
Expenditures				
Public works	<u>134,000</u>	<u>134,000</u>	<u>127,619</u>	<u>6,381</u>
Total expenditures	<u>134,000</u>	<u>134,000</u>	<u>127,619</u>	<u>6,381</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	6,381	<u>\$ 6,381</u>
Beginning fund balance			<u>90,187</u>	
Ending fund balance			<u>\$ 96,568</u>	

CITY OF BUNKER HILL VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RESTRICTED COURT FUND
For the year ended December 31, 2025

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 11,770	\$ 13,370	\$ 9,677	\$ (3,693)
Total revenues	<u>11,770</u>	<u>13,370</u>	<u>9,677</u>	<u>(3,693)</u>
Expenditures				
Public safety	11,300	11,300	1,113	10,187
Total expenditures	<u>11,300</u>	<u>11,300</u>	<u>1,113</u>	<u>10,187</u>
Net change in fund balance	<u>\$ 470</u>	<u>\$ 2,070</u>	8,564	<u>\$ 6,494</u>
Beginning fund balance			<u>26,703</u>	
Ending fund balance			<u>\$ 35,267</u>	

CITY OF BUNKER HILL VILLAGE, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 RESTRICTED DONATION FUND
 For the year ended December 31, 2025

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Interest earnings	\$ 300	\$ 300	\$ 297	\$ (3)
Miscellaneous income	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>297</u>	<u>(5,003)</u>
Expenditures				
Public works	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	<u>\$ 300</u>	<u>\$ 300</u>	297	<u>\$ (3)</u>
Beginning fund balance			<u>6,669</u>	
Ending fund balance			<u>\$ 6,966</u>	

CITY OF BUNKER HILL VILLAGE, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 OFFSITE TREE FUND
 For the year ended December 31, 2025

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous income	\$ 100,000	\$ 100,000	\$ 97,000	\$ (3,000)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>97,000</u>	<u>(3,000)</u>
Expenditures				
General government	<u>150,000</u>	<u>150,000</u>	<u>69,182</u>	<u>80,818</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>69,182</u>	<u>80,818</u>
Net change in fund balance	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	27,818	<u>\$ 77,818</u>
Beginning fund balance			<u>221,293</u>	
Ending fund balance			<u>\$ 249,111</u>	

STATISTICAL SECTION

CITY OF BUNKER HILL VILLAGE, TEXAS
STATISTICAL SECTION
December 31, 2025

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

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FINANCIAL TRENDS..... 71
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY..... 76
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

DEBT CAPACITY..... 80
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION 85
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION..... 87
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF BUNKER HILL VILLAGE, TEXAS
NET POSITION BY COMPONENT
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$ 21,990,939	\$ 19,958,041	\$ 19,549,535	\$ 19,228,110	\$ 15,914,582	\$ 15,598,352	\$ 14,359,489	\$ 12,047,684	\$ 7,371,683	\$ 5,778,396
Restricted	290,537	265,948	329,556	820,004	737,302	832,890	832,932	816,540	3,828,996	938,821
Unrestricted	<u>9,226,004</u>	<u>9,055,759</u>	<u>7,536,042</u>	<u>4,633,969</u>	<u>5,913,381</u>	<u>4,163,475</u>	<u>3,250,599</u>	<u>4,404,596</u>	<u>3,389,362</u>	<u>5,560,444</u>
Total governmental activities net position	<u>\$ 31,507,480</u>	<u>\$ 29,279,748</u>	<u>\$ 27,415,133</u>	<u>\$ 24,682,083</u>	<u>\$ 22,565,265</u>	<u>\$ 20,594,717</u>	<u>\$ 18,443,020</u>	<u>\$ 17,268,820</u>	<u>\$ 14,590,041</u>	<u>\$ 12,277,661</u>
Business-type activities										
Net investment in capital assets	\$ 10,164,937	\$ 8,921,869	\$ 7,858,757	\$ 7,363,044	\$ 6,856,938	\$ 7,305,887	\$ 7,088,720	\$ 6,681,645	\$ 6,130,803	\$ 4,376,414
Restricted	-	-	-	180,483	35,156	14,487	-	5,612	-	-
Unrestricted	<u>4,279,823</u>	<u>4,018,282</u>	<u>4,673,253</u>	<u>4,358,595</u>	<u>4,225,168</u>	<u>3,681,049</u>	<u>3,802,650</u>	<u>3,340,771</u>	<u>3,328,882</u>	<u>4,448,772</u>
Total business-type activities net position	<u>\$ 14,444,760</u>	<u>\$ 12,940,151</u>	<u>\$ 12,532,010</u>	<u>\$ 11,902,122</u>	<u>\$ 11,117,262</u>	<u>\$ 11,001,423</u>	<u>\$ 10,891,370</u>	<u>\$ 10,028,028</u>	<u>\$ 9,459,685</u>	<u>\$ 8,825,186</u>
Primary government										
Net investment in capital assets	\$ 32,155,876	\$ 28,879,910	\$ 27,408,292	\$ 26,591,154	\$ 22,771,520	\$ 22,904,239	\$ 21,448,209	\$ 18,729,329	\$ 13,502,486	\$ 10,154,810
Restricted	290,537	265,948	329,556	1,000,487	772,458	847,377	832,932	822,152	3,828,996	938,821
Unrestricted	<u>13,505,827</u>	<u>13,074,041</u>	<u>12,209,295</u>	<u>8,992,564</u>	<u>10,138,549</u>	<u>7,844,524</u>	<u>7,053,249</u>	<u>7,745,367</u>	<u>6,718,244</u>	<u>10,009,216</u>
Total primary government net position	<u>\$ 45,952,240</u>	<u>\$ 42,219,899</u>	<u>\$ 39,947,143</u>	<u>\$ 36,584,205</u>	<u>\$ 33,682,527</u>	<u>\$ 31,596,140</u>	<u>\$ 29,334,390</u>	<u>\$ 27,296,848</u>	<u>\$ 24,049,726</u>	<u>\$ 21,102,847</u>

CITY OF BUNKER HILL VILLAGE, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses										
Governmental activities										
General government	\$ 1,312,286	\$ 1,618,897	\$ 1,105,668	\$ 907,627	\$ 943,981	\$ 1,302,460	\$ 1,906,330	\$ 671,381	\$ 719,790	\$ 808,501
Public safety	4,569,869	4,311,309	4,104,671	3,663,065	3,441,441	3,345,855	3,202,353	2,900,786	2,823,401	2,615,433
Public works	1,818,309	1,617,953	1,575,746	1,357,079	1,161,799	1,290,694	1,106,933	991,234	1,015,080	917,945
Public services	-	-	-	29,380	151,875	-	-	-	-	-
Interest and fiscal agent fees	73,745	100,119	124,967	154,141	249,569	161,936	232,133	260,604	294,033	343,813
Bond issuance costs and fees	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>7,774,209</u>	<u>7,648,278</u>	<u>6,911,052</u>	<u>6,111,292</u>	<u>5,948,665</u>	<u>6,100,945</u>	<u>6,447,749</u>	<u>4,824,005</u>	<u>4,852,304</u>	<u>4,685,692</u>
Business-type activities										
Water and wastewater	4,642,927	4,762,611	3,697,121	3,027,451	2,662,547	2,849,187	2,630,034	2,891,694	2,628,146	2,814,594
Solid waste*	510,030	493,808	494,575	489,548	496,646	378,935	-	-	-	-
Total business-type activities expenses	<u>5,152,957</u>	<u>5,256,419</u>	<u>4,191,696</u>	<u>3,516,999</u>	<u>3,159,193</u>	<u>3,228,122</u>	<u>2,630,034</u>	<u>2,891,694</u>	<u>2,628,146</u>	<u>2,814,594</u>
Total expenses	<u>\$ 12,927,166</u>	<u>\$ 12,904,697</u>	<u>\$ 11,102,748</u>	<u>\$ 9,628,291</u>	<u>\$ 9,107,858</u>	<u>\$ 9,329,067</u>	<u>\$ 9,077,783</u>	<u>\$ 7,715,699</u>	<u>\$ 7,480,450</u>	<u>\$ 7,500,286</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 945,062	\$ 1,009,601	\$ 717,527	\$ 579,921	\$ 523,172	\$ 457,143	\$ 615,911	\$ 550,337	\$ 537,222	\$ 403,043
Public safety	54,502	87,944	97,590	25,330	15,984	15,984	15,984	49,818	74,808	75,210
Public services	-	-	-	19,614	179,102	-	-	-	-	-
Operating grants and contributions	208,302	395,081	360,848	138,977	134,000	328,408	134,000	134,000	134,000	134,000
Total governmental activities program revenues	<u>1,207,866</u>	<u>1,492,626</u>	<u>1,175,965</u>	<u>763,842</u>	<u>852,258</u>	<u>801,535</u>	<u>765,895</u>	<u>734,155</u>	<u>746,030</u>	<u>612,253</u>
Business-type activities										
Charges for services										
Water and wastewater	\$ 4,910,671	\$ 4,305,676	\$ 4,250,893	\$ 3,770,334	\$ 2,765,403	\$ 3,134,683	\$ 3,471,840	\$ 3,307,864	\$ 3,193,945	\$ 3,014,256
Solid waste*	495,584	488,880	494,921	502,849	482,292	472,907	-	-	-	-
Operating grants and contributions	879,439	-	-	-	-	135,000	-	-	-	-
Total business-type activities program revenues	<u>6,285,694</u>	<u>4,794,556</u>	<u>4,745,814</u>	<u>4,273,183</u>	<u>3,247,695</u>	<u>3,742,590</u>	<u>3,471,840</u>	<u>3,307,864</u>	<u>3,193,945</u>	<u>3,014,256</u>
Total program revenues	<u>\$ 7,493,560</u>	<u>\$ 6,287,182</u>	<u>\$ 5,921,779</u>	<u>\$ 5,037,025</u>	<u>\$ 4,099,953</u>	<u>\$ 4,544,125</u>	<u>\$ 4,237,735</u>	<u>\$ 4,042,019</u>	<u>\$ 3,939,975</u>	<u>\$ 3,626,509</u>
Net (expense)/revenue										
Governmental activities	(6,566,343)	(6,155,652)	(5,735,087)	(5,347,450)	(5,096,407)	(5,299,410)	(5,681,854)	(4,089,850)	(4,106,274)	(4,073,439)
Business-type activities	1,132,737	(461,863)	554,118	756,184	88,502	514,468	841,806	416,170	565,799	199,662
Total net (expense)	<u>\$ (5,433,606)</u>	<u>\$ (6,617,515)</u>	<u>\$ (5,180,969)</u>	<u>\$ (4,591,266)</u>	<u>\$ (5,007,905)</u>	<u>\$ (4,784,942)</u>	<u>\$ (4,840,048)</u>	<u>\$ (3,673,680)</u>	<u>\$ (3,540,475)</u>	<u>\$ (3,873,777)</u>

(Continued)

CITY OF BUNKER HILL VILLAGE, TEXAS
 CHANGES IN NET POSITION
 Last Ten Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 7,545,942	\$ 7,247,788	\$ 7,007,254	\$ 6,476,131	\$ 6,214,742	\$ 6,252,728	\$ 6,135,807	\$ 6,160,676	\$ 5,853,556	\$ 5,330,181
Sales taxes	359,487	313,395	290,083	244,358	222,471	202,178	171,465	162,022	163,346	123,911
Franchise fees	274,741	290,723	281,486	279,561	267,400	246,368	285,858	278,844	285,244	281,861
Interest earnings	617,611	788,359	614,916	127,024	62,160	64,047	61,621	58,712	66,311	34,785
Other	296,294	180,002	274,398	354,655	250,655	271,465	201,303	108,375	78,017	73,876
Transfers	(300,000)	(800,000)	-	(17,461)	49,527	414,321	-	-	-	-
Total governmental activities	<u>8,794,075</u>	<u>8,020,267</u>	<u>8,468,137</u>	<u>7,464,268</u>	<u>7,066,955</u>	<u>7,451,107</u>	<u>6,856,054</u>	<u>6,768,629</u>	<u>6,446,474</u>	<u>5,844,614</u>
Business-type activities										
Interest earnings	65,000	65,004	65,000	-	-	-	11,629	19,616	28,682	-
Other	6,872	5,000	10,770	11,215	76,864	9,906	9,907	132,557	40,018	18,002
Transfers	300,000	800,000	-	17,461	(49,527)	(414,321)	-	-	-	-
Total business-type activities	<u>371,872</u>	<u>870,004</u>	<u>75,770</u>	<u>28,676</u>	<u>27,337</u>	<u>(404,415)</u>	<u>21,536</u>	<u>152,173</u>	<u>68,700</u>	<u>18,002</u>
Total primary government	<u>\$ 9,165,947</u>	<u>\$ 8,890,271</u>	<u>\$ 8,543,907</u>	<u>\$ 7,492,944</u>	<u>\$ 7,094,292</u>	<u>\$ 7,046,692</u>	<u>\$ 6,877,590</u>	<u>\$ 6,920,802</u>	<u>\$ 6,515,174</u>	<u>\$ 5,862,616</u>
Change in net position										
Governmental activities	\$ 2,227,732	\$ 1,864,615	\$ 2,733,050	\$ 2,116,818	\$ 1,970,548	\$ 2,151,697	\$ 1,174,200	\$ 2,678,779	\$ 2,340,200	\$ 1,771,175
Business-type activities	1,504,609	408,141	629,888	784,860	115,839	110,053	863,342	568,343	634,499	217,664
Total changes in net position	<u>\$ 3,732,341</u>	<u>\$ 2,272,756</u>	<u>\$ 3,362,938</u>	<u>\$ 2,901,678</u>	<u>\$ 2,086,387</u>	<u>\$ 2,261,750</u>	<u>\$ 2,037,542</u>	<u>\$ 3,247,122</u>	<u>\$ 2,974,699</u>	<u>\$ 1,988,839</u>

* Business-type activities did not report solid waste expenses and charges for services separately prior to fiscal year 2020.

CITY OF BUNKER HILL VILLAGE, TEXAS
 FUND BALANCES - GOVERNMENTAL FUND
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,297	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	11,183
Assigned	633,216	559,202	760,637	947,712	852,170	898,100	869,075	1,850,456	814,578	2,570,741
Unassigned	<u>4,071,932</u>	<u>3,531,356</u>	<u>3,745,124</u>	<u>2,774,344</u>	<u>2,639,168</u>	<u>2,634,595</u>	<u>2,123,788</u>	<u>2,518,119</u>	<u>2,475,774</u>	<u>2,858,509</u>
Total general fund	<u>\$ 4,705,148</u>	<u>\$ 4,090,558</u>	<u>\$ 4,505,761</u>	<u>\$ 3,722,056</u>	<u>\$ 3,491,338</u>	<u>\$ 3,533,992</u>	<u>\$ 2,992,863</u>	<u>\$ 4,368,575</u>	<u>\$ 3,290,352</u>	<u>\$ 5,440,433</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ 39,000	\$ 94,591	\$ 5,698	\$ 4,340	\$ -	\$ -	\$ -	\$ -
Restricted	290,537	265,948	329,556	842,541	2,649,717	821,632	832,932	811,445	3,828,996	927,638
Assigned	4,691,707	4,985,715	2,860,012	796,724	2,339,119	567,572	-	-	-	-
Unassigned	-	-	-	-	-	(4,340)	-	-	-	-
Total all other governmental funds	<u>\$ 4,982,244</u>	<u>\$ 5,251,663</u>	<u>\$ 3,228,568</u>	<u>\$ 1,733,856</u>	<u>\$ 4,994,534</u>	<u>\$ 1,389,204</u>	<u>\$ 832,932</u>	<u>\$ 811,445</u>	<u>\$ 3,828,996</u>	<u>\$ 927,638</u>

CITY OF BUNKER HILL VILLAGE, TEXAS
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Property taxes	\$ 7,681,719	\$ 7,207,421	\$ 6,988,300	\$ 6,472,980	\$ 6,204,506	\$ 6,229,684	\$ 6,119,460	\$ 6,201,517	\$ 5,847,505	\$ 5,447,583
Sales taxes	493,487	313,395	290,083	244,358	222,471	202,178	171,465	162,022	163,346	123,911
Charges for services	54,502	87,944	97,590	44,944	195,086	15,984	15,984	49,818	74,808	75,210
Franchise fees	274,741	290,723	281,486	279,561	267,400	246,368	285,858	278,844	285,244	281,861
Fines and forfeitures	255,117	245,681	198,128	98,404	66,508	85,220	189,357	124,589	183,998	102,509
Licenses and permits	689,945	763,920	519,399	481,517	456,664	371,923	426,554	425,748	353,224	300,534
Interest earnings	617,611	788,359	614,916	127,024	62,160	64,047	61,621	58,712	66,311	34,785
Intergovernmental	74,302	395,081	360,848	138,977	134,000	328,408	134,000	134,000	134,000	134,000
Other	296,294	180,002	274,398	354,655	250,655	271,465	201,303	108,375	78,017	73,876
Total revenues	10,437,718	10,272,526	9,625,148	8,242,420	7,859,450	7,815,277	7,605,602	7,543,625	7,186,453	6,574,269
Expenditures										
General government	1,272,974	1,401,552	1,056,630	901,218	812,416	1,023,815	807,845	740,008	657,958	646,344
Public safety	4,569,869	4,311,309	4,104,671	3,663,065	3,441,441	3,345,855	3,202,353	2,900,786	2,823,401	2,615,433
Public works	617,218	685,899	642,574	565,519	433,232	514,623	421,134	402,232	435,158	372,795
Public services		-	-	29,380	151,875	-	-	-	-	-
Capital outlay	2,412,243	504,462	546,181	4,914,124	307,373	1,376,667	3,140,420	3,632,366	708,190	215,123
Debt service										
Principal	765,000	780,000	790,000	945,000	910,000	940,000	915,000	1,515,000	1,475,000	1,430,000
Interest and fiscal charges	155,243	181,412	206,675	236,613	320,792	238,070	260,738	292,561	335,469	374,806
Total expenditures	9,792,547	7,864,634	7,346,731	11,254,919	6,377,129	7,439,030	8,747,490	9,482,953	6,435,176	5,654,501
Excess (deficiency) of revenues over (under) expenditures	645,171	2,407,892	2,278,417	(3,012,499)	1,482,321	376,247	(1,141,888)	(1,939,328)	751,277	919,768
Other financing sources (uses)										
Issuance of debt	-	-	-	-	1,875,000	5,225,000	-	-	-	-
Premium on debt	-	-	-	-	155,828	781,559	-	-	-	-
Payment to escrow agent	-	-	-	-	-	(5,912,063)	-	-	-	-
Transfers in	2,143,855	2,749,243	2,269,310	1,672,873	1,935,962	2,146,223	3,351,992	566,258	-	-
Transfers out	(2,443,855)	(3,549,243)	(2,269,310)	(1,690,334)	(1,886,435)	(1,731,902)	(3,351,992)	(566,258)	-	-
Total other financing sources (uses)	(300,000)	(800,000)	-	(17,461)	2,080,355	508,817	-	-	-	-
Net change in fund balances	\$ 345,171	\$ 1,607,892	\$ 2,278,417	\$ (3,029,960)	\$ 3,562,676	\$ 885,064	\$ (1,141,888)	\$ (1,939,328)	\$ 751,277	\$ 919,768
Debt service as a percentage of noncapital expenditures	12.47%	13.06%	14.66%	18.73%	19.86%	18.41%	17.63%	31.52%	31.50%	32.58%

CITY OF BUNKER HILL VILLAGE, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 Last ten years
 (Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Residential	\$ 2,885,099,056	\$ 2,611,144,401	\$ 2,572,145,681	\$ 2,274,514,350	\$ 2,207,979,894	\$ 2,200,253,945	\$ 2,145,575,910	\$ 2,130,741,350	\$ 2,047,730,178	\$ 1,867,561,708
Vacant	31,722,391	21,234,520	21,457,475	10,698,935	15,932,729	21,413,469	19,501,819	19,782,928	23,694,015	17,433,859
Commercial and industrial	923,999	938,178	870,771	839,936	100	844,490	837,711	835,941	834,791	824,100
Utilities	3,301,250	2,999,750	2,453,890	1,965,350	2,093,050	1,749,300	1,659,090	1,642,540	1,622,760	1,102,430
Real properties	8,086,857	7,999,498	5,487,787	1,283,446	806,078	449,124	226,385	476,401	6,714,690	4,576,086
Governmental and charities	<u>115,965,181</u>	<u>115,628,552</u>	<u>114,848,012</u>	<u>107,528,591</u>	<u>114,715,441</u>	<u>114,715,441</u>	<u>113,324,167</u>	<u>113,324,167</u>	<u>113,324,167</u>	<u>113,699,517</u>
Total assessed value (1)	3,045,098,734	2,759,944,899	2,717,263,616	2,396,830,608	2,341,527,292	2,339,425,769	2,281,125,082	2,266,803,327	2,193,920,601	2,005,197,700
Less: tax exempt property	<u>(127,182,371)</u>	<u>(127,375,609)</u>	<u>(43,896,246)</u>	<u>(49,981,153)</u>	<u>(100,260,019)</u>	<u>(86,983,531)</u>	<u>(74,556,851)</u>	<u>(79,283,110)</u>	<u>(90,437,207)</u>	<u>(45,873,592)</u>
Total taxable assessed valuation	<u>\$ 2,917,916,363</u>	<u>\$ 2,632,569,290</u>	<u>\$ 2,673,367,370</u>	<u>\$ 2,346,849,455</u>	<u>\$ 2,241,267,273</u>	<u>\$ 2,252,442,238</u>	<u>\$ 2,206,568,231</u>	<u>\$ 2,187,520,217</u>	<u>\$ 2,103,483,394</u>	<u>\$ 1,959,324,108</u>
Taxable value as a percentage of assessed value	95.82%	95.38%	98.38%	97.91%	95.72%	96.28%	96.73%	96.50%	97.57%	97.71%
Total tax rate	0.271000%	0.271000%	0.271000%	0.275000%	0.275000%	0.277000%	0.277000%	0.277000%	0.277000%	0.282855%

Source: Tax department of the Spring Branch Independent School District.

Note: All property is assessed at 100% of actual taxable value during the year of the tax levy.

CITY OF BUNKER HILL VILLAGE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Bunker Hill Village										
Operating tax rate	\$ 0.240008	\$ 0.235688	\$ 0.235688	\$ 0.227338	\$ 0.229253	\$ 0.230407	\$ 0.224946	\$ 0.199110	\$ 0.196114	\$ 0.191076
Debt service tax rate	0.030992	0.035312	0.035312	0.047662	0.045747	0.046593	0.052054	0.077890	0.080886	0.086779
Total direct rates	<u>\$ 0.271000</u>	<u>\$ 0.271000</u>	<u>\$ 0.271000</u>	<u>\$ 0.275000</u>	<u>\$ 0.275000</u>	<u>\$ 0.277000</u>	<u>\$ 0.277000</u>	<u>\$ 0.277000</u>	<u>\$ 0.277000</u>	<u>\$ 0.277855</u>
Spring Branch Independent School District	\$ 1.023100	\$ 1.078900	\$ 1.268800	\$ 1.307300	\$ 1.307300	\$ 1.307300	\$ 1.394500	\$ 1.394500	\$ 1.394500	\$ 1.394500
Harris County	0.380900	0.350070	0.343730	0.391160	0.391160	0.391160	0.418580	0.418010	0.416560	0.419230
Harris County Flood Control	0.047810	0.031050	0.031420	0.031420	0.031420	0.031420	0.028770	0.028290	0.028290	0.027330
Port of Houston Authority	0.006070	0.005740	0.079900	0.009100	0.009100	0.009910	0.011550	0.013340	0.013340	0.013420
Harris County Hospital District	0.160860	0.143430	0.148310	0.166710	0.166710	0.166710	0.171080	0.171900	0.171790	0.170000
Harris County Department of Education	0.004798	0.004800	0.004993	0.004993	0.004993	0.004199	0.005190	0.005200	0.005200	0.005422
Total overlapping rates	<u>\$ 1.623538</u>	<u>\$ 1.613990</u>	<u>\$ 1.877153</u>	<u>\$ 1.910683</u>	<u>\$ 1.910683</u>	<u>\$ 1.910699</u>	<u>\$ 2.029670</u>	<u>\$ 2.031240</u>	<u>\$ 2.029680</u>	<u>\$ 2.029902</u>
Total direct and overlapping rates	<u>\$ 1.894538</u>	<u>\$ 1.884990</u>	<u>\$ 2.148153</u>	<u>\$ 2.185683</u>	<u>\$ 2.185683</u>	<u>\$ 2.187699</u>	<u>\$ 2.306670</u>	<u>\$ 2.308240</u>	<u>\$ 2.306680</u>	<u>\$ 2.307757</u>

Source: Tax department records of the various governments.

Note: The basis for property tax rates is per \$100 of the assessed valuation.

CITY OF BUNKER HILL VILLAGE, TEXAS
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

<u>Property Tax Payer</u>	2025			2016		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Private Residential Property	\$ 7,700,000	1	0.26%	\$ -	-	-
Private Residential Property	7,304,209	2	0.25%	-	-	-
Private Residential Property	7,124,884	3	0.24%	-	-	-
Private Residential Property	6,808,065	4	0.23%	-	-	-
Private Residential Property	5,995,000	5	0.21%	-	-	-
Private Residential Property	5,972,063	6	0.20%	4,279,744	8	0.22%
CKK Rentals LLC	6,850,000	7	0.23%	-	-	-
Private Residential Property	6,348,613	8	0.22%	-	-	-
Private Residential Property	6,200,031	9	0.21%	-	-	-
Private Residential Property	5,836,739	10	0.20%	-	-	-
Private Residential Property	-	-	-	5,038,519	1	0.26%
Private Residential Property	-	-	-	4,752,258	2	0.25%
Private Residential Property	-	-	-	4,708,287	3	0.25%
Private Residential Property	-	-	-	4,675,000	4	0.24%
Private Residential Property	-	-	-	4,608,978	5	0.24%
Dillard	-	-	-	4,413,234	6	0.23%
Private Residential Property	-	-	-	4,322,400	7	0.23%
Private Residential Property	-	-	-	4,214,039	9	0.22%
Private Residential Property	-	-	-	3,649,807	10	0.19%
Subtotal	66,139,604		2.27%	44,662,266		2.33%
Other taxpayers	<u>2,851,776,759</u>		<u>97.73%</u>	<u>1,914,661,842</u>		<u>97.67%</u>
Total	<u>\$ 2,917,916,363</u>		<u>100.00%</u>	<u>\$ 1,959,324,108</u>		<u>100.00%</u>

Source: Tax department of the Spring Branch Independent School District.

Note: The requirement is to report the top 10 property taxable assessed valuation for the current year and nine years ago.

CITY OF BUNKER HILL VILLAGE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

<u>Fiscal Year</u>	<u>Tax Levy Year</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Current Tax Collected*</u>		<u>Adjustment in Subsequent Years**</u>	<u>Total Collections to Date</u>	
				<u>Tax Collected</u>	<u>Percentage of Levy</u>		<u>Amount Collected</u>	<u>Percentage of Levy</u>
2016	2015	\$ 0.277855	\$ 5,444,080	\$ 5,425,840	99.66%	\$ 9,537	\$ 5,435,377	99.84%
2017	2016	0.277000	5,826,649	5,811,928	99.75%	5,207	5,817,135	99.84%
2018	2017	0.277000	6,059,431	6,049,784	99.84%	(397)	6,049,387	99.83%
2019	2018	0.277000	6,112,194	6,093,082	99.69%	8,909	6,101,991	99.83%
2020	2019	0.277000	6,239,265	6,200,373	99.38%	33,221	6,233,594	99.91%
2021	2020	0.275000	6,163,485	6,134,121	99.52%	16,603	6,150,724	99.79%
2022	2021	0.275000	6,453,836	6,431,276	99.65%	6,032	6,437,308	99.74%
2023	2022	0.027100	6,994,924	6,963,761	99.55%	-	6,963,761	99.55%
2024	2023	0.027100	7,392,312	7,115,227	96.25%	(2,777)	7,191,706	97.29%
2025	2024	0.027100	8,022,739	7,329,254	91.36%	-	7,474,795	93.17%

Source: Tax department of the Spring Branch Independent School District.

*Collected within the year of the levy.

**Adjusted for net collections and refunds in subsequent years of the levy.

CITY OF BUNKER HILL VILLAGE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
General obligation bonds	\$ 2,845,000	\$ 3,435,000	\$ 4,000,000	\$ 4,540,000	\$ 5,485,000	\$ 6,395,000	\$ 7,925,000	\$ 8,840,000	\$ 10,355,000	\$ 11,830,000
Certificates of obligation	1,235,000	1,410,000	1,625,000	1,875,000	1,875,000	-	-	-	-	-
Bond issuance premiums	514,398	591,839	669,280	746,721	824,162	745,775	141,277	173,846	209,494	245,142
Subtotal	<u>4,594,398</u>	<u>5,436,839</u>	<u>6,294,280</u>	<u>7,161,721</u>	<u>8,184,162</u>	<u>7,140,775</u>	<u>8,066,277</u>	<u>9,013,846</u>	<u>10,564,494</u>	<u>12,075,142</u>
Business-type activities										
Certificates of obligation	4,510,000	4,745,000	4,975,000	5,195,000	5,195,000	-	-	-	-	-
Bond issuance premiums	143,505	152,474	161,443	170,412	179,381	-	-	-	-	-
Subtotal	<u>4,653,505</u>	<u>4,897,474</u>	<u>5,136,443</u>	<u>5,365,412</u>	<u>5,374,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Government-wide										
General obligation bonds	2,845,000	3,435,000	4,000,000	4,540,000	5,485,000	6,395,000	7,925,000	8,840,000	10,355,000	11,830,000
Certificates of obligation	5,745,000	6,155,000	6,600,000	7,070,000	7,070,000	-	-	-	-	-
Bond issuance premiums	657,903	744,313	830,723	917,133	1,003,543	745,775	141,277	173,846	209,494	245,142
Total government-wide	<u>\$ 9,247,903</u>	<u>\$ 10,334,313</u>	<u>\$ 11,430,723</u>	<u>\$ 12,527,133</u>	<u>\$ 13,558,543</u>	<u>\$ 7,140,775</u>	<u>\$ 8,066,277</u>	<u>\$ 9,013,846</u>	<u>\$ 10,564,494</u>	<u>\$ 12,075,142</u>
Total assessed value (1)	\$ 3,045,098,734	\$ 2,759,944,899	\$ 2,717,263,616	\$ 2,396,830,608	\$ 2,341,527,292	\$ 2,339,425,769	\$ 2,281,125,082	\$ 2,266,803,327	\$ 2,193,920,601	\$ 2,005,197,700
Percentage of full property value										
Government-wide	0.30%	0.37%	0.42%	0.52%	0.58%	0.31%	0.35%	0.40%	0.48%	0.60%
Population										
	3,889	3,822	3,822	3,861	3,841	3,822	3,804	3,785	3,766	3,747
Debt per capita										
Governmental activities	\$ 1,181	\$ 1,423	\$ 2,647	\$ 1,855	\$ 2,131	\$ 1,868	\$ 2,120	\$ 2,381	\$ 2,805	\$ 3,223
Government-wide	\$ 2,378	\$ 2,704	\$ 2,991	\$ 3,245	\$ 3,530	\$ 1,868	\$ 2,120	\$ 2,381	\$ 2,805	\$ 3,223

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

(1) All property is assessed at 100% of actual taxable value during the year of the tax levy.

CITY OF BUNKER HILL VILLAGE, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Estimated actual taxable value of property	<u>\$ 2,917,916,363</u>	<u>\$ 2,632,569,290</u>	<u>\$ 2,673,367,370</u>	<u>\$ 2,346,849,455</u>	<u>\$ 2,241,267,273</u>	<u>\$ 2,252,442,238</u>	<u>\$ 2,206,568,231</u>	<u>\$ 2,187,520,217</u>	<u>\$ 2,103,483,394</u>	<u>\$ 1,959,324,108</u>
Net bonded debt										
Gross bonded debt ⁽¹⁾	\$ 9,247,903	\$ 10,334,313	\$ 11,430,723	\$ 12,527,133	\$ 13,558,543	\$ 7,140,775	\$ 8,066,277	\$ 9,013,846	\$ 10,564,494	\$ 12,075,142
Less amounts available in debt service funds	151,736	142,389	201,599	155,618	177,631	289,601	330,905	355,227	359,222	456,762
Total	<u>\$ 9,096,167</u>	<u>\$ 10,191,924</u>	<u>\$ 11,229,124</u>	<u>\$ 12,371,515</u>	<u>\$ 13,380,912</u>	<u>\$ 6,851,174</u>	<u>\$ 7,735,372</u>	<u>\$ 8,658,619</u>	<u>\$ 10,205,272</u>	<u>\$ 11,618,380</u>
Percentage of estimated taxable value of property	0.32%	0.39%	0.43%	0.53%	0.60%	0.32%	0.37%	0.41%	0.50%	0.62%
Population	3,889	3,822	3,822	3,861	3,841	3,822	3,804	3,785	3,766	3,747
Per capita	\$ 2,339	\$ 2,667	\$ 2,938	\$ 3,204	\$ 3,484	\$ 1,793	\$ 2,033	\$ 2,288	\$ 2,710	\$ 3,101

Notes: Additional information about the City's outstanding debt is included in the notes to the financial statements.

(1) These amounts represent all general obligation and tax-supported debt of the City, including debt reported in both governmental and business-type activities.

CITY OF BUNKER HILL VILLAGE, TEXAS
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 December 31, 2025

<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Spring Branch Independent School District	\$1,279,740,000	5.37%	\$ 68,722,038
Harris County	2,257,734,736	0.37%	8,353,619
Harris County Flood Control District	937,165,000	0.37%	3,467,511
Harris County Hospital District	867,820,000	0.37%	3,210,934
Harris County Department of Education	28,960,000	0.37%	107,152
Port of Houston Authority	386,074,397	0.37%	<u>1,428,475</u>
Subtotal, overlapping debt			85,289,728
City direct debt	\$ 4,594,398	100.00%	<u>4,594,398</u>
Total direct and overlapping debt			<u><u>\$ 89,884,126</u></u>

Source: Municipal Advisory Council of Texas

* The "Estimated Percentage Overlapping" is determined by dividing the City's certified taxable value by the County and related other County entities certified taxable values.

CITY OF BUNKER HILL VILLAGE, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit ⁽²⁾	\$ 291,791,636	\$ 263,256,929	\$ 267,336,737	\$ 234,684,946	\$ 224,126,727	\$ 225,244,224	\$ 220,656,823	\$ 218,752,022	\$ 210,348,339	\$ 195,932,411
Total net debt applicable to limit	<u>4,442,662</u>	<u>5,294,448</u>	<u>6,092,681</u>	<u>7,006,103</u>	<u>8,006,531</u>	<u>6,851,174</u>	<u>7,735,372</u>	<u>8,658,619</u>	<u>10,205,272</u>	<u>11,618,380</u>
Legal debt margin	<u>\$ 287,348,974</u>	<u>\$ 257,962,481</u>	<u>\$ 261,244,056</u>	<u>\$ 227,678,843</u>	<u>\$ 216,120,196</u>	<u>\$ 218,393,050</u>	<u>\$ 212,921,451</u>	<u>\$ 210,093,403</u>	<u>\$ 200,143,067</u>	<u>\$ 184,314,031</u>
Total net debt applicable to the limit as a percentage of debt limit	1.52%	2.01%	2.28%	2.99%	3.57%	3.04%	3.51%	3.96%	4.85%	5.93%
Legal debt margin calculation										
Assessed value	\$ 2,917,916,363	\$ 2,632,569,290	\$ 2,673,367,370	\$ 2,346,455	\$ 2,241,267,273	\$ 2,252,442,238	\$ 2,206,568,231	\$ 2,187,520,217	\$ 2,103,483,394	\$ 1,959,108
Debt limit (10% of assessed value)	291,791,636	263,256,929	267,336,737	234,684,946	224,126,727	225,244,224	220,656,823	218,752,022	210,348,339	195,932,411
Gross bonded debt applicable to limit ⁽¹⁾	4,594,398	5,436,839	6,294,280	7,161,721	8,184,162	7,140,775	8,066,277	9,013,846	10,564,494	12,075,142
Less amount set aside for repayment of general	<u>151,736</u>	<u>142,389</u>	<u>201,599</u>	<u>155,618</u>	<u>177,631</u>	<u>289,601</u>	<u>330,905</u>	<u>355,227</u>	<u>359,222</u>	<u>256,762</u>
Total net debt applicable to limit	<u>4,442,662</u>	<u>5,294,450</u>	<u>6,092,681</u>	<u>7,006,103</u>	<u>8,006,531</u>	<u>6,851,174</u>	<u>7,735,372</u>	<u>8,658,619</u>	<u>10,205,272</u>	<u>11,818,380</u>
Legal debt margin	<u>\$ 287,348,974</u>	<u>\$ 257,962,479</u>	<u>\$ 261,244,056</u>	<u>\$ 227,678,843</u>	<u>\$ 216,120,196</u>	<u>\$ 218,393,050</u>	<u>\$ 212,921,451</u>	<u>\$ 210,093,403</u>	<u>\$ 200,143,067</u>	<u>\$ 184,114,031</u>

Notes:

- (1) These are the amounts of the outstanding debt for governmental activities since this debt is repaid with taxes levied on all taxable property located within the City.
- (2) There is no debt limit established by law; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt. The Attorney General of the State of Texas will not approve more than \$1.00 of the tax rate for debt service. The City's maximum legal tax rate is \$2.50 per \$100 valuation assessed at 100% of the market value. Ten percent (10%) of the assessed value has been applied as a "rule of thumb" procedure.

CITY OF BUNKER HILL VILLAGE, TEXAS
 COMPUTATION OF SELF-SUPPORTING DEBT
 Last Five Years*

	Fiscal Year				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Gross revenues ⁽¹⁾	\$ 5,861,982	\$ 4,375,680	\$ 4,326,663	\$ 3,781,549	\$ 2,837,497
Operating expenses ⁽²⁾	<u>3,979,677</u>	<u>4,144,898</u>	<u>3,072,884</u>	<u>2,453,910</u>	<u>2,115,374</u>
Net revenues available for debt service ⁽³⁾	<u>\$ 1,882,305</u>	<u>\$ 230,782</u>	<u>\$ 1,253,779</u>	<u>\$ 1,327,639</u>	<u>\$ 722,123</u>
Subsequent year debt service requirements ⁽⁴⁾					
Principal	\$ 235,000	\$ 230,000	\$ 220,000	\$ -	\$ -
Interest	<u>89,105</u>	<u>96,080</u>	<u>102,830</u>	<u>106,130</u>	<u>49,527</u>
Total	<u>\$ 324,105</u>	<u>\$ 326,080</u>	<u>\$ 322,830</u>	<u>\$ 106,130</u>	<u>\$ 49,527</u>
Coverage	5.81	0.71	3.88	12.51	14.58

*The City's water and wastewater fund did not have self-supporting debt from 2014 through 2020.

Notes:

- (1) Gross revenues include operating and nonoperating revenues within the water and wastewater fund and exclude capital contributions, grant revenues, and capital recovery fees.
- (2) Total operating expenses do not include amortization, depreciation, bond interest, or fiscal charges.
- (3) The net revenue available is for the debt service payments on certificates of obligation for the water and wastewater fund.
- (4) It is the City's current policy to provide these payments from water and wastewater fund revenues; however, the revenues from the water and wastewater fund are not pledged to the payment of this debt. The City's policy to make debt service payments from the water and wastewater revenues is subject to change in the future.

CITY OF BUNKER HILL VILLAGE, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

Fiscal Year Ended <u>December 31,</u>	<u>Population</u> ⁽¹⁾	<u>Personal Income</u> ⁽¹⁾	<u>Per Capita Personal Income</u> ⁽¹⁾	<u>Median Age</u> ⁽¹⁾	<u>Public School Enrollment</u> ⁽²⁾	<u>Unemployment Rate</u> ⁽¹⁾	<u>Education Level in Years of Formal Schooling</u> ⁽¹⁾
2016	3,747	\$ 396,465	\$ 105,722	44.8	1,304	0.50%	96.80%
2017	3,766	369,869	114,276	46.0	1,280	0.80%	96.20%
2018	3,785	386,300	120,034	45.4	1,286	2.00%	96.50%
2019	3,804	373,388	116,966	42.7	1,280	2.80%	98.30%
2020	3,822	370,711	199,314	45.8	1,333	3.00%	98.10%
2021	3,841	396,465	128,461	43.8	1,326	3.80%	99.20%
2022	3,861	373,388	128,219	43.8	1,071	2.30%	99.20%
2023	3,822	435,776	132,835	42.2	1,246	3.60%	99.64%
2024	3,822	435,776	131,666	42.4	1,246	3.60%	99.70%
2025	3,889	474,242	143,511	42.4	1,502	1.10%	99.70%

* Fiscal year ended 2021 data was used as the information was not available for fiscal year ended 2022.

Data sources:

- (1) Colliers International Estimate
- (2) Spring Branch Independent School District

CITY OF BUNKER HILL VILLAGE, TEXAS
 PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Employment</u>	<u>Percentage of Total Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank</u>
Memorial Drive Presbyterian Church	151	34.16%	1	171	47.63%	1
Spring Branch Independent School District						
Frostwood Elementary	86	19.46%	2	55	15.32%	2
Bunker Hill Elementary	87	19.68%	3	50	13.93%	3
Memorial Villages Police Department	50	11.31%	4	41	11.42%	4
Holy Name Retreat Center	22	4.98%	5	16	4.46%	6
Second Baptist School	34	7.69%	6	N/A	N/A	10
City of Bunker Hill Village	9	2.04%	7	8	2.23%	7
8th Church of Christ Scientology	2	0.45%	8	2	0.56%	8
Memorial Forest Club	1	0.23%	9	1	0.28%	9
Memorial Drive Christian Church	<u>N/A</u>	<u>N/A</u>	10	<u>15</u>	<u>4.18%</u>	5
	<u>442</u>	<u>100.00%</u>		<u>359</u>	<u>100.00%</u>	

Source: Human Resource Department of each company

Note: The residents of the City are primarily employed outside of the City limits and employment within the City limits is not considered a significant economic factor for the City.

CITY OF BUNKER HILL VILLAGE, TEXAS
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities										
General government	5	5	5	5	5	5	5	5	5	5
Public works	1	1	1	1	1	1	1	1	1	1
Business-type activities										
Water and sewer	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total City positions	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>8</u></u>

Source: City Finance Department

CITY OF BUNKER HILL VILLAGE, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City of Bunker Hill Village										
Budgeted full-time employees	9	9	9	8	8	8	8	8	8	8
Function										
Municipal court										
Traffic violations	761	794	652	558	172	116	492	486	890	357
Non-traffic violations	2,776	4,137	2,493	1,669	392	432	2,090	1,438	1,642	678
Community development										
Residential building permits issued	59	60	57	56	68	59	65	66	61	67
Commercial building permits issued	-	3	1	2	-	1	-	-	-	1
Water										
Average daily gallons pumped-combined water (millions of gallons)	1.04%	1.01%	1.11%	1.05%	0.82%	1.00%	0.98%	1.00%	1.05%	1.04%
Average daily gallons pumped-surface water (millions of gallons)	0.55%	0.54%	0.56%	0.55%	0.46%	0.50%	0.49%	0.51%	0.53%	0.60%
Average daily gallons pumped-well water (millions of gallons)	0.50%	0.47%	0.55%	0.50%	0.36%	0.50%	0.49%	0.49%	0.52%	0.44%
Number of connections	1,361	1,361	1,356	1,354	1,355	1,363	1,352	1,362	1,365	1,358

Source: Various City departments

CITY OF BUNKER HILL VILLAGE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

Function	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General government										
Municipal buildings	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)*										
Major										
Asphalt	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4
Concrete	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Minor										
Asphalt	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Concrete	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Water										
Water wells	4	4	4	4	4	4	4	4	4	4
Ground/elevated storage tanks	3	3	3	3	3	3	3	3	3	3
Water mains (miles)	24	24	24	24	24	24	24	24	24	24
Fire hydrants	182	142	142	107	107	107	107	107	107	105
Water										
Sanitary sewers (miles)	22	22	22	22	22	22	22	22	22	22
Sewer manholes	425	425	425	425	425	425	425	425	425	425

* There are 25 private streets that are not maintained by the City. Two streets have minimal private sections.

Source: Various City departments