ANNUAL FINANCIAL REPORT

CITY OF IDALOU, TEXAS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

CITY OF IDALOU
Idalou, Texas

ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2024

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CITY OF IDALOU
Idalou, Texas

September 30, 2024

CITY COUNCIL

Russ Perkins	Mayor
Joe Sisk	Mayor Pro-Tem
Brendi Pierce	Councilmember
Darrell Fuller	Councilmember
Albert Bravo	Councilmember
Kyle Dubois	Councilmember

ADMINISTRATIVE STAFF

Suzette Williams	City Administrator
Renee Wilbanks	City Secretary

FINANCIAL SECTION

Terry & King, CPAs, P.C.

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Independent Auditors' Report on Financial Statements

Honorable Mayor and City Council
City of Idalou, Texas
P.O. Box 1277
Idalou, Texas 79329

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Idalou, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Idalou, Texas as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Idalou, Texas' basic financial statements. The accompanying other schedules listed in the table of contents as Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 6, 2025, on our consideration of the City of Idalou, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Idalou, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Idalou, Texas' internal control over financial reporting and compliance.

Respectfully submitted,

Terry & King

Terry & King, CPAs, P.C.
Lubbock, Texas
February 6, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Idalou's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2024. Please read this in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's net position increased as a result of this year's operations. While net position of our business-type activities increased by $248,815 or 6%, net position of our governmental activities decreased by $63,555 or 2%.

- During the year, the City had expenses that were $196,146 more than the $1,744,295 generated in tax and other revenues for governmental programs before transfers.

- In the City's business type activities, charges for services increased $103,210 to $1,374,308 (or 8%) while operating expenses increased $42,049 to $1,150,205.

- The General Fund reported a deficit this year of $10,093 after receiving transfers from business-type activities of $92,520.

- The resources available for appropriation were $57,275 more than budgeted for the General Fund. Expenditures for the General Fund were less than the budgeted amounts by $19,241.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole -- The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting,* which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in it. You can think of the City's net position—the differences between assets and liabilities—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the ambulance, fire, police, streets, and parks departments, and general administration. Property taxes, sales taxes, franchise taxes, charges to customers, and state and federal grants finance most of these activities.

- Business-type activities – The City charges a fee to customers to help it cover the cost of certain services it provides. The City's water, sewer, and sanitation services are reported here.

Reporting the City's Most Significant Funds – Fund Financial Statements

Our analysis of the City's major funds begins on page 10. The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. At times a city council may establish other funds to help it control and manage money for particular purposes, such as special projects or to show that it is meeting legal responsibilities for using certain Federal or State grants. The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds*—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The Governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation on Exhibits C-1R and C-3.

- *Proprietary funds*—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE CITY AS A WHOLE

The City's combined net position was $7,130,717. Our following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's government and business-type activities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City's combined net position was $7,130,717 at September 30, 2024. (See Table A-1).

Table A-1
City of Idalou's Net Position

	Governmental Activities			Business-type Activities			Total		
	2024	2023	Percentage Change	2024	2023	Percentage Change	2024	2023	Percentage Change
Current assets:									
Cash and Investments	620,788	659,528	-6%	3,446,473	3,164,198	9%	4,067,261	3,823,726	6%
Accounts Receivable-Utilities, net	-	-	0%	190,811	183,357	4%	190,811	183,357	4%
Taxes Receivable, net	44,261	39,797	11%	-	-	0%	44,261	39,797	11%
Due from Other Governments	42,252	28,473	48%	-	-	0%	42,252	28,473	48%
Total current assets:	707,301	727,798	-3%	3,637,284	3,347,555	9%	4,344,585	4,075,353	7%
Noncurrent assets:									
Net Pension Asset	-	-	0%	-	-	0%	-	-	0%
Net Capital Assets	2,480,208	2,620,665	-5%	1,620,934	1,427,580	14%	4,101,142	4,048,245	1%
Total noncurrent assets	2,480,208	2,620,665	-5%	1,620,934	1,427,580	14%	4,101,142	4,048,245	1%
Total Assets	3,187,509	3,348,463	-5%	5,258,218	4,775,135	10%	8,445,727	8,123,598	4%
Deferred Outflows of Resources									
Deferred Outflows - Pension & OPEB	42,500	56,520	-25%	19,530	30,581	-36%	62,030	87,101	-29%
Deferred Charge on Bond Defeasance	5,447	6,355	-14%	3,033	3,539	-14%	8,480	9,894	-14%
Total Deferred Outflows of Resources	47,947	62,875	-24%	22,563	34,120	-34%	70,510	96,995	-27%
Current liabilities:									
Accounts Payable	7,745	27,547	-72%	64,377	3,362	1815%	72,122	30,909	133%
Accrued Interest Payable	706	817	-14%	986	460	114%	1,692	1,277	32%
Due to Idalou EDC	11,575	9,396	23%	-	-	0%	11,575	9,396	23%
Total current liabilities	20,026	37,760	-47%	65,363	3,822	1610%	85,389	41,582	105%
Noncurrent liabilities:									
Accrued Compensation Payable	24,490	19,030	29%	15,202	13,810	10%	39,692	32,840	21%
Due to Others	-	-	0%	68,345	66,551	3%	68,345	66,551	3%
Total Pension & OPEB Liability	14,985	15,469	-3%	6,896	10,719	-36%	21,881	26,188	-16%
Due within one year	104,419	98,904	6%	91,870	49,366	86%	196,289	148,270	32%
Due in more than one year	500,051	604,470	-17%	434,001	315,871	37%	934,052	920,341	1%
Total noncurrent liabilities	643,945	737,873	-13%	616,314	456,317	35%	1,260,259	1,194,190	6%
Deferred Inflows of Resources									
Deferred Inflows - Pension & OPEB	27,312	18,245	50%	12,560	11,387	10%	39,872	29,632	35%
Deferred Inflows - Grant Revenues	-	9,732	-100%	-	-	0%	-	9,732	-100%
Total Deferred Inflows of Resources	27,312	27,977	-2%	12,560	11,387	10%	39,872	39,364	1%
Net Position:									
Net investment in capital assets	1,881,185	1,923,646	-2%	1,095,064	1,062,343	3%	2,976,249	2,985,989	0%
Restricted for debt service	30,168	27,411	10%	467,096	395,768	18%	497,264	423,179	18%
Unrestricted	632,820	656,671	-4%	3,024,384	2,879,618	5%	3,657,204	3,536,289	3%
Total Net Position	2,544,173	2,607,728	-2%	4,586,544	4,337,729	6%	7,130,717	6,945,457	3%

Net position of the City's governmental activities decreased ($2,544,173 compared to $2,607,728). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from $656,671 at September 30, 2023 to $632,820 at the end of this year. Net position of the City's business-type activities increased 6%, from $4,337,729 to $4,586,544.

Table A-2
Changes in City of Idalou's Net Position

	Governmental Activities			Business-type Activities			Total Primary Government		
	2024	2023	Percentage Change	2024	2023	Percentage Change	2024	2023	Percentage Change
Program Revenues:									
Charges for Services	140,473	182,791	-23%	1,374,308	1,271,098	8%	1,514,781	1,453,889	4%
Grants & Contributions	259,117	197,804	31%	-	157,791	-100%	259,117	355,595	-27%
General Revenues:									
Property Taxes	812,589	775,509	5%	-	-	0%	812,589	775,509	5%
Nonproperty Taxes	430,489	394,026	9%	-	-	0%	430,489	394,026	9%
Grants & Contributions Not Restricted	-	-	0%	-	-	0%	-	-	0%
Court Fines	26,275	34,607	-24%	-	-	0%	26,275	34,607	-24%
Investment Earnings	49,751	37,806	32%	157,303	123,067	28%	207,054	160,873	29%
Other	25,601	82,456	-69%	-	-	0%	25,601	82,456	-69%
	1,744,295	1,704,999	2%	1,531,611	1,551,956	-1%	3,275,906	3,256,955	1%
Expenses:									
Administration	558,183	515,636	8%	-	-	0%	558,183	515,636	8%
Judicial	90,963	49,733	83%	-	-	0%	90,963	49,733	83%
Police Department	513,827	387,056	33%	-	-	0%	513,827	387,056	33%
Fire Department	213,400	197,193	8%	-	-	0%	213,400	197,193	8%
EMS	309,358	202,125	53%	-	-	0%	309,358	202,125	53%
Streets	178,928	199,770	-10%	-	-	0%	178,928	199,770	-10%
Parks	34,624	28,395	22%	-	-	0%	34,624	28,395	22%
Library	29,521	26,116	13%	-	-	0%	29,521	26,116	13%
Interest on L-T Debt	10,729	6,874	56%	-	-	0%	10,729	6,874	56%
Bond Issuance Costs	908	908	0%	-	-	0%	908	908	0%
Water and Sewer	-	-	0%	842,095	773,625	9%	842,095	773,625	9%
Sanitation	-	-	0%	308,110	334,531	-8%	308,110	334,531	-8%
	1,940,441	1,613,806	20%	1,150,205	1,108,156	4%	3,090,646	2,721,962	14%
Excess (Deficiency) Before Other Resources, Uses & Transfers	(196,146)	91,193	315%	381,406	443,800	-14%	185,260	534,993	-65%
Other Resources (Uses)	-	-	0%	-	-	0%	-	-	0%
Transfers In (Out)	132,591	-	100%	(132,591)	-	-100%	-	-	0%
Increase (Decrease) in Net Position	(63,555)	91,193	170%	248,815	443,800	-44%	185,260	534,993	-65%
Net Position - Beginning	2,607,728	2,516,535	4%	4,337,729	3,893,929	11%	6,945,457	6,410,464	8%
Net Position - Ending	2,544,173	2,607,728	-2%	4,586,544	4,337,729	6%	7,130,717	6,945,457	3%

The City's total revenues were $3,275,906. A significant portion, 47%, of the City's total revenue comes from the water and sewer operations. Revenues available to fund governmental activities consist of property taxes (47%), non-property taxes (25%), charges for services (8%), grants and contributions (15%), and other (5%).

The total cost of all programs and services was $3,090,646; 37% of these costs were for water, sewer, and sanitation expenses. Expenses for governmental activities consisted of costs for general administration (29%), public safety (42%), streets (9%), health & welfare (16%), parks and library (3%), other (1%).

Governmental Activities

Revenues for the City's governmental activities increased approximately 2%, while total expenses increased 20%.

- Property tax rates decreased from $0.51174 to $0.5000 per $100 valuation. The ad valorem tax levy for the previous fiscal year was $771,605, compared to $808,215 for the current year. Total tax collections were $797,746 in the current year of which $741,102 was for maintenance and operation and $56,643 for debt service.

- Grant and contribution revenues increased $61,313. In the current year, the city received grants and contributions for fire department expenditures ($170,016), street/sidewalk improvements ($2,700), ambulance subsidy ($53,766), and police equipment ($32,635).

- The cost of all *governmental* activities this year was $1,940,441. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through tax collections was $812,589 because some of the costs were paid by those who directly benefited from the programs ($140,473), by nonproperty taxes ($430,489), or grants and contributions ($259,117).

Business-type Activities

Revenues of the City's business-type activities (see table A-2) decreased 1% ($1,531,611 from $1,551,956) and expenses increased 4% ($1,150,205 from $1,108,156).

THE CITY'S FUNDS

As the City completed the fiscal year, its governmental funds (as presented in the balance sheet on Exhibit C-1) reported a *combined* fund balance of $643,720, which is a decrease from the prior year's total of $651,059. The following items effecting fund balance should be noted:

- In the prior year, expenditures were less than revenues by $171,006 prior to transfers. In the current year, expenditures were more than revenues by $176,951 prior to transfers.

- The revenues in the governmental funds increased approximately 5% from the prior period and expenses for the governmental funds increased 18% from the prior period.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget once. Even with these adjustments, actual revenues were $57,275 more than budgeted amounts and expenditures were $19,241 less than final budget amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the City had $13,902,348 invested in a broad range of capital assets, including buildings, furniture and equipment, and utilities facilities (see Table A-3). This amount represents a net increase (including additions and deductions) of $475,949 over last year.

Table A-3
Fixed Assets

Governmental Activities:	Balance 10-01-23	Additions	Deletions/ Reclassifications	Balance 09-30-24
Land	$ 219,899	-	-	219,899
Construction in Progress	-	-	-	-
Infrastructure	2,951,832	-	-	2,951,832
Buildings& Improvements	1,493,949	15,755	-	1,509,704
Furniture & Equipment	2,641,931	170,450	(90,298)	2,722,083
Accumulated Depreciation	(4,686,945)	(326,663)	90,298	(4,923,310)
Net Capital Assets	$ 2,620,666	$ (140,458)	$ -	$ 2,480,208

Business-Type Activities:	Balance 10-01-23	Additions	Deletions/ Reclassifications	Balance 09-30-24
Land	$ 171,993	10,266	-	182,259
Construction in Progress	-	229,180	-	229,180
Improvements	218,562	-	-	218,562
Water & Sewer System	4,390,884	91,370	-	4,482,254
Vehicles & Equipment	1,336,719	49,856	-	1,386,575
Accumulated Depreciation	(4,690,578)	(187,317)	-	(4,877,895)
Net Capital Assets	$ 1,427,580	$ 193,355	$ -	$ 1,620,935

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

Debt

A municipal government can finance activities such as capital improvements and acquisitions through general tax bonds or revenue bonds. Additionally, a government may purchase items through the use of capital leases or notes payable with a financial institution.

At year-end, the City had $1,130,341 in debt outstanding as compared to $1,068,611 at the end of the prior fiscal year.

Governmental Activities:	Balance 10-01-23	Additions	Decreases	Balance 09-30-24	Due Within One Year
Refunding Bonds	$ 655,763	$ -	$ 88,634	$ 567,129	$ 93,130
Direct Financing	47,611	-	10,270	37,341	11,289
	$ 703,374	$ -	$ 98,904	$ 604,470	$104,419

Business-Type Activities:	Balance 10-01-23	Additions	Decreases	Balance 09-30-24	Due Within One Year
Refunding Bonds	$ 365,237	$ -	$ 49,366	$ 315,871	$ 51,870
Revenue Bonds	-	210,000	-	210,000	40,000
	$ 365,237	$ 210,000	$ 49,366	$ 525,871	$ 91,870

More detailed information about the City's long-term obligations is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected officials considered many factors when setting the fiscal year 2025 budget, tax rates, and fees. Factors considered include the current economy, property tax values and the needs of the City in the coming year. The Council has adopted tax rates, budgets and set fees accordingly.

If these estimates are realized, the City's budgetary general fund fund balance is expected to increase slightly by the close of 2025.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Administrator at the City's office located in Idalou, Texas.

BASIC FINANCIAL STATEMENTS

CITY OF IDALOU
Idalou, Texas

STATEMENT OF NET POSITION
September 30, 2024

	Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Unit	Total Reporting Entity
ASSETS:					
Cash in Bank	$ 593,254	$ 2,978,391	$ 3,571,645	$ 374,895	$ 3,946,540
Cash in Bank - restricted	27,534	468,082	495,616	-	495,616
Accounts Receivable-Utilities, net	-	190,811	190,811	-	190,811
Taxes Receivable, Net	44,261	-	44,261	-	44,261
Due from Other Governments	42,252	-	42,252	-	42,252
Due from Primary Government	-	-	-	11,575	11,575
Noncurrent Assets:					
Land	219,899	182,259	402,158	-	402,158
Construction in Progress	-	229,180	229,180	-	229,180
Streets and Infrastructure	1,067,748	-	1,067,748	-	1,067,748
Buildings & Improvements, net	460,030	119,256	579,286	-	579,286
Utility Systems & Equipment, net	-	974,504	974,504	-	974,504
Furniture & Equipment, net	732,531	115,735	848,266	-	848,266
TOTAL ASSETS	$ 3,187,509	$ 5,258,218	$ 8,445,727	$ 386,470	$ 8,832,197
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Outflows - Pension	$ 38,587	$ 17,725	$ 56,312	$ -	$ 56,312
Deferred Outflows - OPEB	3,913	1,805	5,718	-	5,718
Deferred Charge on Bond Defeasance	5,447	3,033	8,480	-	8,480
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 47,947	$ 22,563	$ 70,510	$ -	$ 70,510
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 7,745	$ 64,377	$ 72,122	$ -	$ 72,122
Due to Component Unit	11,575	-	11,575	-	11,575
Accrued Interest Payable	706	986	1,692	-	1,692
Noncurrent Liabilities:					
Accrued Compensation Payable	24,490	15,202	39,692	-	39,692
Due to Others	-	68,345	68,345	-	68,345
Net Pension Liability	7,738	3,554	11,292	-	11,292
Net OPEB Liability	7,247	3,342	10,589	-	10,589
Due within one year	104,419	91,870	196,289	-	196,289
Due in more than one year	500,051	434,001	934,052	-	934,052
Total Liabilities	663,971	681,677	1,345,648	-	1,345,648
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows - Pension	18,578	8,533	27,111	-	27,111
Deferred Inflows - OPEB	8,734	4,027	12,761	-	12,761
Deferred Inflows - Grant Revenues	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 27,312	$ 12,560	$ 39,872	$ -	$ 39,872
NET POSITION					
Net Investment in capital assets	1,881,185	1,095,064	2,976,249	-	2,976,249
Restricted for debt service	30,168	467,096	497,264	-	497,264
Unrestricted	632,820	3,024,384	3,657,204	386,470	4,043,674
Total Net Position	$ 2,544,173	$ 4,586,544	$ 7,130,717	$ 386,470	$ 7,517,187

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit	Total Reporting Entity
Government Activities:									
General Administration	558,183	$ 16,282	$ -	$ -	$ (541,901)	-	(541,901)	-	(541,901)
Judicial	90,963	-	-	-	(90,963)	-	(90,963)	-	(90,963)
Public Safety - Police Department	513,827	-	-	32,635	(481,192)	-	(481,192)	-	(481,192)
Public Safety - Fire Department	213,400	-	104,562	65,454	(43,384)	-	(43,384)	-	(43,384)
Health and Welfare - EMS	309,358	120,971	53,766	-	(134,621)	-	(134,621)	-	(134,621)
Public Works - Street Department	178,928	-	2,700	-	(176,228)	-	(176,228)	-	(176,228)
Parks	34,624	-	-	-	(34,624)	-	(34,624)	-	(34,624)
Library	29,521	3,220	-	-	(26,301)	-	(26,301)	-	(26,301)
Interest on Long-Term Debt	10,729	-	-	-	(10,729)	-	(10,729)	-	(10,729)
Bond Issuance Costs & Fees	908	-	-	-	(908)	-	(908)	-	(908)
Total Government Activities	1,940,441	140,473	161,028	98,089	(1,540,851)	-	(1,540,851)	-	(1,540,851)
Business-type Activities									
Water and Sewer	842,095	1,067,552	-	-	-	225,457	225,457	-	225,457
Sanitation	308,110	306,756	-	-	-	(1,354)	(1,354)	-	(1,354)
Total Business-type Activities	1,150,205	1,374,308	-	-	-	224,103	224,103	-	224,103
Total Primary Government	3,090,646	1,514,781	161,028	98,089	(1,540,851)	224,103	(1,316,748)	-	(1,316,748)
Component Unit:									
Economic Development Corporation	$ 18,355	$ -	$ -	$ -				$ (18,355)	$ (18,355)
General Revenues:									
Property Taxes, Levied for General Purposes					755,266	-	755,266	-	755,266
Property Taxes, Levied for Debt Service					57,323	-	57,323	-	57,323
Nonproperty Taxes					430,489	-	430,489	63,164	493,653
Grants and Contributions not restricted					-	-	-	-	-
Court Fines					26,275	-	26,275	-	26,275
Investment Earnings					49,751	157,303	207,054	15,483	222,537
Miscellaneous					25,601	-	25,601	-	25,601
Transfers					132,591	(132,591)	-	-	-
Total General Revenue					1,477,296	24,712	1,502,008	78,647	1,580,655
Change in Net Assets					(63,555)	248,815	185,260	60,292	245,552
Net Position -- Beginning					2,607,728	4,337,729	6,945,457	326,178	7,271,635
Net Position -- Ending					$ 2,544,173	$ 4,586,544	$ 7,130,717	$ 386,470	$ 7,517,187

The accompanying notes are an integral part of this statement.

EXHIBIT B-1

EXHIBIT C-1

CITY OF IDALOU
Idalou, Texas

BALANCE SHEET -- GOVERNMENTAL FUNDS
September 30, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash	$ 593,254	$ 27,534	$ 620,788
Taxes Receivable, net	40,921	3,340	44,261
Due from Other Governments	42,252	-	42,252
TOTAL ASSETS	$ 676,427	$ 30,874	$ 707,301
LIABILITIES			
Current Liabilities			
Accounts Payable	7,745	-	7,745
Due to EDC	11,575	-	11,575
Total Liabilities	19,320	-	19,320
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	40,921	3,340	44,261
Deferred Inflows - Grant Revenues	-	-	-
Total Deferred Inflows of Resources	40,921	3,340	44,261
FUND BALANCES			
Restricted:			
Debt Service	-	27,534	27,534
Committed:			
Library	13,217	-	13,217
Fire Department	113,172	-	113,172
Police	3,135	-	3,135
Unassigned	486,662	-	486,662
Total Fund Balances	616,186	27,534	643,720
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 676,427	$ 30,874	$ 707,301

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

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

Total Fund Balances -- Governmental Funds Balance Sheet			$ 643,720
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:			
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds			44,261
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			2,480,208
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:			
	Accrued interest payable	(706)	
	Accrued vacation payable	(24,490)	
	General Obligation Bonds	(604,470)	
			(629,666)
The net charge related to the defeasance of bonds is reported as a deferred outflow of resources on the statement of net position.			5,447
Included in the items related to noncurrent assets is the recognition of the City's proportionate share of the net pension liability required by GASB 68 in the amount of $7,738, a deferred resource outflow related to pension in the amount of $38,587, and a deferred resource inflow of $18,578. This resulted in a increase in net position by $25,187.			12,271
Included in the items related to noncurrent liabilities is the recognition of the City's proportionate share of the net OPEB liability required by GASB 75 in the amount of $7,247, a deferred resource outflow related to OPEB in the amount of $3,913, and a deferred resource inflow related to OPEB in the amount of $8,734. This resulted in a decrease in net position by $12,068.			(12,068)
Net Position of Governmental Activities -- Statement of Net Position			$ 2,544,173

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

CITY OF IDALOU
Idalou, Texas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES:			
Property Taxes (Including Penalty & Interest)	$ 750,693	$ 57,432	$ 808,125
Sales Taxes	315,818	-	315,818
Franchise Taxes	114,671	-	114,671
Municipal Court Revenue	26,275	-	26,275
Licenses & Permits	16,282	-	16,282
Interest Income	49,751	-	49,751
Intergovernmental	124,014	-	124,014
Donations	26,002	-	26,002
Ambulance	174,737	-	174,737
Library Revenue	3,220	-	3,220
Grant Revenues	55,335	-	55,335
Miscellaneous	25,599	-	25,599
Total Revenues	1,682,397	57,432	1,739,829
EXPENDITURES			
Current			
General Administration	506,487	-	506,487
Judicial	91,283	-	91,283
Public Safety - Police Department	573,667	-	573,667
Public Safety - Fire Department	187,990	-	187,990
Health and Welfare - EMS	305,979	-	305,979
Public Works - Street Department	52,137	-	52,137
Parks	23,820	-	23,820
Library	28,652	-	28,652
Debt Service			
Principal	10,270	88,634	98,904
Interest	4,725	6,115	10,840
Bond Issuance Costs & Fees	-	-	-
Total Expenditures	1,785,010	94,749	1,879,759
Excess of Revenues Over (Under) Expenditures	(102,613)	(37,317)	(139,930)
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	-	-	-
Sale of Assets	-	-	-
Transfers In/Out	92,520	40,071	132,591
Total Other Financing Sources (Uses)	92,520	40,071	132,591
Net Change in Fund Balance	(10,093)	2,754	(7,339)
Fund Balance--Beginning of Year	626,279	24,780	651,059
Fund Balance--End of Year	$ 616,186	$ 27,534	$ 643,720

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net Change in Fund Balances -- Total Governmental Funds		$ (7,339)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital outlays during the current period.		186,207
The depreciation of capital assets is not reported in the funds. This is the amour of current depreciation on these assets.		(326,663)
Certain property tax revenues are unavailable in the funds. These are the amount that have not been collected and are therefore do not provide current financia resources. This is the amount that these accounts have changed during the current period.		4,464
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		-
Repayment of principal on long-term debt is reported in the governmental funds a an expenditure, but is reported as a reduction in long-term debt in the statemer of net position and does not affect the statement of activities. The amount o long-term debt principal payments:		98,904
The net charge related to the defeasance of bonds is reported as a deferred outflow of resources on the statement of net position, and amortized over the life of the bonds. This is the amount of change in deferred charge on bond defeasance		(908)
Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in pension expense	(12,916)	
Change in OPEB expense	45	
Change in accrued vacation payable	(5,460)	
Change in accrued interest payable	111	
		(18,220)
Change in Net Position -- Statement of Activities		$ (63,555)

The accompanying notes are an integral part of this statement.

EXHIBIT D-1

CITY OF IDALOU
Idalou, Texas

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2024

	Business-Type Activities Enterprise Funds		
	Water & Sewer Funds	Sanitation	Total
ASSETS			
Current Assets:			
Cash in Bank	$ 2,654,436	$ 323,955	$ 2,978,391
Cash in Bank - Restricted	468,082	-	468,082
Accounts Receivable	219,257	55,022	274,279
Allowance for Uncollectible	(68,057)	(15,411)	(83,468)
Total Current Assets	3,273,718	363,566	3,637,284
Noncurrent Assets:			
Net Pension Asset	-	-	-
Land	171,386	10,873	182,259
Construction in Progress	229,180	-	229,180
Buildings and Improvements, net	119,256	-	119,256
Water & Sewer System, net	974,504	-	974,504
Vehicles, Machinery, Furniture & Fixtures, net	65,840	49,895	115,735
Total Noncurrent Assets	1,560,166	60,768	1,620,934
TOTAL ASSETS	$ 4,833,884	$ 424,334	$ 5,258,218
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	17,725	-	17,725
Deferred Outflows - OPEB	1,805	-	1,805
Deferred Charge on Bond Defeasance	3,033	-	3,033
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 22,563	$ -	$ 22,563
LIABILITIES & NET POSITION			
Current Liabilities			
Accounts Payable	$ 64,377	$ -	$ 64,377
Accrued Interest Payable	986	-	986
Noncurrent Liabilities			
Accrued Compensation Payable	15,202	-	15,202
Customer Deposits	68,345	-	68,345
Net Pension Liability	3,554	-	3,554
Net OPEB Liability	3,342	-	3,342
Due within one year	91,870	-	91,870
Due in more than one year	434,001	-	434,001
TOTAL LIABILITIES	681,677	-	681,677
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	8,533	-	8,533
Deferred Inflows - OPEB	4,027	-	4,027
Deferred Inflows - Grant Revenues	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 12,560	$ -	$ 12,560
NET POSITION			
Net investment in capital assets	1,034,296	60,768	1,095,064
Restricted for debt service	467,096	-	467,096
Unrestricted	2,660,818	363,566	3,024,384
TOTAL NET POSITION	$ 4,162,210	$ 424,334	$ 4,586,544

The accompanying notes are an integral part of this statement.

EXHIBIT D-2

CITY OF IDALOU
Idalou, Texas

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION--
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds		
	Water & Sewer Funds	Sanitation	Total
Operating Revenues			
Sales	$ 1,041,844	$ 306,756	$ 1,348,600
Penalties	25,708	-	25,708
Tap Fees & Miscellaneous	-	-	-
Total Operating Revenues	1,067,552	306,756	1,374,308
Operating Expenses			
Salaries	237,278	8,976	246,254
Payroll Taxes	17,574	-	17,574
Retirement Costs	21,968	-	21,968
Insurance	38,913	-	38,913
Materials and Supplies	31,420	13,419	44,839
Repairs & Maintenance	63,547	8,999	72,546
Vehicle Fuel & Maintenance	28,931	-	28,931
Utilities	61,561	-	61,561
Professional Services	25,686	-	25,686
Credit Card Fees	18,685	-	18,685
Other Contracted Services	82,945	260,158	343,103
Training, Travel & Meals	2,406	135	2,541
Miscellaneous	262	-	262
Depreciation	170,894	16,423	187,317
Total Operating Expenses	802,070	308,110	1,110,180
Operating Income (Loss) Before Operating Transfers	265,482	(1,354)	264,128
Non-Operating Revenues (Expenses)			
Interest Income	157,303	-	157,303
Interest Expense	(4,669)	-	(4,669)
Bond Issuance Costs & Fees	(35,356)	-	(35,356)
Total Non-Operating Revenues (Expenses)	117,278	-	117,278
Transfers and Capital Contributions:			
Transfers In (Out)	(132,591)	-	(132,591)
Capital Contributions	-	-	-
Total Transfers and Capital Contributions	(132,591)	-	(132,591)
Net Income (Loss)	250,169	(1,354)	248,815
NET POSITION			
Net Position, Beginning of Year	3,912,041	425,688	4,337,729
Net Position, End of Year	4,162,210	424,334	4,586,544

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

STATEMENT OF CASH FLOWS--
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds		
	Water & Sewer Funds	Sanitation	Total
Cash Flows from Operating Activities:			
Receipts from Customers	$ 1,064,507	$ 304,142	$ 1,368,649
Payments to Suppliers	(293,341)	(282,711)	(576,052)
Payments to Employees	(267,027)	(8,976)	(276,003)
Net Cash Provided (Used) by Operating Activities	504,139	12,455	516,594
Cash Flows from Non-Capital Financing Activities:			
Operating Transfers	(132,591)	-	(132,591)
Net Cash Provided (Used) by Non-Capital Financing Activities	(132,591)	-	(132,591)
Cash Flows from Capital & Related Financing Activites:			
Capital Contributions	-	-	-
Acquisition of Fixed Assets	(380,672)	-	(380,672)
Debt Issued for the Acquisition of Fixed Assets	210,000	-	210,000
Payments on Debt Acquired for Fixed Assets	(84,216)	-	(84,216)
Interest Paid on Long-Term Debt	(4,143)	-	(4,143)
Net Cash Provided (Used) by Capital & Related Financing Activites	(259,031)	-	(259,031)
Cash Flows from Investing Activities:			
Interest Income	157,303	-	157,303
Net Cash Provided by Investing Activities	157,303	-	157,303
Net Increase (Decrease) in Cash & Cash Equivalents	269,820	12,455	282,275
Cash & Cash Equivalents--Beginning of Year	2,852,698	311,500	3,164,198
Cash & Cash Equivalents--End of Year	3,122,518	323,955	3,446,473
Reconciliaton of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	265,482	(1,354)	264,128
Adjustments to Reconcile to Net Cash Provided (Used) by Operating Activities:			
Depreciation	170,894	16,423	187,317
(Increase) Decrease in Net Pension Asset/Liability	(4,863)	-	(4,863)
(Increase) Decrease in Deferred Inflows/Outflows Pensions	12,829	-	12,829
(Increase) Decrease in Net OPEB Asset/Liability	1,040	-	1,040
(Increase) Decrease in Deferred Inflows/Outflows OPEB	(605)	-	(605)
(Increase) Decrease in Receivables	(4,839)	(2,614)	(7,453)
Increase (Decrease) in Liabilities	64,201	-	64,201
Net Cash Provided (Used) by Operating Activities	504,139	12,455	516,594

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note A: Summary of Significant Accounting Policies

The City of Idalou, Texas (the City) operates under a mayor – council (5 council members) form of government and provides the following services: Public Safety (Police, Fire, and Ambulance), Highways and Streets, Sanitation, Public Improvements (Water and Sewer Systems), Planning and Zoning, and General Administrative Services. Volunteers staff the fire department.

The accounting and reporting policies of the City relating to the activities included in the accompanying financial statements conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

1. The Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units, if applicable. The City's financial statements include accounts of all City operations. Component units are organizations for which the City is financially accountable and all other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organizations to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The financial statement of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- The is fiscal dependency by the organization on the City

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 2
September 30, 2024

Note A: Summary of Significant Accounting Polices (Continued)

Based on the aforementioned criteria, the City of Idalou has a single component unit, the Idalou Economic Development Corporation (EDC). The EDC was formed to provide economic growth in the City. The governing board of the EDC is appointed by the City Council. The City has assigned a portion of its sales tax revenues to the EDC for future economic development of the City. The EDC does not issue separate financial statements. During the fiscal year ended September 30, 2024 the City allocated $63,164 of its sales tax revenue to the EDC.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the over-reporting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all of taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

General Fund: This is the primary operating fund of the City. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Debt Service Fund: This fund accounts for financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term debt of governmental activities.

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 3
September 30, 2024

Note A: Summary of Significant Accounting Polices (Continued)

In addition, the City reports the following fund types:

Enterprise Funds: Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources

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Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 4
September 30, 2024

Note A: Summary of Significant Accounting Policies--Continued

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus utilizing the accrual basis of accounting. This basis of accounting recognizes revenues 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. The fund equity is segregated in net investment in capital assets, restricted net position, and unrestricted net position.

c. Fund Balance Classification

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Currently, the City's restricted fund balances are made up of $30,168 restricted for governmental activities debt service. Additionally, there was $467,096 restricted for debt service in the water & sewer fund.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. Currently, the City does not have any committed fund balances.

Unassigned: This classification includes the residual fund balance for the General Fund.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

The District reserves the right to selectively spend Unassigned/Unrestricted resources first to defer the use of these other classified funds.

Note A: Summary of Significant Accounting Policies (continued)

3. Financial Statement Amounts

a. 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 purposes of the statement of cash flows, the City considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents.

Investments for the City are reported at fair value.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1st 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 1st of the year following the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables are based upon historical experience in collecting property taxes. As of September 30, 2024, the amount deemed uncollectible by this estimate was $29,951. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect cost applicable to future periods and are recorded as prepaid items.

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 6
September 30, 2024

Note A: Summary of Significant Accounting Policies (continued)

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of the donation. The City has elected not to retroactively report its infrastructure assets. Infrastructure assets acquired after the implementation of GASB 34 will be capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	20
Buildings	10-40
Building Improvements	10-40
Vehicles	5-10
Office Equipment and Furniture	5-10
Computer Equipment	3

e. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of the period end.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line of the government-wide statement of net position.

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 7
September 30, 2024

Note A: Summary of Significant Accounting Policies (continued)

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

h. Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximum depending on tenure with the City. The City's policy allows full time, permanent employees to accumulate up to 240 hours of earned but unused vacation leave. Upon separation from service in good standing employees are paid for any unused vacation leave subject to the 240 hour rule. Full time, permanent employees are allowed to accrue up to 240 hours of sick leave. Upon separation of service from the City, accrued sick leave is cancelled without compensation to the employee. For the period ended September 30, 2024, the accrued vacation and comp time payable was $39,692.

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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.

Governmental Funds: 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. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available.

j. Pensions

For purposes of measuring the net pension liability, 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.

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 8
September 30, 2024

Note A: Summary of Significant Accounting Policies (continued)

k. Other Post-Employment Benefits

The City provides a supplemental death benefit for retirees that is considered an other post-employment benefit (OPEB) covered by GASB No. 75. This plan benefit is administered by TMRS. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB 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. There are no investments.

Note B: Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violations	Action Taken
None Reported	Not Applicable

Note C: Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits

At September 30, 2024, the carrying amount of the City's deposits (cash, certificates of deposit, and interest bearing saving accounts included in temporary investments) was $4,067,261 and the bank balance was $4,231,764. The City's cash deposits at September 30 and during the year then ended, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

CITY OF IDALOU
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NOTES TO FINANCIAL STATEMENTS, Page 9
September 30, 2024

Note C: Deposits and Investments (continued)

Investments

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

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

State statutes and Council policy authorize the City to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of state, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 3) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 4) obligations of the state of Texas or its agencies; 5) other obligations guaranteed by the U.S. or the state of Texas or their agencies and instrumentalities; 6) fully collateralized repurchase agreements; and 7) public funds investment pools. Temporary investments are reported at cost, which approximates market, and are secured, when necessary, by the FDIC or obligations of items 1-4 above at 102% of the investment's market value.

The City's investments at September 30, 2024 included certificates of deposit ($165,554), and investment pools ($315,039).

Investment Pool	Fund Rating (Standard & Poor's)	Wtd Average Maturity	Amount
Texpool	AAAm	31 Days	$ 436,251

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of now lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

Note C: Deposits and Investments (continued)

The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

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Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 11
September 30, 2024

Note D: Capital Assets

Capital asset activity for the period ended September 30, 2024, was as follows:

Governmental Activities:	Balance 10-01-23	Additions	Deletions/ Reclassifications	Balance 9-30-24
Land	$ 219,899	-	-	$ 219,899
Construction in Progress	-	-	-	-
Infrastructure	2,951,832	-	-	2,951,832
Buildings& Improvements	1,493,949	15,755	-	1,509,704
Furniture & Equipment	2,641,931	170,450	(90,298)	2,722,083
Total Capital Assets	$ 7,307,611	$ 186,205	$ (90,928)	$ 7,403,518

Less Accumulated Depreciation:				
Infrastruture	$ 1,757,294	$ 126,791	-	$ 1,884,085
Buildings& Improvements	978,206	71,467	-	1,049,673
Furniture & Equipment	1,951,445	128,405	(90,298)	1,989,552
Total Accumulated Depreciation	$ 4,686,945	$ 326,663	$ (90,298)	$ 4,923,310
Net Capital Assets	$ 2,620,666	$(140,458)	$ -	$ 2,480,208

Water and Sewer Activities:	Balance 10-01-23	Additions	Deletions/ Reclassifications	Balance 9-30-24
Land	$ 161,120	10,266	-	$ 171,386
Construction in Progress	-	229,180	-	229,180
Buildings& Improvements	218,562	-	-	218,562
Water & Sewer System	4,390,884	91,370	-	4,482,254
Vehicles, Machinery & Furniture & Fixtures	772,520	49,856	-	822,376
Total Capital Assets	$ 5,543,086	$ 380,672	$ -	$ 5,923,758

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 12
September 30, 2024

Note D: Capital Assets (continued)

Less Accumulated Depreciation:	Balance 10-01-23	Additions	Deletions/ Reclassifications	Balance 9-30-24
Buildings& Improvements	$ 89,724	$ 9,582	-	$ 99,306
Water & Sewer System	3,374,361	133,389	-	3,507,750
Vehicles, Machinery & Furiture & Fixtures	728,612	27,923	-	756,535
Total Accumulated Depreciation	$ 4,192,697	$ 170,894	$ -	$4,363,591
Net Capital Assets	$ 1,350,389	$ 209,778	$ -	$1,560,167

Sanitation Activities:	Balance 10-01-23	Additions	Deletions/ Reclassifications	Balance 9-30-24
Land	$ 10,873	-	-	$ 10,873
Vehicles, Machinery & Furniture & Fixtures	564,199	-	-	564,199
Total Capital Assets	$ 575,072	$ -	$ -	$ 575,072
Less Accumulated Depreciation:				
Vehicles, Machinery & Furniture & Fixtures	$ 497,881	$ 16,423	$ -	$ 514,304
Total Accumulated Depreciation	$ 497,881	$ 16,423	$ -	$ 514,304
Net Capital Assets	$ 77,191	$(16,423)	$ -	$ 60,768

Depreciation was charged to functions of the primary government as follows:

General Administration	$ 56,841
Public Safety – Police	26,390
Public Safety – Fire Department	102,522
Public Safety - EMS	2,446
Public Works – Street Department	126,791
Parks	10,804
Library	869
Water and Sewer	170,894
Sanitation	16,423
	$ 513,980

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Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 13
September 30, 2024

Note E: Interfund Balances and Activities

Interfund balances at September 30, 2024 consisted of the following individual fund balances:

Fund	Due from Other Funds	Due to Other Funds
General Fund:		
Component Unit	$ -	11,575
Total General Fund	-	11,575
Component Unit:		
General Fund	11,575	-
Total	$ 11,575	$ 11,575

These interfund receivables and payables arise out of the normal course of business where the general fund is allocating sales tax revenues to the Idalou EDC. All balances are expected to be paid within one year.

Note F: Interfund Transfers

Interfund transfers for the year ended September 30, 2024 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund:		
Water & Sewer Fund	92,520	-
Total General Fund	92,520	-
Debt Service Fund:		
Water & Sewer Fund	40,071	-
Proprietary Fund:		
General Fund	-	92,520
Debt Service Fund	-	40,071
Total	$ 132,591	$ 132,591

These interfund transfers represent cash flow transfers between funds in the normal course of business.

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 14
September 30, 2024

Note G: Long-Term Obligations

At September 30, 2024 debt consisted of the following individual issues:

Series 2021 General Obligation Refunding Bonds are 1.00% interest bearing. Principal is due in annual payments on February 15 and interest is due in semi-annual payments on February 15 and August 15. The balance at September 30, 2024 was $883,000 of which $145,000 is due within one year.

In fiscal year 2023, The City entered into a financing agreement for the purchase of a door security system. The agreement calls for 5 annual payments of $14,995 with an interest rate of 9.5%.

In fiscal year 2024, the City authorized the issuance of Waterworks and Sewer System Revenue Bonds, Taxable Series 2024 with an aggregate total of $2,850,000 with an interest rate of 2.75%. As of September 30, 2024, the City had been delivered $210,000 of these Bonds. Principal is due in annual payments on February 15 and interest is due in semi-annual payments on February 15 and August 15. The balance at September 30, 2024 was $210,000 of which $40,000 is due within one year.

Changes in long-term obligations for the year ended September 30, 2024 are as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General Obligation Refunding Bonds, 2021	$ 655,763	$ -	$ 88,634	$ 567,129	$ 93,130
Direct Financing	47,611	-	10,270	37,341	11,289
Compensated Absences	19,030	5,460	-	24,490	-
Net Pension Liability	8,857	18,177	19,296	7,738	-
Total OPEB Liability	6,612	1,147	512	7,247	-
Total Governmental Funds:	$ 737,873	$ 24,784	$ 118,712	$ 643,945	$104,419

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General Obligation Refunding Bonds, 2021	$ 365,237	$ -	$ 49,366	$ 315,871	$ 51,870
Revenue Bonds, 2024	-	210,000	-	210,000	40,000
Compensated Absences	13,810	1,392	-	15,202	-
Net Pension Liability	8,417	6,980	11,843	3,554	
Total OPEB Liability	2,302	1,040	-	3,342	-
Total Enterprise Funds:	$ 389,766	$ 219,412	$ 61,209	$ 547,969	$ 91,870

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 15
September 30, 2024

Note G: Long-Term Obligations (continued)

The debt service fund is used to liquidate the governmental activities long-term debt and the water and sewer fund liquidates the business-type activities long-term debt. The annual aggregate maturities of general obligation refunding bonds-series 2021 and revenue bonds-series 2024 for the years subsequent to September 30, 2024 are as follows:

Bonds Payable	Governmental Activities		Business-Type Activities	
Year Ending September 30,	Principal	Interest	Principal	Interest
2025	$ 93,130	$ 5,206	$ 91,870	$ 7,501
2026	91,203	4,284	91,797	6,521
2027	91,845	3,368	93,155	4,864
2028	96,341	2,428	96,659	3,164
2029	96,984	1,461	98,016	1,423
2030	97,626	488	54,374	272
Total	$ 567,129	$ 17,235	$ 525,871	$ 23,745

Future payments on direct financing agreements as of September 30, 2024 are as follows.

	Governmental Funds – Direct financing agreements		
Year Ending September 30,	Principal	Interest	Total
2025	$ 11,289	$ 3,706	$ 14,995
2026	12,410	2,585	14,995
2027	13,642	1,354	14,996
Total	$ 37,341	$ 7,645	$ 44,986

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 16
September 30, 2024

Note H: TMRS-Pension Plan

Plan Description

The City of Idalou participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

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

Benefits Provided

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

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

	Plan Year 2023	Plan Year 2022
Employee deposit rate	5.0%	5.0%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility		
(expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%
Annuity Increase (to retirees)	0% of CPI	0% of CPI

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 17
September 30, 2024

Note H: TMRS-Pension Plan (continued)

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	23
Active employees	12
Total	37

Contributions

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

Employees for the City of Idalou were required to contribute 5% of their annual compensation for October through December 2023, then 7% January to September 2024. The actuarially determined contribution rates for the City of Idalou were 4.20% and 6.08% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were $41,991, which was equal to the required contributions.

Net Pension Liability

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

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

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

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NOTES TO FINANCIAL STATEMENTS, Page 18
September 30, 2024

Note H: TMRS-Pension Plan (continued)

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

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

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
Total	100.00%	

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NOTES TO FINANCIAL STATEMENTS, Page 19
September 30, 2024

Note H: TMRS-Pension Plan (continued)

Discount Rate

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

Change in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/22	$ 868,649	$ 851,375	$ 17,274
Changes for the year:			
Service cost	87,561		87,561
Interest	62,939		62,939
Change of benefit terms	27,643		27,643
Difference between expected and actual experience	(14,420)		(14,420)
Changes of assumptions	(10,331)		(10,331)
Contributions - employer		28,159	(28,159)
Contributions - employee		33,522	(33,522)
Net investment income		98,324	(98,324)
Benefit payments, including refunds of employee contributions	(15,297)	(15,297)	-
Administrative expense		(627)	627
Other changes		(4)	4
Net changes	138,095	144,077	(5,982)
Balance at 12/31/23	$ 1,006,744	$ 995,452	$ 11,292

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 in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	$ 181,906	$ 11,292	$ (126,705)

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 20
September 30, 2024

Note H: TMRS-Pension Plan (continued)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the city recognized pension expense of $62,873.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 20,213
Changes in actuarial assumptions	$ 63	$ 6,898
Difference between projected and actual investment earnings	$ 22,723	$ -
Contributions subsequent to the measure date December 31, 2021	$ 33,526	$ -
Total	$ 56,312	$ 27,111

$33,526 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec 31:	
2024	$ (9,218)
2025	(3,671)
2026	16,732
2027	(8,168)
2028	-
Thereafter	-
Total	$ (4,325)

CITY OF IDALOU
Idalou, Texas

NOTES TO FINANCIAL STATEMENTS, Page 21
September 30, 2024

Note I: Supplemental Death Benefits Plan

1. Plan Description

The City participates in the single-employer unfunded defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The 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 SDBF had 823 participating cities as of December 31, 2023.

2. OPEB Plan Fiduciary Net Position

Detailed information about the fiduciary net position of the Supplemental Death Benefits Fund is available in the separately-issued TMRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at tmrs.com or by writing to TMRS at P.O. Box 149153, Austin, TX 78714-9153.

3. Benefits Provided

The death benefit for active members provides a lump-sum payment approximately equal to the member's annual salary (calculated based on the members's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other post-employment benefit" ("OPEB") and is a fixed amount of $7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of the Pension Trust Fund. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

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

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	3
Active employees	12
Total	15

4. Contributions

The City contributes to the SDBF monthly based on the payroll of their covered members at an annually actuarially determined rate. There is a one-year delay between the actuarial valuation that serves as the basis for the city's contribution rate and the calendar year when the rate goes into effect.

TMRS pools the SDBF contributions with those of the Pension Trust Fund for investment purposes. The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

CITY OF IDALOU
Idalou, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 22
September 30, 2024

Note I: Supplemental Death Benefits Plan (continued)

Contribution Rates

	2023	2024
City	**0.14%**	**0.15%**

Current Fiscal Year Employer Contributions	**$ 1,109**

5. Actuarial Assumptions

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

Summary of Actuarial Methods and Assumptions

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount Rate*	3.77%*
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

CITY OF IDALOU
Idalou, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 23
September 30, 2024

Note I: Supplemental Death Benefits Plan (continued)

6. Discount Rate

As of December 31, 2023, the discount rate used in the development of the Total OPEB Liability was 3.77% compared to 4.05% as of December 31, 2022. In accordance with GASB No. 75, paragraph 155, the applicable discount rate for an unfunded OPEB is based on an index of tax exempt 20-year municipal bond rates rated as AA or higher. The projection of cash flows used to determine the discount rate assumed that contributions are made at the actuarially determined rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	$ 14,160	$ 10,589	$ 8,055

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At September 30, 2024, the City reported a liability of $10,589 for total OPEB liability. The total OPEB liability was measured as of December 31, 2023 by an actuarial valuation as of that date.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

As of December 31, 2023, the discount rate used in the development of the Total OPEB Liability was 3.77% compared to 4.05% as of December 31, 2022. Beginning with the December 31, 2019 actuarial valuation, mortality rates are based on the 2019 Municipal Retirees of Texas Mortality Tables. Prior to the December 31, 2019 actuarial valuation, mortality rates were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment.

For the year ended September 30, 2024, the City recognized OPEB expense of $1,499.

CITY OF IDALOU
Idalou, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 24
September 30, 2024

Note I: Supplemental Death Benefits Plan (continued)

Change in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 12/31/22	$ 8,914
Changes for the year:	
Service cost	1,542
Interest	392
Change of benefit terms	
Difference between expected and actual experience	(886)
Changes of assumptions	627
Benefit payments, including refunds of employee contributions	-
Other changes	-
Net changes	1,675
Balance at 12/31/23	$ 10,589

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 224	$ 6,041
Changes in actuarial assumptions	$ 4,667	$ 6,720
Difference between projected and actual Investment earnings	$ -	$ -
Total as of Dec. 31, 2023 measurement date	$ 4,891	$ 12,761
Contributions paid to TRS subsequent to the measurement date	$ 827	$ -
Total as of fiscal year-end	$ 5,718	$ 12,761

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	OPEB Expense Amount
2023	$ (1,373)
2024	(1,373)
2025	(1,436)
2026	(1,318)
2027	(1,778)
Thereafter	(592)

CITY OF IDALOU
Idalou, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 25
September 30, 2024

Note J: Contingent Liabilities

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be significant.

From time to time the City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a significant adverse impact on the affected funds of the City.

Note K: Risk Management

The City manages risk by purchasing commercial insurance. The City provides health insurance as a fringe benefit for full time, permanent employees through the Texas Municipal League health insurance program.

Workers compensation coverage is also provided for all employees through the Texas Municipal League Intergovernmental Risk Pool (the Pool). The Pool provides property, liability and workers' compensation coverage for certain governmental entities of the State of Texas. Member entities include municipalities, housing authorities, councils of governments, hospital districts, water districts and tax appraisal districts. The Pool consists of five separate funds: the Workers' Compensation Fund, the Liability Fund, the Property Fund, and the Reinsurance Fund and the Stability Fund. The financial results of these coverages are accounted for in separate funds by the Pool.

The Texas Workers' Compensation Fund Joint Insurance Fund (the Workers' Compensation Fund) was created in 1974 by the Texas Municipal League. This Fund provides coverage that conforms to the workers' compensation laws of Texas. As part of the coverage, the Pool provides risk management services with emphasis on loss control.

The premiums paid for Workers' Compensation Coverage are based on estimated payroll amounts and are subject to fluctuations based upon an audit of payroll costs by the insurer. Any increase or decrease is not expected to be material to the financial statements.

For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three preceding years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IDALOU
Idalou, Texas

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended September 30, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property Taxes (Including Penalty and Interest)	$ 749,950	$ 749,948	$ 750,693	$ 745
Sales Taxes	262,500	298,026	315,818	17,792
Franchise Taxes	105,000	120,005	114,671	(5,334)
Municipal Court Revenue	27,900	25,255	26,275	1,020
License & Permits	3,000	15,034	16,282	1,248
Interest Income	4,000	47,134	49,751	2,617
Intergovernmental	117,642	124,014	124,014	-
Donations	-	300	26,002	25,702
Ambulance	159,000	160,000	174,737	14,737
Library Revenue	5,000	3,220	3,220	-
Grant Revenues	-	55,335	55,335	-
Miscellaneous	25,000	26,851	25,599	(1,252)
Total Revenues	1,458,992	1,625,122	1,682,397	57,275
Expenditures				
Current				
General Administration	399,251	509,088	506,487	2,601
Judicial	100,900	91,516	91,283	233
Public Safety - Police Department	514,913	573,922	573,667	255
Public Safety - Fire Department	137,835	188,129	187,990	139
Health and Welfare - EMS	259,774	306,271	305,979	292
Public Works - Street Department	113,120	65,820	52,137	13,683
Parks	10,000	25,527	23,820	1,707
Library	32,905	28,983	28,652	331
Debt Service				
Principal	10,270	10,270	10,270	-
Interest	4,725	4,725	4,725	-
Total Expenditures	1,583,693	1,804,251	1,785,010	19,241
Other Financing Sources (Uses)				
Proceeds from Long-Term Debt	-	-	-	-
Sale of Assets	-	-	-	-
Operating Transfers In (Out)	-	92,520	92,520	-
Total Other Financing Sources (Uses)	-	92,520	92,520	-
Ex Over (Under) Expenditures and Other Uses	(124,701)	(86,609)	(10,093)	76,516
Fund Balance, Beginning of Year	626,279	626,279	626,279	-
Fund Balance, End of Year	$ 501,578	$ 539,670	$ 616,186	$ 76,516

CITY OF IDALOU
Idalou, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/ASSET
AND RELATED RATIOS - TMRS
(unaudited)

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 87,561	$ 62,197	$ 65,979	$ 53,944	$ 52,976	$ 46,621	$ 49,071	$ 50,244	$ 48,215	$ 44,756
Interest (on the Total Pension Liability)	62,939	54,676	49,441	44,674	39,938	38,110	34,932	30,296	26,672	23,541
Changes of benefit terms	27,643	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(14,420)	(9,584)	(11,941)	(20,873)	(14,378)	(35,833)	(13,344)	(5,326)	(20,549)	(12,462)
Change of assumptions	(10,331)	-	-	-	1,278	-	-	-	21,066	-
Benefit payments, including refunds of employee contributions	(15,297)	(35,109)	(12,950)	(13,353)	(6,913)	(43,078)	(1,618)	(10,274)	(6,966)	(18,704)
Net change in Total Pension Liability	138,095	72,180	90,529	64,392	72,901	5,820	69,041	64,940	68,438	37,131
Total Pension Liability - Beginning	868,649	796,469	705,940	641,548	568,647	562,827	493,786	428,846	360,408	323,277
Total Pension Liability - Ending (a)	$ 1,006,744	$ 868,649	$ 796,469	$ 705,940	$ 641,548	$ 568,647	$ 562,827	$ 493,786	$ 428,846	$ 360,408
Plan Fiduciary Net Position										
Contributions - employer	28,159	27,408	29,478	24,348	26,396	23,764	26,249	22,764	22,486	15,206
Contributions - employee	33,522	33,368	35,975	30,102	30,341	26,702	28,105	28,069	28,462	28,056
Net investment income	98,324	(64,820)	96,323	49,287	80,553	(15,881)	58,237	24,036	460	15,564
Benefit payments, including refunds of employee contributions	(15,297)	(35,109)	(12,950)	(13,353)	(6,913)	(43,078)	(1,618)	(10,274)	(6,966)	(18,704)
Administrative expense	(627)	(562)	(448)	(320)	(456)	(307)	(302)	(272)	(280)	(162)
Other	(4)	671	4	(13)	(14)	(16)	(15)	(15)	(14)	(13)
Net Change in Plan Fiduciary Net Position	144,077	(39,044)	148,382	90,051	129,907	(8,816)	110,656	64,308	44,148	39,947
Plan Fiduciary Net Position - Beginning	851,375	890,419	742,037	651,986	522,079	530,895	420,239	355,931	311,783	271,836
Plan Fiduciary Net Position - Ending (b)	$ 995,452	$ 851,375	$ 890,419	$ 742,037	$ 651,986	$ 522,079	$ 530,895	$ 420,239	$ 355,931	$ 311,783
Net Pension Liability/(Asset) - Ending (a) - (b)	$ 11,292	$ 17,274	$ (93,950)	$ (36,097)	$ (10,438)	$ 46,568	$ 31,932	$ 73,547	$ 72,915	$ 48,625
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.88%	98.01%	111.80%	105.11%	101.63%	91.81%	94.33%	85.11%	83.00%	86.51%
Covered Employee Payroll	$ 670,448	$ 667,353	$ 719,507	$ 602,050	$ 606,828	$ 534,033	$ 562,100	$ 561,389	$ 569,245	$ 561,123
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	1.68%	2.59%	-13.06%	-6.00%	-1.72%	8.72%	5.68%	13.10%	12.81%	8.67%

The accompanying notes are an integral part of this statement.

EXHIBIT E-2

CITY OF IDALOU
Idalou, Texas

SCHEDULE OF CONTRIBUTIONS - TMRS PENSION
(unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 41,991	$ 27,692	$ 28,658	$ 27,264	$ 24,368	$ 26,111	$ 24,125	$ 25,164	$ 23,131	$ 21,227
Contributions in relation to the actuarially determined contribution	41,991	27,692	28,658	27,264	24,368	26,111	24,125	25,164	23,131	21,227
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 752,954	$ 654,342	$ 697,804	$ 667,034	$ 591,240	$ 596,868	$ 535,030	$ 556,962	$ 573,832	$ 579,580
Contributions as a percentage of covered employee payroll	5.58%	4.23%	4.11%	4.09%	4.12%	4.37%	4.51%	4.52%	4.03%	3.66%

The accompanying notes are an integral part of this statement.

EXHIBIT E-3

CITY OF IDALOU
Idalou, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - TMRS
(unaudited)

	Measurement Year						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	$ 1,542	$ 2,736	$ 3,022	$ 2,107	$ 1,396	$ 908	$ 843
Interest (on the Total OPEB Liability)	392	365	353	338	248	261	219
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(886)	(1,060)	(2,049)	(1,158)	489	(1,721)	-
Change of assumptions	627	(278)	984	3,607	3,138	(916)	1,017
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-
Net change in Total OPEB Liability	1,675	1,763	2,310	4,894	5,271	(1,468)	2,079
Total OPEB Liability - Beginning	8,914	18,452	16,142	11,248	5,977	7,445	5,366
Total OPEB Liability - Ending	$ 10,589	$ 20,215	$ 18,452	$ 16,142	$ 11,248	$ 5,977	$ 7,445
Covered Employee Payroll	$ 670,448	$ 667,353	$ 719,507	$ 602,050	$ 606,828	$ 534,033	$ 562,100
Total OPEB Liability/(Asset) as a Percentage of Covered Payroll	1.58%	3.03%	2.56%	2.68%	1.85%	1.12%	1.32%

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

SCHEDULE OF CONTRIBUTIONS - TMRS OPEB
(unaudited)

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 1,109	$ 391	$ 419	$ 402	$ 370	$ 416	$ 389
Contributions in relation to the actuarially determined contribution	1,109	391	419	402	370	416	389
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 752,954	$ 654,342	$ 697,804	$ 667,034	$ 591,240	$ 596,868	$ 535,030
Contributions as a percentage of covered employee payrol	0.1473%	0.0598%	0.0600%	0.0603%	0.0626%	0.0697%	0.0727%

The accompanying notes are an integral part of this statement.

CITY OF IDALOU
Idalou, Texas

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2024

Schedule of Pension Contributions – TMRS

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	17 Years (longest amortization ladder)
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	
Notes	Increased Employee contribution rate from 5% to 7%.

CITY OF IDALOU
Idalou, Texas

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2024

Schedule of Contributions for OPEB – TMRS

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
Asset Valuation	For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefore no assets are accumulated for OPEB.
Inflation	2.5%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate*	3.77%
Retirees' share of benefit-related costs	0$
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Note: The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

OTHER SUPPLEMENTARY INFORMATION

CITY OF IDALOU
Idalou, Texas

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended September 30, 2024

Years Ended September 30	Tax Rate Per $100 Value	Assessed/Appraised Value for Tax Purposes	Balance 10/01/23	Add: Current Levy	Less: Collections	Total Year's Adjustments	Balance 09/30/24
2015 and prior	$ --	$ --	$ 6,694	$ -	$ 10	$ (46)	$ 6,638
2016	0.608170	97,191,904	1,620	-	10	-	1,610
2017	0.608170	101,034,579	2,037	-	10	-	2,027
2018	0.608170	103,780,357	2,314	-	415	-	1,899
2019	0.608170	109,290,823	3,198	-	513	40	2,725
2020	0.608170	118,099,216	4,096	-	685	14	3,425
2021	0.608170	120,844,172	7,203	-	1,622	(245)	5,336
2022	0.574950	132,590,486	12,468	-	3,056	(306)	9,106
2022	0.511740	150,780,670	25,676	-	10,487	(1,021)	14,168
2023	0.500000	161,643,000	-	808,215	780,938	-	27,277
		Totals	$ 65,306	$ 808,215	$ 797,746	$ (1,564)	$ 74,211

EXHIBIT G-1

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Independent Auditors' Report

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council
City of Idalou
P.O. Box 1277
Idalou, Texas 79329

Members of the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Idalou, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Idalou's basic financial statements, and have issued our report thereon dated February 6, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Idalou's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Idalou's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Independent Auditors' Report
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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City of Idalou's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Terry & King

Terry & King, CPAs, P.C.
Lubbock, Texas
February 6, 2025