ANNUAL FINANCIAL REPORT

of the

City of Vidor, Texas

For the Year Ended
September 30, 2024

Prepared by:

Finance Department

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City of Vidor, Texas

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September 30, 2024

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Vidor, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the City of Vidor, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Vidor, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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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 one year after the date that the financial statements are issued.

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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 18, 2025, on our consideration of the City of Vidor, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

BrooksWatson & Co.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
August 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

As management of the City of Vidor, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

Financial Highlights

- The City's total combined net position was $21,828,368 at September 30, 2024. Of this, $6,093,532 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.

- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $7,988,029, an increase of $372,521.

- As of the end of the year, the unassigned fund balance of the general fund was $4,038,848 or 44% of total general fund expenditures.

- The City had an overall increase in net position of $1,749,283.

- The City closed the year with a net pension liability of $2,697,387.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

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

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include sanitation operations.

The government-wide financial statements can be found on pages 19-23 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 fiscal year. Such information may be useful in assessing a government'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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, disaster recovery grant fund, and CDBG fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, special revenue and sanitation funds. In order to demonstrate compliance with the budget, a budgetary comparison statement has been provided for the general fund and the two major special revenue funds for which a budget was prepared.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *Enterprise funds* are 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 sanitation operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitation fund, which is considered to be major fund of the City.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 35-68 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios, and

schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Vidor, assets and deferred outflows exceeded liabilities and deferred inflows by $21,828,368 as of September 30, 2024, in the primary government.

The largest portion of the City's net position, $13,895,735, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. 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.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 9,896,340	$ 520,974	$ 10,417,314	$ 9,466,114	$ 529,356	$ 9,995,470
Capital assets, net	19,607,225	205,634	19,812,859	17,686,171	345,365	18,031,536
Total Assets	29,503,565	726,608	30,230,173	27,152,285	874,721	28,027,006
Deferred Outflows of Resources	1,397,187	126,603	1,523,790	2,247,129	218,312	2,465,441
Other liabilities	1,018,184	130,608	1,148,792	857,398	159,098	1,016,496
Long-term liabilities	8,251,384	381,718	8,633,102	8,785,024	550,111	9,335,135
Total Liabilities	9,269,568	512,326	9,781,894	9,642,422	709,209	10,351,631
Deferred Inflows of Resources	129,330	14,371	143,701	55,558	6,173	61,731
Net Position:						
Net investment in capital assets	13,775,165	120,570	13,895,735	12,373,919	188,047	12,561,966
Restricted	1,839,101	-	1,839,101	1,560,025	-	1,560,025
Unrestricted	5,887,588	205,944	6,093,532	5,767,490	189,604	5,957,094
Total Net Position	$ 21,501,854	$ 326,514	$ 21,828,368	$ 19,701,434	$ 377,651	$ 20,079,085

Capital assets for governmental activities increased by $1,921,054 due to new street and building improvements in the current year. Other liabilities for governmental activities increased by $160,786 due to nonrecurring community block grant related accrued expenses that remain unpaid at the end of the current year. Total long-term liabilities decreased by $702,033 primarily due to current year principal payments and a decrease in the City's net pension liability due actuarial valuation changes during the year.

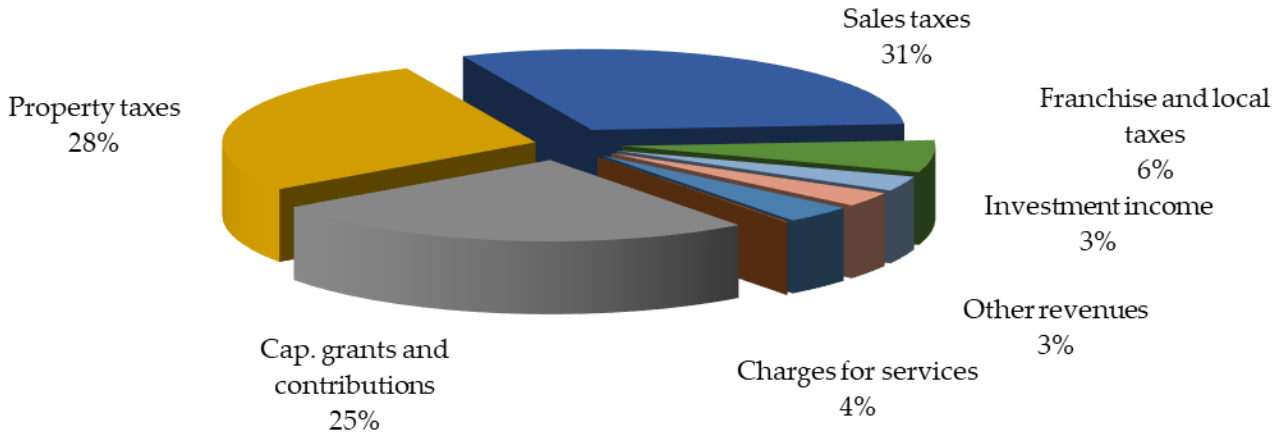
Statement of Activities:

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

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 441,227	$ 1,196,777	$ 1,638,004	$ 501,869	$ 1,159,429	$ 1,661,298
Op. grants and contributions	10,446	-	10,446	51,062	-	51,062
Cap. grants and contributions	3,189,104	-	3,189,104	1,115,217	-	1,115,217
General revenues:						
Property taxes	3,477,517	-	3,477,517	3,205,646	-	3,205,646
Sales taxes	3,791,566	-	3,791,566	3,772,594	-	3,772,594
Franchise and local taxes	792,044	-	792,044	715,170	-	715,170
Investment income	367,624	12,309	379,933	253,457	12,515	265,972
Other revenues	362,682	-	362,682	393,057	3,119	396,176
Total Revenues	12,432,210	1,209,086	13,641,296	10,008,072	1,175,063	11,183,135
Expenses						
General government	2,616,777	-	2,616,777	2,001,232	-	2,001,232
Public safety	4,696,179	-	4,696,179	4,309,699	-	4,309,699
Public works	2,700,944	-	2,700,944	2,936,586	-	2,936,586
Culture and recreation	449,762	-	449,762	434,194	-	434,194
Interest and fiscal charges	168,128	2,996	171,124	165,269	4,291	169,560
Sanitation	-	1,257,227	1,257,227	-	1,268,712	1,268,712
Total Expenses	10,631,790	1,260,223	11,892,013	9,846,980	1,273,003	11,119,983
Change in Net Position	1,800,420	(51,137)	1,749,283	161,092	(97,940)	63,152
Beginning Net Position	19,701,434	377,651	20,079,085	19,540,342	475,591	20,015,933
Ending Net Position	$ 21,501,854	$ 326,514	$ 21,828,368	$ 19,701,434	$ 377,651	$ 20,079,085

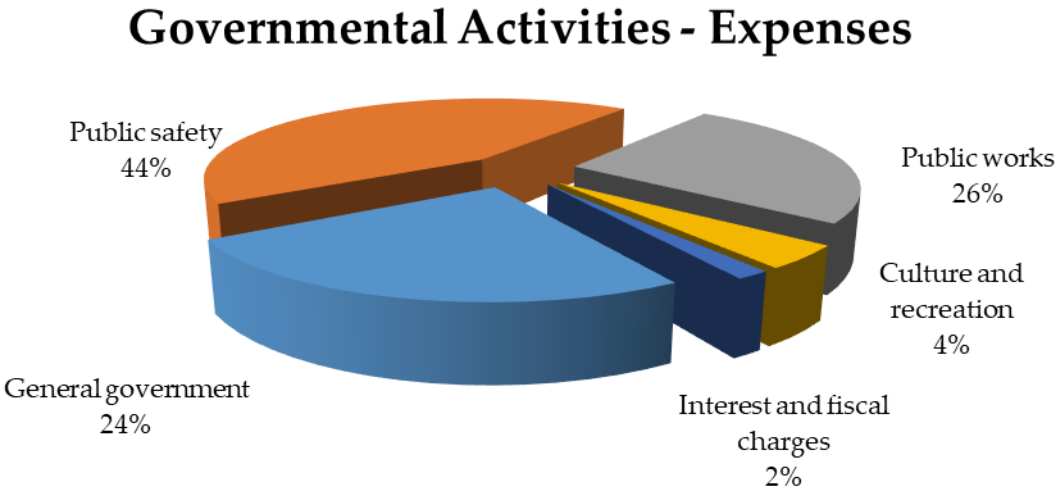
Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues



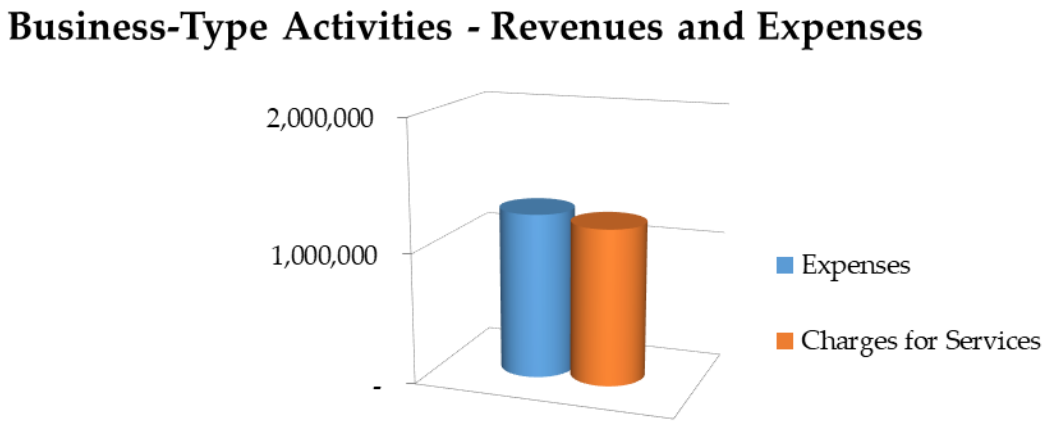
For the year ended September 30, 2024, revenues from governmental activities totaled $12,432,210. Property tax, sales tax and grants/contributions are the City's largest revenue sources. Charges for services decreased by $60,642 or 12% primarily due to nonrecurring federal forfeiture funds received and licenses and permits issued in the prior year. Grants and contributions increased by $2,033,271 or over 100% due to nonrecurring disaster recovery and community block related grants received in the current year. Property taxes increased by $271,871 or 8% primarily due to greater appraised values in the current year. Franchise taxes increased by $76,874 or 11% primarily due to greater electric usage and greater hotel occupancy revenue received. Investment income increased by $114,167 or 45% as a result of the realization of higher interest rates over the course of the year. Other revenues decreased by $30,375 or 8% primarily due to nonrecurring auction and miscellaneous revenues received in the prior year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2024, expenses for governmental activities totaled $10,631,790. This represents an increase of $784,810 or 8% from the prior year. The City's largest functional expense is public safety of $4,696,179, which increased by $386,480 or 9%. The increase was primarily due to greater salaries and benefits and nonrecurring vehicle maintenance expenses in the current year. General government increased by $615,545 or 31% due to greater personnel (including retirement benefits) resulting from greater actuarial input changes related to pension in the current year. Public works decreased by $235,642 or 8% primarily due to nonrecurring property clean up, demo expenses, and maintenance expenses in the prior year. All other expenditures remained relatively consistent with the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2024, charges for services by business-type activities totaled $1,196,777. This is an increase of $37,348 or 3% over the prior year, which is considered minimal.

Total expenses decreased by $12,780 or 1% during the year which is considered consistent when compared to the prior year.

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 of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of $6,319,105. The City has committed 25% of annual general fund expenditures which totaled $2,280,257 as of yearend. Unassigned fund balance totaled $4,038,848 as of year end. The general fund increased $204,120 from the prior year. The increase is primarily related to greater than anticipated revenues.

The disaster recovery grant fund reflected a fund balance of $833,162. This is an increase of $136,474 from prior year, as current year grant revenues were greater than capital expenditures. This is due to less than anticipated capital outlay expenditures incurred in the current year.

The CDBG fund reflected a fund deficit of $179,898. This is a decrease of $110,992 compared to the prior year, as capital outlay expenditures exceeded current year grant revenues.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive revenue variance of $737,683 and a negative expenditure variance of $759,134 for the year. This positive revenue variance was primarily the result of greater sales tax and investment income received compared to the final budget. Actual expenditures exceeded appropriations at the legal level of control for the municipal court, human resources, financial administration, police, animal control, debt service principal, debt service interest, and capital outlay by $20,308, $15,949, $76,362, $264,666, $13,133, $200,040, $6,011, and $617,009, respectively.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $19,607,225 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested $205,634 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset additions during the current year include the following:

- Made street/drainage infrastructure improvements totaling $2,450,401.
- Purchased new mowers for $28,303.
- Purchased a fingerprint scanner for $14,000.
- Made improvements to the library for $32,500.
- Entered into multiple new leases totaling $931,123.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds, premiums, notes, and leases outstanding of $5,533,473. During the year, the City made payments on the long-term debt of $629,713. The City entered into lease financing agreements totaling $931,123 during the year ended September 30, 2024. More detailed information about the City's long-term liabilities is presented in note IV to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Vidor and improving services provided to their public citizens. The City is budgeting for growth in the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Vidor' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 1395 North Main Street, Vidor, Texas 77662.

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FINANCIAL STATEMENTS

City of Vidor, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

September 30, 2024

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Current assets:			
Cash and cash equivalents	$ 7,385,188	$ 499,990	$ 7,885,178
Investments	265,550	-	265,550
Receivables, net	2,245,602	17,484	2,263,086
Prepaids	-	3,500	3,500
Total Current Assets	9,896,340	520,974	10,417,314
Capital assets:			
Non-depreciable	1,817,386	-	1,817,386
Net depreciable capital assets	17,789,839	205,634	17,995,473
	19,607,225	205,634	19,812,859
Total Assets	29,503,565	726,608	30,230,173
Deferred Outflows of Resources			
Pension outflows	1,125,845	125,094	1,250,939
OPEB outflows	13,578	1,509	15,087
Deferred charges on refunding	257,764	-	257,764
Total Deferred Outflows of Resources	1,397,187	126,603	1,523,790

City of Vidor, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2024

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 996,453	$ 22,591	$ 1,019,044
Customer deposits	-	68,451	68,451
Accrued interest payable	21,731	-	21,731
Unearned revenue	-	39,566	39,566
Compensated absences, current	119,781	-	119,781
Long-term debt due within one year	748,525	30,369	778,894
Total Current Liabilities	1,886,490	160,977	2,047,467
Noncurrent liabilities:			
Net pension liability	2,427,648	269,739	2,697,387
OPEB liability	242,237	26,915	269,152
Compensated absences, noncurrent	13,309	-	13,309
Long-term debt due in more than one year	4,699,884	54,695	4,754,579
Total Noncurrent Liabilities	7,383,078	351,349	7,734,427
Total Liabilities	9,269,568	512,326	9,781,894
Deferred Inflows of Resources			
Pension inflows	90,742	10,083	100,825
OPEB inflows	38,588	4,288	42,876
Total Deferred Inflows of Resources	129,330	14,371	143,701
Net Position			
Net investment in capital assets	13,775,165	120,570	13,895,735
Restricted for:			
Grants	862,283	-	862,283
Public safety	350,138	-	350,138
Tourism	493,861	-	493,861
Debt service	132,819	-	132,819
Unrestricted	5,887,588	205,944	6,093,532
Total Net Position	$ 21,501,854	$ 326,514	$ 21,828,368

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Program Revenues: Operating Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 2,616,777	$ 28,751	$ -	$
Public safety	4,696,179	328,205	-	10,446
Public works	2,700,944	84,271	3,189,104	-
Culture and recreation	449,762	-	-	-
Interest and fiscal charges	168,128	-	-	-
Total Governmental Activities	10,631,790	441,227	3,189,104	10,446
Business-Type Activities				
Sanitation	1,260,223	1,196,777	-	-
Total Business-Type Activities	1,260,223	1,196,777	-	-
Total Primary Government	$ 11,892,013	$ 1,638,004	$ 3,189,104	$ 10,446

General Revenues:

Taxes

Property taxes

Sales taxes

Franchise taxes

Hotel occupancy taxes

Investment income

Other revenues

Total General Revenues

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (2,588,026)	$ -	$ (2,588,026)
(4,357,528)	-	(4,357,528)
572,431	-	572,431
(449,762)	-	(449,762)
(168,128)	-	(168,128)
(6,991,013)	-	(6,991,013)
-	(63,446)	(63,446)
-	(63,446)	(63,446)
(6,991,013)	(63,446)	(7,054,459)
3,477,517	-	3,477,517
3,791,566	-	3,791,566
605,748	-	605,748
186,296	-	186,296
367,624	12,309	379,933
362,682	-	362,682
8,791,433	12,309	8,803,742
1,800,420	(51,137)	1,749,283
19,701,434	377,651	20,079,085
$ 21,501,854	$ 326,514	$ 21,828,368

City of Vidor, Texas

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General	Disaster Recovery Grant	CDBG	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 5,556,345	$ 833,159	$ -	$ 995,684
Investments	265,550	-	-	-
Receivables, net	1,547,264	26,809	625,733	45,796
Due from other funds	79,005	-	-	-
Total Assets	$ 7,448,164	$ 859,968	$ 625,733	$ 1,041,480
Liabilities				
Accounts payable and accrued liabilities	$ 317,295	$ 26,806	$ 652,334	$ 18
Due to other funds	-	-	53,203	25,802
Total Liabilities	317,295	26,806	705,537	25,820
Deferred Inflows of Resources				
Unavailable revenue:				
Property tax	811,764	-	-	-
Grants	-	-	100,094	-
Total Deferred Inflows of Resources	811,764	-	100,094	-
Fund Balances				
Restricted for:				
Grants	-	833,162	-	29,121
Public safety	-	-	-	350,138
Tourism	-	-	-	493,861
Debt service	-	-	-	132,819
Committed for:				
General commitments	2,280,257	-	-	-
Library	-	-	-	9,721
Unassigned reported in:				
General fund	4,038,848	-	-	-
Special revenue funds	-	-	(179,898)	-
Total Fund Balances	6,319,105	833,162	(179,898)	1,015,660
Total Liabilities, Deferred Inflows, and Fund Balances	$ 7,448,164	$ 859,968	$ 525,639	$ 1,041,480

See Notes to Financial Statements.

Total Governmental Funds
$ 7,385,188
265,550
2,245,602
79,005
$ 9,975,345

$ 996,453
79,005
1,075,458

811,764
100,094
911,858

862,283
350,138
493,861
132,819
2,280,257
9,721
4,038,848
(179,898)
7,988,029
$ 9,975,345

City of Vidor, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2024

Fund Balances - Total Governmental Funds

Adjustments for the Statement of Net Position:

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

- Capital assets - non-depreciable
- Capital assets - net depreciable

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

- Property tax receivable
- Grant receivable

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.

- Pension contributions
- Pension investment earnings
- Pension differences in expected and actual economic experience
- OPEB contributions
- OPEB differences in expected and actual economic experience

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

- Pension changes in assumptions
- OPEB changes in assumptions

Some liabilities, including bonds payable and leases, are not reported as liabilities in the governmental funds.

- Accrued interest
- Compensated absences
- Net pension liability
- OPEB liability
- Deferred charges on refunding
- Bonds, premiums, notes, and lease liabilities

Net Position of Governmental Activities

See Notes to Financial Statements.

$	7,988,029
	1,817,386
	17,789,839
	811,764
	100,094
	409,021
	516,541
	200,283
	7,029
	6,549
	(90,742)
	(38,588)
	(21,731)
	(133,090)
	(2,427,648)
	(242,237)
	257,764
	(5,448,409)
$	21,501,854

City of Vidor, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	General	Disaster Recovery Grant	CDBG	Nonmajor Governmental Funds
Revenues				
Property tax	$ 2,914,632	$ -	$ -	$ 502,370
Sales tax	3,791,566	-	-	-
Franchise taxes	605,748	-	-	-
Hotel occupancy taxes	-	-	-	186,296
Intergovernmental	-	1,239,129	2,116,662	10,446
Charges for services	28,751	-	-	-
License and permits	84,271	-	-	-
Fines and forfeitures	303,045	-	-	25,160
Investment income	326,273	12,674	-	28,677
Contributions and donations	3,875	-	-	496
Other revenue	335,862	22,320	-	129
Total Revenues	8,394,023	1,274,123	2,116,662	753,574
Expenditures				
Current:				
General government	1,374,164	881,131	-	174,973
Public safety	4,334,306	-	-	7,182
Streets	1,159,306	-	-	-
Maintenance	266,786	-	-	-
Public works	289,155	-	-	-
Culture and recreation	419,035	-	-	-
Debt Service:				
Principal	320,459	-	-	300,000
Interest and fiscal charges	29,308	-	-	128,500
Capital outlay	928,507	256,518	2,227,654	-
Total Expenditures	9,121,026	1,137,649	2,227,654	610,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	(727,003)	136,474	(110,992)	142,919
Other Financing Sources				
Transfers in	-	-	-	7,529
Transfers (out)	-	-	-	(7,529)
Lease issuance	931,123	-	-	-
Total Other Financing Sources	931,123	-	-	-
Net Change in Fund Balances	204,120	136,474	(110,992)	142,919
Beginning fund balances	6,114,985	696,688	(68,906)	872,741
Ending Fund Balances	$ 6,319,105	$ 833,162	$ (179,898)	$ 1,015,660

See Notes to Financial Statements.

	Total Governmental Funds
$	3,417,002
	3,791,566
	605,748
	186,296
	3,366,237
	28,751
	84,271
	328,205
	367,624
	4,371
	358,311
	12,538,382
	2,430,268
	4,341,488
	1,159,306
	266,786
	289,155
	419,035
	620,459
	157,808
	3,412,679
	13,096,984
	(558,602)
	7,529
	(7,529)
	931,123
	931,123
	372,521
	7,615,508
$	7,988,029

City of Vidor, Texas

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

For the Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	$	372,521
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 outlay		3,492,122
Depreciation expense		(1,571,068)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(106,172)
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 governmental funds.		
Compensated absences		(32,094)
Accrued interest		3,091
Pension expense		(32,249)
OPEB expense		(1,656)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) 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.		
Lease issuance		(931,123)
Amortization of bond premium		11,138
Amortization of deferred charges on refunding		(24,549)
Principal payments		620,459
Change in Net Position of Governmental Activities	$	1,800,420

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2024

		Sanitation
Assets		
Current Assets		
Cash and cash equivalents		$ 499,990
Receivables, net		17,484
Prepaids		3,500
	Total Current Assets	520,974
Noncurrent Assets		
Capital assets:		
Net depreciable capital assets		205,634
	Total Noncurrent Assets	205,634
	Total Assets	726,608
Deferred Outflows of Resources		
Pension outflows		125,094
OPEB outflows		1,509
	Total Deferred Outflows of Resources	126,603
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities		22,591
Customer deposits		68,451
Unearned revenue		39,566
Long-term debt due within one year		30,369
	Total Current Liabilities	160,977
Noncurrent Liabilities		
Net pension liability		269,739
OPEB liability		26,915
Long-term debt due in more than one year		54,695
	Total Noncurrent Liabilities	351,349
	Total Liabilities	512,326
Deferred Inflows of Resources		
Pension inflows		10,083
OPEB inflows		4,288
	Total Deferred Inflows of Resources	14,371
Net Position		
Net investment in capital assets		120,570
Unrestricted		205,944
	Total Net Position	$ 326,514

See Notes to Financial Statements.

City of Vidor, Texas

ATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITIC
PROPRIETARY FUND

For the Year Ended September 30, 2024

		Sanitation
Operating Revenues		
Charges for services		$ 1,182,903
Other revenue		13,874
	Total Operating Revenues	1,196,777
Operating Expenses		
Personnel services		605,560
Operating expenses		268,907
Materials and supplies		114,581
Repairs and maintenance		128,448
Depreciation		139,731
	Total Operating Expenses	1,257,227
	Operating Income (Loss)	(60,450)
Nonoperating Revenues (Expenses)		
Investment income		12,309
Interest expense		(2,996)
	Total Nonoperating Revenues (Expenses)	9,313
	Change in Net Position	(51,137)
Beginning net position		377,651
	Ending Net Position	$ 326,514

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND (Page 1 of 2)

For the Year Ended September 30, 2024

		Sanitation
Cash Flows from Operating Activities		
Receipts from customers	$	1,199,744
Payments to suppliers		(530,108)
Payments to employees		(601,792)
Net Cash Provided (Used) by Operating Activities		67,844
Cash Flows from Capital and Related Financing Activities		
Principal paid on debt		(72,254)
Interest paid on debt		(2,996)
Net Cash (Used) by Capital and Related Financing Activities		(75,250)
Cash Flows from Investing Activities		
Interest on investments		12,309
Net Cash Provided by Investing Activities		12,309
Increase (Decrease) in Cash and Cash Equivalents		4,903
Beginning cash and cash equivalents		495,087
Ending Cash and Cash Equivalents	$	499,990

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND (Page 2 of 2)

For the Year Ended September 30, 2024

		Sanitation
Reconciliation of Operating Income (Loss)		
to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$	(60,450)
Adjustments to reconcile operating		
income (loss) to net cash provided:		
Depreciation		139,731
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable		13,285
Deferred Outflows of Resources:		
Pension outflows		92,231
OPEB outflows		(522)
Increase (Decrease) in:		
Accounts payable and accrued liabilities		(18,172)
Customer deposits		2,970
Unearned revenue		(13,288)
Net pension liability		(98,730)
OPEB liability		2,591
Deferred Inflows of Resources:		
Pension inflows		10,083
OPEB inflows		(1,885)
Net Cash Provided (Used) by Operating Activities	$	67,844

See Notes to Financial Statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of 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 and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City of Vidor, Texas, was incorporated in December 1960 and became a home rule city in 1967. The City operates under a "Council-Manager" form of government. Pursuant to its provisions and subject only to its limitations imposed by the State Constitution and by the City's charter, all powers of the City shall be vested in an elective Council composed of six Council Members and a Mayor, collectively known as the City Council. The City Council enacts local legislation, adopts budgets, determines policies, and appoints the City Manager, who in turn is responsible to the City Council for the execution of laws and the administration of the government of the City. Departments and agencies of the City submit budget requirements to the City Manager before Council approval. The Mayor is the presiding officer of the City Council. The City provides the following services as authorized by its charter: public safety, public works, culture and recreation, library, sanitation and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes as its activities are not considered a part of any other governmental or other type of reporting entity.

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. No other entities have been included in the City's reporting entity. 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 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.

C. Basis of Presentation – Government-Wide and Fund 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 government's enterprise funds. Separate financial statements are provided for governmental funds and the 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 government's sanitation and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. 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. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is the main operating fund of the City and is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and culture and recreation.

Disaster Recovery Grant Fund

The disaster recovery grant fund is used to account for the receipt and expenditure of federal CDBG funds for areas impacted by Hurricane Ike and Tropical Storm Imelda as well as other grant funds such as corona virus relief and justice assistance grants. Grant revenues are

expended in accordance with their approved purpose and subject to approval and reimbursement by the granting agency.

CDBG Fund

The CDBG fund is used to account for the receipt and expenditure of federal CDBG funds that support community development activities. Grant revenues are expended in accordance with their approved purpose and subject to approval and reimbursement by the granting agency.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The government reports the following major enterprise fund:

Sanitation Fund

This fund is used to account for the provision of garbage and brush removal services to the residents of the City. Activities of the fund include administration, operations and maintenance and contract garbage services. All costs are financed through charges to sanitation customers.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund.

During the course of operations, the government 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 the preparation of the government-wide financial

statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) 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.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of accounting refers to when transactions are recorded in the financial records and reported on the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

All governmental funds and component units are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Property taxes, sales taxes, franchise taxes, 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. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. 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 and 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.

F. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position/Fund Balance

1. Deposits and Investments

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.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexSTAR, are reported using the pools' share price.

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

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors

reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. Capital Assets

Capital assets, which include property, plant, 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. Capital assets are defined by the government, as assets with an initial individual cost of more than $2,500 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. Capital assets received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with 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, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Buildings and improvements	30 to 40 years
Roads & infrastructure	20 to 40 years

7. 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.

An example is a deferred charge on refunding reported in the government-wide statement of net position. 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.

In addition to liabilities, the statement of financial 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. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Net Position Flow Assumption

Sometimes the government 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the government 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 government'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.

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City council is the highest level of decision-making authority for the government 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 government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The 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.

The general fund is the only fund the reports a positive 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 goal is to achieve and maintain an unassigned fund balance in the general fund equal to 50% of annual expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent years to restore the balance. The City's policy is to maintain a committed fund balance equal to 25% (based on three months) of general fund expenditures at the end of each fiscal year.

11. Compensated Absences

The City maintains formal programs for vacation, compensatory time and sick leave. Comp time is designed to allow employees to take time off in lieu of overtime for time worked in excess of their normal work week. Comp time is calculated as overtime at the rate of time and one half for all hours worked over the normal work week. Unused comp time is paid out to the employee if not used.

Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its

eligible employees to accumulate earned but unused vacation pay benefits during the year. In the event that available vacation is not used by the end of the benefit year, employees will forfeit the unused time.

Eligible employees will accrue sick leave benefits at the rate of 13 days per year (1.08 days for every full month of service). Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins when the employee starts to earn sick leave benefits. Unused sick leave benefits will be allowed to accumulate until the employee has accrued a total of 480 hour's worth of sick leave benefits. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

Eligible civil service employees that have completed a minimum of ten years of employment as an employee with the City, that employee, employee's heirs or the employee's legal representative(s) shall be compensated in cash for any unused accumulation of sick leave up to a maximum of seven hundred twenty hours at the Employee's basic hourly rate of pay, at the time of the Employee's death, resignation, termination or retirement.

The estimated amounts of compensatory and sick pay benefits that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it upon maturity. Amounts of accrued compensatory and sick pay benefits that are not expected to be liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and similar items 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.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

13. Leases

Lessee: The City is a lessee for noncancellable lease of vehicles/equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

14. Pensions

For 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's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Other Postemployment Benefits ("OPEB)

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

G. Revenues and Expenditures/Expenses

1. 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.

2. 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 sanitation fund are charges to customers for sales and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. Reconciling items have been presented on the balance sheet of governmental funds in the basic financial statements.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." A reconciliation has been presented in the basic financial statements.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, most special revenue, debt service, and sanitation funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is defined as the department level for all funds. No funds can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year.

A. Deficit Fund Balance

At September 30, 2024, the CDBG fund had a deficit fund balance of $179,898. The deficit will be eliminated in the future through reduction of expenditures, increase in revenues, or reimbursements from other funds.

B. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:		
Financial admin.	$	76,362
Municipal court		20,308
Human resources		15,949
Police		264,666
Animal control		13,133
Principal		200,040
Interest		6,011
Capital outlay		617,009
Disaster Recovery Grant Fund:		
Capital outlay	$	801,742

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2024, the primary government had the following investments:

Investment Type	Value	Average Maturity (Years)
Certificates of deposit	$ 265,550	0.54
Investment pools	3,491,060	0.08
Total carrying value	$ 3,756,610	
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 limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2024, the City's investment in TexPool and Texas Class was rated AAAm by Standard & Poor's.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. The City's investment policy requires funds on bank deposit at the depository bank to be collateralized by securities with a collective fair value (fair value of the principal and accrued interest) of at least 102%. As of September 30, 2024, the fair values of pledged securities and FDIC 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.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment

Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are remeasured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy noted above.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City's financial instruments consist of cash and cash equivalents, investments in certificates of deposits maturing in greater than three months, accounts receivable, accrued payables and long-term. The estimated fair value of cash and cash equivalents, investments in certificates of deposits, accounts receivable, and accrued payables approximate their carrying amounts due to the short-term nature of these instruments.

C. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Disaster Recovery Grant	CDBG	Nonmajor Governmental	Sanitation	Total
Property taxes	$ 811,764	$ -	$ -	$ -	$ -	$ 811,764
Sales tax	668,009	-	-	-	-	668,009
Franchise and other taxes	67,491	-	-	45,796	-	113,287
Grant receivables	-	26,809	625,733	-	-	652,542
Accounts	-	-	-	-	80,761	80,761
Allowance	-	-	-	-	(63,277)	(63,277)
	$ 1,547,264	$ 26,809	$ 625,733	$ 45,796	$ 17,484	$ 2,263,086

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 1,817,386	$ -	$ -	$ 1,817,386
Total capital assets not being depreciated	1,817,386	-	-	1,817,386
Capital assets, being depreciated:				
Buildings and improvements	8,518,288	32,500	-	8,550,788
Vehicles, machinery & equipment	4,163,296	42,303	-	4,205,599
Infrastructure	13,102,803	2,486,196	-	15,588,999
Right-of-use asset	1,083,951	931,123	-	2,015,074
Total capital assets being depreciated	26,868,338	3,492,122	-	30,360,460
Less accumulated depreciation				
Buildings and improvements	(3,121,475)	(193,818)	-	(3,315,293)
Vehicles, machinery & equipment	(3,063,772)	(333,298)	-	(3,397,070)
Infrastructure	(4,514,543)	(729,159)	-	(5,243,702)
Right-of-use asset	(299,763)	(314,793)	-	(614,556)
Total accumulated depreciation	(10,999,553)	(1,571,068)	-	(12,570,621)
Net capital assets being depreciated	15,868,785	1,921,054	-	17,789,839
Total Net Capital Assets	$ 17,686,171	$ 1,921,054	$ -	$ 19,607,225

Depreciation was charged to governmental functions as follows:

General government	$ 155,297
Public safety	344,644
Public works	1,013,584
Culture and recreation	57,543
Total Governmental Activities Depreciation Expense	$ 1,571,068

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, being depreciated:				
Vehicles, machinery and equipment	$ 608,546	$ -	$ -	$ 608,546
Right-of-use assets	638,391	-	-	638,391
Total capital assets being depreciated	1,246,937	-	-	1,246,937
Less accumulated depreciation				
Buildings and systems	(496,823)	(32,337)	-	(529,160)
Right-of-use assets	(404,749)	(107,394)	-	(512,143)
Total accumulated depreciation	(901,572)	(139,731)	-	(1,041,303)
Net capital assets being depreciated	345,365	(139,731)	-	205,634
Total Net Capital Assets	$ 345,365	$ (139,731)	$ -	$ 205,634

Depreciation was charged to business-type functions as follows:

Sanitation	$ 139,731
Total Business-type Activities Depreciation Expense	$ 139,731

E. Other Long-term Liabilities

A summary of changes in other long-term liabilities for the year end was as follows. In general, the City uses the general fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 100,996	$ 59,998	$ (27,904)	$ 133,090	$ 119,781
Total Governmental Activities	$ 100,996	$ 59,998	$ (27,904)	$ 133,090	$ 119,781
Other Long-term Liabilities Due in More than One Year				$ 13,309	

F. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended. In general, the City uses the general and debt service fund to liquidate governmental long-term liabilities (i.e. bonds, lease liabilities). The City uses the general fund to liquidate pension/OPEB liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Bonds and other payables:					
General Obligation Refunding Bonds	$ 4,260,000	$ -	$ (300,000)	$ 3,960,000	$ 310,000
Bond premiums	128,098	-	(11,138)	116,960	-
Other liabilities:					
Lease liabilities	760,785	931,123	(320,459)	1,371,449	438,525
Total Governmental Activities	$ 5,148,883	$ 931,123	$ (631,597)	$ 5,448,409	$ 748,525
Long-term liabilities due in more than one year				$ 4,699,884	
Business-Type Activities:					
Bonds, leases, and other payables:					
Lease liabilities	$ 157,318	$ -	$ (72,254)	$ 85,064	$ 30,369
Total Business-Type Activities	$ 157,318	$ -	$ (72,254)	$ 85,064	$ 30,369
Long-term liabilities due in more than one year				$ 54,695	

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.

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
$5,800,000 General Obligation Bond, Series 2016, due in installments through 2025, interest at 3.00%	$ 3,960,000	$ -	$ 3,960,000
Total General Obligation Bonds	$ 3,960,000	$ -	$ 3,960,000
Lease Liabilities:			
$145,131 lease payable to Kansas Bank, due in annual installments of $30,949 through 2025, interest at 2.06%	$ 30,035	$ -	$ 30,035
$687,475 various lease payables to Enterprise, due in monthly installments of through 2027, interest at varying amounts	935,162	-	935,162
$497,523 lease payable to Gradall, due in annual installments of $112,767 through 2028, interest at 4.32%	406,252	-	406,252
$203,098 lease payable to BB&T, due in quarterly installments of $10,968 through 2024, interest at 2.98%	-	-	-
$158,064 lease payable to BB&T, due in quarterly installments of $7,998 through 2057, interest at 2.09%	-	85,064	85,064
Total Lease Liabilities	$ 1,371,449	$ 85,064	$ 1,456,513
Bond Premium:	116,960	-	116,960
	$ 5,448,409	$ 85,064	$ 5,533,473

The annual requirements to amortize total governmental activities debt issues outstanding at year ending were as follows:

Year ending September 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Total
2025	$ 310,000	$ 118,800	$ 428,800
2026	320,000	109,500	429,500
2027	330,000	99,900	429,900
2028	335,000	90,000	425,000
2029	350,000	79,950	429,950
2030	360,000	69,450	429,450
2031	370,000	58,650	428,650
2032	380,000	47,550	427,550
2033	390,000	36,150	426,150
2034	400,000	24,450	424,450
2035	415,000	12,450	427,450
	$ 3,960,000	$ 746,850	$ 4,706,850

Year ending September 30,	Lease Liabilities Principal	Lease Liabilities Interest	Total
2025	$ 438,525	$ 19,370	$ 457,895
2026	386,547	13,699	400,246
2027	352,886	9,149	362,035
2028	193,491	4,671	198,162
	$ 1,371,449	$ 72,091	$ 1,666,621

The governmental activities assets under lease had an original book value of $1,083,951 and a current book value of $1,400,518, net of depreciation.

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Lease Liabilities Principal	Lease Liabilities Interest	Total
2025	$ 30,369	$ 1,541	$ 31,910
2026	31,009	901	31,910
2027	23,686	248	23,934
	$ 85,064	$ 2,690	$ 87,754

The business-type assets under lease had an original book value of $638,391 and a current book value of $126,248, net of depreciation.

G. Deferred Charges on Refunding

Deferred charges resulting from the issuance of Series 2016 General Obligation Refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. End of the year balances totaled $257,764 for governmental activities. Current year amortization for governmental activities totaled $24,549.

H. Customer Deposits

The City had customer deposits of $68,451 in the sanitation fund as of year end. The City requires a $50 refundable deposit for all new sanitation customers. This amount will be returned once the account is paid on time for twelve consecutive months, the deposit on the account will be refunded by check during the thirteenth month. All other deposits are applied to the account balance or refunded when service is discontinued.

I. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	Restricted	Committed
Grants	$ 862,283	$ -
Public safety	* 350,138	-
Tourism	493,861	-
Debt service	132,819	-
General commitments	-	2,280,257
Library	-	9,721
Total	$ 1,839,101	$ 2,289,978

* Restricted by enabling legislation

J. Unearned Revenue

As of September 30, 2024 the City received $39,566 in sanitation customer prepayments in advance of the service being provided. These payments are deferred as of yearend and recognized as revenue in the subsequent year.

IV. OTHER INFORMATION

A. 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 more than 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates 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 which exceeded coverage amounts for the past three years.

The City uses a number of approaches to decrease risks and protect against losses to the City, including internal practices, employee training, and a code of ethics, which all employees are required to acknowledge.

The City owns and operates motor vehicles and may provide such vehicle to employees for business use during the course and scope of their employment. The City is insured as to its own property losses, and the liability of loss to others.

B. 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 amounts of expenditures which 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.

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City had not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage 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 at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and reviews the estimate for this potential liability annually. The City has engaged an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations.

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Vidor, Texas participates as one of 934 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

2. Benefits Provided

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

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

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:

	Plan Year 2022	Plan Year 2023
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility (expressed as age / years of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	51
Active employees	69
Total	**187**

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Vidor, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Vidor, Texas were 14.32% and 15.13% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were $616,200, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

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

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period ending 2022. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by

adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate

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

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 6,008,686	$ 2,697,387	$ (24,818)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/22	$ 24,413,537	$ 20,728,844	$ 3,684,693
Changes for the year:			
Service cost	655,088	-	655,088
Interest	1,627,188	-	1,627,188
Difference between expected and actual experience	110,120	-	110,120
Changes of assumptions	(147,720)	-	(147,720)
Contributions – employer	-	572,353	(572,353)
Contributions – employee	-	279,782	(279,782)
Net investment income	-	2,395,219	(2,395,219)
Benefit payments, including refunds of emp. contributions	(1,269,179)	(1,269,179)	-
Administrative expense	-	(15,263)	15,263
Other changes	-	(109)	109
Net changes	975,497	1,962,803	(987,306)
Balance at 12/31/23	$ 25,389,034	$ 22,691,647	$ 2,697,387

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the City recognized pension expense of $652,033.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	$ 573,934	$ -
Differences between expected and actual economic experience	222,538	-
Differences in assumptions changes	-	(100,825)
Contributions subsequent to the measurement date	454,467	-
Total	$ 1,250,939	$ (100,825)

The City reported $454,467 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2024	$	270,295
2025		184,350
2026		440,202
2027		(199,200)
2028		-
Thereafter		-
	$	695,647

E. Postemployment Benefits Other Than Pensions

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) 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. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City 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 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); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	6
Active employees	69
Total	123

The City's contributions to the TMRS SDBF for the fiscal years ended 2024, 2023 and 2022 were $10,520, $9,197, and $8,054, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates

(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.21%	0.21%	100.00%
2023	0.24%	0.24%	100.00%
2024	0.26%	0.26%	100.00%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date. Detailed information about the plan's OPEB liability is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	3.77%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease (2.77%)	Current Single Rate Assumption 3.77%	1% Increase (4.77%)
$ 318,538	$ 269,152	$ 230,674

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/22	$ 243,245
Changes for the year:	
Service Cost	5,995
Interest	9,779
Difference between expected and actual experience	5,510
Changes of assumptions	14,216
Benefit payments	(9,593)
Net changes	25,907
Balance at 12/31/23	$ 269,152

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

For the year ended September 30, 2024, the City recognized OPEB expense of $12,363.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ 7,277	$ -
Change in assumptions	-	(42,876)
Contributions subsequent to measurement date	7,810	-
Total	$ 15,087	$ (42,876)

The City reported $7,810 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025.

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

Year ended December 31:	
2024	$ (8,576)
2025	(19,336)
2026	(10,367)
2027	2,680
2028	-
Thereafter	-
	$ (35,599)

F. Subsequent Events

There were no material subsequent events through August 18, 2025, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)

GENERAL FUND

For the Year Ended September 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 2,932,050	$ 2,914,632	$ (17,418)
Sales tax	3,505,000	3,791,566	286,566
Franchise taxes	550,000	605,748	55,748
Charges for services	25,200	28,751	3,551
License and permits	80,000	84,271	4,271
Fines and forfeitures	235,325	303,045	67,720
Investment income	75,000	326,273	251,273
Contributions and donations	3,750	3,875	125
Other revenue	250,015	335,862	85,847
Total Revenues	7,656,340	8,394,023	737,683
Expenditures			
Current:			
General government:			
City council	323,510	215,294	108,216
Municipal court	243,139	263,447	(20,308) *
Municipal judge	37,050	31,810	5,240
City manager	179,209	173,729	5,480
Human resources	72,002	87,951	(15,949) *
Financial administration	431,992	508,354	(76,362) *
City secretary	118,905	93,579	25,326
Total general government	1,405,807	1,374,164	31,643
Public safety:			
Police	3,885,843	4,150,509	(264,666) *
Animal control	170,664	183,797	(13,133) *
Total public safety	4,056,507	4,334,306	(277,799)
Streets	1,320,370	1,159,306	161,064
Maintenance	298,828	266,786	32,042
Public works	390,984	289,155	101,829
Culture and recreation:			
Parks and recreation	158,935	145,958	12,977
Library	275,247	273,077	2,170
Total culture and recreation	434,182	419,035	15,147
Debt service:			
Principal	120,419	320,459	(200,040) *
Interest and fiscal charges	23,297	29,308	(6,011) *
Capital outlay	311,498	928,507	(617,009) *
Total Expenditures	8,361,892	9,121,026	(759,134)
Revenues Over (Under) Expenditures	(705,552)	(727,003)	(21,451)

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)

GENERAL FUND

For the Year Ended September 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Lease issuance	$ -	$ 931,123	$ 931,123
Total Other Financing Sources (Uses)	-	931,123	931,123
Net Change in Fund Balance	$ (705,552)	204,120	$ 909,672
Beginning fund balance		6,114,985	
Ending Fund Balance		$ 6,319,105	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DISASTER RECOVERY GRANT FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 5,633,122	$ 1,239,129	$ (4,393,993)
Investment income	8,000	12,674	4,674
Other revenue	-	22,320	22,320
Total Revenues	5,641,122	1,274,123	(4,366,999)
Expenditures			
Current:			
General government:	79,389	881,131	(801,742) *
Capital outlay	6,464,285	256,518	6,207,767
Total Expenditures	6,543,674	1,137,649	5,406,025
Revenues Over (Under) Expenditures	(902,552)	136,474	1,039,026
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	$ (902,552)	136,474	$ 1,039,026
Beginning fund balance		696,688	
Ending Fund Balance		$ 833,162	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CDBG FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 22,351,502	$ 2,116,662	$ (20,234,840)
Total Revenues	22,351,502	2,116,662	(20,234,840)
Expenditures			
Current:			
Capital outlay	22,427,813	2,227,654	20,200,159
Total Expenditures	22,427,813	2,227,654	20,200,159
Revenues Over (Under) Expenditures	(76,311)	(110,992)	(34,681)
Other Financing Sources (Uses)			
Transfers (out)	(3,494)	-	3,494
Total Other Financing Sources (Uses)	(3,494)	-	3,494
Net Change in Fund Balance	$ (79,805)	(110,992)	$ (31,187)
Beginning fund balance		(68,906)	
Ending Fund Balance		$ (179,898)	

Notes to Required Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

December 31,

	2014	2015	2016	2017
Total pension liability				
Service cost	$ 445,552	$ 490,536	$ 528,175	$ 579,683
Interest	1,141,866	1,183,403	1,201,011	1,213,285
Differences between expected and actual experience	(230,887)	(39,762)	(712,087)	27,533
Changes of assumptions	-	111,400	-	-
Benefit payments, including refunds of participant contributions	(706,322)	(864,973)	(889,814)	(832,233)
Net change in total pension liability	650,209	880,604	127,285	988,268
Total pension liability - beginning	16,442,763	17,092,972	17,973,576	18,100,861
Total pension liability - ending (a)	17,092,972	17,973,576	18,100,861	19,089,129
Plan fiduciary net position				
Contributions - employer	$ 546,207	$ 514,417	$ 498,972	$ 560,442
Contributions - members	208,539	219,930	224,619	244,887
Net investment income	796,391	21,777	989,137	2,140,963
Benefit payments, including refunds of participant contributions	(706,322)	(864,973)	(889,814)	(832,233)
Administrative expenses	(8,315)	(13,264)	(11,170)	(11,094)
Other	(684)	(655)	(603)	(562)
Net change in plan fiduciary net	835,816	(122,768)	811,141	2,102,403
Plan fiduciary net position - beginning	13,921,934	14,757,750	14,634,982	15,446,123
Plan fiduciary net position - ending (b)	$ 14,757,750	$ 14,634,982	$ 15,446,123	$ 17,548,526
Fund's net pension liability (asset) - ending (a) - (b)	$ 2,335,222	$ 3,338,594	$ 2,654,738	$ 1,540,603
Plan fiduciary net position as a percentage of the total pension liability	86%	81%	85%	92%
Covered payroll	$ 2,979,021	$ 3,069,690	$ 3,208,839	$ 3,498,390
Fund's net position as a percentage of covered payroll	78%	109%	83%	44%

2018	2019	2020	2021	2022	2023
$ 545,163	$ 567,566	$ 609,390	$ 626,246	$ 642,381	$ 655,088
1,277,904	1,323,229	1,412,778	1,471,805	1,537,978	1,627,188
(320,584)	233,127	(10,323)	180,618	407,904	110,120
-	72,028	-	-	-	(147,720)
(859,593)	(824,805)	(955,628)	(1,335,974)	(1,276,802)	(1,269,179)
642,890	1,371,145	1,056,217	942,695	1,311,461	975,497
19,089,129	19,732,019	21,103,164	22,159,381	23,102,076	24,413,537
19,732,019	21,103,164	22,159,381	23,102,076	24,413,537	25,389,034
$ 491,814	$ 483,670	$ 548,020	$ 524,273	$ 571,090	$ 572,353
233,403	237,759	272,342	258,627	271,210	279,782
(525,712)	2,609,496	1,470,243	2,697,498	(1,665,243)	2,395,219
(859,593)	(824,805)	(955,628)	(1,335,974)	(1,276,802)	(1,269,179)
(10,159)	(14,744)	(9,513)	(12,482)	(14,418)	(15,263)
(530)	(443)	(372)	85	17,205	(109)
(670,777)	2,490,933	1,325,093	2,132,027	(2,096,958)	1,962,803
17,548,526	16,877,749	19,368,682	20,693,775	22,825,802	20,728,844
$ 16,877,749	$ 19,368,682	$ 20,693,775	$ 22,825,802	$ 20,728,844	$ 22,691,647
$ 2,854,270	$ 1,734,482	$ 1,465,606	$ 276,274	$ 3,684,693	$ 2,697,387
86%	92%	93%	99%	85%	89%
$ 3,334,329	$ 3,396,563	$ 3,787,385	$ 3,694,666	$ 3,874,434	$ 3,996,879
86%	51%	39%	7%	95%	67%

City of Vidor, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2015	9/30/2016	9/30/2017	9/30/2018
Actuarially determined employer contributions	$ 512,368	$ 514,430	$ 560,161	$ 499,603
Contributions in relation to the actuarially determined contribution	$ 512,368	$ 514,430	$ 560,161	$ 499,603
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 3,016,482	$ 3,256,006	$ 3,520,868	$ 3,317,952
Employer contributions as a percentage of covered payroll	16.99%	15.80%	15.91%	15.06%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.60% to 118.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024
$ 489,542	$ 511,312	$ 515,701	$ 559,466	$ 573,140	$ 616,200
$ 489,542	$ 511,312	$ 515,701	$ 559,466	$ 573,140	$ 616,200
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,408,430	$ 3,594,585	$ 3,632,141	$ 3,835,244	$ 3,970,035	$ 4,133,171
14.36%	14.22%	14.20%	14.59%	14.44%	14.91%

City of Vidor, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

SUPPLEMENTAL DEATH BENEFITS PLAN

December 31,

	2017	2018	2019	2020
Total OPEB liability				
Service cost	$ 5,597	$ 6,335	$ 7,812	$ 16,664
Interest	7,164	7,210	7,554	7,434
Differences between expected and actual experience	-	(11,652)	4,233	(2,153)
Changes of assumptions	17,169	(14,769)	45,020	44,069
Benefit payments, including refunds of participant contributions	(2,099)	(2,001)	(2,038)	(2,651)
Net change in total OPEB liability	27,831	(14,877)	62,581	63,363
Total OPEB liability - beginning	187,782	215,613	200,736	263,317
Total OPEB liability - ending	$ 215,613	$ 200,736	$ 263,317	$ 326,680
Covered-employee payroll	$ 3,498,390	$ 3,334,329	$ 3,396,563	$ 3,787,385
Total OPEB liability as a percentage of covered-employee payroll	6.16%	6.02%	7.75%	8.63%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

2021	2022	2023 [1]
$ 10,715	$ 12,011	$ 5,995
6,563	6,416	9,779
(611)	5,821	5,510
11,171	(119,626)	14,216
(7,759)	(8,136)	(9,593)
20,079	(103,514)	25,907
326,680	346,759	243,245
$ 346,759	$ 243,245	$ 269,152 [2]
$ 3,694,666	$ 3,874,434	$ 3,996,879
9.39%	6.28%	6.73%

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OTHER SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

City of Vidor, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

September 30, 2024

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security
Assets				
Cash and cash equivalents	$ 29,121	$ 9,001	$ 42,463	$ 74,793
Receivables, net	-	-	-	-
Total Assets	$ 29,121	$ 9,001	$ 42,463	$ 74,793
Liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ (46)
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	(46)
Fund Balances				
Restricted for:				
Grants	29,121	-	-	-
Public safety	-	9,001	42,463	74,839
Tourism	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Library	-	-	-	-
Total Fund Balances	29,121	9,001	42,463	74,839
Total Liabilities and Fund Balances	$ 29,121	$ 9,001	$ 42,463	$ 74,793

LMJF Local Muni Jury FD	Animal Shelter	Library	Municipal Court Technology	LEOSE	Federal Forfeiture
$ 3,451	$ 6,409	$ 9,721	$ 39,803	$ 8,498	$ 44,081
-	-	-	-	-	-
$ 3,451	$ 6,409	$ 9,721	$ 39,803	$ 8,498	$ 44,081
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,451	6,409	-	39,803	8,498	44,081
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,721	-	-	-
3,451	6,409	9,721	39,803	8,498	44,081
$ 3,451	$ 6,409	$ 9,721	$ 39,803	$ 8,498	$ 44,081

City of Vidor, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

September 30, 2024

	Hotel Occupancy	Juvenile Case Manager	Judicial Efficiency	Police Abandoned Property
Assets				
Cash and cash equivalents	$ 448,129	$ 111,743	$ 7,579	$ 2,271
Receivables, net	45,796	-	-	-
Total Assets	$ 493,925	$ 111,743	$ 7,579	$ 2,271
Liabilities				
Accounts payable and accrued liabilities	$ 64	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total Liabilities	64	-	-	-
Fund Balances				
Restricted for:				
Grants	-	-	-	-
Public safety	-	111,743	7,579	2,271
Tourism	493,861	-	-	-
Debt service	-	-	-	-
Committed for:				
Library	-	-	-	-
Total Fund Balances	493,861	111,743	7,579	2,271
Total Liabilities and Fund Balances	$ 493,925	$ 111,743	$ 7,579	$ 2,271

Employee Benefit Trust	Total Special Revenue	Debt Service City Hall	Debt Service Landfill	Total Debt Service	Total Nonmajor Governmental
$ 802	$ 837,865	$ 132,791	$ 25,028	$ 157,819	$ 995,684
-	45,796	-	-	-	45,796
$ 802	$ 883,661	$ 132,791	$ 25,028	$ 157,819	$ 1,041,480
$ -	$ 18	$ -	$ -	$ -	$ 18
802	802	25,000	-	25,000	25,802
802	820	25,000	-	25,000	25,820
-	29,121	-	-	-	29,121
-	350,138	-	-	-	350,138
-	493,861	-	-	-	493,861
-	-	107,791	25,028	132,819	132,819
-	9,721	-	-	-	9,721
-	882,841	107,791	25,028	132,819	1,015,660
$ 802	$ 883,661	$ 132,791	$ 25,028	$ 157,819	$ 1,041,480

City of Vidor, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2024

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security
Revenues				
Property tax	$ -	$ -	$ -	$ -
Hotel occupancy taxes	-	-	-	-
Intergovernmental	-	-	6,536	-
Fines and forfeitures	-	3,177	-	7,462
Investment income	242	85	803	341
Contributions and donations	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	242	3,262	7,339	7,803
Expenditures				
Municipal court	-	-	-	7,728
Police	395	1,619	-	-
Tourism	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	395	1,619	-	7,728
Revenues Over (Under) Expenditures	(153)	1,643	7,339	75
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing (Uses)	-	-	-	-
Net Change in Fund Balances	(153)	1,643	7,339	75
Beginning fund balances	29,274	7,358	35,124	74,764
Ending Fund Balances	$ 29,121	$ 9,001	$ 42,463	$ 74,839

LMJF Local Muni Jury FD	Animal Shelter	Library	Municipal Court Technology	LEOSE	Federal Forfeiture
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	3,910	-
140	-	-	6,397	-	-
401	30	317	507	140	957
-	496	-	-	-	-
-	-	-	-	-	-
541	526	317	6,904	4,050	957
-	-	-	2,879	-	-
-	-	-	-	789	4,379
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,879	789	4,379
541	526	317	4,025	3,261	(3,422)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
541	526	317	4,025	3,261	(3,422)
2,910	5,883	9,404	35,778	5,237	47,503
$ 3,451	$ 6,409	$ 9,721	$ 39,803	$ 8,498	$ 44,081

City of Vidor, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2024

	Hotel Occupancy	Juvenile Case Manager	Judicial Efficiency	Police Abandoned Property
Revenues				
Property tax	$ 52,860	$ -	$ -	$ -
Hotel occupancy taxes	186,296	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	7,984	-	-
Investment income	8,184	236	340	-
Contributions and donations	-	-	-	-
Other revenue	-	-	129	-
	247,340	8,220	469	-
Expenditures				
Municipal court	-	1,122	272	-
Police	-	-	-	-
Tourism	162,972	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	162,972	1,122	272	-
Revenues Over (Under) Expenditures	84,368	7,098	197	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing (Uses)	-	-	-	-
Net Change in Fund Balances	84,368	7,098	197	-
Beginning fund balances	409,493	104,645	7,382	2,271
Ending Fund Balances	$ 493,861	$ 111,743	$ 7,579	$ 2,271

Employee Benefit Trust	Total Special Revenue	Debt Service City Hall	Debt Service Landfill	Total Debt Service	Total Nonmajor Governmental
$ -	$ 52,860	$ 449,510	$ -	$ 449,510	$ 502,370
-	186,296	-	-	-	186,296
-	10,446	-	-	-	10,446
-	25,160	-	-	-	25,160
-	12,583	16,006	88	16,094	28,677
-	496	-	-	-	496
-	129	-	-	-	129
-	287,970	465,516	88	465,604	753,574
-	12,001	-	-	-	12,001
-	7,182	-	-	-	7,182
-	162,972	-	-	-	162,972
-	-	300,000	-	300,000	300,000
-	-	128,500	-	128,500	128,500
-	182,155	428,500	-	428,500	610,655
-	105,815	37,016	88	37,104	142,919
-	-	7,529	-	7,529	7,529
-	-	-	(7,529)	(7,529)	(7,529)
-	-	7,529	(7,529)	-	-
-	105,815	44,545	(7,441)	37,104	142,919
-	777,026	63,246	32,469	95,715	872,741
$ -	$ 882,841	$ 107,791	$ 25,028	$ 132,819	$ 1,015,660

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