

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Vidor, Texas

**For the Year Ended
September 30, 2020**

Prepared by:

Cheryl Ray

Finance Director

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City of Vidor, Texas

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September 30, 2020

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INTRODUCTORY SECTION

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City of Vidor

1395 North Main Street

Vidor, Texas 77662

Telephone 409-769-5473 • Fax 409-769-8853

March 4, 2021

The Honorable Mayor Kelly Carder and City Council
of the City of Vidor:

The Texas Local Government Code states that a municipality shall have its records and accounts audited annually and shall have annual financial statements prepared based on the audit. The Comprehensive Annual Financial Report (CAFR) of the City of Vidor, Texas (the "City") for the year ended September 30, 2020, is hereby submitted to fulfill that requirement.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to gain an understanding of the City's financial affairs have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC, has issued an unmodified ("clean") opinion on the City of Vidor's financial statements for the year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY OF VIDOR

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 Combined Financial Statements of the City of Vidor include all government activities, organizations, and functions for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's combined financial statements are based upon and consistent with those set forth in GASB Statement No. 61, "The Financial Reporting Entity".

The City Council appoints boards and commissions, which do not meet the established criteria for inclusion in the reporting entity and are therefore excluded from this report. This would include the City's Planning and Zoning Commission.

LOCAL ECONOMY:

In the last few years, Vidor has experienced two major flood events and two hurricanes. We had Tropical Storm Harvey in August 2017, Tropical Storm Imelda in September 2019, Hurricane Laura in August 2020, and Hurricane Delta in October 2020. Harvey and Imelda both produced unprecedented amounts of rainfall and caused severe flooding. The City of Vidor and surrounding areas experienced severe flooding of streets, residences, personal property, commercial structures, City buildings, City vehicles and City infrastructure. The City estimates that over 35% of its citizens were directly impacted by the tropical storms. The hurricanes produced high winds, tree loss and some roof damages. Federal Disasters were declared for Tropical Storm Harvey and for Hurricane Laura, which provides for Public Assistance Grant funds from the Federal Emergency Management Agency (FEMA). These grant funds are passed through the Texas Division of Emergency Management (TDEM). The City has submitted projects and been paid for the majority of the projects related to Tropical Storm Harvey and is in the process of submitting damages for Hurricane Laura. Unfortunately, no disaster declaration was made for Tropical Storm Imelda or Hurricane Delta. The City has also filed claims with our flood insurance carrier and our property insurance carrier for the City. The City expects to be reimbursed for most of the expenses related to Tropical Storm Harvey and thus far, insurance will pay for damages to buildings and other property due to Tropical Storm Imelda and Hurricanes Laura and Delta, except for deductibles. However, the City is still out tens of thousands of dollars on emergency overtime and equipment costs that will not be reimbursed. Additionally, the City has had to deal with these disasters while at the same time dealing with Covid-19. We did take advantage of grant funds from the Coronavirus Relief Fund and the Coronavirus Emergency Supplemental Funding Program that helped the City provide necessary PPE and sanitization materials and equipment for City employees as well as the public and paid law enforcement salaries for the additional measures the City had to take to service the public during a pandemic. To say the least, FYE 9/30/20 was a trying year.

Looking to the future, the City is applying for grants to provide mitigation measures to reduce the amount of potential damages from future hurricanes, tropical storms, and flood events. The City has identified mitigation measures for public facilities and programs that benefit residents. The City is working closely with State and Federal agencies to determine eligibility of projects, and to convey the need for the mitigation measures for the City and for its residents.

Sales tax collections have primarily risen each year for the last 10 years, with the exception of

16/17 which declined by 3%. Overall, sales tax had been strong in the West side of Orange County. We have added several businesses despite the repetitive flooding and frequent hurricanes.

Prior to the pandemic, unemployment in the City was at or near the all-time low. The rate has risen some but is still not as bad as in other areas of the country.

LONG-TERM FINANCIAL PLANNING

The City's overall financial position is very sound. The reserves in all funds are adequate and will continue to be monitored. Monitoring is accomplished through continual refinement of long-range fund projections.

The City instituted a residential tax abatement program in 2016 which has resulted in the addition of several new homes above the average number of new homes normally built each year. It appears to have been successful, not just in bringing new homes, but in attracting new business as well as improving morale and pride in the community and the look of some of our businesses and neighborhoods. The City intends to continue this program for the foreseeable future.

FINANCIAL PROCEDURES AND BUDGETARY CONTROLS

The City's accounting records for general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis. The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City division. Budgets are reviewed by the City Manager who submits a recommended budget to the City Council. The City Council approves all budget amendments. The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

MAJOR INITIATIVES

Projects undertaken in this fiscal year include:

- ◆ Purchase and replacement equipment needed for efficient operation of all departments
- ◆ Repair and paving of selected streets
- ◆ City-wide drainage improvements

Projects planned for the future include:

- ◆ Purchase and replace equipment needed for efficient operation of various departments
- ◆ Repair and paving of selected streets
- ◆ Additional street lights.
- ◆ Additional drainage improvements
- ◆ Grant projects, to include drainage mitigation projects

Respectfully submitted,

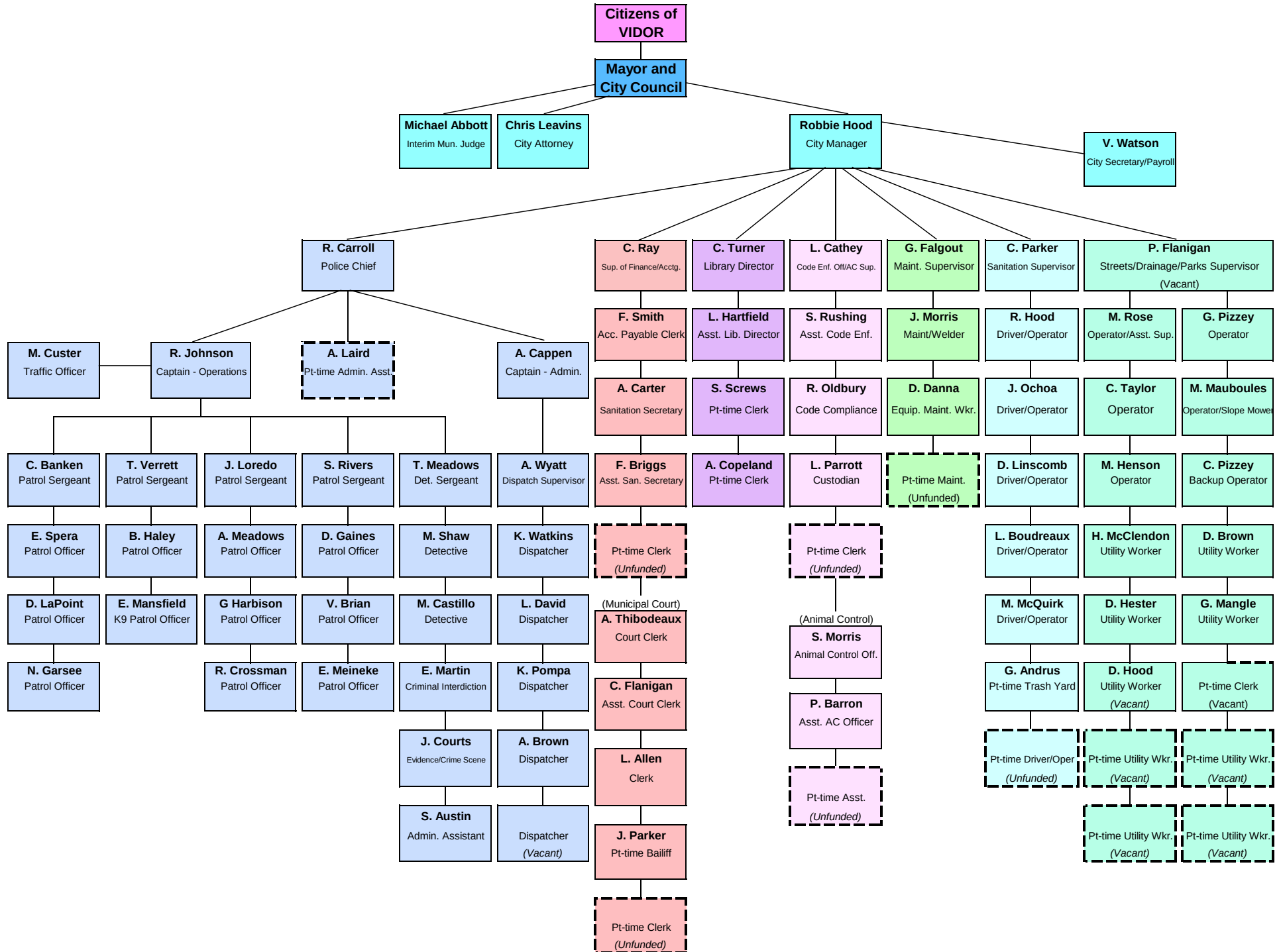


Robbie Hood
City Manager



Cheryl Ray
Director of Accounting and Finance

CITY OF VIDOR ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Vidor
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

City of Vidor, Texas
ELECTED AND APPOINTED OFFICIALS
September 30, 2020

City Council

Kelly Carder	Mayor
Julie Hannon	Council Member Ward 1
Open	Council Member Ward 2
Misty Songe	Council Member Ward 3
Keith Buesing	Council Member Ward 4
Gary Herrera	Council Member Ward 5
Jane Hill	Council Member Ward 6

Appointed Officials

Robbie Hood	Interim City Manager
Cheryl Ray	Finance Director
Vicki Watson	City Secretary
Rod Carroll	Chief of Police
Clifford Parker	Sanitation Supervisor
Percy Flanigain	Streets-Drainage-Parks Supervisor

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FINANCIAL SECTION

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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vidor, Texas (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020 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.

Emphasis of Matter

As discussed in Note V.F., the City has restated beginning net position within governmental activities due to an accounting error concerning compensated absences and grants receivable in the prior year. Our opinion is not modified with respect to this matter.

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 and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information as listed in the table of contents, 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 City of Vidor, Texas's basic financial statements. The combining nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 4, 2021

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

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City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The City's total combined net position was \$15,880,512 at September 30, 2020. Of this, \$4,193,409 (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 \$5,775,718, a decrease of \$183,600.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,425,247 or 51% of total general fund expenditures.
- The City had an overall increase in net position of \$1,238,726.
- The City closed the year with a net pension liability of \$1,734,482.

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.

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 18-21 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 nineteen 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 and disaster recovery grant fund, which are

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2020

considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

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

The basic governmental fund financial statements can be found on pages 22-25 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 26-29 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 31-62 of this report.

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2020

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Vidor, assets and deferred outflows exceeded liabilities and deferred inflows by \$15,880,512 as of September 30, 2020, in the primary government.

The largest portion of the City's net position, \$10,873,006, 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, 2020

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2020			2019		
	Governmental	Business-Type		Governmental	Business-Type	
	Activities	Activities	Total	Activities	Activities	Total
Current and						
other assets	\$ 7,442,321	\$ 343,577	\$ 7,785,898	\$ 7,247,104	\$ 562,585	\$ 7,809,689
Capital assets, net	15,774,902	482,929	16,257,831	15,157,726	565,314	15,723,040
Total Assets	23,217,223	826,506	24,043,729	22,404,830	1,127,899	23,532,729
Deferred Outflows						
of Resources	792,558	48,510	841,068	1,546,746	129,581	1,676,327
Other liabilities	874,815	199,538	1,074,353	857,834	445,563	1,303,397
Long-term liabilities	6,977,120	335,655	7,312,775	8,292,090	521,771	8,813,861
Total Liabilities	7,851,935	535,193	8,387,128	9,149,924	967,334	10,117,258
Deferred Inflows						
of Resources	555,441	61,716	617,157	405,011	45,001	450,012
Net Position:						
Net investment						
in capital assets	10,606,347	266,659	10,873,006	9,655,580	229,696	9,885,276
Restricted	814,097	-	814,097	1,036,414	-	1,036,414
Unrestricted	4,181,961	11,448	4,193,409	3,704,647	15,449	3,720,096
Total Net Position	\$ 15,602,405	\$ 278,107	\$ 15,880,512	\$ 14,396,641	\$ 245,145	\$ 14,641,786

Current and other assets for governmental activities increased by \$195,217 when compared to the prior year. This increase is primarily attributed to nonrecurring COVID-19 related grant receivables not collected as of the end of the current year. Current and other assets for business-type activities decreased by \$219,008 when compared to the prior year. This decrease is primarily attributed to decreased cash on hand, which is a direct result of the payoff of vendor payables outstanding as of the end of the prior year. Deferred outflows of resources for the City decreased by \$835,259 when compared to the prior year. This decrease is directly related to the current year changes in actuarial valuation of the City net pension liability and related deferred outflows. Other liabilities for business-type activities decreased by \$246,025 primarily due to the payoff of prior year business-type activities vendor payables. Total long-term liabilities decreased by \$1,501,086 primarily due to principal payments made on long-term debt and a decrease in the City's net pension liability. Deferred inflows of

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

resources for the City increased by \$167,145 when compared to the prior year. This increase is attributable to pension investment earnings, which was classified as a deferred outflow in the prior year and is a deferred inflow in the current year.

Statement of Activities:

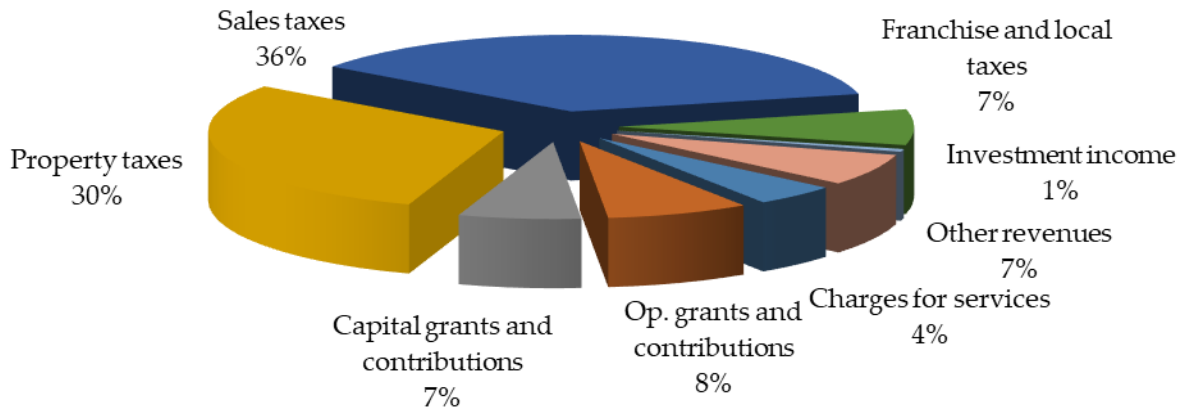
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2020			For the Year Ended September 30, 2019		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 426,136	\$ 1,094,741	\$ 1,520,877	\$ 503,774	\$ 1,017,310	\$ 1,521,084
Op. grants and contributions	733,607	-	733,607	-	-	-
Cap. grants and contributions	447,283	-	447,283	1,793,494	-	1,793,494
General revenues:						
Property taxes	2,797,166	-	2,797,166	2,597,920	-	2,597,920
Sales taxes	3,415,917	-	3,415,917	3,209,239	-	3,209,239
Franchise and local taxes	705,614	-	705,614	723,756	-	723,756
Investment income	54,044	2,784	56,828	84,754	4,019	88,773
Other revenues	627,660	33,116	660,776	285,158	-	285,158
Total Revenues	9,207,427	1,130,641	10,338,068	9,198,095	1,021,329	10,219,424
Expenses						
General government	2,604,862	-	2,604,862	1,576,522	-	1,576,522
Public safety	2,963,699	-	2,963,699	3,363,813	-	3,363,813
Public works	1,941,839	-	1,941,839	1,998,210	-	1,998,210
Culture and recreation	312,082	-	312,082	373,941	-	373,941
Interest and fiscal charges	190,004	8,287	198,291	167,754	4,734	172,488
Sanitation	-	1,078,569	1,078,569	-	1,016,185	1,016,185
Total Expenses	8,012,486	1,086,856	9,099,342	7,480,240	1,020,919	8,501,159
Change in Net Position	1,194,941	43,785	1,238,726	1,717,855	410	1,718,265
Transfers	10,823	(10,823)	-	-	-	-
Total	10,823	(10,823)	-	-	-	-
Change in Net Position	1,205,764	32,962	1,238,726	1,717,855	410	1,718,265
Beginning Net Position	14,396,641	245,145	14,641,786	12,678,786	244,735	12,923,521
Ending Net Position	\$ 15,602,405	\$ 278,107	\$ 15,880,512	\$ 14,396,641	\$ 245,145	\$ 14,641,786

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

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

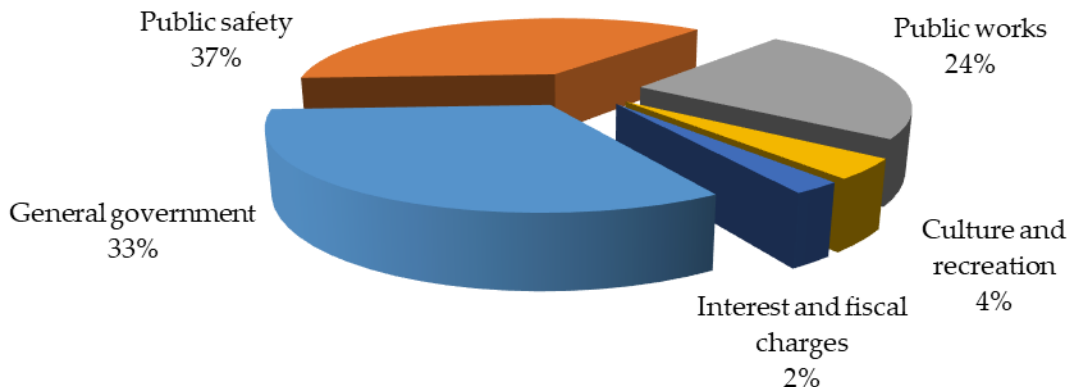
Governmental Activities - Revenues



For the year ended September 30, 2020, revenues from governmental activities totaled \$9,207,427. Property tax, sales tax and grant/contributions are the City's largest revenue sources. Charges for services decreased by \$77,638 or 15% primarily as a result of more significant park fees and street drainage permit revenues collected in the prior year. Grants and contributions decreased by \$612,604 or 34% due to nonrecurring capital grants received in the prior year. Property tax revenues increased by \$199,246 or 8% primarily due to greater appraisal values in the current year. Sales tax revenues increased by \$206,678 or 6% due to COVID-19 fueling the increase in local purchases. Investment income decreased by \$30,710 or 36% as a result of the utilization of interest-bearing cash accounts and the realization of lower interest rates in the current year. Other revenues increased by \$342,502 primarily due to nonrecurring insurance reimbursements received in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



City of Vidor, Texas

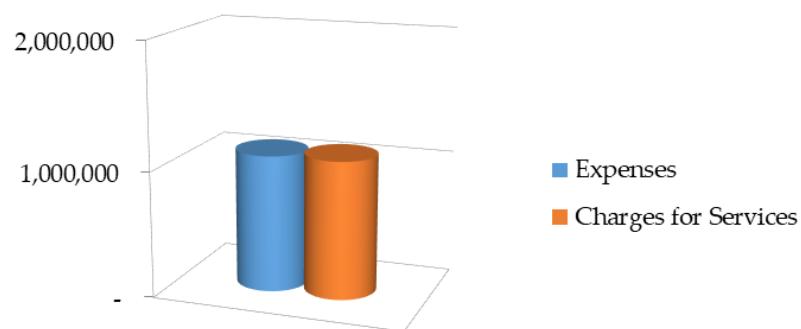
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

For the year ended September 30, 2020, expenses for governmental activities totaled \$8,012,486. This represents an increase of \$532,246 or 7% from the prior year. The City's largest functional expense is public safety of \$2,963,699, which decreased by \$400,114 or 12%. The decrease was primarily due to a reduction in salaries and benefits in the current year. General government expenses increased by \$1,028,340 or 65% primarily due to nonrecurring personnel costs as part of the City's response to COVID-19. In addition, nonrecurring street and building maintenance expenses were incurred in the current year. Culture and recreation expenditures decreased by \$61,859 or 17% due to a decline in personnel costs resulting from the impacts of COVID-19. All other expenditures remained relatively consistent with the previous year.

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, 2020, charges for services by business-type activities totaled \$1,094,741. This is an increase of \$77,431 or 8% over the prior year, which is primarily a result of a refuse service rate increase of 8% during the year.

Total expenses increased by \$65,937 or 6% during the year. The increase is a direct result of greater personnel, repairs/maintenance, and annual depreciation expenses.

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.

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2020

As of the end of the year the general fund reflected a total fund balance of \$5,112,865. Of this, \$13,248 is considered nonspendable due to prepaid assets. The City has committed 25% of annual general fund expenditures which totaled \$1,674,370 as of year end. Unassigned fund balance totaled \$3,425,247 as of year end. The general fund increased \$198,940 from the prior year. The increase is primarily related to greater than anticipated revenues and fewer than anticipated expenditures in the current year.

The disaster recovery grant fund reflected a deficit fund balance of \$153,166. This is a decrease of \$358,511 compared to the prior year, as current year expenditures exceeded revenues. This is due to a large portion of grant revenue being deferred at year end due to the receivable being collected more than 60 days after the close of the year.

There was an overall increase in governmental fund balance of \$183,600 from the prior year.

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 \$402,445 and a positive expenditure variance of \$1,622,116 for the year. This positive revenue variance was the result of more property tax, sales tax, and franchise tax received than anticipated. One supplemental budget amendment was made to reduce final capital outlay expenditures by \$45,000 compared to the original budget. Actual financial administration expenditures exceeded appropriations by \$7,578.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$15,774,902 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 \$482,929 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Purchase of Mack Dump Truck for \$115,000.
- Purchase of Gradall XL3100 excavator for \$362,480.
- Investment in new furniture and shelving for library totaling \$122,438.
- Flood damage refurbishing for library books for \$38,750.
- Street and flood drainage improvements for \$101,550.
- Library roof coating for \$20,421.

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2020

- Purchase of dumpsters for \$23,572.
- Purchase of 96-gallon trash containers for \$23,566.
- Investment in infrastructure improvements totaling \$739,984.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds, premiums, notes, and leases outstanding of \$5,740,785. During the year, the City made payments on the long-term debt of \$466,348. More detailed information about the City's long-term liabilities is presented in note IV. E and F 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 will consider the impacts of COVID-19 when preparing the budget for the upcoming fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

City of Vidor, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2020

		Primary Government	
		Governmental	Business-Type
		Activities	Activities
			Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$	5,196,896	\$ 295,663 \$ 5,492,559
Investments		242,502	- 242,502
Receivables, net		1,989,150	35,881 2,025,031
Prepays		13,773	12,033 25,806
Total Current Assets		7,442,321	343,577 7,785,898
Capital assets:			
Non-depreciable		1,567,145	- 1,567,145
Net depreciable capital assets		14,207,757	482,929 14,690,686
		15,774,902	482,929 16,257,831
Total Assets		23,217,223	826,506 24,043,729
<u>Deferred Outflows of Resources</u>			
Pension contributions		356,619	39,624 396,243
Pension assumption changes		46,918	5,213 52,131
OPEB contributions		1,505	167 1,672
OPEB changes in assumptions		31,556	3,506 35,062
Deferred charges on refunding		355,960	- 355,960
Total Deferred Outflows of Resources		792,558	48,510 841,068

City of Vidor, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	422,347	35,562	457,909
Customer deposits	-	44,441	44,441
Accrued interest payable	21,197	-	21,197
Unearned revenue	-	39,140	39,140
Compensated absences, current	77,271	-	77,271
Long-term debt due within one year	354,000	80,395	434,395
 Total Current Assets	874,815	199,538	1,074,353
Noncurrent liabilities:			
Net pension liability	1,561,034	173,448	1,734,482
OPEB liability	236,985	26,332	263,317
Compensated absences, noncurrent	8,586	-	8,586
Long-term debt due in more than one year	5,170,515	135,875	5,306,390
 Total Noncurrent Assets	6,977,120	335,655	7,312,775
 Total Liabilities	7,851,935	535,193	8,387,128
<u>Deferred Inflows of Resources</u>			
Pension differences in expected and actual economic experience	21,031	2,337	23,368
Pension investment earnings	530,686	58,965	589,651
OPEB differences in expected and actual economic experience	3,724	414	4,138
 Total Deferred Inflows of Resources	555,441	61,716	617,157
<u>Net Position</u>			
Net investment in capital assets	10,606,347	266,659	10,873,006
Restricted for:			
Grants	57,015	-	57,015
Public safety	258,834	-	258,834
Tourism	335,095	-	335,095
Debt service	163,153	-	163,153
Unrestricted	4,181,961	11,448	4,193,409
 Total Net Position	\$ 15,602,405	\$ 278,107	\$ 15,880,512

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		Operating Grants and Contributions
		Charges for Services	Capital Grants and Contributions	
Primary Government				
Governmental Activities				
General government	\$ 2,604,862	\$ 2,666	\$ 108,157	\$ -
Public safety	2,963,699	367,429	-	733,607
Public works	1,941,839	56,041	339,126	-
Culture and recreation	312,082	-	-	-
Interest and fiscal charges	190,004	-	-	-
Total Governmental Activities	<u>8,012,486</u>	<u>426,136</u>	<u>447,283</u>	<u>733,607</u>
Business-Type Activities				
Sanitation	1,086,856	1,094,741	-	-
Total Business-Type Activities	<u>1,086,856</u>	<u>1,094,741</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 9,099,342</u>	<u>\$ 1,520,877</u>	<u>\$ 447,283</u>	<u>\$ 733,607</u>

General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Other revenues

Gain on sale of capital assets

Transfers

Total General Revenues

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,494,039)	\$ -	\$ (2,494,039)
(1,862,663)	-	(1,862,663)
(1,546,672)	-	(1,546,672)
(312,082)	-	(312,082)
(190,004)	-	(190,004)
<u>(6,405,460)</u>	<u>-</u>	<u>(6,405,460)</u>
-	7,885	7,885
<u>-</u>	<u>7,885</u>	<u>7,885</u>
<u>(6,405,460)</u>	<u>7,885</u>	<u>(6,397,575)</u>
2,797,166	-	2,797,166
3,415,917	-	3,415,917
705,614	-	705,614
54,044	2,784	56,828
627,660	-	627,660
-	33,116	33,116
10,823	(10,823)	-
<u>7,611,224</u>	<u>25,077</u>	<u>7,636,301</u>
1,205,764	32,962	1,238,726
14,396,641	245,145	14,641,786
<u>\$ 15,602,405</u>	<u>\$ 278,107</u>	<u>\$ 15,880,512</u>

City of Vidor, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2020

	General	Disaster Recovery Grant	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,371,863	\$ -	\$ 825,033	\$ 5,196,896
Investments	242,502	-	-	242,502
Receivables, net	1,341,766	647,384	-	1,989,150
Due from other funds	238,901	-	-	238,901
Prepays	13,248	500	25	13,773
Total Assets	\$ 6,208,280	\$ 647,884	\$ 825,058	\$ 7,681,222
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 367,461	\$ 45,847	\$ 9,039	\$ 422,347
Due to other funds	-	238,901	-	238,901
Total Liabilities	367,461	284,748	9,039	661,248
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	727,954	-	-	727,954
Grants	-	516,302	-	516,302
Total Deferred Inflows of Resources	727,954	516,302	-	1,244,256
<u>Fund Balances</u>				
Nonspendable:				
Prepays	13,248	500	25	13,773
Restricted for:				
Grants	-	-	57,015	57,015
Public safety	-	-	258,834	258,834
Tourism	-	-	335,095	335,095
Debt service	-	-	163,153	163,153
Committed for:				
General commitments	1,674,370	-	-	1,674,370
Library	-	-	9,051	9,051
Unassigned reported in:				
General fund	3,425,247	-	-	3,425,247
Special revenue funds	-	(153,666)	(7,154)	(160,820)
Total Fund Balances	5,112,865	(153,166)	816,019	5,775,718
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 6,208,280	\$ 131,582	\$ 825,058	\$ 7,681,222

See Notes to Financial Statements.

City of Vidor, Texas

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

September 30, 2020

Fund Balances - Total Governmental Funds \$ 5,775,718

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	1,567,145
Capital assets - net depreciable	14,207,757

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

Property tax receivable	727,954
Grant receivable	516,302

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	356,619
Pension changes in assumptions	46,918
OPEB contributions	1,505
OPEB changes in assumptions	31,556

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	(530,686)
Pension differences in expected and actual economic experience	(21,031)
OPEB differences in expected and actual economic experience	(3,724)

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

Accrued interest	(21,197)
Compensated absences	(85,857)
Net pension liability	(1,561,034)
OPEB liability	(236,985)
Deferred charges on refunding	355,960
Bonds, premiums, notes, and capital leases	(5,524,515)

Net Position of Governmental Activities \$ 15,602,405

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, 2020

	General	Disaster Recovery Grant	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Property tax	\$ 2,258,272	\$ -	\$ 505,177	\$ 2,763,449
Sales tax	3,415,917	-	-	3,415,917
Franchise and local taxes	557,682	-	147,932	705,614
Intergovernmental	26,126	556,431	264,412	846,969
Charges for services	2,666	-	-	2,666
License and permits	56,041	-	-	56,041
Fines and forfeitures	329,876	-	37,553	367,429
Investment income	46,718	-	7,326	54,044
Contributions and donations	2,623	-	-	2,623
Other revenue	189,674	525,706	1,119	716,499
Total Revenues	6,885,595	1,082,137	963,519	8,931,251
<u>Expenditures</u>				
Current:				
General government	1,005,789	1,325,648	149,232	2,480,669
Public safety	2,760,138	-	75,676	2,835,814
Streets	1,035,547	-	-	1,035,547
Maintenance	225,841	-	-	225,841
Public works	297,358	-	-	297,358
Culture and recreation	303,643	-	-	303,643
Debt Service:				
Principal	-	-	347,000	347,000
Interest and fiscal charges	-	-	178,107	178,107
Capital outlay	1,069,162	115,000	237,533	1,421,695
Total Expenditures	6,697,478	1,440,648	987,548	9,125,674
Excess (Deficiency) of Revenues Over (Under) Expenditures	188,117	(358,511)	(24,029)	(194,423)
<u>Other Financing Sources</u>				
Transfers in	10,823	-	-	10,823
Total Other Financing Sources	10,823	-	-	10,823
Net Change in Fund Balances	198,940	(358,511)	(24,029)	(183,600)
Beginning fund balances	4,913,925	205,345	840,048	5,959,318
Ending Fund Balances	\$ 5,112,865	\$ (153,166)	\$ 816,019	\$ 5,775,718

See Notes to Financial Statements.

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, 2020

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

Net changes in fund balances - total governmental funds	\$ (183,600)
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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	1,711,744
Depreciation expense	(1,003,106)
Net effect of capital disposals	(91,462)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	367,638
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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	(1,970)
Accrued interest	1,513
Pension expense	90,227
OPEB expense	(18,810)

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.

Amortization of bond premium	11,139
Amortization of deferred charges on refunding	(24,549)
Principal payments	347,000

Change in Net Position of Governmental Activities	\$ 1,205,764
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See Notes to Financial Statements.

City of Vidor, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2020

	<u>Sanitation</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 295,663
Receivables, net	35,881
Prepays	12,033
Total Current Assets	<u>343,577</u>
<u>Noncurrent Assets</u>	
Capital assets:	
Net depreciable capital assets	482,929
Total Noncurrent Assets	<u>482,929</u>
Total Assets	<u>826,506</u>
<u>Deferred Outflows of Resources</u>	
Pension contributions	39,624
Pension changes in assumptions	5,213
OPEB contributions	167
OPEB changes in assumptions	3,506
Total Deferred Outflows of Resources	<u>48,510</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	35,562
Customer deposits	44,441
Unearned revenue	39,140
Long-term debt due within one year	80,395
Total Current Liabilities	<u>199,538</u>
<u>Noncurrent Liabilities</u>	
Net pension liability	173,448
OPEB liability	26,332
Long-term debt due in more than one year	135,875
Total Noncurrent Liabilities	<u>335,655</u>
Total Liabilities	<u>535,193</u>
<u>Deferred Inflows of Resources</u>	
Pension differences in expected and actual economic experience	2,337
Pension investment earnings	58,965
OPEB differences in expected and actual economic experience	414
Total Deferred Inflows of Resources	<u>61,716</u>
<u>Net Position</u>	
Net investment in capital assets	266,659
Unrestricted	11,448
Total Net Position	<u>\$ 278,107</u>

See Notes to Financial Statements.

City of Vidor, Texas

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

For the Year Ended September 30, 2020

	<u>Sanitation</u>
<u>Operating Revenues</u>	
Charges for services	\$ 1,090,989
Other revenue	3,752
Total Operating Revenues	<u>1,094,741</u>
<u>Operating Expenses</u>	
Personnel services	586,009
Operating expenses	211,071
Materials and supplies	66,094
Repairs and maintenance	82,373
Depreciation	133,022
Total Operating Expenses	<u>1,078,569</u>
Operating Income (Loss)	<u>16,172</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	2,784
Gain on disposal of capital assets	33,116
Interest expense	(8,287)
Total Nonoperating Revenues (Expenses)	<u>27,613</u>
Income (Loss) Before Transfers	43,785
Transfers (out)	(10,823)
Change in Net Position	32,962
Beginning net position	245,145
Ending Net Position	<u><u>\$ 278,107</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, 2020

	<u>Sanitation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 1,077,776
Payments to suppliers	(577,583)
Payments to employees	(590,335)
Net Cash Provided (Used) by Operating Activities	<u>(90,142)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfer (out)	(10,823)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(10,823)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(50,637)
Proceeds from sale of capital assets	33,116
Principal paid on debt	(119,348)
Interest paid on debt	(8,287)
Net Cash (Used) by Capital and Related Financing Activities	<u>(145,156)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	2,784
Net Cash Provided by Investing Activities	<u>2,784</u>
Increase (Decrease) in Cash and Cash Equivalents	(243,337)
Beginning cash and cash equivalents	539,000
Ending Cash and Cash Equivalents	<u><u>\$ 295,663</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, 2020

	<u>Sanitation</u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ 16,172
Adjustments to reconcile operating income (loss) to net cash provided:	
Depreciation	133,022
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(17,127)
Prepaid expenses	(7,202)
Deferred Outflows of Resources:	
Pension contributions	(2,764)
OPEB contributions	(12)
Pension assumption changes	(3,739)
OPEB changes in assumptions	(3,609)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(210,843)
Customer deposits	3,303
Unearned revenue	468
Net pension liability	(111,979)
OPEB liability	6,258
Deferred Inflows of Resources:	
Pension investment experience	150,057
Pension actuarial (gains) losses	(41,600)
OPEB actuarial (gains) losses	(547)
Net Cash Provided (Used) by Operating Activities	\$ (90,142)

See Notes to Financial Statements.

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City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

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

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

Proprietary Fund Types

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

Sanitation Fund

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

Additionally, the government reports the following fund types:

Special Revenue Funds

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

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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

E. Estimates

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

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

1. Deposits and Investments

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

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

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

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

2. Fair Value

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

3. Receivables and Interfund Transactions

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

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

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

4. Property Taxes

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

5. Inventories and Prepaid Items

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

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 position 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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

report unavailable revenues from property taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

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

11. Compensated Absences

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

Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its eligible employees to accumulate earned but unused vacation pay benefits during the year. In the event that available vacation is not used by the end of the benefit year, employees will forfeit the unused time.

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

Eligible civil service employees that have completed a minimum of ten years of employment as an employee with the City, that employee, employee's heirs or the employee's legal

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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representative(s) shall be compensated in cash for any unused accumulation of sick leave up to a maximum of seven hundred twenty hours at the Employee's basic hourly rate of pay, at the time of the Employee's death, resignation, termination or retirement.

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

12. Long-Term Obligations

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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13. 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.

14. Other Postemployment Benefits ("OPEB")

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the sanitation fund are charges to customers for sales and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, special revenue (excluding disaster recovery, CDBG, & LMJF funds), 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 as defined by the City Charter is the function level for the general and debt service funds. No funds can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

A. Expenditures Over Appropriations

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

General Fund:

Financial administration \$ 7,578

Library Fund:

General government \$ 4,335

B. Deficit Fund Equity

The CDBG and disaster recovery grant funds had deficit fund balances of \$7,154 and \$153,166, respectively as of year end. These deficits will be replenished through future grant funding or transfers from other funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2020, the primary government had the following investments:

Investment Type	Carrying Value	Average Maturity (Years)
Certificates of deposit	\$ 242,502	0.41
Investment pools	3,135,351	0.13
Total carrying value	<u>\$ 3,377,853</u>	
Portfolio weighted average maturity		0.15

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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

recognized rating service. As of September 30, 2020, 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, 2020, the fair values of pledged securities and FDIC exceeded bank balances.

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

TexPool

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

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

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

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

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

C. Receivables

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

	Diaster Recovery			
	General	Grant	Sanitation	Total
Property taxes	\$ 727,954	\$ -	\$ -	\$ 727,954
Sales tax	529,563	-	-	529,563
Franchise and other taxes	72,660	-	-	72,660
Other	11,589	647,384	-	658,973
Accounts	-	-	73,725	73,725
Allowance	-	-	(37,844)	(37,844)
	<u>\$ 1,341,766</u>	<u>\$ 647,384</u>	<u>\$ 35,881</u>	<u>\$ 2,025,031</u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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	\$ 1,567,145	\$ -	\$ -	\$ 1,567,145
Total capital assets not being depreciated	<u>1,567,145</u>	<u>-</u>	<u>-</u>	<u>1,567,145</u>
Capital assets, being depreciated:				
Buildings and improvements	7,488,828	102,431	-	7,591,259
Vehicles, machinery & equipment	3,462,167	869,329	(814,866)	3,516,630
Infrastructure	9,897,760	739,984	-	10,637,744
Total capital assets being depreciated	<u>20,848,755</u>	<u>1,711,744</u>	<u>(814,866)</u>	<u>21,745,633</u>
Less accumulated depreciation				
Buildings and improvements	(2,256,516)	(189,905)	-	(2,446,421)
Vehicles, machinery & equipment	(2,649,903)	(330,634)	723,404	(2,257,133)
Infrastructure	(2,351,755)	(482,567)	-	(2,834,322)
Total accumulated depreciation	<u>(7,258,174)</u>	<u>(1,003,106)</u>	<u>723,404</u>	<u>(7,537,876)</u>
Net capital assets being depreciated	<u>13,590,581</u>	<u>708,638</u>	<u>(91,462)</u>	<u>14,207,757</u>
Total Net Capital Assets	<u><u>\$ 15,157,726</u></u>	<u><u>\$ 708,638</u></u>	<u><u>\$ (91,462)</u></u>	<u><u>\$ 15,774,902</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 177,189
Public safety	153,361
Public works	625,144
Culture and recreation	47,412
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,003,106</u></u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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	\$ 1,222,640	\$ 50,637	\$ (125,813)	\$ 1,147,464
Total capital assets being depreciated	<u>1,222,640</u>	<u>50,637</u>	<u>(125,813)</u>	<u>1,147,464</u>
Less accumulated depreciation				
Vehicles, machinery and equipment	<u>(657,326)</u>	<u>(133,022)</u>	<u>125,813</u>	<u>(664,535)</u>
Total accumulated depreciation	<u>(657,326)</u>	<u>(133,022)</u>	<u>125,813</u>	<u>(664,535)</u>
Net capital assets being depreciated	<u>565,314</u>	<u>(82,385)</u>	<u>-</u>	<u>482,929</u>
Total Net Capital Assets	<u><u>\$ 565,314</u></u>	<u><u>\$ (82,385)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 482,929</u></u>

Depreciation was charged to business-type functions as follows:

Sanitation	<u>\$ 133,022</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 133,022</u></u>

E. Other Long-term Liabilities

A summary of changes in other long-term liabilities for the year end was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 83,887	\$ 16,291	\$ (14,321)	\$ 85,857	\$ 77,271
Total Governmental Activities	<u><u>\$ 83,887</u></u>	<u><u>\$ 16,291</u></u>	<u><u>\$ (14,321)</u></u>	<u><u>\$ 85,857</u></u>	<u><u>\$ 77,271</u></u>
Other Long-term Liabilities Due in More than One Year				<u><u>\$ 8,586</u></u>	

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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 debt service fund to liquidate certain governmental long-term 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	\$ 5,710,000	\$ -	\$ (347,000)	\$ 5,363,000	\$ 354,000
Bond premiums	172,654	-	(11,139)	161,515	-
Total Governmental Activities	<u>\$ 5,882,654</u>	<u>\$ -</u>	<u>\$ (358,139)</u>	<u>\$ 5,524,515</u>	<u>\$ 354,000</u>
Long-term liabilities due in more than one year				<u>\$ 5,170,515</u>	
Business-Type Activities:					
Bonds, leases, and other payables:					
Capital Leases	\$ 335,618	\$ -	\$ (119,348)	\$ 216,270	\$ 80,395
Total Business-Type Activities	<u>\$ 335,618</u>	<u>\$ -</u>	<u>\$ (119,348)</u>	<u>\$ 216,270</u>	<u>\$ 80,395</u>
Long-term liabilities due in more than one year				<u>\$ 135,875</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, 2020

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
\$898,000 General Obligation Bond, Series 2013, due in installments through 2023, interest at 1.79%	\$ 273,000	\$ -	\$ 273,000
\$5,800,000 General Obligation Bond, Series 2016, due in installments through 2035, interest at 3.00%	5,090,000	-	5,090,000
Total General Obligation Bonds	\$ 5,363,000	\$ -	\$ 5,363,000
Capital Leases Payable:			
\$203,098 Capital lease payable to BB&T, due in quarterly installments of \$10,968 through 2024, interest at 2.98%	\$ -	\$ 164,855	\$ 164,855
\$196,033 Capital lease payable to Kansas Bank, due in quarterly installments of \$41,937 through 2021, interest at 2.6%	-	51,415	51,415
Total Capital Leases Payable	\$ -	\$ 216,270	\$ 216,270
Bond premium	161,515	-	161,515
Total Long-term Debt	\$ 5,524,515	\$ 216,270	\$ 5,740,785

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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	
2021	\$ 354,000	\$ 165,887	\$ 519,887
2022	371,000	153,694	524,694
2023	378,000	140,865	518,865
2024	300,000	127,800	427,800
2025	310,000	118,800	428,800
2026	320,000	109,500	429,500
2027	330,000	99,900	429,900
2028	335,000	90,000	425,000
2029	350,000	79,950	429,950
2030	360,000	69,450	429,450
2031	370,000	58,650	428,650
2032	380,000	47,550	427,550
2033	390,000	36,150	426,150
2034	400,000	24,450	424,450
2035	415,000	12,450	427,450
	<u>\$ 5,363,000</u>	<u>\$ 1,335,096</u>	<u>\$ 6,698,096</u>

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

Year ending September 30,	Capital Leases		Total
	Principal	Interest	
2021	\$ 80,395	\$ 5,414	\$ 85,809
2022	51,000	3,356	54,356
2023	41,807	2,065	43,872
2024	43,068	805	43,873
	<u>\$ 216,270</u>	<u>\$ 11,640</u>	<u>\$ 227,910</u>

The asset under capital lease had an original book value of \$396,131 and a current book value of \$221,987, 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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

obligation. End of the year balances totaled \$355,960 for governmental activities. Current year amortization for governmental activities totaled \$24,549.

H. Customer Deposits

The City had customer deposits of \$44,441 in the sanitation fund as of year end. The City requires a \$50 refundable deposit for all new sanitation customers. This amount will be returned once the account is paid on time for twelve consecutive months, the deposit on the account will be refunded by check during the thirteenth month. All other deposits are applied to the account balance or refunded when service is discontinued.

I. Fund Equity

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

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

	<u>Restricted</u>	<u>Committed</u>
Grants	\$ 57,015	\$ -
Public safety	* 258,834	-
Tourism	335,095	-
Debt service	163,153	-
General commitments	-	1,674,370
Library	-	9,051
Total	<u><u>\$ 814,097</u></u>	<u><u>\$ 1,683,421</u></u>

* Restricted by enabling legislation

J. Unearned Revenue

As of September 30, 2020 the City received \$39,140 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.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

K. Operating Leases

During the year, the City entered into an operating lease agreement with Enterprise Rental for twenty-three vehicles.

The five year minimum lease payment requirements are as follows:

Year ending September 30,	Operating Leases
2021	\$ 154,495
2022	93,484
2023	36,935
2024	16,725
2025	-
	\$ 301,639

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with more than 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums.

The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

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

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

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

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

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and reviews the estimate for this potential liability annually. The City has engaged an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations.

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Vidor, Texas participates as one of 888 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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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 comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

2. Benefits Provided

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

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

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

	<u>Plan Year 2019</u>	<u>Plan Year 2018</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility (expressed as age / years of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	48
Active employees	<u>68</u>
Total	<u>167</u>

3. Contributions

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

Employees for the City of Vidor, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Vidor, Texas were 14.24% and 14.22% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$511,312, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

Discount Rate

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

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 4,629,058	\$ 1,734,482	\$ (637,299)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/18	\$ 19,732,019	\$ 16,877,749	\$ 2,854,270
Changes for the year:			
Service cost	567,566	-	567,566
Interest	1,323,229	-	1,323,229
Difference between expected and actual experience	233,127	-	233,127
Changes of assumptions	72,028	-	72,028
Contributions – employer	-	483,670	(483,670)
Contributions – employee	-	237,759	(237,759)
Net investment income	-	2,609,496	(2,609,496)
Benefit payments, including refunds of emp. contributions	(824,805)	(824,805)	-
Administrative expense	-	(14,744)	14,744
Other changes	-	(443)	443
Net changes	1,371,145	2,490,933	(1,119,788)
Balance at 12/31/19	\$ 21,103,164	\$ 19,368,682	\$ 1,734,482

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020, the city recognized pension expense of \$411,058.

At September 30, 2020, 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	\$ -	\$ (589,651)
Differences between expected and actual economic experience	-	(23,368)
Differences in assumptions changes	52,131	-
Contributions subsequent to the measurement date	396,243	-
Total	\$ 448,374	\$ (613,019)

The City reported \$396,243 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, 2021. 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:

2020	\$ (202,011)
2021	(165,092)
2022	100,263
2023	(294,048)
2024	-
Thereafter	-
	\$ (560,888)

E. Postemployment Benefits Other Than Pensions

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	7
Active employees	68
Total	112

The City's contributions to the TMRS SDBF for the fiscal years ended 2020, 2019 and 2018 were \$2,157, \$2,045, and \$1,991, 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
2018	0.06%	0.06%	100.00%
2019	0.06%	0.06%	100.00%
2020	0.07%	0.07%	100.00%

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2019, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

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

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.75%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

1% Decrease (1.75%)	Current Single Rate Assumption 2.75%	1% Increase (3.75%)
\$ 320,022	\$ 263,317	\$ 220,054

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/18	\$ 200,736
Changes for the year:	
Service Cost	7,812
Interest	7,554
Difference between expected and actual experience	4,233
Changes of assumptions	45,020
Benefit payments	(2,038)
Net changes	62,581
Balance at 12/31/19	\$ 263,317

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$23,055.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ -	(4,138)
Change in assumptions	35,062	-
Contributions subsequent to measurement date	1,672	-
Total	\$ 36,734	\$ (4,138)

The City reported \$1,672 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, 2021.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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:		
2020	\$	7,689
2021		7,689
2022		6,816
2023		6,029
2024		2,701
Thereafter		-
	\$	<u>30,924</u>

F. Restatement

The City restated beginning net position within governmental activities due to an error concerning compensated absences and grant receivables in the prior year. The restatement of beginning net position is as follows:

	<u>Governmental Activities</u>
Prior year ending net position, as reported	\$ 14,228,834
Correction to compensated absences	(14,574)
Correction to grant receivable	182,381
Restated beginning net position	<u>\$ 14,396,641</u>

G. Subsequent Events

There were no material subsequent events through March 4, 2021, 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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 2,191,849	\$ 2,191,849	\$ 2,258,272	\$ 66,423
Sales tax	2,900,000	2,900,000	3,415,917	515,917
Franchise and local taxes	550,000	550,000	557,682	7,682
Intergovernmental	56,551	56,551	26,126	(30,425)
Charges for services	29,600	29,600	2,666	(26,934)
License and permits	95,000	95,000	56,041	(38,959)
Fines and forfeitures	369,300	369,300	329,876	(39,424)
Investment income	75,000	75,000	46,718	(28,282)
Contributions and donations	3,500	3,500	2,623	(877)
Other revenue	212,350	212,350	189,674	(22,676)
Total Revenues	6,483,150	6,483,150	6,885,595	402,445
<u>Expenditures</u>				
Current:				
General government:				
City council	443,699	443,699	232,174	211,525
Municipal court	216,346	216,346	197,157	19,189
Municipal judge	37,000	37,000	30,591	6,409
City manager	176,964	176,964	140,047	36,917
Financial administration	286,965	286,965	294,543	(7,578) *
City secretary	121,940	121,940	111,277	10,663
Total general government	1,282,914	1,282,914	1,005,789	277,125
Public safety:				
Police	3,136,440	3,136,440	2,625,640	510,800
Animal control	144,508	144,508	134,498	10,010
Total public safety	3,280,948	3,280,948	2,760,138	520,810
Streets	1,049,895	1,094,895	1,035,547	59,348
Maintenance	242,322	242,322	225,841	16,481
Public works	339,937	339,937	297,358	42,579
Culture and recreation:				
Parks and recreation	181,031	181,031	100,455	80,576
Library	216,047	216,047	203,188	12,859
Total culture and recreation	397,078	397,078	303,643	93,435
Capital outlay	1,726,500	1,681,500	1,069,162	612,338
Total Expenditures	8,319,594	8,319,594	6,697,478	1,622,116
Revenues Over (Under)	(1,836,444)	(1,836,444)	188,117	2,024,561

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	10,823	10,823
Total Other Financing Sources (Uses)	-	-	10,823	10,823
Net Change in Fund Balance	\$ (1,836,444)	\$ (1,836,444)	198,940	\$ 2,035,384
Beginning fund balance			4,913,925	
Ending Fund Balance			\$ 5,112,865	

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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

December 31,

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

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.

2017	2018	2019 ¹
\$ 579,683	\$ 545,163	\$ 567,566
1,213,285	1,277,904	1,323,229
27,533	(320,584)	233,127
-	-	72,028
(832,233)	(859,593)	(824,805)
988,268	642,890	1,371,145
18,100,861	19,089,129	19,732,019
19,089,129	19,732,019	21,103,164
\$ 560,442	\$ 491,814	\$ 483,670
244,887	233,403	237,759
2,140,963	(525,712)	2,609,496
(832,233)	(859,593)	(824,805)
(11,094)	(10,159)	(14,744)
(562)	(530)	(443)
2,102,403	(670,777)	2,490,933
15,446,123	17,548,526	16,877,749
\$ 17,548,526	\$ 16,877,749	\$ 19,368,682
\$ 1,540,603	\$ 2,854,270	\$ 1,734,482
92%	86%	92%
\$ 3,498,390	\$ 3,334,329	\$ 3,396,563
44%	86%	51%

City of Vidor, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

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

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.

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	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2020</u> ¹
\$ 489,542	\$ 511,312
<u>\$ 489,542</u>	<u>\$ 511,312</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 3,408,430	\$ 3,594,585
14.36%	14.22%

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	¹
Total OPEB liability				
Service cost	\$ 5,597	\$ 6,335	\$ 7,812	
Interest	7,164	7,210	7,554	
Differences between expected and actual experience	-	(11,652)	4,233	
Changes of assumptions	17,169	(14,769)	45,020	
Benefit payments, including refunds of participant contributions	(2,099)	(2,001)	(2,038)	
Net change in total OPEB liability	27,831	(14,877)	62,581	
Total OPEB liability - beginning	187,782	215,613	200,736	
Total OPEB liability - ending	\$ 215,613	\$ 200,736	\$ 263,317	²
 Covered payroll	 \$ 3,498,390	 \$ 3,334,329	 \$ 3,396,563	
Total OPEB liability as a percentage of covered	6.16%	6.02%	7.75%	

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.

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, 2020

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security
<u>Assets</u>				
Cash and cash equivalents	\$ 57,700	\$ 7,776	\$ 7,266	\$ 67,702
Prepays	-	-	-	-
Total Assets	\$ 57,700	\$ 7,776	\$ 7,266	\$ 67,702
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 685	\$ -	\$ -	\$ 180
Total Liabilities	685	-	-	180
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
Grants	57,015	-	-	-
Public safety	-	7,776	7,266	67,522
Tourism	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Library	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	57,015	7,776	7,266	67,522
Total Liabilities and Fund Balances	\$ 57,700	\$ 7,776	\$ 7,266	\$ 67,702

CDBG	LMJF Local Muni Jury	Animal Shelter	Library	Municipal Court Technology	LEOSE
\$ -	\$ 78	\$ 4,742	\$ 9,654	\$ 21,871	\$ 11,960
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 4,742</u>	<u>\$ 9,654</u>	<u>\$ 21,871</u>	<u>\$ 11,960</u>
<u><u>\$ -</u></u>	<u><u>\$ 78</u></u>	<u><u>\$ 4,742</u></u>	<u><u>\$ 9,654</u></u>	<u><u>\$ 21,871</u></u>	<u><u>\$ 11,960</u></u>
\$ 7,154	\$ -	\$ -	\$ 603	\$ -	\$ -
<u>7,154</u>	<u>-</u>	<u>-</u>	<u>603</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	78	4,742	-	21,871	11,960
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9,051	-	-
(7,154)	-	-	-	-	-
<u>(7,154)</u>	<u>78</u>	<u>4,742</u>	<u>9,051</u>	<u>21,871</u>	<u>11,960</u>
\$ -	\$ 78	\$ 4,742	\$ 9,654	\$ 21,871	\$ 11,960
<u><u>\$ -</u></u>	<u><u>\$ 78</u></u>	<u><u>\$ 4,742</u></u>	<u><u>\$ 9,654</u></u>	<u><u>\$ 21,871</u></u>	<u><u>\$ 11,960</u></u>

City of Vidor, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
September 30, 2020

	Federal Forfeiture	Hotel Occupancy	Juvenile Case Manager	Judicial Efficiency
<u>Assets</u>				
Cash and cash equivalents	\$ 38,849	\$ 335,395	\$ 88,971	\$ 9,916
Prepays	-	-	25	-
Total Assets	\$ 38,849	\$ 335,395	\$ 88,996	\$ 9,916
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ 300	\$ 98	\$ 19
Total Liabilities	-	300	98	19
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	25	-
Restricted for:				
Grants	-	-	-	-
Public safety	38,849	-	88,873	9,897
Tourism	-	335,095	-	-
Debt service	-	-	-	-
Committed for:				
Library	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	38,849	335,095	88,898	9,897
Total Liabilities and Fund Balances	\$ 38,849	\$ 335,395	\$ 88,996	\$ 9,916

<u>TDA Grant</u>	<u>Total Special Revenue</u>	<u>Debt Service City Hall</u>	<u>Debt Service Landfill</u>	<u>Total Debt Service</u>	<u>Total Nonmajor Governmental</u>
\$ -	\$ 661,880	\$ 123,198	\$ 39,955	\$ 163,153	\$ 825,033
-	25	-	-	-	25
<u>\$ -</u>	<u>\$ 661,905</u>	<u>\$ 123,198</u>	<u>\$ 39,955</u>	<u>\$ 163,153</u>	<u>\$ 825,058</u>
<u>\$ -</u>	<u>\$ 9,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,039</u>
<u>-</u>	<u>9,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,039</u>
-	25	-	-	-	25
-	57,015	-	-	-	57,015
-	258,834	-	-	-	258,834
-	335,095	-	-	-	335,095
-	-	123,198	39,955	163,153	163,153
-	9,051	-	-	-	9,051
-	(7,154)	-	-	-	(7,154)
<u>-</u>	<u>652,866</u>	<u>123,198</u>	<u>39,955</u>	<u>163,153</u>	<u>816,019</u>
<u>\$ -</u>	<u>\$ 661,905</u>	<u>\$ 123,198</u>	<u>\$ 39,955</u>	<u>\$ 163,153</u>	<u>\$ 825,058</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, 2020

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security
<u>Revenues</u>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise and local tax	-	-	-	-
Intergovernmental	27,345	-	-	-
Fines and forfeitures	-	1,022	-	7,552
Investment income	362	58	47	485
Other revenue	-	-	-	-
Total Revenues	27,707	1,080	47	8,037
<u>Expenditures</u>				
General government	-	-	-	-
Municipal court	-	-	-	8,779
Police	11,615	1,703	-	-
Tourism	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	11,615	1,703	-	8,779
Revenues Over (Under)				
Expenditures	16,092	(623)	47	(742)
Net Change in Fund Balances	16,092	(623)	47	(742)
Beginning fund balances	40,923	8,399	7,219	68,264
Ending Fund Balances	\$ 57,015	\$ 7,776	\$ 7,266	\$ 67,522

CDBG	LMJF Local Muni Jury	Animal Shelter	Library	Municipal Court Technology	LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
101,550	-	-	4,335	-	2,353
-	78	-	-	8,092	-
-	-	28	72	176	80
-	-	3	-	-	-
<u>101,550</u>	<u>78</u>	<u>31</u>	<u>4,407</u>	<u>8,268</u>	<u>2,433</u>
-	-	-	4,335	-	-
-	-	-	-	11,714	-
-	-	-	-	-	3,740
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,704	-	-	-	-	-
<u>108,704</u>	<u>-</u>	<u>-</u>	<u>4,335</u>	<u>11,714</u>	<u>3,740</u>
(7,154)	78	31	72	(3,446)	(1,307)
(7,154)	78	31	72	(3,446)	(1,307)
-	-	4,711	8,979	25,317	13,267
<u>\$ (7,154)</u>	<u>\$ 78</u>	<u>\$ 4,742</u>	<u>\$ 9,051</u>	<u>\$ 21,871</u>	<u>\$ 11,960</u>

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, 2020

	Federal Forfeiture	Hotel Occupancy	Juvenile Case Manager	Judicial Efficiency
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise and local tax	-	147,932	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	10,817	-	9,992	-
Investment income	448	2,033	635	78
Other revenue	-	-	19	1,097
	<u>11,265</u>	<u>149,965</u>	<u>10,646</u>	<u>1,175</u>
Expenditures				
General government	-	-	-	-
Municipal court	-	-	7,470	1,975
Police	58,618	-	-	-
Tourism	-	114,959	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>58,618</u>	<u>114,959</u>	<u>7,470</u>	<u>1,975</u>
Revenues Over (Under) Expenditures	<u>(47,353)</u>	<u>35,006</u>	<u>3,176</u>	<u>(800)</u>
Net Change in Fund Balances	<u>(47,353)</u>	<u>35,006</u>	<u>3,176</u>	<u>(800)</u>
Beginning fund balances	86,202	300,089	85,722	10,697
Ending Fund Balances	<u>\$ 38,849</u>	<u>\$ 335,095</u>	<u>\$ 88,898</u>	<u>\$ 9,897</u>

<u>TDA Grant</u>	<u>Total Special Revenue</u>	<u>Debt Service City Hall</u>	<u>Debt Service Landfill</u>	<u>Total Debt Service</u>	<u>Total Nonmajor Governmental</u>
\$ -	\$ -	\$ 408,743	\$ 96,434	\$ 505,177	\$ 505,177
-	147,932	-	-	-	147,932
128,829	264,412	-	-	-	264,412
-	37,553	-	-	-	37,553
-	4,502	2,258	566	2,824	7,326
-	1,119	-	-	-	1,119
<u>128,829</u>	<u>455,518</u>	<u>411,001</u>	<u>97,000</u>	<u>508,001</u>	<u>963,519</u>
-	4,335	-	-	-	4,335
-	29,938	-	-	-	29,938
-	75,676	-	-	-	75,676
-	114,959	-	-	-	114,959
-	-	255,000	92,000	347,000	347,000
-	-	171,600	6,507	178,107	178,107
128,829	237,533	-	-	-	237,533
<u>128,829</u>	<u>462,441</u>	<u>426,600</u>	<u>98,507</u>	<u>525,107</u>	<u>987,548</u>
-	(6,923)	(15,599)	(1,507)	(17,106)	(24,029)
-	(6,923)	(15,599)	(1,507)	(17,106)	(24,029)
-	659,789	138,797	41,462	180,259	840,048
<u>\$ -</u>	<u>\$ 652,866</u>	<u>\$ 123,198</u>	<u>\$ 39,955</u>	<u>\$ 163,153</u>	<u>\$ 816,019</u>

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL EMERGENCY MANAGEMENT GRANT FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 28,000	\$ 27,345	\$ (655)
Interest income	300	362	62
Total Revenues	28,300	27,707	(593)
<u>Expenditures</u>			
Current:			
Public safety	29,400	11,615	17,785
Total Expenditures	29,400	11,615	17,785
Revenues Over (Under) Expenditures	(1,100)	16,092	17,192
Net Change in Fund Balance	\$ (1,100)	16,092	\$ 17,192
Beginning fund balance		40,923	
Ending Fund Balance		\$ 57,015	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 1,350	\$ 1,022	\$ (328)
Investment income	90	58	(32)
Total Revenues	1,440	1,080	(360)
<u>Expenditures</u>			
Current:			
Public safety	6,500	1,703	4,797
Total Expenditures	6,500	1,703	4,797
Revenues Over (Under) Expenditures	(5,060)	(623)	4,437
Net Change in Fund Balance	\$ (5,060)	(623)	\$ 4,437
Beginning fund balance		8,399	
Ending Fund Balance		\$ 7,776	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Interest income	\$ 50	\$ 47	\$ (3)
Total Revenues	50	47	(3)
<u>Expenditures</u>			
Current:			
Public safety	7,000	-	7,000
Total Expenditures	7,000	-	7,000
Revenues Over (Under) Expenditures	(6,950)	47	6,997
Net Change in Fund Balance	\$ (6,950)	47	\$ 6,997
Beginning fund balance		7,219	
Ending Fund Balance		\$ 7,266	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUNICIPAL COURT BUILDING SECURITY FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 6,500	\$ 7,552	\$ 1,052
Interest income	500	485	(15)
Total Revenues	7,000	8,037	1,037
<u>Expenditures</u>			
Current:			
Municipal court	24,725	8,779	15,946
Total Expenditures	24,725	8,779	15,946
Revenues Over (Under) Expenditures	(17,725)	(742)	16,983
Net Change in Fund Balance	\$ (17,725)	(742)	\$ 16,983
Beginning fund balance		68,264	
Ending Fund Balance		\$ 67,522	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ANIMAL SHELTER FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ -	\$ 3	\$ 3
Contributions and donations	250	-	(250)
Interest income	35	28	(7)
Total Revenues	285	31	(254)
<u>Expenditures</u>			
Current:			
Animal control	4,500	-	4,500
Total Expenditures	4,500	-	4,500
Revenues Over (Under) Expenditures	(4,215)	31	4,246
Net Change in Fund Balance	\$ (4,215)	31	\$ 4,246
Beginning fund balance		4,711	
Ending Fund Balance		\$ 4,742	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 4,335	\$ 4,335
Interest income	135	72	(63)
Total Revenues	<u>135</u>	<u>4,407</u>	<u>4,272</u>
<u>Expenditures</u>			
Current:			
General government	-	4,335	(4,335) *
Total Expenditures	<u>-</u>	<u>4,335</u>	<u>(4,335)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>72</u>	<u>(4,335)</u>
Net Change in Fund Balance	<u>\$ 135</u>	<u>72</u>	<u>\$ (63)</u>
Beginning fund balance		8,979	
Ending Fund Balance		<u>\$ 9,051</u>	

Notes to Other 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 MUNICIPAL COURT TECHNOLOGY FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 9,000	\$ 8,092	\$ (908)
Interest income	150	176	26
Total Revenues	9,150	8,268	(882)
<u>Expenditures</u>			
Current:			
Municipal court	13,000	11,714	1,286
Total Expenditures	13,000	11,714	1,286
Revenues Over (Under) Expenditures	(3,850)	(3,446)	404
Net Change in Fund Balance	\$ (3,850)	(3,446)	\$ 404
Beginning fund balance		25,317	
Ending Fund Balance		\$ 21,871	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 2,000	\$ 2,353	\$ 353
Investment income	120	80	(40)
Total Revenues	<u>2,120</u>	<u>2,433</u>	<u>313</u>
<u>Expenditures</u>			
Current:			
Public safety	14,000	3,740	10,260
Total Expenditures	<u>14,000</u>	<u>3,740</u>	<u>10,260</u>
Revenues Over (Under) Expenditures	<u>(11,880)</u>	<u>(1,307)</u>	<u>10,573</u>
Net Change in Fund Balance	<u>\$ (11,880)</u>	<u>(1,307)</u>	<u>\$ 10,573</u>
Beginning fund balance		13,267	
Ending Fund Balance		<u>\$ 11,960</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FEDERAL FORFEITURE FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 10,817	\$ 10,817
Investment income	300	448	148
Total Revenues	<u>300</u>	<u>11,265</u>	<u>10,965</u>
<u>Expenditures</u>			
Current:			
Public safety	86,000	58,618	27,382
Total Expenditures	<u>86,000</u>	<u>58,618</u>	<u>27,382</u>
Revenues Over (Under) Expenditures	<u>(85,700)</u>	<u>(47,353)</u>	<u>38,347</u>
Net Change in Fund Balance	<u>\$ (85,700)</u>	<u>(47,353)</u>	<u>\$ 38,347</u>
Beginning fund balance		86,202	
Ending Fund Balance		<u>\$ 38,849</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL OCCUPANCY FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Franchise and local taxes	\$ 140,000	\$ 147,932	\$ 7,932
Investment income	1,750	2,033	283
Total Revenues	141,750	149,965	8,215
<u>Expenditures</u>			
Current:			
Tourism	191,131	114,959	76,172
Total Expenditures	191,131	114,959	76,172
Revenues Over (Under) Expenditures	(49,381)	35,006	84,387
Net Change in Fund Balance	\$ (49,381)	35,006	\$ 84,387
Beginning fund balance		300,089	
Ending Fund Balance		\$ 335,095	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL JUVENILE CASE MANAGER FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 11,000	\$ 9,992	\$ (1,008)
Other revenue	25	19	(6)
Interest income	550	635	85
Total Revenues	11,575	10,646	(929)
<u>Expenditures</u>			
Current:			
Municipal court	9,519	7,470	2,049
Total Expenditures	9,519	7,470	2,049
Revenues Over (Under) Expenditures	2,056	3,176	1,120
Net Change in Fund Balance	\$ 2,056	3,176	\$ 1,120
Beginning fund balance		85,722	
Ending Fund Balance		\$ 88,898	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL JUDICIAL EFFICIENCY FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ 1,700	\$ 1,097	\$ (603)
Interest income	65	78	13
Total Revenues	<u>1,765</u>	<u>1,175</u>	<u>(590)</u>
<u>Expenditures</u>			
Current:			
Municipal court	3,850	1,975	1,875
Total Expenditures	<u>3,850</u>	<u>1,975</u>	<u>1,875</u>
Revenues Over (Under) Expenditures	<u>(2,085)</u>	<u>(800)</u>	<u>1,285</u>
Net Change in Fund Balance	<u>\$ (2,085)</u>	<u>(800)</u>	<u>\$ 1,285</u>
Beginning fund balance		10,697	
Ending Fund Balance		<u>\$ 9,897</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 163,000	\$ 128,829	\$ (34,171)
Total Revenues	<u>163,000</u>	<u>128,829</u>	<u>(34,171)</u>
<u>Expenditures</u>			
Current:			
Capital outlay	163,000	128,829	34,171
Total Expenditures	<u>163,000</u>	<u>128,829</u>	<u>34,171</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance		-	
Ending Fund Balance		<u>\$ -</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE LANDFILL FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 93,750	\$ 96,434	\$ 2,684
Interest income	600	566	(34)
Total Revenues	<u>94,350</u>	<u>97,000</u>	<u>2,650</u>
<u>Expenditures</u>			
Debt service:			
Principal	92,000	92,000	-
Interest	6,534	6,507	27
Total Expenditures	<u>98,534</u>	<u>98,507</u>	<u>27</u>
Revenues Over (Under) Expenditures	<u>(4,184)</u>	<u>(1,507)</u>	<u>2,677</u>
Net Change in Fund Balance	<u>\$ (4,184)</u>	<u>(1,507)</u>	<u>\$ 2,677</u>
Beginning fund balance		41,462	
Ending Fund Balance		<u>\$ 39,955</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE CITY HALL FUND For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 393,000	\$ 408,743	\$ 15,743
Interest income	7,500	2,258	(5,242)
Total Revenues	<u>400,500</u>	<u>411,001</u>	<u>10,501</u>
<u>Expenditures</u>			
Debt service:			
Principal	255,000	255,000	-
Interest	171,600	171,600	-
Total Expenditures	<u>426,600</u>	<u>426,600</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(26,100)</u>	<u>(15,599)</u>	<u>10,501</u>
Net Change in Fund Balance	<u>\$ (26,100)</u>	<u>(15,599)</u>	<u>\$ 26,244</u>
Beginning fund balance		138,797	
Ending Fund Balance		<u>\$ 123,198</u>	

Notes to Other Supplementary Information

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

STATISTICAL SECTION

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

Contents	Page
Financial Trends	96
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	112
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	122
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	130
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	132
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

City of Vidor, Texas
NET POSITION BY COMPONENT
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Government activities				
Net investment in capital assets	\$ 2,727,312	\$ 3,278,558	\$ 3,462,799	\$ 4,458,667
Restricted	-	-	-	-
Unrestricted	4,521,060	4,237,598	4,602,319	5,155,262
Total government activities net position	<u>7,248,372</u>	<u>7,516,156</u>	<u>8,065,118</u>	<u>9,613,929</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Unrestricted	324,101	299,859	242,504	293,295
Total business-type activities net position	<u>324,101</u>	<u>299,859</u>	<u>242,504</u>	<u>293,295</u>
Primary government				
Net investment in capital assets	2,727,312	3,278,558	3,462,799	4,458,667
Restricted	-	-	-	-
Unrestricted	4,845,161	4,537,457	4,844,823	5,448,557
Total primary government net position	<u>\$ 7,572,473</u>	<u>\$ 7,816,015</u>	<u>\$ 8,307,622</u>	<u>\$ 9,907,224</u>

Source: Audited Financial Statements

(a) In fiscal year 2015 there was a prior period adjustment related to the implementation of GASB Statement No. 68 for Accounting and Financial Report for Pensions. The beginning net position was restated for the net position liability at September 30, 2014. Governmental activities had a prior period adjustment of (\$2,125,012).

(b) In fiscal year 2016, the restricted portion of net position in the government wide statement of net position was adjusted to include the restricted amounts of the non major funds and the net investment in capital assets was separated out of Unrestricted Net Position for the business-type activities.

2015 (a)	2016 (b)	2017	2018	2019	2020
\$ 5,818,632	\$ 6,510,373	\$ 6,928,038	\$ 8,251,930	\$ 9,655,580	\$ 10,606,347
-	841,340	771,416	1,203,728	1,036,414	814,097
3,778,099	2,500,872	2,487,914	3,040,747	3,704,647	4,181,961
9,596,731	9,852,585	10,187,368	12,496,405	14,396,641	15,602,405
-	167,018	194,045	205,323	229,696	266,659
404,131	19,770	47,120	39,412	15,449	11,448
404,131	186,788	241,165	244,735	245,145	278,107
5,818,632	6,677,391	7,122,083	8,457,253	9,885,276	10,873,006
-	841,340	771,416	1,203,728	1,036,414	814,097
4,182,230	2,520,642	2,535,034	3,080,159	3,720,096	4,193,409
<u>\$ 10,000,862</u>	<u>\$ 10,039,373</u>	<u>\$ 10,428,533</u>	<u>\$ 12,741,140</u>	<u>\$ 14,641,786</u>	<u>\$ 15,880,512</u>

City of Vidor, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
City Council	\$ 364,322	\$ 331,060	\$ 319,666	\$ 343,848
Municipal Court	162,158	170,997	172,940	218,080
City Manager	147,222	103,897	88,724	154,903
Financial Administration	291,779	293,498	305,498	293,854
City Secretary	71,296	70,594	78,868	94,618
Police	2,688,441	2,820,057	2,784,031	3,038,024
Animal Control	112,786	120,959	123,836	105,325
Streets	739,251	755,059	754,727	818,625
Maintenance	172,061	159,502	159,899	164,879
Public Works	196,369	180,684	162,757	182,708
Tourism	82,449	87,300	118,000	111,020
Parks and Recreation	155,498	183,489	162,159	164,298
Libraries	204,658	194,538	253,596	231,461
Bond Interest	351,477	344,523	328,055	305,521
Fiscal Agent's Fees	1,302	1,302	1,302	500
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total governmental activities	5,741,069	5,817,459	5,814,058	6,227,664
Business-type activities				
Sanitation	968,924	966,152	1,010,486	993,778
Total business-type activities	968,924	966,152	1,010,486	993,778
Total primary government	\$ 6,709,993	\$ 6,783,611	\$ 6,824,544	\$ 7,221,442

2015	2016 (a)	2017	2018	2019	2020
\$ 378,407	\$ -	\$ -	\$ -	\$ -	\$ -
214,931	-	-	-	-	-
130,032	-	-	-	-	-
266,888	-	-	-	-	-
96,325	-	-	-	-	-
2,863,600	-	-	-	-	-
110,789	-	-	-	-	-
910,115	-	-	-	-	-
188,232	-	-	-	-	-
201,653	-	-	-	-	-
96,525	-	-	-	-	-
179,417	-	-	-	-	-
194,812	-	-	-	-	-
298,523	-	-	-	-	-
500	-	-	-	-	-
-	1,430,436	1,402,420	1,321,655	1,576,522	2,604,862
-	3,125,699	3,781,462	3,409,393	3,363,813	2,963,699
-	1,536,548	1,633,342	1,754,009	1,998,210	1,941,839
-	423,342	417,547	414,610	373,941	312,082
-	294,199	335,855	245,629	167,754	190,004
6,130,749	6,810,224	7,570,626	7,145,296	7,480,240	8,012,486
926,873	1,017,672	1,005,271	1,005,304	1,020,919	1,086,856
926,873	1,017,672	1,005,271	1,005,304	1,020,919	1,086,856
\$ 7,057,622	\$ 7,827,896	\$ 8,575,897	\$ 8,150,600	\$ 8,501,159	\$ 9,099,342

City of Vidor, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Program Revenues:				
Governmental activities				
Charges for services				
Municipal Court	\$ 419,651	\$ 504,358	\$ 509,409	\$ 654,380
Financial Administration	75,000	75,000	75,000	75,000
Public Works	49,355	81,474	67,204	59,963
Parks and Recreation	16,155	16,949	17,333	16,240
Libraries	1,500	2,132	3,069	2,597
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital & Op. grants and contributions				
Public safety	23,236	112,037	96,220	110,335
Streets	-	-	83,773	-
Libraries	23,942	994	64,478	19,149
General Government	-	-	-	-
Public Works	-	-	-	-
Total governmental activities				
program revenues	<u>608,839</u>	<u>792,944</u>	<u>916,486</u>	<u>937,664</u>
Business-type activities				
Charges for services				
Sanitation	931,318	941,450	952,874	1,044,358
Total business-type activities				
program revenues	<u>931,318</u>	<u>941,450</u>	<u>952,874</u>	<u>1,044,358</u>
Total primary government program				
revenues	<u>1,540,157</u>	<u>1,734,394</u>	<u>1,869,360</u>	<u>1,982,022</u>
Net (expense)/revenue				
Governmental activities	(5,132,230)	(5,024,515)	(4,897,572)	(5,290,000)
Business-type activities	(37,606)	(24,702)	(57,612)	50,580
Total primary government net expense	<u>\$ (5,169,836)</u>	<u>\$ (5,049,217)</u>	<u>\$ (4,955,184)</u>	<u>\$ (5,239,420)</u>

Source: Audited Financial Statements

<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 604,243	\$ -	\$ -	\$ -	\$ -	\$ -
75,000	-	-	-	-	-
43,391	-	-	-	-	-
23,048	-	-	-	-	-
3,568	-	-	-	-	-
-	33,482	32,237	33,266	29,171	2,666
-	645,925	527,364	493,499	410,888	367,429
-	31,150	85,549	67,905	63,715	56,041
75,626	-	-	-	-	733,607
-	-	-	-	-	339,126
-	-	-	-	-	-
-	643,234	892,229	1,588,681	1,793,494	108,157
-	-	-	580,999	-	-
<u>824,876</u>	<u>1,353,791</u>	<u>1,537,379</u>	<u>2,764,350</u>	<u>2,297,268</u>	<u>1,607,026</u>
<u>1,037,085</u>	<u>1,023,222</u>	<u>1,057,816</u>	<u>1,010,265</u>	<u>1,017,310</u>	<u>1,094,741</u>
<u>1,037,085</u>	<u>1,023,222</u>	<u>1,057,816</u>	<u>1,010,265</u>	<u>1,017,310</u>	<u>1,094,741</u>
<u>1,861,961</u>	<u>2,377,013</u>	<u>2,595,195</u>	<u>3,774,615</u>	<u>3,314,578</u>	<u>2,701,767</u>
(5,305,873)	(5,456,433)	(6,033,247)	(4,380,946)	(5,182,972)	(6,405,460)
110,212	5,550	52,545	4,961	(3,609)	7,885
<u>\$ (5,195,661)</u>	<u>\$ (5,450,883)</u>	<u>\$ (5,980,702)</u>	<u>\$ (4,375,985)</u>	<u>\$ (5,186,581)</u>	<u>\$ (6,397,575)</u>

City of Vidor, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities				
Property taxes	\$ 2,210,538	\$ 2,365,859	\$ 2,347,091	\$ 2,398,722
Sales taxes	1,981,130	2,108,796	2,272,640	2,417,350
Franchise and other taxes	608,486	689,755	648,101	698,211
Penalty and Interest	60,217	63,227	55,094	66,477
Gains and Contributions Not Restricted	265,626	10,019	3,556	4,904
Miscellaneous Revenue	132,796	46,876	139,786	191,500
Transfers	-	-	-	-
Investment Earnings	8,431	7,767	7,463	6,106
Gain (Loss) on Disposal of Fixed Assets	(54,153)	-	(27,197)	-
CDBG Grant Proceeds (Net)	-	-	-	1,055,541
Total governmental activities	<u>5,213,071</u>	<u>5,292,299</u>	<u>5,446,534</u>	<u>6,838,811</u>
Business-type activities				
Investment earnings	513	460	257	211
Gain (Loss) on Disposal of Fixed Assets	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>513</u>	<u>460</u>	<u>257</u>	<u>211</u>
Total primary government	<u>5,213,584</u>	<u>5,292,759</u>	<u>5,446,791</u>	<u>6,839,022</u>
Change in Net Position				
Governmental activities	80,841	267,784	548,962	1,548,811
Business-type activities	(37,093)	(24,242)	(57,355)	50,791
Total primary government	<u>\$ 43,748</u>	<u>\$ 243,542</u>	<u>\$ 491,607</u>	<u>\$ 1,599,602</u>

Source: Audited Financial Statements

(a) In FY2016, the City began reporting the expenses on the statement of activities by function rather than by department

<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 2,418,549	\$ 2,640,209	\$ 2,684,161	\$ 2,705,537	\$ 2,597,920	\$ 2,797,166
2,612,333	2,621,320	2,585,774	3,036,753	3,209,239	3,415,917
706,614	683,036	739,527	772,417	723,756	705,614
73,846	-	-	-	-	-
12,013	-	-	-	-	-
307,601	231,800	331,052	305,388	285,158	627,660
-	-	-	-	-	10,823
9,547	16,750	27,516	51,371	84,754	54,044
-	-	-	-	-	-
1,273,184	-	-	-	-	-
<u>7,413,687</u>	<u>6,193,115</u>	<u>6,368,030</u>	<u>6,871,466</u>	<u>6,900,827</u>	<u>7,611,224</u>
624	1,124	1,832	3,290	4,019	2,784
-	-	-	-	-	33,116
-	-	-	-	-	(10,823)
<u>624</u>	<u>1,124</u>	<u>1,832</u>	<u>3,290</u>	<u>4,019</u>	<u>25,077</u>
<u>7,414,311</u>	<u>6,194,239</u>	<u>6,369,862</u>	<u>6,874,756</u>	<u>6,904,846</u>	<u>7,636,301</u>
2,107,814	736,682	334,783	2,490,520	1,717,855	1,205,764
110,836	6,674	54,377	8,251	410	32,962
<u>\$ 2,218,650</u>	<u>\$ 743,356</u>	<u>\$ 389,160</u>	<u>\$ 2,498,771</u>	<u>\$ 1,718,265</u>	<u>\$ 1,238,726</u>

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City of Vidor, Texas

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Other Tax	Total
2011	\$ 2,210,538	\$ 1,981,130	\$ 61,616	\$ 546,870	\$ 4,800,154
2012	2,365,859	2,108,796	116,642	573,113	5,164,410
2013	2,347,091	2,272,640	88,270	559,831	5,267,832
2014	2,398,722	2,417,350	118,551	579,660	5,514,283
2015	2,418,549	2,612,333	142,945	563,669	5,737,496
2016	2,640,209	2,621,320	538,694	144,342	5,944,565
2017	2,684,161	2,585,774	611,252	128,275	6,009,462
2018	2,705,537	3,036,753	582,873	189,544	6,514,707
2019	2,597,920	3,209,239	602,549	121,207	6,530,915
2020	2,797,166	3,415,917	557,682	147,932	6,918,697

Source: Audited Financial Statements

City of Vidor, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(accrual basis on accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund				
Nonspendable:				
Prepays	\$ -	\$ -	\$ -	\$ -
Assigned to:				
Committed	1,270,065	1,303,009	1,279,484	1,365,183
Unassigned	1,147,211	1,362,362	1,741,328	2,083,107
Total general fund	<u>\$ 2,417,276</u>	<u>\$ 2,665,371</u>	<u>\$ 3,020,812</u>	<u>\$ 3,448,290</u>
Debt service				
Restricted for:				
Debt service	154,749	201,754	161,119	170,517
Total debt service	<u>\$ 154,749</u>	<u>\$ 201,754</u>	<u>\$ 161,119</u>	<u>\$ 170,517</u>
Capital projects				
Restricted for:				
Capital projects	733,100	-	-	-
Total capital projects	<u>\$ 733,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other governmental funds				
Nonspendable:				
Prepays	\$ -	\$ -	\$ -	\$ -
Special revenue funds				
Restricted for:				
Library	8,598	8,615	8,646	8,656
Grants	-	-	-	-
Public safety	256,702	307,078	352,533	388,080
Tourism	100,434	130,197	100,771	108,518
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 365,734</u>	<u>\$ 445,890</u>	<u>\$ 461,950</u>	<u>\$ 505,254</u>

Source: Audited Financial Statements

(a) Prior to implementation of GASB 54 information not available in requested format.

(b) Prior to fiscal year 2016, prepaids were included in unassigned or restricted balances in Governmental Funds. The account balances are immaterial and they have not been restated.

(c) Prior to fiscal year 2016, restricted funds were included in restricted balances and not broken down by restriction. The balances have been restated to the proper classifications for comparison purposes for this table.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ -	\$ 3,149 (b)	\$ 68,055	\$ 9,140	\$ 7,898	\$ 13,248
1,400,038	1,533,130	1,559,481	1,558,390	1,551,089	1,674,370
2,517,103	2,293,579	2,276,754	2,883,579	3,354,938	3,425,247
<u>\$ 3,917,141</u>	<u>\$ 3,829,858</u>	<u>\$ 3,904,290</u>	<u>\$ 4,451,109</u>	<u>\$ 4,913,925</u>	<u>\$ 5,112,865</u>
179,614	184,153	195,638	187,412	180,259	163,153
<u>\$ 179,614</u>	<u>\$ 184,153</u>	<u>\$ 195,638</u>	<u>\$ 187,412</u>	<u>\$ 180,259</u>	<u>\$ 163,153</u>
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525
8,669	8,692 (c)	8,741	8,840	8,979	9,051
-	159,368 (c)	74,613	462,354	246,268	57,015
407,863	306,994 (c)	288,096	267,446	309,798	258,834
155,215	190,825 (c)	213,069	286,516	300,089	335,095
-	-	-	-	-	(160,820)
<u>\$ 571,747</u>	<u>\$ 665,879</u>	<u>\$ 584,519</u>	<u>\$ 1,025,156</u>	<u>\$ 865,134</u>	<u>\$ 499,700</u>

City of Vidor, Texas
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis on accounting)

	2011	2012	2013 (b)	2014
Revenues				
Taxes	\$ 4,161,320	\$ 4,405,104	\$ 4,557,925	\$ 4,781,368
Franchise and local taxes	608,486	689,755	648,101	698,211
Penalty and interest on taxes	60,217	63,227	55,094	66,477
Licenses and permits	44,532	67,042	52,914	54,263
Intergovernmental revenue and grants	309,077	118,175	244,471	129,484
Charges for services	97,478	108,513	109,692	99,537
Fines and Forfeitures	478,435	503,108	549,367	617,020
Investment income	8,431	7,767	7,463	6,106
Contributions and donations from private sources	3,727	4,875	3,556	4,904
Other revenue	92,230	44,536	132,277	191,500
Total revenues	5,863,933	6,012,102	6,360,860	6,648,870
Expenditures				
General government	246,284 (a)	-	-	-
City Council	205,875	175,407	165,535	190,957
Municipal Court	159,371	168,445	194,229	228,226
City Manager	147,222	103,897	88,724	154,903
Financial administration	291,779	293,498	305,498	293,854
City secretary	71,296	70,594	78,868	94,618
Public safety:				
Police	2,683,381	2,787,869	2,694,441	2,961,801
Animal Control	111,346	119,519	122,396	103,885
Streets/Drainage	661,044	703,871	948,125	786,367
Maintenance	172,263	160,332	156,998	167,529
Public works	195,273	180,023	162,266	182,217
Tourism	82,449	87,300	118,000	111,020
Culture and recreation:				
Parks and recreation	145,038	802,027	145,966	153,529
Library	207,445	185,098	240,896	225,064
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal	165,000	185,000	1,145,000	208,000
Bond Interest and fiscal charges	353,815	347,066	333,855	306,720
Bond issuance costs	-	-	-	-
Total expenditures	5,898,881	6,369,946	6,900,797	6,168,690
Excess of revenues over (under) expenditures	\$ (34,948)	\$ (357,844)	\$ (539,937)	\$ 480,180

2015	2016 (c)	2017	2018	2019	2020
\$ 5,011,903	\$ 5,233,594	\$ 5,240,052	\$ 5,708,341	\$ 5,774,041	\$ 6,179,366
706,614	683,036	739,527	772,417	723,756	705,614
73,846	-	-	-	-	-
37,010	31,150	85,549	67,905	63,715	56,041
81,616	643,234	892,229	1,588,681	1,793,494	846,969
107,997	33,482	32,237	33,266	29,171	2,666
534,433	645,925	527,364	493,499	410,888	367,429
9,547	16,750	27,516	51,371	84,754	54,044
6,023	8,697	4,697	588,414	4,532	2,623
307,601	223,103	326,355	403,990	282,056	716,499
6,876,590	7,518,971	7,875,526	9,707,884	9,166,407	8,931,251
-	1,051,007	1,197,206	1,201,985	1,272,744	2,480,669
226,038	-	-	-	-	-
209,454	-	-	-	-	-
133,172	-	-	-	-	-
271,322	-	-	-	-	-
98,652	-	-	-	-	-
	3,005,180	3,728,702	3,323,578	3,293,877	2,835,814
2,890,041	-	-	-	-	-
111,622	-	-	-	-	-
979,585	753,063	780,542	866,443	953,279	745,498
190,418	201,311	227,030	245,540	216,380	225,841
205,645	265,240	305,241	273,584	321,706	297,358
96,525	-	-	-	-	-
	388,957	382,705	382,944	340,262	303,643
170,209	-	-	-	-	-
192,558	-	-	-	-	-
-	1,158,269	802,641	1,899,681	1,954,217	1,711,744
217,000	244,334	387,393	320,940	329,000	347,000
300,109	294,374	141,721	200,025	189,301	178,107
-	-	198,621	-	-	-
6,292,350	7,361,735	8,151,802	8,714,720	8,870,766	9,125,674
\$ 584,240	\$ 157,236	\$ (276,276)	\$ 993,164	\$ 295,641	\$ (194,423)

City of Vidor, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years (Unaudited)

(modified accrual basis on accounting)

	2011	2012	2013 (b)	2014
Other financing sources (uses)				
Transfers in	13,555	62,147	-	-
Transfers out	(13,555)	(62,147)	-	-
Refunding bonds issued	-	-	898,000	-
Discount on refunding bonds	-	-	(27,155)	-
Premium on tax notes issued	-	-	-	-
Payment to refunded bond escrow account	-	-	-	-
Grant proceeds	-	-	-	1,055,541
Grant expenditures	-	-	-	(1,055,541)
Other (Uses)	-	-	(42)	-
Total other financing sources and uses	-	-	870,803	-
Net changes in fund balances	\$ (34,948)	\$ (357,844)	\$ 330,866	\$ 480,180
Debt service as a percentage of noncapital expenditures	9.66%	9.54%	22.65%	10.62%

Source: Audited Financial Statements

<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
49,581	-	-	-	-	10,823
(49,581)	-	-	(13,934)	-	-
-	-	5,800,000	-	-	-
-	-	-	-	-	-
-	-	200,502	-	-	-
-	-	(5,801,881)	-	-	-
1,320,948	-	-	-	-	-
(1,360,747)	-	-	-	-	-
-	-	-	-	-	-
<u>(39,799)</u>	<u>-</u>	<u>198,621</u>	<u>(13,934)</u>	<u>-</u>	<u>10,823</u>
<u>\$ 544,441</u>	<u>\$ 157,236</u>	<u>\$ (77,655)</u>	<u>\$ 979,230</u>	<u>\$ 295,641</u>	<u>\$ (183,600)</u>
11.20%	8.68%	7.20%	7.64%	7.49%	7.08%

City of Vidor, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended Sept 30	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Tax Rate
2011	\$ 227,271,335	\$ 53,497,793	\$ 280,769,128	\$ 0.75457
2012	233,046,100	54,648,250	287,694,350	0.75000
2013	236,534,989	56,249,632	292,784,621	0.74500
2014	249,158,672	61,166,297	310,324,969	0.73218
2015	245,716,227	59,813,668	305,529,895	0.73200
2016	262,562,689	64,139,154	326,701,843	0.72900
2017	270,725,165	62,154,975	332,880,140	0.72500
2018	275,972,212	60,418,777	336,390,989	0.72400
2019	297,565,220	65,477,146	363,042,366	0.72400
2020	335,856,848	74,315,039	410,171,887	0.70370

Notes: The appraisal of property within the City is the responsibility of the Orange County Appraisal District. The Appraisal District is required under the Texas Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal, and the market data comparison basis of appraisal, and the method considered most appropriate by the chief appraiser is to be used. The value placed upon property within the Appraisal District is subject to review by a five member Appraisal Review Board.

Source: Orange County Appraisal District

Estimated Tax Value		Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 280,769,128		100.0%
287,694,350		100.0%
292,784,621		100.0%
310,324,969		100.0%
305,529,895		100.0%
326,701,843		100.0%
332,880,140		100.0%
336,390,989		100.0%
363,042,366		100.0%
410,171,887		100.0%

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City of Vidor, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (Unaudited)

Fiscal Year	City of Vidor			Vidor	Orange County			Total (a)
	General Fund	Debt Service	Total Tax Rate	Independent School District	County + (Lateral Road)	Drainage District	Port and Navigation District	
2011	\$ 0.5698	\$ 0.1848	\$ 0.7546	\$ 1.2300	\$ 0.5708	\$ 0.1077	\$ 0.0091	\$ 2.6722
2012	0.5651	0.1849	0.7500	1.2300	0.5356	0.0987	0.0083	2.6226
2013	0.5639	0.1811	0.7450	1.2224	0.5299	0.1020	0.0082	2.6074
2014	0.5750	0.1572	0.7322	1.2237	0.5299	0.1073	0.0081	2.6011
2015	0.5768	0.1552	0.7320	1.2127	0.5440	0.1073	0.0079	2.6039
2016	0.5857	0.1433	0.7290	1.2165	0.5440	0.1073	0.0078	2.6046
2017	0.5841	0.1410	0.7250	1.2165	0.5440	0.1073	0.0077	2.6004
2018	0.5885	0.1356	0.7240	1.2205	0.5440	0.1113	0.0076	2.6074
2019	0.5823	0.1417	0.7240	1.2205	0.5420	0.1113	0.0073	2.6051
2020	0.5754	0.1283	0.7037	1.1361	0.5392	0.1316	0.0714	2.5820

Source: Orange County Appraisal District

City of Vidor, Texas
TOP TEN PRINCIPAL SALES TAX REMITTERS
Current Year (Unaudited)

Tax Remitter	FY 2020 (a)		
	Tax Liability	Rank	Percentage of Total
Walmart	\$ 689,327	1	46%
Orange County Building Materials	228,820	2	15%
Entergy	172,248	3	12%
Sunbelt Rentals	88,199	4	6%
M&D Ace Partners LLC	59,277	5	4%
Brookshire Brothers Inc	55,910	6	4%
Kades Beaumont, LLC	54,080	7	4%
Spectrum Gulf Coast	53,674	8	4%
O'Reilly Auto Enterprises, LLC	46,203	9	3%
Dolgencorp of Texas, Inc	45,564	10	3%
Total	<u>\$ 1,493,302</u>		

(a) Only current year sales tax remittance information was available.

City of Vidor, Texas
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Direct Rate	Orange County Rate	State of Texas Rate	Total Tax Rate
2011	1.5%	0.5%	6.3%	8.25%
2012	1.5%	0.5%	6.3%	8.25%
2013	1.5%	0.5%	6.3%	8.25%
2014	1.5%	0.5%	6.3%	8.25%
2015	1.5%	0.5%	6.3%	8.25%
2016	1.5%	0.5%	6.3%	8.25%
2017	1.5%	0.5%	6.3%	8.25%
2018	1.5%	0.5%	6.3%	8.25%
2019	1.5%	0.5%	6.3%	8.25%
2020	1.5%	0.5%	6.3%	8.25%

City of Vidor, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current and Nine Years Ago (Unaudited)

	FY 2020 (a)		
	Assessed Value	Rank	Percent of Total Assessed Value
<u>Taxpayer</u>			
Wal-Mart Real Estate Business Trust	\$ 10,889,803	1	2.6549%
Entergy Texas, Inc.	8,740,890	2	2.1310%
Wal-Mart Store #457	8,299,193	3	2.0233%
Trinity Industries, Inc.	6,787,430	4	1.6548%
Vidor Express, LLC	3,167,271	5	0.7722%
Vidor Crossroads, LLC	3,025,440	6	0.7376%
Larry Brewer	2,892,385	7	0.7052%
Kansas City Southern Railway	2,467,590	8	0.6016%
Houseman Development Company, Inc.	2,331,630	9	0.5685%
WMR Properties, LLC	2,206,946	10	0.5381%
Weingarten Realty Invest.	-	n/a	-
Vidor Hospitality	-	n/a	-
Southwestern Bell Telephone Co.	-	n/a	-
First Orange Capital Funding LLC	-	n/a	-
Hilcorp Energy Corporation	-	n/a	-
TWE - Advance Newhouse	-	n/a	-
	<u>\$ 50,808,578</u>		<u>12.3871%</u>

(a) Tax roll for Fiscal Year 2020, tax year 2019.

(b) Tax roll for Fiscal Year 2011, tax year 2010.

FY 2011 (b)		
Assessed Value	Rank	Percent of Total Assessed Value
\$ -	n/a	-
5,649,290	1	2.0121%
4,109,116	2	1.4635%
3,999,290	4	1.4244%
-		-
-		-
-		-
-		-
2,542,815	5	0.9057%
-		-
4,027,700	3	1.4345%
2,305,750	6	0.8212%
2,097,659	9	0.7471%
2,239,866	7	0.7978%
2,164,320	8	0.7709%
2,031,870	10	0.7237%
<u>\$ 31,167,676</u>		<u>11.1008%</u>

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City of Vidor, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Adj. Tax Levy For Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 1,445,496	\$ 1,405,945	97.26%	\$ (37,524)	\$ 1,368,421	94.67%
2012	1,513,122	1,468,427	97.05%	17,742	1,486,169	98.22%
2013	2,364,845	2,210,637	93.48%	122,244	2,332,881	98.65%
2014	2,413,138	2,265,701	93.89%	110,145	2,375,847	98.45%
2015	2,417,946	2,272,858	94.00%	103,432	2,376,290	98.28%
2016	2,564,586	2,406,039	93.82%	99,171	2,505,210	97.68%
2017	2,610,106	2,450,944	93.90%	82,382	2,533,326	97.06%
2018	2,650,584	2,487,920	93.86%	68,239	2,556,159	96.44%
2019	2,542,173	2,377,041	93.50%	52,088	2,377,041	93.50%
2020	2,766,249	2,596,196	93.85%	-	2,596,196	93.85%

(a) Tax levy adjusted for adjustments or supplements in subsequent years.

Source: Orange County Tax Assessor Collector.

City of Vidor, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Government Activities			Business-Type Activities	
	General			General	
	Obligation Bonds & Notes	Premium	Capital Leases	Obligation Bonds	Capital Leases
2011	\$ 7,360,000	\$ -	\$ 171,096	\$ -	\$ 99,017
2012	7,175,000	-	121,835	-	43,898
2013	6,928,000	-	70,187	-	15,035
2014	6,720,000	-	92,080	-	149,634
2015	6,503,000	-	48,667	-	105,122
2016	6,283,000	200,502	19,394	-	85,314
2017	6,355,000	194,933	4,940	-	89,038
2018	6,039,000	183,793	-	-	211,549
2019	5,710,000	172,654	-	-	335,618
2020	5,363,000	161,515	-	-	216,270

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

(1) See the Schedule of Demographic and Economic Statistics, Table 15, for personal income and population data.

	Total Primary Government	Percentage of Personal Income (1)		Per Capita (1)
\$	7,630,113	n/a	\$	721.25
	7,340,733	n/a		693.90
	7,013,222	n/a		662.94
	6,961,714	n/a		658.07
	6,656,789	n/a		629.25
	6,588,210	n/a		622.76
	6,643,911	n/a		628.03
	6,434,342	n/a		608.22
	6,218,272	n/a		587.79
	5,740,785	n/a		535.27

City of Vidor, Texas
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Debt			Less: Amounts Available in	
	Governmental Activities		Business-Type Activities	Debt Service	
	Principal	Premium		Fund	Total
2011	\$ 7,360,000	\$ -	\$ -	\$ 154,749	\$ 7,205,251
2012	7,175,000	-	-	201,754	6,973,246
2013	6,928,000	-	-	161,119	6,766,881
2014	6,720,000	-	-	170,517	6,549,483
2015	6,503,000	-	-	179,614	6,323,386
2016	6,283,000	200,502	-	184,153	6,098,847
2017	6,355,000	194,933	-	195,638	6,159,362
2018	6,039,000	183,793	-	187,412	5,851,588
2019	5,710,000	172,654	-	180,259	5,529,741
2020	5,363,000	161,515	-	163,153	5,199,847

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

(a) See Assessed Value & Estimated Actual Value of Taxable Property (Table 6) for Actual Taxable assessed value.

(b) See Demographic and Economic Statistics, Table 15, for Population information.

Percentage of Estimated Actual Taxable Value of Property (a)		Per Capita (b)
2.57%	\$	681.09
2.42%		659.16
2.31%		639.65
2.11%		619.10
2.07%		597.73
1.87%		576.51
1.85%		582.23
1.74%		553.13
1.52%		522.71
1.27%		484.83

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City of Vidor, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2020 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Vidor	\$ 5,524,515 (a)	100.00%	\$ 5,524,515
Orange County	4,350,000 (b)	6.51% (c)	283,185
Vidor ISD	11,603,415 (b)	34.89% (c)	4,048,431
Orange County Water Control & Improvement District #1	21,727,938 (b)	83.12% (c)	18,060,262
Subtotal Overlapping Debt	<u>\$ 37,681,353</u>		<u>\$ 22,391,879</u>
Total Direct and Overlapping Debt	<u>\$ 43,205,868</u>		<u>\$ 27,916,394</u>

Source: Debt outstanding data provided by overlapping entities and compiled by Municipal Advisory Council of Texas (Texas MAC).

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Orange. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden born by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt,

(a) Excluding general obligation bonds or CO's reported in the enterprise funds.

(b) Information from the Municipal Advisory Council of Texas (Texas MAC) used for debt outstanding from other entities.

(c) Information from the Municipal Advisory Council of Texas (Texas MAC) used for overlapping % information in 2019.

City of Vidor, Texas
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt limit	\$ 41,017,189	\$ 32,344,427	\$ 33,639,099	\$ 33,288,014
Total net debt applicable to limit	<u>5,199,847</u>	<u>5,206,788</u>	<u>5,851,588</u>	<u>6,159,362</u>
Legal debt margin	<u><u>\$ 35,817,342</u></u>	<u><u>\$ 27,137,639</u></u>	<u><u>\$ 27,787,511</u></u>	<u><u>\$ 27,128,652</u></u>
 Total net debt applicable to limit as a percentage of debt limit	 12.68%	 16.10%	 17.40%	 18.50%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	410,171,887
Add back: exempt real property	
Total assessed value	<u>410,171,887</u>
 Debt limit (10% of total assessed value)	 41,017,189
Debt applicable to limit:	
General obligation	5,363,000
Less: Amount set aside for repayment of general obligation debt	<u>(163,153)</u>
Total net debt applicable to limit	<u>5,199,847</u>
Legal debt margin	<u><u>35,817,342</u></u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 32,670,184	\$ 30,552,990	\$ 31,032,497	\$ 29,278,462	\$ 28,769,435	\$ 28,076,913
<u>6,098,847</u>	<u>6,323,386</u>	<u>6,549,483</u>	<u>6,766,881</u>	<u>7,020,251</u>	<u>7,205,251</u>
<u><u>\$ 26,571,337</u></u>	<u><u>\$ 24,229,604</u></u>	<u><u>\$ 24,482,014</u></u>	<u><u>\$ 22,511,581</u></u>	<u><u>\$ 21,749,184</u></u>	<u><u>\$ 20,871,662</u></u>
18.67%	20.70%	21.11%	23.11%	24.40%	25.66%

City of Vidor, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population (a)	Personal Income (b)	Per Capita		Median Age (a)	School Enrollment (a)	Unemployment Rate (c)
			Personal	Income (a) (b)			
2011	10,579	n/a	\$	20,967	35.1	n/a	12.0%
2012	10,579	n/a		20,967	35.1	n/a	10.6%
2013	10,579	n/a		20,967	35.1	n/a	10.6%
2014	10,579	n/a		20,967	35.1	n/a	8.8%
2015	10,579	n/a		20,967	36.2	n/a	6.6%
2016	10,579	n/a		20,967	36.2	n/a	6.8%
2017	10,579	n/a		20,967	36.2	n/a	7.0%
2018	10,579	n/a		20,967	36.2	n/a	6.2%
2019	10,579	n/a		20,967	36.2	n/a	5.5%
2020	10,725	n/a		21,500	35	n/a	9.9%

Data Sources

(a) Bureau of the Census, year 2010 uses Census for Orange County.

(b) US Department of Commerce, Bureau of Economic Analysis.

(c) US Department of Labor, Bureau of Labor Statistics by State and Metropolitan Area.

City of Vidor, Texas

PRINCIPAL EMPLOYERS

Current Year (Unaudited)

Employer	2020 (a)		
	Employees	Rank	Percentage of Total County Employment (b)
Vidor ISD	872	1	2.22%
Southeast Texas Industries	200	2	0.51%
Walmart Supercenter	150	3	0.38%
ISM Industries Inc.	130	4	0.33%
Orange County Building Materials	120	5	0.31%
Vidor Health and Rehabilitation	113	6	0.29%
Oakwood Manor Nursing Home	88	7	0.22%
Market Basket	87	8	0.22%
Orange County Park Development	82	9	0.21%
City of Vidor	77	10	0.20%
Brookshire Brothers	60	11	0.15%
Casa Ole Mexican Restaurants	52	12	0.13%
Sims Logistics	50	13	0.13%
Buna Electric Motor Service	48	14	0.12%
	<u>2,129</u>		<u>5.43%</u>

(a) Provided by Workforce Solutions of Southeast Texas.

(b) In labor force, population 16 years and over, per Southeast Texas Workforce Development Board 2020 - 39,223.

Note: Statistics were not maintained before 2019. Second CAFR filed

City of Vidor, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years (Unaudited)

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City Manager	1	1	1	1	1	1
City Secretary	1	1	1	1	0.5	0.5
Municipal Court	3	3	3	3	3	3
Human Resources	1	1	1	1	0.5	0.5
Finance	4	4	4	4	4	4
Animal Control	2	2	2	2	2	2
Library	3	3	3	3	3	3
Police	30	32	32	32	32	32
Street & Drainage	10	10	10	10	10	10
Public Works Administration	3	3	3	3	4	4
Maintenance	3	2	2	2	3	3
Sanitation	6	6	6	6	6	6
Total	<u>67.0</u>	<u>68.0</u>	<u>68.0</u>	<u>68.0</u>	<u>69.0</u>	<u>69.0</u>

Source: Accounting software - payroll module.

2017	2018	2019	2020
1	1	1	1
0.5	0.5	0.5	0.5
3	3	3	3
0.5	0.5	0.5	0.5
4	4	4	4
2	2	2	2
3	3	2	3
33	31	31	31
10	11	11.5	13.0
4	4	4	4
3	3	2.5	3.0
6	6	6	6
<u>70.0</u>	<u>69.0</u>	<u>68.0</u>	<u>71.0</u>

City of Vidor, Texas
OPERATING INDICATORS BY FUNCTION
Last Three Fiscal Years* (Unaudited)

<u>Function</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police			
Physical arrests	641	831	423
Traffic violations	4,506	4,108	6,412
Street & Drainage			
Street resurfacing (miles)	1	5	5
Potholes repaired	1,850	1,976	1,870
Culture and recreation			
Park and Recreation Fees (use fees)	21,728	20,622	1,336 (a)
Library patrons (use fees)	3,246	3,245	1,330 (a)

Source: Various city departments.

* - The City has not maintained all of the information for this statistical section so we have compared the last 3 years and will update the information going forward.

(a) - Significant decrease due to COVID-19 pandemic

City of Vidor, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Last Three Fiscal Years* (Unaudited)

<u>Function</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police			
Stations	1	1	1
Patrol units	21	19	23
Personnel & officers	29	30	31
Sanitation			
Collection Trucks	4	4	4
Street and Drainage			
Streets (miles)	105	105	105
Streetlights	266	267	267
Cultural and Recreation			
Parks acreage	39	39	39
Parks	3	3	3
Library	1	1	1
Swimming Pools	1	1	1

Source: Various city departments.

* - The City has not maintained all of the information for this statistical section so we have compared the last 3 years and will maintain the information going forward.