

A dark blue silhouette of the state of Texas is positioned in the upper left. A stylized Texas state flag, featuring a white star on a blue field, a white horizontal stripe, and a red horizontal stripe, is shown waving from the bottom right corner of the map.

**CITY OF
VIDOR, TEXAS**

**2025
ANNUAL
FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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ANNUAL FINANCIAL REPORT

of the

City of Vidor, Texas

**For the Year Ended
September 30, 2025**

Prepared by:

Finance Department

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City of Vidor, Texas

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September 30, 2025

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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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Vidor, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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.

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.

Emphasis of Matter

As discussed in Note V.F. to the financial statements, during the year ended September 30, 2025, due to implementation of new accounting standard GASB 101, *Compensated Absences*, the City restated beginning net position for governmental activities, business-type activities, and sanitation fund. Our opinion is not modified with respect to these matters.

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 May 26, 2026, 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.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
May 26, 2026

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2025

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, 2025.

Financial Highlights

- The City's total combined net position was \$29,260,095 at September 30, 2025. Of this, \$8,939,868 (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 \$6,608,771, a decrease of \$1,379,258.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,781,953, or 41% of total general fund expenditures.
- The City had an overall increase in net position of \$7,779,256.
- The City closed the year with a net pension liability of \$1,950,652.

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

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

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 20-23 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-two 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.

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2025

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 24-30 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 31-35 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 37-70 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

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

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 \$29,260,095 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$18,390,970, 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.

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 13,069,349	\$ 802,670	\$ 13,872,019	\$ 9,896,340	\$ 520,974	\$ 10,417,314
Capital assets, net	26,566,037	462,074	27,028,111	19,607,225	205,634	19,812,859
Total Assets	39,635,386	1,264,744	40,900,130	29,503,565	726,608	30,230,173
Deferred Outflows of Resources	859,828	69,624	929,452	1,397,187	126,603	1,523,790
Other liabilities	4,456,786	175,723	4,632,509	1,137,965	130,608	1,268,573
Long-term liabilities	6,944,502	663,986	7,608,488	8,131,603	381,718	8,513,321
Total Liabilities	11,401,288	839,709	12,240,997	9,269,568	512,326	9,781,894
Deferred Inflows of Resources	295,641	32,849	328,490	129,330	14,371	143,701
Net Position:						
Net investment						
in capital assets	18,329,412	61,558	18,390,970	13,775,165	120,570	13,895,735
Restricted	1,929,257	-	1,929,257	1,839,101	-	1,839,101
Unrestricted	8,539,616	400,252	8,939,868	5,887,588	205,944	6,093,532
Total Net Position	\$ 28,798,285	\$ 461,810	\$ 29,260,095	\$ 21,501,854	\$ 326,514	\$ 21,828,368

Current and other assets for governmental activities increased by \$3,173,009, or 32%, primarily due to nonrecurring Community Development Block Grant (CDBG) receivables recognized at the end of the current year. Current and other assets for business-type activities increased by \$281,696, or 54%, primarily due to greater cash on hand resulting from operating surpluses. Capital assets for governmental activities increased by \$6,958,812, or 35%, due to street and drainage infrastructure improvements in the current year. Capital assets for business-type activities increased by \$256,440, or over 100%, due to the purchase of a new sanitation truck in the current year. Other liabilities for governmental activities increased by \$3,318,821, or over 100%, due to nonrecurring CDBG grant related accrued expenses that remain unpaid at the end of the current year. In addition, compensated absences increased as a result of implementing new accounting standard - GASB 101, in the current year. Other liabilities for business-type activities increased by \$45,115, or 35%, primarily attributable to greater account payables, interest payable, and compensated absences at the end of the current year. Long-

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

term liabilities for governmental activities decreased by \$1,187,101, or 15%, primarily due to current year principal payments and a decrease in the City's net pension liability due to actuarial valuation changes during the year. Long-term liabilities for business-type activities increased by \$282,268, or 74%, due to a new lease issuance in the current year. Total deferred outflows of the primary government decreased and total deferred inflows of the primary government increased by \$594,338 and \$184,789, respectively. These changes are strictly due to actuarial changes in the City's pension inputs over the course of the year.

Statement of Activities:

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

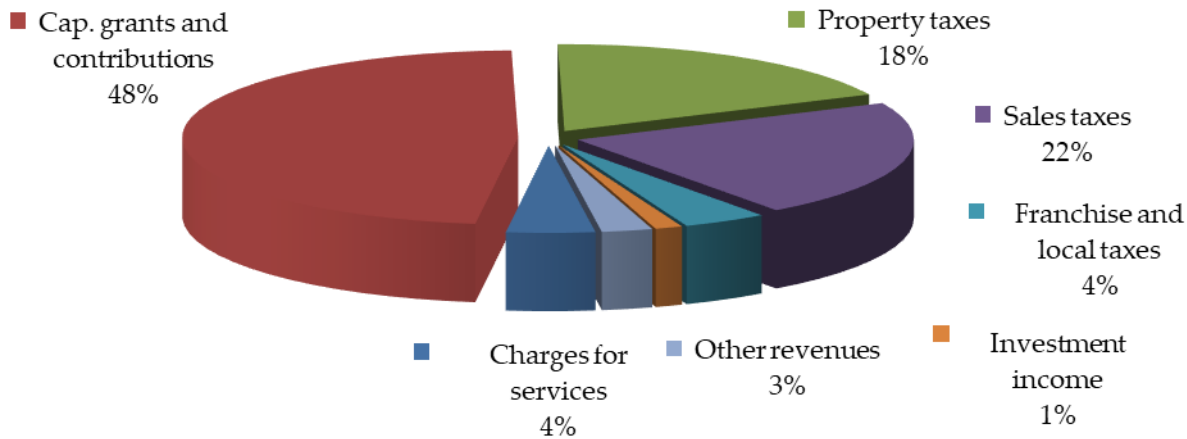
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 800,671	\$ 1,434,661	\$ 2,235,332	\$ 447,763	\$ 1,196,777	\$ 1,644,540
Op. grants and contributions	1,905	-	1,905	3,910	-	3,910
Cap. grants and contributions	8,965,160	-	8,965,160	3,189,104	-	3,189,104
General revenues:						
Property taxes	3,462,830	-	3,462,830	3,424,657	-	3,424,657
Sales taxes	4,118,009	-	4,118,009	3,791,566	-	3,791,566
Franchise and local taxes	763,200	-	763,200	792,044	-	792,044
Investment income	247,571	19,354	266,925	367,624	12,309	379,933
Other revenues	459,317	-	459,317	415,542	-	415,542
Total Revenues	18,818,663	1,454,015	20,272,678	12,432,210	1,209,086	13,641,296
Expenses						
General government	2,338,635	-	2,338,635	2,616,777	-	2,616,777
Public safety	4,903,853	-	4,903,853	4,696,179	-	4,696,179
Public works	3,330,172	-	3,330,172	2,700,944	-	2,700,944
Culture and recreation	459,397	-	459,397	449,762	-	449,762
Interest and fiscal charges	162,248	13,681	175,929	168,128	2,996	171,124
Sanitation	-	1,285,436	1,285,436	-	1,257,227	1,257,227
Total Expenses	11,194,305	1,299,117	12,493,422	10,631,790	1,260,223	11,892,013
Change in Net Position	7,624,358	154,898	7,779,256	1,800,420	(51,137)	1,749,283
Beginning Net Position	* 21,173,927	* 306,912	* 21,480,839	19,701,434	377,651	20,079,085
Ending Net Position	\$ 28,798,285	\$ 461,810	\$ 29,260,095	\$ 21,501,854	\$ 326,514	\$ 21,828,368

* Includes restatement for New Acct. Standard GASB 101

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

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

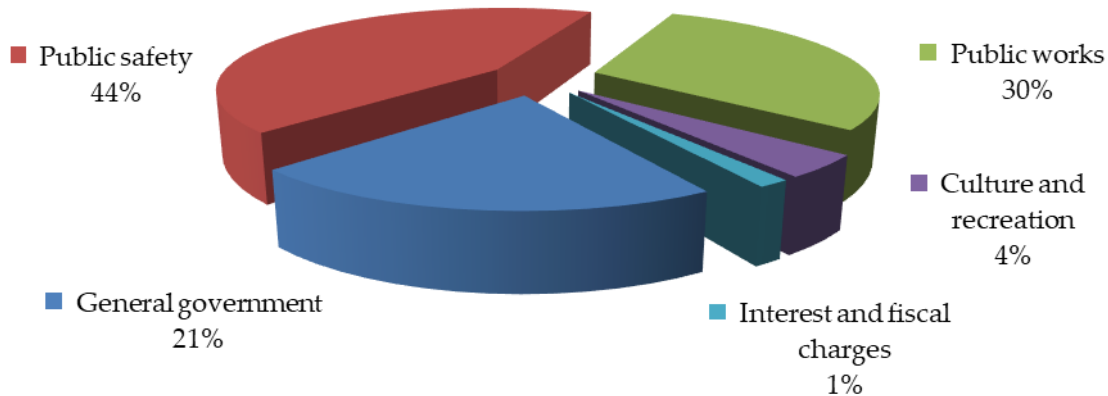


For the year ended September 30, 2025, revenues from governmental activities totaled \$18,818,663. Property tax, sales tax and grants/contributions are the City's largest revenue sources. Charges for services increased by \$352,908, or 79%, primarily due to nonrecurring licenses and permits issued in the current year. Capital grants and contributions increased by \$5,776,056, or over 100%, due to nonrecurring disaster recovery and CDBG related grants received in the current year. Sales taxes increased by \$326,443, or 9%, primarily as a result of continued growth in local purchases. Investment income decreased by \$120,053, or 33%, due to a decline in market interest rates during the year. Other revenues increased by \$43,775, or 11%, primarily due to nonrecurring miscellaneous revenues received in the current year. All other revenues remained relatively stable when compared to the previous year.

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

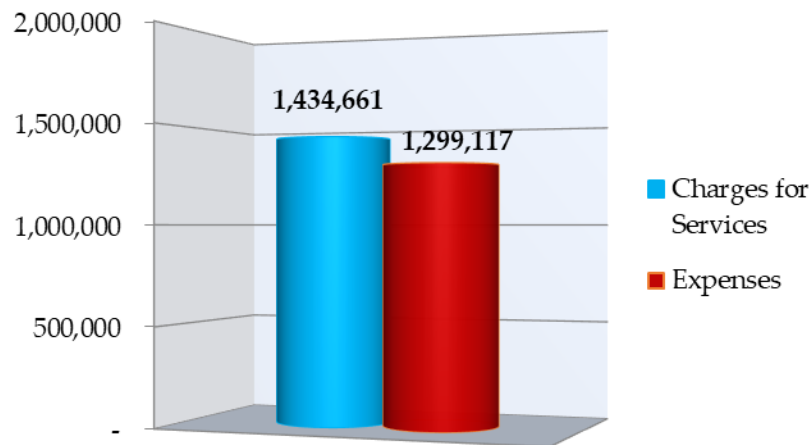


For the year ended September 30, 2025, expenses for governmental activities totaled \$11,194,305. This represents an increase of \$562,515, or 5%, from the prior year, which is considered consistent. The City's largest functional expense is public safety of \$4,903,853, which increased by \$207,674, or 4%, which is considered consistent with prior year. General government decreased by \$278,142, or 11%, due to nonrecurring flood plain housing buyout expenses in the prior year. Public works increased by \$629,228, or 23%, primarily due to greater personnel costs, resulting from nonrecurring retirement pay out, greater depreciation, and increased maintenance expenses in the current year. All other expenditures remained relatively consistent with the previous year.

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$1,434,661. This is an increase of \$237,884, or 20%, over the prior year. This increase is primarily due to an increase in sanitation rates and active customers, and nonrecurring miscellaneous revenues in the current year.

Total expenses decreased by \$38,894, or 3%, during the year which is considered consistent. Interest and fiscal charges increased \$10,685, or over 100%, due to the new lease entered into during the 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 \$6,082,769. The City has committed 25% of annual general fund expenditures, which totaled \$2,300,816 as of yearend. Unassigned fund balance totaled \$3,781,953 as of year end. The general fund decreased \$236,336 from the prior year. The decrease is primarily related to greater than anticipated expenditures.

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

The disaster recovery grant fund reflected a fund balance of \$558,934. This is a decrease of \$274,228 from prior year, as current year capital and grant expenditures were greater than grant revenues.

The CDBG fund reflected a fund deficit of \$1,403,718. This is a decrease of \$1,223,820 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 \$392,322 and a negative expenditure variance of \$331,980 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, city manager, human resources, financial administration, animal control, parks and recreation, debt service principal, debt service interest, and capital outlay by \$25,621, \$65,353, \$877, \$115,225, \$36,575, \$6,134, \$321,805, \$10,437, and \$306,769, respectively.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$26,566,037 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 \$462,074 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 \$8,670,935.
- Purchased four Nissan detective vehicles totaling \$88,570.
- Purchased two cameras for police department totaling \$18,953.
- Entered into multiple new Ford vehicle leases totaling \$291,076.
- Entered into lease for a 2024 Mack sanitation truck totaling \$384,246.

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

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

LONG-TERM DEBT

At the end of the current year, the City had total bonds, premiums, notes, and leases outstanding of \$5,343,221. During the year, the City made payments on the long-term debt of \$782,329. The City entered into lease financing agreements totaling \$675,322 during the year ended September 30, 2025. 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's 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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 7,763,692	\$ 747,239	\$ 8,510,931
Receivables, net	5,305,657	51,931	5,357,588
Prepays	-	3,500	3,500
Total Current Assets	13,069,349	802,670	13,872,019
Capital assets:			
Non-depreciable	1,817,386	-	1,817,386
Net depreciable capital assets	24,748,651	462,074	25,210,725
	26,566,037	462,074	27,028,111
Total Assets	39,635,386	1,264,744	40,900,130
<u>Deferred Outflows of Resources</u>			
Pension outflows	611,789	67,977	679,766
OPEB outflows	14,824	1,647	16,471
Deferred charges on refunding	233,215	-	233,215
Total Deferred Outflows of Resources	859,828	69,624	929,452

City of Vidor, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,012,916	\$ 34,086	\$ 4,047,002
Customer deposits	-	58,349	58,349
Accrued interest payable	18,521	10,953	29,474
Unearned revenue	-	51,376	51,376
Compensated absences, current	425,349	20,959	446,308
Long-term debt due within one year	751,470	77,205	828,675
Total Current Liabilities	5,208,256	252,928	5,461,184
Noncurrent liabilities:			
Net pension liability	1,755,587	195,065	1,950,652
OPEB liability	238,523	26,503	265,026
Compensated absences, noncurrent	47,261	2,328	49,589
Long-term debt due in more than one year	4,151,661	362,885	4,514,546
Total Noncurrent Liabilities	6,193,032	586,781	6,779,813
Total Liabilities	11,401,288	839,709	12,240,997
<u>Deferred Inflows of Resources</u>			
Pension inflows	257,620	28,624	286,244
OPEB inflows	38,021	4,225	42,246
Total Deferred Inflows of Resources	295,641	32,849	328,490
<u>Net Position</u>			
Net investment in capital assets	18,329,412	61,558	18,390,970
Restricted for:			
Grants	576,764	-	576,764
Public safety	636,374	-	636,374
Tourism	502,673	-	502,673
Debt service	213,446	-	213,446
Unrestricted	8,539,616	400,252	8,939,868
Total Net Position	\$ 28,798,285	\$ 461,810	\$ 29,260,095

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,338,635	\$ 24,702	\$ -	\$ -
Public safety	4,903,853	601,976	-	1,905
Public works	3,330,172	173,993	8,965,160	-
Culture and recreation	459,397	-	-	-
Interest and fiscal charges	162,248	-	-	-
Total Governmental Activities	<u>11,194,305</u>	<u>800,671</u>	<u>8,965,160</u>	<u>1,905</u>
Business-Type Activities				
Sanitation	1,285,436	1,434,661	-	-
Interest and fiscal charges	13,681	-	-	-
Total Business-Type Activities	<u>1,299,117</u>	<u>1,434,661</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 12,493,422</u>	<u>\$ 2,235,332</u>	<u>\$ 8,965,160</u>	<u>\$ 1,905</u>

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Franchise taxes
 Hotel occupancy taxes
 Investment income
 Sale of capital assets
 Other revenues

Total General Revenues

Change in Net Position

Beginning Net Position, as previously reported

New acct. standard - GASB 101

Beginning Net Position, as restated

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,313,933)	\$ -	\$ (2,313,933)
(4,299,972)	-	(4,299,972)
5,808,981	-	5,808,981
(459,397)	-	(459,397)
(162,248)	-	(162,248)
<u>(1,426,569)</u>	<u>-</u>	<u>(1,426,569)</u>
-	149,225	149,225
-	(13,681)	(13,681)
<u>-</u>	<u>135,544</u>	<u>135,544</u>
<u>(1,426,569)</u>	<u>135,544</u>	<u>(1,291,025)</u>
3,462,830	-	3,462,830
4,118,009	-	4,118,009
587,240	-	587,240
175,960	-	175,960
247,571	19,354	266,925
4,183	-	4,183
455,134	-	455,134
<u>9,050,927</u>	<u>19,354</u>	<u>9,070,281</u>
7,624,358	154,898	7,779,256
21,501,854	326,514	21,828,368
(327,927)	(19,602)	(347,529)
21,173,927	306,912	21,480,839
<u>\$ 28,798,285</u>	<u>\$ 461,810</u>	<u>\$ 29,260,095</u>

City of Vidor, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2025

	General	Disaster Recovery Grant	CDBG	Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 5,622,781	\$ 773,589	\$ -	\$ 1,367,322
Receivables, net	1,675,920	347,414	3,233,125	49,198
Due from other funds	115,145	-	-	-
Total Assets	\$ 7,413,846	\$ 1,121,003	\$ 3,233,125	\$ 1,416,520
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 420,187	\$ 347,409	\$ 3,234,926	\$ 10,394
Due to other funds	-	-	79,805	35,340
Total Liabilities	420,187	347,409	3,314,731	45,734
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	910,890	-	-	-
Grants	-	214,660	1,322,112	-
Total Deferred Inflows of Resources	910,890	214,660	1,322,112	-
<u>Fund Balances</u>				
Restricted for:				
Grants	-	558,934	-	17,830
Public safety	-	-	-	636,374
Tourism	-	-	-	502,673
Debt service	-	-	-	213,446
Committed for:				
General commitments	2,300,816	-	-	-
Library	-	-	-	10,001
Unassigned reported in:				
General fund	3,781,953	-	-	-
Special revenue funds	-	-	(1,403,718)	(9,538)
Total Fund Balances	6,082,769	558,934	(1,403,718)	1,370,786
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 7,413,846	\$ 906,343	\$ 1,911,013	\$ 1,416,520

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$		7,763,692
		5,305,657
		115,145
		13,184,494

\$		4,012,916
		115,145
		4,128,061

		910,890
		1,536,772
		2,447,662

		576,764
		636,374
		502,673
		213,446
		2,300,816
		10,001
		3,781,953
		(1,413,256)
		6,608,771

\$		13,184,494

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City of Vidor, Texas

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

September 30, 2025

Fund Balances - Total Governmental Funds \$ 6,608,771

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 1,817,386

Capital assets - net depreciable 24,748,651

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

Property tax receivable 910,890

Grant receivable 1,536,772

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 505,611

Pension differences in expected and actual economic experience 106,178

OPEB contributions 8,707

OPEB differences in expected and actual economic experience 6,117

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 investment earnings (209,083)

Pension changes in assumptions (48,537)

OPEB changes in assumptions (38,021)

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

Accrued interest (18,521)

Compensated absences (472,610)

Net pension liability (1,755,587)

OPEB liability (238,523)

Deferred charges on refunding 233,215

Bonds, premiums, notes, and lease liabilities (4,903,131)

Net Position of Governmental Activities \$ 28,798,285

See Notes to Financial Statements.

City of Vidor, Texas

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

For the Year Ended September 30, 2025

	General	Disaster Recovery Grant	CDBG	Nonmajor Governmental Funds
<u>Revenues</u>				
Property tax	\$ 2,870,416	\$ -	\$ -	\$ 493,288
Sales tax	4,118,009	-	-	-
Franchise taxes	587,240	-	-	-
Hotel occupancy taxes	-	-	-	175,960
Intergovernmental	-	1,084,918	6,443,564	1,905
Charges for services	24,702	-	-	-
License and permits	173,993	-	-	-
Fines and forfeitures	300,538	-	-	301,438
Investment income	202,598	9,381	-	35,592
Contributions and donations	4,900	-	-	-
Other revenue	389,271	60,196	-	12,673
Total Revenues	8,671,667	1,154,495	6,443,564	1,020,856
<u>Expenditures</u>				
Current:				
General government	1,556,645	407,173	-	215,738
Public safety	4,390,047	-	-	20,792
Streets	1,212,434	-	-	-
Maintenance	301,631	-	-	-
Public works	360,021	-	-	-
Culture and recreation	406,772	-	-	-
Debt Service:				
Principal	443,109	-	-	310,000
Interest and fiscal charges	32,848	-	-	119,200
Capital outlay	499,755	1,021,550	7,667,384	-
Total Expenditures	9,203,262	1,428,723	7,667,384	665,730
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(531,595)	(274,228)	(1,223,820)	355,126
<u>Other Financing Sources</u>				
Lease issuance	291,076	-	-	-
Sale of capital assets	4,183	-	-	-
Total Other Financing Sources	295,259	-	-	-
Net Change in Fund Balances	(236,336)	(274,228)	(1,223,820)	355,126
Beginning fund balances	6,319,105	833,162	(179,898)	1,015,660
Ending Fund Balances	\$ 6,082,769	\$ 558,934	\$ (1,403,718)	\$ 1,370,786

See Notes to Financial Statements.

Total Governmental Funds	
\$	3,363,704
	4,118,009
	587,240
	175,960
	7,530,387
	24,702
	173,993
	601,976
	247,571
	4,900
	462,140
	17,290,582
	2,179,556
	4,410,839
	1,212,434
	301,631
	360,021
	406,772
	753,109
	152,048
	9,188,689
	18,965,099
	(1,674,517)
	291,076
	4,183
	295,259
	(1,379,258)
	7,988,029
\$	6,608,771

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, 2025

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

Net changes in fund balances - total governmental funds	\$ (1,379,258)
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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	9,101,472
Depreciation expense	(2,058,648)
Net effect of capital disposals	(84,012)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,535,804
--	-----------

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	(11,593)
Accrued interest	3,210
Pension expense	(8,873)
OPEB expense	5,527

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	(291,076)
ROU lease trade-in	72,106
Amortization of bond premium	11,139
Amortization of deferred charges on refunding	(24,549)
Principal payments	753,109

Change in Net Position of Governmental Activities	\$ 7,624,358
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See Notes to Financial Statements.

City of Vidor, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2025

	<u>Sanitation</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 747,239
Receivables, net	51,931
Prepays	3,500
Total Current Assets	<u>802,670</u>
<u>Noncurrent Assets</u>	
Capital assets:	
Net depreciable capital assets	462,074
Total Noncurrent Assets	<u>462,074</u>
Total Assets	<u>1,264,744</u>
<u>Deferred Outflows of Resources</u>	
Pension outflows	67,977
OPEB outflows	1,647
Total Deferred Outflows of Resources	<u>69,624</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	34,086
Customer deposits	58,349
Unearned revenue	51,376
Accrued interest	10,953
Compensated absences due within one year	20,959
Long-term debt due within one year	77,205
Total Current Liabilities	<u>252,928</u>
<u>Noncurrent Liabilities</u>	
Net pension liability	195,065
OPEB liability	26,503
Compensated absences due in more than one year	2,328
Long-term debt due in more than one year	362,885
Total Noncurrent Liabilities	<u>586,781</u>
Total Liabilities	<u>839,709</u>
<u>Deferred Inflows of Resources</u>	
Pension inflows	28,624
OPEB inflows	4,225
Total Deferred Inflows of Resources	<u>32,849</u>
<u>Net Position</u>	
Net investment in capital assets	61,558
Unrestricted	400,252
Total Net Position	<u>\$ 461,810</u>

See Notes to Financial Statements.

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City of Vidor, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2025

	<u>Sanitation</u>
<u>Operating Revenues</u>	
Charges for services	\$ 1,332,674
Other revenue	101,987
Total Operating Revenues	<u>1,434,661</u>
<u>Operating Expenses</u>	
Personnel services	695,374
Operating expenses	259,876
Materials and supplies	109,591
Repairs and maintenance	92,789
Depreciation	127,806
Total Operating Expenses	<u>1,285,436</u>
Operating Income (Loss)	<u>149,225</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	19,354
Interest expense	(13,681)
Total Nonoperating Revenues (Expenses)	<u>5,673</u>
Change in Net Position	154,898
Beginning net position, as previously reported	326,514
New acct. standard - GASB 101	(19,602)
Beginning net position, as restated	<u>306,912</u>
Ending Net Position	<u><u>\$ 461,810</u></u>

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, 2025

	<u>Sanitation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 1,401,922
Payments to suppliers	(450,761)
Payments to employees	(691,318)
Net Cash Provided (Used) by Operating Activities	<u>259,843</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal paid on debt	(29,220)
Interest paid on debt	(2,728)
Net Cash (Used) by Capital and Related Financing Activities	<u>(31,948)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	19,354
Net Cash Provided by Investing Activities	<u>19,354</u>
Increase (Decrease) in Cash and Cash Equivalents	247,249
Beginning cash and cash equivalents	499,990
Ending Cash and Cash Equivalents	<u><u>\$ 747,239</u></u>

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, 2025

	<u>Sanitation</u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ 149,225
Adjustments to reconcile operating income (loss) to net cash provided:	
Depreciation	127,806
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(34,447)
Deferred Outflows of Resources:	
Pension outflows	57,117
OPEB outflows	(138)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	11,495
Customer deposits	(10,102)
Compensated absences	3,685
Unearned revenue	11,810
Net pension liability	(74,674)
OPEB liability	(412)
Deferred Inflows of Resources:	
Pension inflows	18,541
OPEB inflows	(63)
Net Cash Provided (Used) by Operating Activities	\$ 259,843
<u>Schedule of Non-Cash Capital and Related Financing Activities</u>	
Lease issuance	\$ 384,246

See Notes to Financial Statements.

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City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Debt Service Funds

The debt service funds are used to account for the payment of interest and principal on all general obligation bonds, certificates of obligation, and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes.

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 two years. 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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, *Continued*
September 30, 2025

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

The City's 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.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

The City accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, Compensated Absences.

Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

Sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Because unused sick leave is not paid upon separation from employment, the City does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, 2025, the CDBG fund and the School District Safety Fund had deficit fund balances of \$1,403,718 and \$9,538, respectively. 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.	\$	115,225
Municipal court		25,621
Human resources		877
City manager		65,353
Animal control		36,575
Parks and recreation		6,134
Principal		321,805

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Interest	10,437
Capital outlay	306,769
Disaster Recovery Grant Fund:	
General government	\$ 407,173

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the primary government had the following investments:

Investment Type	Value	Average Maturity (Years)
Investment pools	\$ 3,722,736	0.12
Total carrying value	<u>\$ 3,722,736</u>	
Portfolio weighted average maturity		0.12

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by 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, 2025, 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, 2025, the fair values of pledged securities and FDIC exceeded bank balances.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

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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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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:

	Disaster Recovery			Nonmajor		
	General	Grant	CDBG	Governmental	Sanitation	Total
Property taxes	\$ 910,889	\$ -	\$ -	\$ 3,402	\$ -	\$ 914,291
Sales tax	681,566	-	-	-	-	681,566
Franchise and other taxes	83,465	-	-	45,796	-	129,261
Grant receivables	-	347,414	3,233,125	-	-	3,580,539
Accounts	-	-	-	-	126,975	126,975
Allowance	-	-	-	-	(75,044)	(75,044)
	<u>\$ 1,675,920</u>	<u>\$ 347,414</u>	<u>\$ 3,233,125</u>	<u>\$ 49,198</u>	<u>\$ 51,931</u>	<u>\$ 5,357,588</u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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	<u>1,817,386</u>	<u>-</u>	<u>-</u>	<u>1,817,386</u>
Capital assets, being depreciated:				
Buildings and improvements	8,550,788	-	-	8,550,788
Vehicles, machinery & equipment	4,205,599	139,461	-	4,345,060
Infrastructure	15,588,999	8,670,935	-	24,259,934
Right-of-use assets - vehicles	2,015,074	291,076	(129,996)	2,176,154
Total capital assets being depreciated	<u>30,360,460</u>	<u>9,101,472</u>	<u>(129,996)</u>	<u>39,331,936</u>
Less accumulated depreciation				
Buildings and improvements	(3,315,293)	(195,256)	-	(3,510,549)
Vehicles, machinery & equipment	(3,397,070)	(243,941)	-	(3,641,011)
Infrastructure	(5,243,702)	(1,162,705)	-	(6,406,407)
Right-of-use assets - vehicles	(614,556)	(456,746)	45,984	(1,025,318)
Total accumulated depreciation	<u>(12,570,621)</u>	<u>(2,058,648)</u>	<u>45,984</u>	<u>(14,583,285)</u>
Net capital assets being depreciated	<u>17,789,839</u>	<u>7,042,824</u>	<u>(84,012)</u>	<u>24,748,651</u>
Total Net Capital Assets	<u><u>\$ 19,607,225</u></u>	<u><u>\$ 7,042,824</u></u>	<u><u>\$ (84,012)</u></u>	<u><u>\$ 26,566,037</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 168,528
Public safety	461,588
Public works	1,374,762
Culture and recreation	53,770
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,058,648</u></u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 - vehicles	638,391	384,246	-	1,022,637
Total capital assets being depreciated	<u>1,246,937</u>	<u>384,246</u>	<u>-</u>	<u>1,631,183</u>
Less accumulated depreciation				
Vehicles, machinery and equipment	(529,160)	(23,108)	-	(552,268)
Right-of-use assets - vehicles	(512,143)	(104,698)	-	(616,841)
Total accumulated depreciation	<u>(1,041,303)</u>	<u>(127,806)</u>	<u>-</u>	<u>(1,169,109)</u>
Net capital assets being depreciated	<u>205,634</u>	<u>256,440</u>	<u>-</u>	<u>462,074</u>
Total Net Capital Assets	<u><u>\$ 205,634</u></u>	<u><u>\$ 256,440</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 462,074</u></u>

Depreciation was charged to business-type functions as follows:

Sanitation	\$ 127,806
Total Business-type Activities Depreciation Expense	<u><u>\$ 127,806</u></u>

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	\$ 461,017	\$ 381,853	\$ (370,260)	\$ 472,610	\$ 425,349
Total Governmental Activities	<u><u>\$ 461,017</u></u>	<u><u>\$ 381,853</u></u>	<u><u>\$ (370,260)</u></u>	<u><u>\$ 472,610</u></u>	<u><u>\$ 425,349</u></u>
Other Long-term Liabilities Due in More than One Year				<u><u>\$ 47,261</u></u>	
Business-type Activities:					
Compensated Absences	\$ 19,602	\$ 21,031	\$ (17,346)	\$ 23,287	\$ 20,959
Total Governmental Activities	<u><u>\$ 19,602</u></u>	<u><u>\$ 21,031</u></u>	<u><u>\$ (17,346)</u></u>	<u><u>\$ 23,287</u></u>	<u><u>\$ 20,959</u></u>
Other Long-term Liabilities Due in More than One Year				<u><u>\$ 2,328</u></u>	

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds and other payables:					
General Obligation Refunding					
Bonds	\$ 3,960,000	\$ -	\$ (310,000)	\$ 3,650,000	\$ 320,000
Bond premiums	116,960	-	(11,139)	105,821	-
Other liabilities:					
Lease liabilities	1,371,449	291,076	(515,215)	1,147,310	431,470
Total Governmental Activities	<u>\$ 5,448,409</u>	<u>\$ 291,076</u>	<u>\$ (836,354)</u>	<u>\$ 4,903,131</u>	<u>\$ 751,470</u>
 Long-term liabilities due in more than one year				<u>\$ 4,151,661</u>	
 Business-Type Activities:					
Bonds, leases, and other payables:					
Lease liabilities	\$ 85,064	\$ 384,246	\$ (29,220)	\$ 440,090	\$ 77,205
Total Business-Type Activities	<u>\$ 85,064</u>	<u>\$ 384,246</u>	<u>\$ (29,220)</u>	<u>\$ 440,090</u>	<u>\$ 77,205</u>
 Long-term liabilities due in more than one year				<u>\$ 362,885</u>	

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.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 2035, interest at 3.00%	\$ 3,650,000	\$ -	\$ 3,650,000
Total General Obligation Bonds	\$ 3,650,000	\$ -	\$ 3,650,000
Lease Liabilities:			
\$687,475 various lease payables to Enterprise, due in monthly installments of through 2027, interest at varying amounts	\$ 836,269	\$ -	\$ 836,269
\$497,523 lease payable to Gradall, due in annual installments of \$112,767 through 2028, interest at 4.32%	311,041	-	311,041
\$158,064 lease payable to BB&T, due in quarterly installments of \$7,998 through 2057, interest at 2.09%	-	55,844	55,844
\$384,246 lease payable to BB&T, due in annual installments of \$68,102 through 2032, interest at 5.701%	-	384,246	384,246
Total Lease Liabilities	\$ 1,147,310	\$ 440,090	\$ 1,587,400
Bond Premium:	105,821	-	105,821
	\$ 4,903,131	\$ 440,090	\$ 5,343,221

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

Year ending September 30,	General Obligation Bonds		Total
	Principal	Interest	
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
	\$ 3,650,000	\$ 628,050	\$ 4,278,050

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Year ending September 30,	Lease Liabilities		Total
	Principal	Interest	
2026	\$ 431,470	\$ 21,932	\$ 453,402
2027	409,372	13,658	423,030
2028	255,144	5,944	261,088
2029	36,822	371	37,193
2030	14,502	38	14,540
	<u>\$ 1,147,310</u>	<u>\$ 41,943</u>	<u>\$ 1,137,520</u>

The governmental activities assets under lease had an original book value of \$2,015,074 and a current book value of \$1,150,836, 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		Total
	Principal	Interest	
2026	\$ 77,205	\$ 22,807	\$ 100,012
2027	72,515	20,011	92,526
2028	51,614	16,488	68,102
2029	54,556	13,546	68,102
2030	57,667	10,436	68,103
2031	60,954	7,148	68,102
2032	65,579	3,673	69,252
	<u>\$ 440,090</u>	<u>\$ 94,110</u>	<u>\$ 534,200</u>

The business-type assets under lease had an original book value of \$1,022,637 and a current book value of \$405,796, 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 \$233,215 for governmental activities. Current year amortization for governmental activities totaled \$24,549.

H. Customer Deposits

The City had customer deposits of \$58,349 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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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:

	<u>Restricted</u>	<u>Committed</u>
Grants	\$ 576,764	\$ -
Public safety	* 636,374	-
Tourism	502,673	-
Debt service	213,446	-
General commitments	-	2,300,816
Library	-	10,001
Total	<u><u>\$ 1,929,257</u></u>	<u><u>\$ 2,310,817</u></u>

* Restricted by enabling legislation

J. Unearned Revenue

As of September 30, 2025 the City received \$51,376 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 2,700 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.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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. Related Parties

During the year, the City purchased services totaling \$77,714 from a service provider for which a member of the City Council serves as a sales representative. The City Council member did not have a direct ownership interest in the service provider. Management believes the services were obtained in the ordinary course of operations and on terms consistent with those available from unrelated third parties.

D. 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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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.

E. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

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

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 three payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

	<u>Plan Year 2023</u>	<u>Plan Year 2024</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	5
Service retirement eligibility (expressed as age / years of service)	60/10, 0/20	60/10, Any Age/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI Retroactive Repeating
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to but not yet receiving benefits	58
Active employees	<u>73</u>
Total	201

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 15.13% and 16.19% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$764,439, and were equal to the required contributions.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

4. Net Pension Liability

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

Actuarial assumptions

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

Inflation	2.50% 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 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

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

The long-term expected rate of return on pension plan investments was determined 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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

return assumption under the various alternative asset allocation portfolios, Gabriel, Roeder, Smith & Company (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 2025 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 6.75%	1% Increase 7.75%
\$ 5,333,252	\$ 1,950,652	\$ (842,145)

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/23	\$ 25,389,034	\$ 22,691,647	\$ 2,697,387
Changes for the year:			
Service cost	777,897	-	777,897
Interest	1,690,760	-	1,690,760
Change in benefit terms	(15,219)	-	(15,219)
Difference between expected and actual experience	94,705	-	94,705
Changes of assumptions	-	-	-
Contributions – employer	-	657,116	(657,116)
Contributions – employee	-	300,346	(300,346)
Net investment income	-	2,352,888	(2,352,888)
Benefit payments, including refunds of emp. contributions	(1,428,941)	(1,428,941)	-
Administrative expense	-	(15,121)	15,121
Other changes	-	(351)	351
Net changes	1,119,202	1,865,937	(746,735)
Balance at 12/31/24	\$ 26,508,236	\$ 24,557,584	\$ 1,950,652

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.tmr.com.

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

For the year ended September 30, 2025, the City recognized pension expense of \$774,295.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	\$ -	\$ (232,314)
Differences between expected and actual economic experience	117,976	-
Differences in assumptions changes	-	(53,930)
Contributions subsequent to the measurement date	561,790	-
Total	\$ 679,766	\$ (286,244)

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

The City reported \$561,790 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, 2026. 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:		
2025	\$	51,469
2026		307,321
2027		(362,818)
2028		(164,240)
2029		-
Thereafter		-
	\$	<u>(168,268)</u>

F. 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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>73</u>
Total	130

The City's contributions to the TMRS SDBF for the fiscal years ended 2025, 2024 and 2023 were \$13,021, \$10,520, and \$9,197, 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
2023	0.24%	0.24%	100.00%
2024	0.26%	0.26%	100.00%
2025	0.29%	0.29%	100.00%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, 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.tmr.com.

Actuarial assumptions:

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

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.08%
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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease 3.08%	Current Single Rate 4.08%	1% Increase 5.08%
\$ 310,349	\$ 265,026	\$ 228,964

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	\$ 269,152
Changes for the year:	
Service Cost	7,722
Interest	10,082
Difference between expected and actual experience	2,199
Changes of assumptions	(12,973)
Benefit payments	(11,156)
Net changes	(4,126)
Balance at 12/31/24	\$ 265,026

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$6,882.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual economic experience	\$ 6,796	\$ -
Change in assumptions	-	(42,246)
Contributions subsequent to measurement date	9,675	-
Total	<u><u>\$ 16,471</u></u>	<u><u>\$ (42,246)</u></u>

The City reported \$9,675 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, 2026.

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:	
2025	\$ (21,683)
2026	(12,714)
2027	331
2028	(1,384)
2029	-
Thereafter	-
	<u><u>\$ (35,450)</u></u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

G. Restatements

Due to implementation of new accounting standard – GASB 101, *Compensated Absences*, the City restated beginning net position for governmental activities, business-type activities, and sanitation fund.

The restatement of beginning net position is as follows:

	Governmental Activities	Business-Type Activities	Sanitation Fund
Prior year ending net position, as reported	\$ 21,501,854	\$ 326,514	\$ 326,514
New acct. standard - GASB 101	(327,927)	(19,602)	(19,602)
Restated beginning net position	<u>\$ 21,173,927</u>	<u>\$ 306,912</u>	<u>\$ 306,912</u>

H. New Accounting Pronouncements

The City adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a “full accrual” basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of \$347,529 as of September 30, 2024.

H. Subsequent Events

There were no material subsequent events through May 26, 2026, 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, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 3,068,575	\$ 2,870,416	\$ (198,159)
Sales tax	3,950,000	4,118,009	118,009
Franchise taxes	550,000	587,240	37,240
Charges for services	29,000	24,702	(4,298)
License and permits	83,500	173,993	90,493
Fines and forfeitures	211,450	300,538	89,088
Investment income	75,000	202,598	127,598
Contributions and donations	6,060	4,900	(1,160)
Other revenue	255,760	389,271	133,511
Total Revenues	8,229,345	8,671,667	392,322
<u>Expenditures</u>			
Current:			
General government:			
City council	356,166	226,401	129,765
Municipal court	247,382	273,003	(25,621) *
Municipal judge	62,000	50,322	11,678
City manager	181,537	246,890	(65,353) *
Human resources	99,322	100,199	(877) *
Financial administration	440,775	556,000	(115,225) *
City secretary	120,076	103,830	16,246
Total general government	1,507,258	1,556,645	(49,387)
Public safety:			
Police	4,371,655	4,178,981	192,674
Animal control	174,491	211,066	(36,575) *
Total public safety	4,546,146	4,390,047	156,099
Streets	1,271,023	1,212,434	108,589
Maintenance	319,854	301,631	18,223
Public works	425,313	360,021	65,292
Culture and recreation:			
Parks and recreation	159,851	165,985	(6,134) *
Library	255,136	240,787	14,349
Total culture and recreation	414,987	406,772	8,215
Debt service:			
Principal	121,304	443,109	(321,805) *
Interest and fiscal charges	22,411	32,848	(10,437) *
Capital outlay	192,986	499,755	(306,769) *
Total Expenditures	8,821,282	9,203,262	(331,980)
Revenues Over (Under) Expenditures	(591,937)	(531,595)	60,342

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, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>			
Lease proceeds	\$ -	\$ 291,076	\$ 291,076
Sale of capital assets	-	4,183	4,183
Total Other Financing Sources (Uses)	-	295,259	295,259
 Net Change in Fund Balance	 \$ (591,937)	 (236,336)	 \$ 355,601
Beginning fund balance		6,319,105	
Ending Fund Balance		\$ 6,082,769	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 4,993,221	\$ 1,084,918	\$ (3,908,303)
Investment income	-	9,381	9,381
Other revenue	-	60,196	60,196
Total Revenues	<u>4,993,221</u>	<u>1,154,495</u>	<u>(3,838,726)</u>
<u>Expenditures</u>			
Current:			
General government:	-	407,173	(407,173) *
Capital outlay	2,345,834	1,021,550	1,324,284
Total Expenditures	<u>2,345,834</u>	<u>1,428,723</u>	<u>917,111</u>
Revenues Over (Under) Expenditures	<u>2,647,387</u>	<u>(274,228)</u>	<u>(2,921,615)</u>
Net Change in Fund Balance	<u>\$ 2,647,387</u>	<u>(274,228)</u>	<u>\$ (2,921,615)</u>
Beginning fund balance		833,162	
Ending Fund Balance		<u>\$ 558,934</u>	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 21,045,890	\$ 6,443,564	\$ (14,602,326)
Total Revenues	<u>21,045,890</u>	<u>6,443,564</u>	<u>(14,602,326)</u>
<u>Expenditures</u>			
Current:			
Capital outlay	21,985,752	7,667,384	14,318,368
Total Expenditures	<u>21,985,752</u>	<u>7,667,384</u>	<u>14,318,368</u>
Revenues Over (Under) Expenditures	<u>(939,862)</u>	<u>(1,223,820)</u>	<u>(283,958)</u>
Net Change in Fund Balance	<u>\$ (939,862)</u>	<u>(1,223,820)</u>	<u>\$ (283,958)</u>
Beginning fund balance		(179,898)	
Ending Fund Balance		<u>\$ (1,403,718)</u>	

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,

	2015	2016	2017	2018
Total pension liability				
Service cost	\$ 490,536	\$ 528,175	\$ 579,683	\$ 545,163
Interest	1,183,403	1,201,011	1,213,285	1,277,904
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(39,762)	(712,087)	27,533	(320,584)
Changes of assumptions	111,400	-	-	-
Benefit payments, including refunds of participant contributions	(864,973)	(889,814)	(832,233)	(859,593)
Net change in total pension liability	880,604	127,285	988,268	642,890
Total pension liability - beginning	17,092,972	17,973,576	18,100,861	19,089,129
Total pension liability - ending (a)	17,973,576	18,100,861	19,089,129	19,732,019
Plan fiduciary net position				
Contributions - employer	\$ 514,417	\$ 498,972	\$ 560,442	\$ 491,814
Contributions - members	219,930	224,619	244,887	233,403
Net investment income	21,777	989,137	2,140,963	(525,712)
Benefit payments, including refunds of participant contributions	(864,973)	(889,814)	(832,233)	(859,593)
Administrative expenses	(13,264)	(11,170)	(11,094)	(10,159)
Other	(655)	(603)	(562)	(530)
Net change in plan fiduciary net	(122,768)	811,141	2,102,403	(670,777)
Plan fiduciary net position - beginning	14,757,750	14,634,982	15,446,123	17,548,526
Plan fiduciary net position - ending (b)	\$ 14,634,982	\$ 15,446,123	\$ 17,548,526	\$ 16,877,749
Fund's net pension liability (asset) - ending (a) - (b)	\$ 3,338,594	\$ 2,654,738	\$ 1,540,603	\$ 2,854,270
Plan fiduciary net position as a percentage of the total pension liability	81%	85%	92%	86%
Covered payroll	\$ 3,069,690	\$ 3,208,839	\$ 3,498,390	\$ 3,334,329
Fund's net position as a percentage of covered payroll	109%	83%	44%	86%

2019	2020	2021	2022	2023	2024
\$ 567,566	\$ 609,390	\$ 626,246	\$ 642,381	\$ 655,088	\$ 777,897
1,323,229	1,412,778	1,471,805	1,537,978	1,627,188	1,690,760
-	-	-	-	-	(15,219)
233,127	(10,323)	180,618	407,904	110,120	94,705
72,028	-	-	-	(147,720)	-
(824,805)	(955,628)	(1,335,974)	(1,276,802)	(1,269,179)	(1,428,941)
1,371,145	1,056,217	942,695	1,311,461	975,497	1,119,202
19,732,019	21,103,164	22,159,381	23,102,076	24,413,537	25,389,034
21,103,164	22,159,381	23,102,076	24,413,537	25,389,034	26,508,236
\$ 483,670	\$ 548,020	\$ 524,273	\$ 571,090	\$ 572,353	\$ 657,116
237,759	272,342	258,627	271,210	279,782	300,346
2,609,496	1,470,243	2,697,498	(1,665,243)	2,395,219	2,352,888
(824,805)	(955,628)	(1,335,974)	(1,276,802)	(1,269,179)	(1,428,941)
(14,744)	(9,513)	(12,482)	(14,418)	(15,263)	(15,121)
(443)	(372)	85	17,205	(109)	(351)
2,490,933	1,325,093	2,132,027	(2,096,958)	1,962,803	1,865,937
16,877,749	19,368,682	20,693,775	22,825,802	20,728,844	22,691,647
\$ 19,368,682	\$ 20,693,775	\$ 22,825,802	\$ 20,728,844	\$ 22,691,647	\$ 24,557,584
\$ 1,734,482	\$ 1,465,606	\$ 276,274	\$ 3,684,693	\$ 2,697,387	\$ 1,950,652
92%	93%	99%	85%	89%	93%
\$ 3,396,563	\$ 3,787,385	\$ 3,694,666	\$ 3,874,434	\$ 3,996,879	\$ 4,290,661
51%	39%	7%	95%	67%	45%

City of Vidor, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2016	9/30/2017	9/30/2018	9/30/2019
Actuarially determined employer contributions	\$ 514,430	\$ 560,161	\$ 499,603	\$ 489,542
Contributions in relation to the actuarially determined contribution	514,430	560,161	499,603	489,542
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 3,256,006	\$ 3,520,868	\$ 3,317,952	\$ 3,408,430
Employer contributions as a percentage of covered payroll	15.80%	15.91%	15.06%	14.36%

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

Other Information:

Notes

Adopted 5 year vesting

<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u>	<u>9/30/2025</u>
\$ 511,312	\$ 515,701	\$ 559,466	\$ 573,140	\$ 616,200	\$ 764,439
511,312	515,701	559,466	573,140	616,200	764,439
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,594,585	\$ 3,632,141	\$ 3,835,244	\$ 3,970,035	\$ 4,133,171	\$ 4,622,955
14.22%	14.20%	14.59%	14.44%	14.91%	16.54%

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.

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> ¹
\$ 10,715	\$ 12,011	\$ 5,995	\$ 7,722
6,563	6,416	9,779	10,082
(611)	5,821	5,510	2,199
11,171	(119,626)	14,216	(12,973)
(7,759)	(8,136)	(9,593)	(11,156)
<u>20,079</u>	<u>(103,514)</u>	<u>25,907</u>	<u>(4,126)</u>
<u>326,680</u>	<u>346,759</u>	<u>243,245</u>	<u>269,152</u>
<u>\$ 346,759</u>	<u>\$ 243,245</u>	<u>\$ 269,152</u>	<u>\$ 265,026</u> ²
\$ 3,694,666	\$ 3,874,434	\$ 3,996,879	\$ 4,290,661
9.39%	6.28%	6.73%	6.18%

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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, 2025

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security	LMJF Local Muni Jury FD
<u>Assets</u>					
Cash and cash equivalents	\$ 17,830	\$ 13,345	\$ 314,803	\$ 76,533	\$ 4,217
Receivables, net	-	-	-	-	-
Total Assets	\$ 17,830	\$ 13,345	\$ 314,803	\$ 76,533	\$ 4,217
<u>Liabilities</u>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<u>Fund Balances</u>					
Restricted for:					
Grants	17,830	-	-	-	-
Public safety	-	13,345	314,803	76,533	4,217
Tourism	-	-	-	-	-
Debt service	-	-	-	-	-
Committed for:					
Library	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	17,830	13,345	314,803	76,533	4,217
Total Liabilities and Fund Balances	\$ 17,830	\$ 13,345	\$ 314,803	\$ 76,533	\$ 4,217

Animal Shelter	Library	Municipal Court Technology	LEOSE	Federal Forfeiture	Hotel Occupancy
\$ 6,439	\$ 10,001	\$ 48,349	\$ 12,167	\$ 25,940	\$ 467,268
-	-	-	-	-	45,796
<u>\$ 6,439</u>	<u>\$ 10,001</u>	<u>\$ 48,349</u>	<u>\$ 12,167</u>	<u>\$ 25,940</u>	<u>\$ 513,064</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,391
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,391</u>
-	-	-	-	-	-
6,439	-	48,349	12,167	25,940	-
-	-	-	-	-	502,673
-	-	-	-	-	-
-	10,001	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,439</u>	<u>10,001</u>	<u>48,349</u>	<u>12,167</u>	<u>25,940</u>	<u>502,673</u>
<u>\$ 6,439</u>	<u>\$ 10,001</u>	<u>\$ 48,349</u>	<u>\$ 12,167</u>	<u>\$ 25,940</u>	<u>\$ 513,064</u>

City of Vidor, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
September 30, 2025

	Juvenile Case Manager	Judicial Efficiency	Police Abandoned Property	Employee Benefit Trust	School District Safety Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 121,081	\$ 7,891	\$ 4,943	\$ 802	\$ -
Receivables, net	-	-	-	-	-
Total Assets	\$ 121,081	\$ 7,891	\$ 4,943	\$ 802	\$ -
<u>Liabilities</u>					
Accounts payable and accrued liabilities	\$ 3	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	802	9,538
Total Liabilities	3	-	-	802	9,538
<u>Fund Balances</u>					
Restricted for:					
Grants	-	-	-	-	-
Public safety	121,078	7,891	4,943	-	-
Tourism	-	-	-	-	-
Debt service	-	-	-	-	-
Committed for:					
Library	-	-	-	-	-
Unassigned	-	-	-	-	(9,538)
Total Fund Balances	121,078	7,891	4,943	-	(9,538)
Total Liabilities and Fund Balances	\$ 121,081	\$ 7,891	\$ 4,943	\$ 802	\$ -

Opiod Abatement Fund	Total Special Revenue	Debt Service City Hall	Debt Service Landfill	Total Debt Service	Total Nonmajor Governmental
\$ 669	\$ 1,132,278	\$ 210,046	\$ 24,998	\$ 235,044	\$ 1,367,322
-	45,796	3,402	-	3,402	49,198
<u>\$ 669</u>	<u>\$ 1,178,074</u>	<u>\$ 213,448</u>	<u>\$ 24,998</u>	<u>\$ 238,446</u>	<u>\$ 1,416,520</u>
\$ -	\$ 10,394	\$ -	\$ -	\$ -	\$ 10,394
-	10,340	25,000	-	25,000	35,340
<u>-</u>	<u>20,734</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>45,734</u>
-	17,830	-	-	-	17,830
669	636,374	-	-	-	636,374
-	502,673	-	-	-	502,673
-	-	188,448	24,998	213,446	213,446
-	10,001	-	-	-	10,001
-	(9,538)	-	-	-	(9,538)
<u>669</u>	<u>1,157,340</u>	<u>188,448</u>	<u>24,998</u>	<u>213,446</u>	<u>1,370,786</u>
<u>\$ 669</u>	<u>\$ 1,178,074</u>	<u>\$ 213,448</u>	<u>\$ 24,998</u>	<u>\$ 238,446</u>	<u>\$ 1,416,520</u>

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, 2025

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security	LMJF Local Muni Jury FD
Revenues					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	3,769	269,956	9,612	191
Investment income	577	575	2,384	575	575
Other revenue	-	-	-	-	-
Total Revenues	<u>577</u>	<u>4,344</u>	<u>272,340</u>	<u>10,187</u>	<u>766</u>
Expenditures					
General government	10,029	-	-	-	-
Municipal court	-	-	-	8,493	-
Police	1,839	-	-	-	-
Tourism	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>11,868</u>	<u>-</u>	<u>-</u>	<u>8,493</u>	<u>-</u>
Revenues Over (Under)					
Expenditures	<u>(11,291)</u>	<u>4,344</u>	<u>272,340</u>	<u>1,694</u>	<u>766</u>
Net Change in Fund					
Balances	<u>(11,291)</u>	<u>4,344</u>	<u>272,340</u>	<u>1,694</u>	<u>766</u>
Beginning fund balances	29,121	9,001	42,463	74,839	3,451
Ending Fund Balances	<u>\$ 17,830</u>	<u>\$ 13,345</u>	<u>\$ 314,803</u>	<u>\$ 76,533</u>	<u>\$ 4,217</u>

Animal Shelter	Library	Municipal Court Technology	LEOSE	Federal Forfeiture	Hotel Occupancy
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	175,960
-	-	-	1,743	-	162
-	-	7,972	-	-	-
30	280	574	216	812	9,668
-	-	-	1,710	-	-
30	280	8,546	3,669	812	185,790
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,953	-
-	-	-	-	-	176,978
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,953	176,978
30	280	8,546	3,669	(18,141)	8,812
30	280	8,546	3,669	(18,141)	8,812
6,409	9,721	39,803	8,498	44,081	493,861
\$ 6,439	\$ 10,001	\$ 48,349	\$ 12,167	\$ 25,940	\$ 502,673

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, 2025

	Juvenile Case Manager	Judicial Efficiency	Police Abandoned Property	Employee Benefit Trust	School District Safety Fund
<u>Revenues</u>					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fines and forfeitures	9,938	-	-	-	-
Investment income	575	574	939	-	-
Other revenue	-	46	1,733	-	9,184
	<u>10,513</u>	<u>620</u>	<u>2,672</u>	<u>-</u>	<u>9,184</u>
<u>Expenditures</u>					
General government	-	-	-	-	18,722
Municipal court	1,178	308	-	-	-
Police	-	-	-	-	-
Tourism	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>1,178</u>	<u>308</u>	<u>-</u>	<u>-</u>	<u>18,722</u>
Revenues Over (Under)					
Expenditures	<u>9,335</u>	<u>312</u>	<u>2,672</u>	<u>-</u>	<u>(9,538)</u>
Net Change in Fund					
Balances	<u>9,335</u>	<u>312</u>	<u>2,672</u>	<u>-</u>	<u>(9,538)</u>
Beginning fund balances	111,743	7,579	2,271	-	-
Ending Fund Balances	<u>\$ 121,078</u>	<u>\$ 7,891</u>	<u>\$ 4,943</u>	<u>\$ -</u>	<u>\$ (9,538)</u>

Opiod Abatement Fund	Total Special Revenue	Debt Service City Hall	Debt Service Landfill	Total Debt Service	Total Nonmajor Governmental
\$ -	\$ -	\$ 493,288	\$ -	\$ 493,288	\$ 493,288
-	175,960	-	-	-	175,960
-	1,905	-	-	-	1,905
-	301,438	-	-	-	301,438
669	19,023	16,569	-	16,569	35,592
-	12,673	-	-	-	12,673
<u>669</u>	<u>510,999</u>	<u>509,857</u>	<u>-</u>	<u>509,857</u>	<u>1,020,856</u>
-	28,751	-	30	30	28,781
-	9,979	-	-	-	9,979
-	20,792	-	-	-	20,792
-	176,978	-	-	-	176,978
-	-	310,000	-	310,000	310,000
-	-	119,200	-	119,200	119,200
<u>-</u>	<u>236,500</u>	<u>429,200</u>	<u>30</u>	<u>429,230</u>	<u>665,730</u>
<u>669</u>	<u>283,368</u>	<u>80,657</u>	<u>(30)</u>	<u>80,627</u>	<u>355,126</u>
669	274,499	80,657	(30)	80,627	355,126
-	882,841	107,791	25,028	132,819	1,015,660
<u>\$ 669</u>	<u>\$ 1,157,340</u>	<u>\$ 188,448</u>	<u>\$ 24,998</u>	<u>\$ 213,446</u>	<u>\$ 1,370,786</u>

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