
CITY OF ALAMO, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2023

ADRIAN WEBB
CERTIFIED PUBLIC ACCOUNTANT

THIS PAGE IS INTENTIONALLY BLANK

CITY OF ALAMO, TEXAS
 Annual Comprehensive Financial Report
 For Year Ended September 30, 2023

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
City Officials.....	i
GFOA Certificate of Achievement.....	ii
Letter of Transmittal.....	iii
City Organizational Chart.....	iv
II. FINANCIAL SECTION	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-9
III. BASIC FINANCIAL STATEMENTS	
<i>Government-wide Financial Statements</i>	
Statement of Net Position.....	10
Statement of Activities.....	11-12
<i>Fund Financial Statements</i>	
<i>Governmental Fund Financial Statements</i>	
Balance Sheet.....	13-14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	15
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	16-17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	18
<i>Proprietary Fund Financial Statements</i>	
Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Net Position.....	20
Statement of Cash Flows.....	21
Notes to the Financial Statements.....	22-58
IV. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System.....	59
Schedule of Contributions for Texas Municipal Retirement System.....	60-61
Schedule of Changes in OPEB Liability and Related Ratios.....	62-63
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual - General Fund.....	64

CITY OF ALAMO, TEXAS
 Annual Comprehensive Financial Report
 For Year Ended September 30, 2023

TABLE OF CONTENTS

V. OTHER SUPPLEMENTARY INFORMATION

Schedule of Delinquent Taxes Receivable.....	65-66
Combining Balance Sheet.....	67-68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	69-70
Schedule of Revenues and Expenses to Indicate Net Revenue for Debt Service.....	71

VI. CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Capital Assets Used in the Operation of Governmental Funds Comparative Schedule by Source.....	72
Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity.....	73
Reconciliation of the Combining Statements of Revenues, Expenditures and Changes in Fund Balance of the Component Units to the Statement of Activities.....	74

VII. STATISTICAL SECTION

Net Position By Component.....	75
Changes in Net Position.....	76-77
Fund Balances of Governmental Funds.....	78
Changes in Fund Balances of Governmental Funds.....	79
Governmental Activities Tax Revenues by Source.....	80
Assessed and Estimated Actual Value of Taxable Property.....	81
Property Tax Rates Direct and Overlapping Governments.....	82
Principal Taxpayers.....	83
Property Tax Levies and Collections.....	84
Water Sewer Revenues.....	85
Direct and Overlapping Governmental Activities Debt.....	86
Ratio of General Bonded Debt Outstanding.....	87
Ratio of Outstanding Debt by Type.....	88
Computation of Legal Debt Margin.....	89
Pledged-Revenue Coverage.....	90
Demographic and Economic Statistics.....	91
Principal Employers.....	92
Full-Time Equivalent City Government Employees by Function.....	93
Operating Indicators by Function.....	94
Capital Assets Statistics by Function.....	95

VIII. INTERNAL CONTROL/COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	96-97
Independent Auditors' Report on Compliance for Each Major Program on Internal Control Over Compliance Required by the Uniform Guidance.....	98-99
Schedule of Findings and Questioned Costs.....	100-101
Schedule of Expenditures of Federal Awards.....	102
Notes to Schedule of Expenditures of Federal Awards.....	103

INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY BLANK

CITY OF ALAMO, TEXAS

For the Year Ended September 30, 2023

CITY OFFICIALS

J.R. Garza

Oscar Salinas

Pete Morales

Roel Moreno Jr.

Arturo Garcia

Mayor

Mayor Pro-Tem

Commissioner PL. 2

Commissioner PL. 3

Commissioner PL. 4

CITY MANAGER

Roberto “Bobby” Salinas

FINANCE DIRECTOR

Yvette Mendoza

THIS PAGE IS INTENTIONALLY BLANK



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

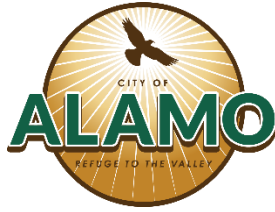
**City of Alamo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



March 26, 2024

The Honorable Mayor, City Council
City of Alamo
Alamo, Texas

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Alamo, Texas for the fiscal year ended September 30, 2023. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures

We believe the data presented is accurate in all materials respects and is organized in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds.

Adrian Webb, CPA, Certified Public Accountant, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

The City of Alamo, Texas was incorporated in May 12, 1924 under the laws of State of Texas and adopted the Commission – Manager Form of government with the adoption of its Charter on January 20, 1979. The City’s Home Rule Charter provides for a Board of Commissioners form of government, comprised of a Mayor and four Commissioners, along with a Municipal Judge, elected by the people. The City Council is responsible for enacting ordinances, resolutions, and regulation governing the City, appointing members of various statutory and advisory boards and the City Manager, City Attorney, City Secretary, and Court Administrator. As chief administrative officer, the City Manager is responsible for the enforcement of laws and ordinances, and appoints and supervises the heads of department of the City organization.

The City provides the following municipal government services including police and fire protection, municipal courts, highways and streets, water and sewer services, planning and zoning, code enforcement, building inspection, parks and recreation, library, economic development and general administration services. The City of Alamo is not financially accountable for any of the other area entities within its jurisdiction such as school districts or other non-profit or for profit corporations.

Component units are legally separate organizations that a primary government must include as a part of its financial entity. The City has included financial statement for the Alamo Economic Development Corporation (4B). The 4B Funds account for the local sales tax used to stimulate local economy, development, and redevelopment.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

The City Ordinance establishes the fiscal year as October 1 through September 30. The City budget will be prepared in accordance with State Law, City Charter. The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager during the annual budget process. The City Manager presents the proposed budget to the City Council for review. The City of Alamo is required to hold a public hearing on the proposed budget. The City Council formally adopts the budget by the passage of a budget ordinance. The Mayor, City Council adopts an annual budget for the General Fund, Debt Service Fund, Special Revenue Funds, and Proprietary Funds. The appropriated budget is prepared by fund, department and function. The City Manager is required to inform the City Council and obtain City Council approval for any revisions of expenditures of any fund or department.

Budgetary control has been established at the department level. The City maintains internal budgetary control at the expenditure category (i.e., Personnel Services, Supplies, Other Services and Capital Outlay.) Monthly financial reports for the City Council are provided showing budget and actual revenues and expenditures.

ECONOMIC CONDITION AND OUTLOOK

The City of Alamo has a land area of 7.10 square miles and an estimated population of approximately 20,241. The City of Alamo is located between the cities of McAllen and Harlingen, along Interstate 2, roughly five miles north of the Rio Grande. The City is an integral part of the broad-and-diverse McAllen-Edinburg-Mission area. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The local economy is largely supported by retail, health care, education, tourism,

agriculture, and international trade. The City draws residents from across the region for commercial retail activity. Currently, the City is developing a nursing and rehabilitation facility and a freestanding emergency health center. These facilities will increase the city's tax base growth.

The City of Alamo is also the gateway to the Santa Ana National Wildlife Refuge, which is 7 ½ miles south of Alamo, Texas. Established in 1943, it is situated along the southern stretch of the Rio Grande, the Santa Ana Wildlife Refuge is home to different species of migratory birds. The Santa Ana offers visitors an opportunity to see birds, butterflies and many other species not found anywhere else in the United States beyond deep South Texas.

The City of Alamo continues to grow with the help of the Alamo Economic Development Corporation. Over the years, the City of Alamo has acquired several retail chain stores which include (1) H.E.B. store, (1) Wal-Mart store, (1) Walgreen Pharmacy, (1) CVS Pharmacy, (1) Kautsch Lumber Co., (1) Goodwill, Inc. In addition to retail chain stores, the City has obtained The Original Willie's Bar-B-Q, Willie's Sweets, Tower Burger, Burger King, McDonalds, Church's Chicken, Subway Sandwiches, Little Caesars Pizza, Dairy Queen, Stars Drive-In, Carl's Jr, Peter Piper Pizza, Pizza Hut, and Wingstop.

The City continues to enjoy a stable outlook with property tax values at \$1077,465,269 up to 15% over the previous year. The Hidalgo County unemployment rate was 7.20% in 2023. The top 10 taxpayers are diverse, accounting for 12.08% of market value.

The City approved a decrease in property tax , the property tax rate is \$0.5801. This is due to the result of the efficient use of Maintenance Funds and Operation Funds and the increase in property taxable value. The City of Alamo is expecting to have its assessed property values increase due to economic development growth. One of the major impacts the City has is the installation of the South Texas Health System ER.

The City's sales tax revenue increased 12% in collections compared to FY 2021-2022. While the governmental entities are working to continuously watch over the region's economy, the City of Alamo has seen stable trends.

LONG-TERM FINANCIAL PLANNING

The City reviews annually the needs for capital improvements, City's infrastructure, replacement and renovation needs, and new potential projects. Capital improvement projects are funded with general governmental revenues or through the issuance of long-term debt. The City annually prepares short-term improvement plans for parks, streets, water, sewer, and water plant projects. The capital improvement plans require funding sources to be identified for each project. All projects, ongoing and proposed, are prioritized based on an analysis of current needs and resource availability.

The City's current bond rating of last issue in the following categories:

	<u>General Obligation</u>	<u>Revenue</u>
Standard & Poor's	A+	A+

FINANCIAL INFORMATION

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable but not absolute assurances that these objectives are met.

INDEPENDENT AUDIT

The Charter of the City of Alamo requires that the City Council appoint a certified public accountant who will be responsible to the City Council, to perform an independent audit of all funds of the City on an annual basis. The independent auditor's report, prepared by Adrian Webb, C.P.A., is presented as the first component of the financial section of this report.

ACKNOWLEDGEMENTS

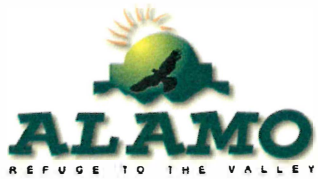
The preparation of the CAFR would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those instrumental in the successful completion of this report. Additionally, I would like to thank the Mayor, City Council, and City Manager for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

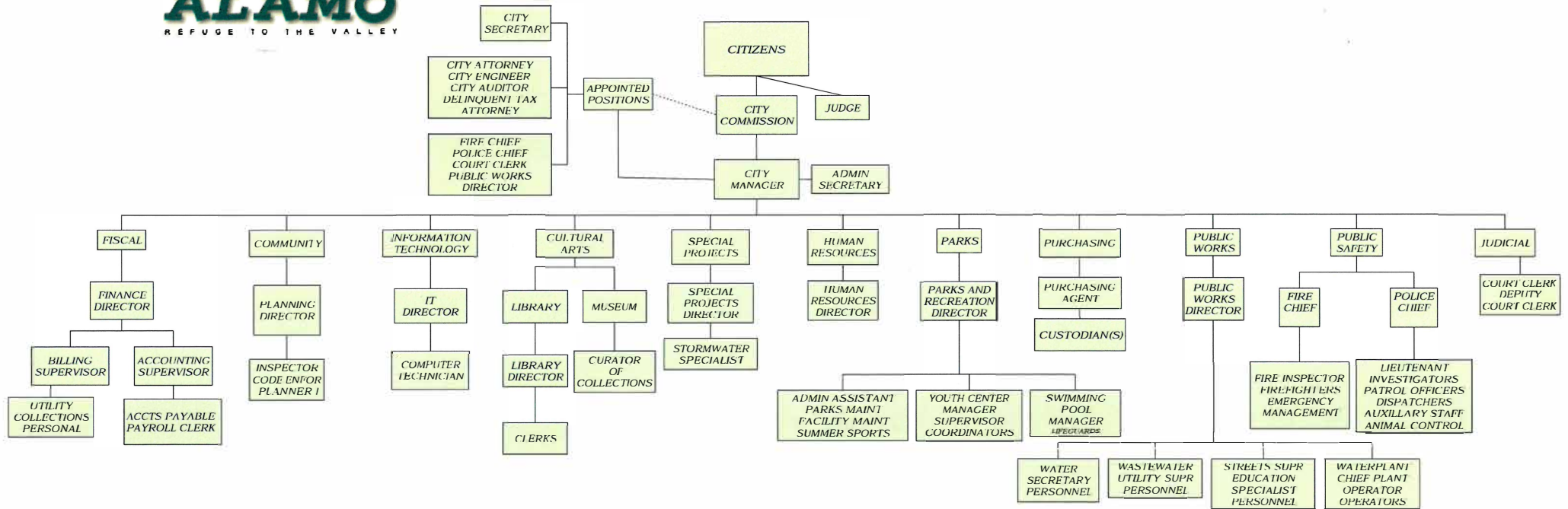


Yvette Mendoza,
Finance Director

THIS PAGE IS INTENTIONALLY BLANK



CITY OF ALAMO ORGANIZATIONAL CHART



APPROVED BY COMMISSION 10/18

THIS PAGE IS INTENTIONALLY BLANK

FINANCIAL SECTION

ADRIAN WEBB, CPA

**Certified Public Accountant
Edinburg, Texas**

Independent Auditor's Report

To the City Commission of the
City of Alamo, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Alamo, Texas' 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 blended component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of September 30, 2023, 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. 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 Alamo, 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.

Emphasis of Matter – Change of Accounting Principle

As discussed in the notes to the financial statements, in the year ending September 30, 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Management's Responsibility for the Financial Statements

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

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 of Alamo, Texas'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 Responsibility

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 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, 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 of Alamo, Texas'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 of Alamo, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, and schedule of net pension liability and related ratios, and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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's basic financial statements. The introductory section, the schedule of delinquent taxes receivable, and the combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory, schedule of delinquent taxes receivable, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Information Included in the Annual Report and Financial Statements

Management is responsible for the other information included in the Annual Audit Report and Financial Statements. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2024, on our consideration of the City of Alamo, 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 Alamo, 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 the City of Alamo, Texas' internal control over financial reporting and compliance.

Adrian Webb, CPA

Adrian Webb
Certified Public Accountant
Edinburg, Texas
March 23, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF ALAMO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

As management of the City of Alamo, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Alamo for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 1 and the City's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$5,464,416. Net position from governmental activities increased \$4,988,980, while net position from business-type activities increased by \$475,436.
- The City's combined assets from governmental and business-type activities exceeded its liabilities at the close of the most recent fiscal year by \$67,074,877 compared to \$61,610,461 in the prior year.
- The General Fund ended the year with a fund balance of \$9,597,426, a \$1,062,272 increase from prior year's balance of \$8,535,154.
- In comparing the General Fund's final budget to actual, revenues were \$219,959 more than the final budget, and expenditures were \$989,140 less than final budget. This resulted in a total positive budget to actual variance of \$1,209,099 not including other financing sources (uses).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. The government-wide financial statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the City, and the statements are presented on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

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

Activities of the City as a whole include governmental activities, and business-type activities. Governmental activities are those activities, which are financed primarily through taxes and grants.

Most of the City's basic services are reported as governmental activities. Business-type activities are those activities that are intended to recover all or a significant portion of their costs through user fees and charges. Utility system operations are a common example of business-type activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Development Corporation of Alamo (DCM) and the Alamo Industrial Foundation, Inc., which are legally separate entities, and are reported as blended component units. These are other governmental units of which the City (the City Commission, acting as a group) can exercise influence. Financial information for Development Corporation of Alamo is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 10-12 of this report.

**CITY OF ALAMO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 14 provide detail information about the most significant funds – not the City as a whole. Some funds are required to be established by law, bond covenants or by contracts. Still other funds are established by the City Commission to assist in managing money that is to be spent for particular purposes. 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 in 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 be readily 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 to determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation schedules following each of the fund financial statements.

- Proprietary funds

The City reports the activities for which it charges users (whether outside customers or other units of the City). The proprietary funds use the accrual basis, the same accounting method employed 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 business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

THE CITY'S FUNDS

Being that the City is a government entity, it tracks all transactions using fund accounting. What this means is that it isolates different types of activity into funds, which it then tracks separately. Each fund essentially becomes its own entity, which then interacts with other funds. This allows for separate management of governmental funds, grants, enterprise funds (utility fund) and any other restricted funds.

As a result of this year's operations, all combined governmental funds, including special revenues and debt service funds (as presented in the balance sheet on page 13-14) reported a combined fund balance of \$18,916,905 an increase of \$2,868,692 from the previous year.

**CITY OF ALAMO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis focuses on the net position (Table I) and changes in net position (Table II) of the City's governmental and business-type activities.

Net position of the City's governmental activities increased to \$34,545,851 from \$29,556,871. Unrestricted net position – the part of net position that can be used to finance day to day operations without constraints from debt covenants, legislation or other legal requirements was \$9,081,030 as of September 30, 2023.

In 2023, net position of business-type activities increased to \$32,529,026 from \$32,053,590. Table I, below illustrates a comparative summary of the City's statement of net position as of September 30, 2023, and 2022.

Table I

	Governmental Activities		Business-Type Activities		Totals		Increase / Decrease
	2023	2022	2023	2022	2023	2022	
Current Assets	\$ 25,922,404	\$ 23,260,559	\$ 7,396,908	\$ 7,337,172	\$ 33,319,312	\$ 30,597,731	\$ 2,721,581
Capital Assets, Net	26,167,677	23,869,334	40,273,001	40,235,665	66,440,678	64,104,999	2,335,679
Total Assets	52,090,081	47,129,893	47,669,909	47,572,837	99,759,990	94,702,730	5,057,260
Deferred Outflows of Resources	1,566,990	497,627	416,063	233,458	1,983,053	731,085	1,251,968
Total Assets and deferred Outflows of resources	53,657,071	47,627,520	48,085,972	47,806,295	101,743,043	95,433,815	6,309,228
Other Liabilities	6,715,525	8,056,162	818,557	1,152,262	7,534,082	9,208,424	(1,674,342)
Long-Term Liabilities	12,256,060	9,127,982	14,718,307	14,444,001	26,974,367	23,571,983	3,402,384
Total Liabilities	18,971,585	17,184,144	15,536,864	15,596,263	34,508,449	32,780,407	1,728,042
Deferred Inflows of Resources	139,635	886,505	20,082	156,442	159,717	1,042,947	(883,230)
Net Invested in Capital Assets	16,357,555	14,832,643	25,826,594	24,745,156	42,184,149	39,577,799	2,606,350
Restricted for							
Capital Projects	-	-	2,008,680	2,647,753	2,008,680	2,647,753	(639,073)
Debt Service	2,012,291	1,863,326	-	-	2,012,291	1,863,326	148,965
Economic Development	4,492,860	3,907,681	-	-	4,492,860	3,907,681	585,179
Special Projects	2,602,115	1,479,247	-	-	2,602,115	1,479,247	1,122,868
Unrestricted	9,081,030	7,473,974	4,693,752	4,660,681	13,774,782	12,134,655	1,640,127
Total Net Position	34,545,851	29,556,871	32,529,026	32,053,590	67,074,877	61,610,461	4,581,186
Total Liabilities, deferred Inflows of resources and net position	\$ 53,657,071	\$ 47,627,520	\$ 48,085,972	\$ 47,806,295	\$ 101,743,043	\$ 95,433,815	\$ 6,309,228

**CITY OF ALAMO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

Table II

	Governmental Activities		Business-Type Activities		Totals		Increase / Decrease
	2023	2022	2023	2022	2023	2022	
Revenues							
Program Revenues							
Charges for Services	\$ 3,283,738	\$ 3,555,466	\$ 5,653,068	\$ 5,564,053	\$ 8,936,806	\$ 9,119,519	\$ (182,713)
Op Grants and Contributions	1,953,755	1,284,549	-	-	1,953,755	1,284,549	669,206
Capital Grants and Contributions	-	-	196,482	196,482	196,482	196,482	-
General Revenues							
Property Taxes	5,103,714	4,382,309	-	-	5,103,714	4,382,309	721,405
Sales Tax	6,251,795	5,569,320	-	-	6,251,795	5,569,320	682,475
Other Tax	780,991	633,832	-	-	780,991	633,832	147,159
Other Revenues	2,132,401	834,099	195,197	99,193	2,327,598	933,292	1,394,306
Total Revenues	19,506,394	16,259,575	6,044,747	5,859,728	25,551,141	22,119,303	3,431,838
Expenses							
General Government	6,656,386	5,475,625	-	-	6,656,386	5,475,625	1,180,761
Public Safety	5,802,935	5,101,058	-	-	5,802,935	5,101,058	701,877
Highway and Streets	923,439	1,199,912	-	-	923,439	1,199,912	(276,473)
Culture and Recreation	1,558,783	1,409,463	-	-	1,558,783	1,409,463	149,320
Economic Development	63,433	194,462	-	-	63,433	194,462	(131,029)
Urban Development & Housing	-	194,915	-	-	-	194,915	(194,915)
Debt Service	66,881	40,215	-	-	66,881	40,215	26,666
Interest on long-term debt	436,743	283,441	-	-	436,743	283,441	153,302
Utility Services	-	-	4,381,643	4,252,063	4,381,643	4,252,063	129,580
Total Expenses	15,508,600	13,899,091	4,381,643	4,252,063	19,890,243	18,151,154	1,739,089
Increase in net position before transfers	3,997,794	2,360,484	1,663,104	1,607,665	5,660,898	3,968,149	1,692,749
Transfers	991,186	994,031	(991,186)	(994,031)	-	-	-
Change in Net Position	4,988,980	3,354,515	671,918	613,635	5,660,898	3,968,150	1,692,748
Net Position Beginning	29,556,871	25,988,971	32,053,590	31,439,955	61,610,461	57,428,926	4,181,535
Prior Period Adjustment	-	213,385	-	-	-	213,385	(213,385)
Net Position Ending	\$ 34,545,851	\$ 29,556,871	\$ 32,725,508	\$ 32,053,590	\$ 67,271,359	\$ 61,610,461	\$ 5,660,898

The cost of all governmental activities in the current year was \$15,508,600. However, as shown in Table II, the amount financed by property and non-property taxes were \$5,103,714 and \$7,032,786 respectively. The remaining costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

**CITY OF ALAMO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Governmental Activities		Business-Type Activities		Totals		Increase / Decrease
	2023	2022	2023	2022	2023	2022	
Capital Assets Not Being Depreciated							
Land	\$ 1,731,590	\$ 1,731,590	\$ 2,943,078	\$ 2,943,078	\$ 4,674,668	\$ 4,674,668	\$ -
Construction in Progress	1,422,041	280,066	11,409,614	14,904,851	12,831,655	15,184,917	(2,353,262)
Total capital assets, not being depreciated	3,153,631	2,011,656	14,352,692	17,847,929	17,506,323	19,859,585	(2,353,262)
Capital Assets, Being Depreciated							
Buildings	13,318,685	13,168,533	4,838,176	4,838,176	18,156,861	18,006,709	150,152
Vehicles	5,049,606	4,113,351	293,844	293,843	5,343,450	4,407,194	936,256
Machinery and Equipment	4,485,787	3,498,549	6,636,749	2,067,735	11,122,536	5,566,284	5,556,252
Infrastructure	16,938,404	16,800,369	26,221,471	26,221,472	43,159,875	16,938,404	16,938,404
Total capital assets, being depreciated	39,792,482	37,580,802	37,990,240	33,421,226	77,782,722	71,002,028	6,780,694
Less: accumulated depreciation for	(16,778,435)	(15,723,124)	(12,069,933)	(11,033,491)	(28,848,368)	(26,756,615)	(2,091,753)
Total capital assets, being depreciated, net	23,014,047	21,857,678	25,920,308	22,387,735	48,934,355	44,245,413	4,688,941
Governmental activities, capital assets, net	\$ 26,167,678	\$ 23,869,334	\$ 40,273,000	\$ 40,235,664	\$ 66,440,678	\$ 64,104,998	\$ 2,335,679

At the end of the fiscal year, the City had \$66,440,678 (net of depreciation) invested in capital assets, including facilities, land, infrastructure, vehicles, and equipment, as further discussed in the notes to the financial statements. Capital Assets. This is an increase of \$2,335,679 from the previous fiscal year.

Long-Term Debt

By the end of the fiscal year, the City had long-term obligations totaling \$24,702,056 versus \$24,602,042 at the end of last year, an increase of \$100,014. The following is a summary of long-term obligations:

	Governmental		Increase/ Decrease
	2023	2022	
General Obligation Debt	\$ 9,275,000	\$ 8,680,000	\$ 595,000
Notes Payable	502,198	528,185	(25,987)
Capital Leases	32,924	64,856	(31,932)
Compensated Absences	382,330	367,793	14,537
Total	\$ 10,192,452	\$ 9,640,834	\$ 551,618
	Business-type		Increase/ Decrease
	2023	2022	
General Obligation Debt	\$ 10,425,000	\$ 10,690,000	\$ (265,000)
Capital Leases	4,021,407	4,214,011	(192,604)
Compensated Absences	63,197	57,197	6,000
Total	\$ 14,509,604	\$ 14,961,208	\$ (451,604)

Fitch ratings has reviewed and assigned an A+ rating to the limited tax bonds and certificates of obligation debt. Additional information on the City of Alamo' long-term debt can be found in the Notes to the Financial Statements.

**CITY OF ALAMO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraisal values used in preparing 2023-2024 budget increased \$156,266,284 over the prior year.
- The ad valorem property tax rate was set at .5801 for the 2023-2024 fiscal year.
- The Sales Tax collected in 2022-2023 increased by \$682,475 or 12.3% over prior year.
- The 2023-2024 General Fund operating budget was prepared using \$8,535,154 as the estimated fund balance as of September 30, 2023. The actual unassigned fund balance for the General Fund was \$9,597,426.
- The City's financial stability remains strong and City management and City Council members are in constant review of the City's fund balance to ensure there are sufficient funds always on hand to cover any unforeseen events. The City's General Fund maintains six months' worth of expenses in reserve for such events.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Alamo' finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Director, at City of Alamo, P.O. Box 837, Alamo, Texas 78570.

THIS PAGE IS INTENTIONALLY BLANK

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY BLANK

CITY OF ALAMO
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

EXHIBIT A-1

Data Control Codes	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
1010 Cash and Cash Equivalents	\$ 12,245,020	\$ 2,955,961	\$ 15,200,981
1020 Restricted Cash	-	2,008,680	2,008,680
1030 Investments - Current	9,784,849	1,625,699	11,410,548
1150 Accounts Receivable, Net	3,120,651	476,590	3,597,241
1260 Due from Other Governments	981,842	-	981,842
1300 Due from Other Funds	(209,978)	209,978	-
1430 Prepaid Items	20	120,000	120,020
Capital Assets:			
1791 Capital Assets, Being Depreciated	23,014,046	25,920,308	48,934,354
1792 Capital Assets, Not Being Depreciated	3,153,631	14,352,693	17,506,324
1000 Total Assets	<u>52,090,081</u>	<u>47,669,909</u>	<u>99,759,990</u>
DEFERRED OUTFLOWS OF RESOURCES			
1996 Deferred Charge for Refunding	134,422	-	134,422
1997 Deferred Outflow Related to Pension Plan	1,401,433	245,160	1,646,593
1998 Deferred Outflow Related to OPEB	31,135	5,495	36,630
1999 Unamortized Discount on Bonds	-	165,408	165,408
1500 Total Deferred Outflows of Resources	<u>1,566,990</u>	<u>416,063</u>	<u>1,983,053</u>
LIABILITIES			
2010 Accounts Payable	754,209	-	754,209
2020 Wages and Salaries Payable	76,368	18,464	94,832
2030 Compensated Absences Payable	382,330	63,197	445,527
2140 Accrued Interest Payable	48,527	17,447	65,974
2230 Unearned Revenues	4,664,832	-	4,664,832
2231 Customer Deposits	-	628,059	628,059
2270 Other Current Liabilities	789,259	91,390	880,649
Noncurrent Liabilities:			
2501 Due Within One Year	1,198,989	479,763	1,678,752
2502 Debt Due After One Year	8,611,133	13,966,644	22,577,777
2560 Unamortized Premiums (Discounts) on Bonds	918,778	-	918,778
2580 Net Pension Liability	1,306,116	230,487	1,536,603
2585 Net OPEB Liability	221,044	41,413	262,457
2000 Total Liabilities	<u>18,971,585</u>	<u>15,536,864</u>	<u>34,508,449</u>
DEFERRED INFLOWS OF RESOURCES			
2602 Deferred Inflow Related to Pension Plan	27,765	341	28,106
2603 Deferred Inflow Related to OPEB	111,870	19,741	131,611
2500 Total Deferred Inflows of Resources	<u>139,635</u>	<u>20,082</u>	<u>159,717</u>
NET POSITION			
3200 Net Investment in Capital Assets and Lease Assets	16,357,555	25,826,594	42,184,149
Restricted:			
3850 Restricted for Capital Projects	-	2,008,680	2,008,680
3860 Restricted for Debt Service	2,012,291	-	2,012,291
3870 Restricted for Economic Development	4,492,860	-	4,492,860
3880 Restricted for Special Purposes	2,602,115	-	2,602,115
3900 Unrestricted	9,081,030	4,693,752	13,774,782
3000 Total Net Position	<u>\$ 34,545,851</u>	<u>\$ 32,529,026</u>	<u>\$ 67,074,877</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ALAMO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Data Control Codes	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
100 General Government	\$ 6,656,386	\$ 1,477,682	\$ 427,887
200 Public Safety	5,802,935	1,247,821	1,423,634
300 Highway and Streets	923,439	197,024	-
500 Culture and Recreation	1,558,783	328,374	102,234
600 Economic Development	63,433	32,837	-
720 Interest on Debt	436,743	-	-
790 Debt Issuance Costs	66,881	-	-
Total Governmental Activities	15,508,600	3,283,738	1,953,755
BUSINESS-TYPE ACTIVITIES:			
701	4,381,643	5,653,068	-
Total Business-Type Activities	4,381,643	5,653,068	-
TOTAL PRIMARY GOVERNMENT	\$ 19,890,243	\$ 8,936,806	\$ 1,953,755

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes
Property Taxes, Levied for Debt Service
General Sales and Use Taxes
Franchise Tax
Other Taxes
Penalty and Interest on Taxes
Miscellaneous Revenue
Investment Earnings
Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (4,750,817)	\$ -	\$ (4,750,817)
(3,131,480)	-	(3,131,480)
(726,415)	-	(726,415)
(1,128,175)	-	(1,128,175)
(30,596)	-	(30,596)
(436,743)	-	(436,743)
(66,881)	-	(66,881)
<u>(10,271,107)</u>	<u>-</u>	<u>(10,271,107)</u>
-	1,271,425	1,271,425
-	1,271,425	1,271,425
<u>(10,271,107)</u>	<u>1,271,425</u>	<u>(8,999,682)</u>
4,585,183	-	4,585,183
518,531	-	518,531
6,251,795	-	6,251,795
722,523	-	722,523
58,468	-	58,468
91,108	-	91,108
1,243,215	195,197	1,438,412
798,078	-	798,078
991,186	(991,186)	-
<u>15,260,087</u>	<u>(795,989)</u>	<u>14,464,098</u>
4,988,980	475,436	5,464,416
<u>29,556,871</u>	<u>32,053,590</u>	<u>61,610,461</u>
<u>\$ 34,545,851</u>	<u>\$ 32,529,026</u>	<u>\$ 67,074,877</u>

THIS PAGE IS INTENTIONALLY BLANK

GOVERNMENTAL FUNDS

CITY OF ALAMO
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

Data Control Codes	General Fund	American Recovery Plan Act	Alamo Economic Development
ASSETS			
1010 Cash and Cash Equivalents	\$ 2,609,569	\$ 4,856,821	\$ 2,617,106
1030 Investments - Current	6,698,591	-	1,430,706
1050 Taxes Receivable	1,397,667	-	282,698
1051 Allowance for Uncollectible Taxes (credit)	(45,547)	-	-
1150 Accounts Receivable, Net	585,940	-	480,323
1260 Due from Other Governments	333,820	-	-
1300 Due from Other Funds	1,086,065	-	141,660
1430 Prepaid Items	-	-	20
1000 Total Assets	<u>\$ 12,666,105</u>	<u>\$ 4,856,821</u>	<u>\$ 4,952,513</u>
LIABILITIES			
2010 Accounts Payable	\$ 748,448	\$ -	\$ 5,761
2020 Wages and Salaries Payable	75,861	-	507
2080 Due to Other Funds	799,720	632,979	453,385
2230 Unearned Revenues	-	4,011,629	-
2270 Other Current Liabilities	789,259	-	-
2000 Total Liabilities	<u>2,413,288</u>	<u>4,644,608</u>	<u>459,653</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Property Taxes	409,920	-	-
2604 Fines	245,471	-	-
2600 Total Deferred Inflows of Resources	<u>655,391</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
3470 Special Projects	-	-	-
3480 Debt Service	-	-	-
3490 Economic Development and Tourism	-	-	4,492,860
3600 Unassigned Fund Balance	9,597,426	212,213	-
3000 Total Fund Balances	<u>9,597,426</u>	<u>212,213</u>	<u>4,492,860</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 12,666,105</u>	<u>\$ 4,856,821</u>	<u>\$ 4,952,513</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 2,161,524	\$ 12,245,020
1,655,552	9,784,849
72,711	1,753,076
(7,271)	(52,818)
354,130	1,420,393
648,022	981,842
452,275	1,680,000
-	20
<u>\$ 5,336,943</u>	<u>\$ 27,812,382</u>
\$ -	\$ 754,209
-	76,368
3,894	1,889,978
653,203	4,664,832
-	789,259
<u>657,097</u>	<u>8,174,646</u>
65,440	475,360
-	245,471
<u>65,440</u>	<u>720,831</u>
2,602,115	2,602,115
2,012,291	2,012,291
-	4,492,860
-	9,809,639
<u>4,614,406</u>	<u>18,916,905</u>
<u>\$ 5,336,943</u>	<u>\$ 27,812,382</u>

THIS PAGE IS INTENTIONALLY BLANK

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
As of September 30, 2023

Total Fund Balances - Governmental Funds		\$ 18,916,905
Amounts Reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds:		
1792 Capital Assets Not Being Depreciated		3,153,631
1791 Capital Assets Being Depreciated		39,792,482
1780 Accumulated Depreciation		(16,778,436)
Total Capital Assets, Net		26,167,677
Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds.		
1991 Deferred Charge for Refunding		134,422
2030 Compensated Absences Payable		(382,330)
2560 Unamortized Premiums (Discounts) on Bonds		(918,778)
2501 Debt Service - Due Within One Year		(1,198,989)
2502 Debt Service - Due in More Than One Year		(8,611,133)
Total Long-Term Liabilities		(10,976,808)
Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.		
2601 Deferred Resource Inflow - Property Taxes		475,360
2604 Deferred Resource Inflow - Fines		245,471
Total deferred inflows of resources		720,831
Interest on long-term debt is not accrued in the governmental funds, but is recognized as an expenditure in the funds.		
2140 Accrued Interest Payable		(48,527)
Total Accrued Interest		(48,527)
Included in the noncurrent liabilities is the recognition of the City's net pension liability required by GASB Statement No. 68, a deferred deferred resource outflow, and a deferred inflow. This resulted in a increase in net position.		
2580 Net Pension Liability		(1,306,116)
2602 Deferred Inflow Related to Pension Plan		(27,765)
1997 Deferred Outflow Related to Pension Plan		1,401,433
		67,552
Included in the noncurrent liabilities is the recognition of the City's OPEB liability required by GASB Statement No. 75, a deferred resource outflow, and a deferred inflow. This resulted in a decrease in net position.		
2585 Net OPEB Liability		(221,044)
2603 Deferred Inflow Related to OPEB		(111,870)
1998 Deferred Outflow Related to OPEB		31,135
		(301,779)
Net position of governmental activities		\$ 34,545,851

CITY OF ALAMO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Data Control Codes	General Fund	American Recovery Plan Act	Alamo Economic Development
REVENUES:			
Taxes:			
5110 Property Taxes	\$ 4,495,339	\$ -	\$ -
5120 General Sales and Use Taxes	4,688,846	-	1,562,949
5170 Franchise Tax	722,523	-	-
5180 Other Taxes	13,537	-	-
5190 Penalty and Interest on Taxes	84,017	-	-
5200 Licenses and Permits	246,498	-	-
5300 Intergovernmental Revenue and Grants	1,192,507	632,979	-
5400 Charges for Services	3,283,738	-	-
5510 Fines	260,316	-	-
5610 Investment Earnings	270,564	199,419	173,383
5620 Rents and Royalties	36,120	-	3,575
5700 Other Revenue	312,093	-	84
5020 Total Revenues	<u>15,606,098</u>	<u>832,398</u>	<u>1,739,991</u>
EXPENDITURES:			
Current:			
0100 General Government	5,312,291	632,979	308,897
0200 Public Safety	5,451,077	-	-
0300 Highway and Streets	867,564	-	-
0500 Culture and Recreation	1,464,465	-	-
0600 Economic Development	-	-	26,720
Debt Service:			
0710 Principal on Debt	31,932	-	25,807
0720 Interest on Debt	88,845	-	5,040
0790 Other Debt Service	-	-	-
Capital Outlay:			
0800 Capital Outlay	3,117,525	-	-
6030 Total Expenditures	<u>16,333,699</u>	<u>632,979</u>	<u>366,464</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(727,601)</u>	<u>199,419</u>	<u>1,373,527</u>
OTHER FINANCING SOURCES (USES):			
7911 Issuance of Bonds	-	-	-
7915 Transfers In	2,012,770	-	-
8911 Transfers Out	(222,897)	-	(786,825)
7080 Total Other Financing Sources (Uses)	<u>1,789,873</u>	<u>-</u>	<u>(786,825)</u>
1200 Net Change in Fund Balances	1,062,272	199,419	586,702
0100 Fund Balance - October 1 (Beginning)	<u>8,535,154</u>	<u>12,794</u>	<u>3,906,158</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 9,597,426</u>	<u>\$ 212,213</u>	<u>\$ 4,492,860</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 512,845	\$ 5,008,184
-	6,251,795
-	722,523
44,931	58,468
7,091	91,108
-	246,498
128,269	1,953,755
-	3,283,738
-	260,316
154,711	798,077
-	39,695
384,530	696,707
<u>1,232,377</u>	<u>19,410,864</u>
163,887	6,418,054
737	5,451,814
-	867,564
-	1,464,465
32,875	59,595
1,080,000	1,137,739
294,331	388,216
66,881	66,881
<u>236,505</u>	<u>3,354,030</u>
<u>1,875,216</u>	<u>19,208,358</u>
<u>(642,839)</u>	<u>202,506</u>
1,675,000	1,675,000
1,588,138	3,600,908
<u>(1,600,000)</u>	<u>(2,609,722)</u>
<u>1,663,138</u>	<u>2,666,186</u>
1,020,299	2,868,692
<u>3,594,107</u>	<u>16,048,213</u>
<u>\$ 4,614,406</u>	<u>\$ 18,916,905</u>

THIS PAGE IS INTENTIONALLY BLANK

CITY OF ALAMO

Exhibit C - 4

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net Change in fund balance - governmental funds	\$ 2,868,692
Amounts reported in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense.	
Additions to capital assets	3,354,029
Depreciation on capital assets	(1,055,311)
	2,298,718
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repayment	1,137,739
Bond Proceeds	(1,675,000)
Compensated absences	(14,537)
	(551,798)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Amortization of Premium	87,510
Deferred Charge for Refunding	(14,562)
Accrued Interest Payable	(48,527)
	24,421
Because some property taxes, and accounts receivable will not be collected for several months after the city's fiscal year end, that are not considered "available" revenues in the governmental funds. This represents the change in unavailable revenue from the prior year.	
Property Taxes	63,689
Fines	(9,034)
	54,655
Included in the noncurrent liabilities is the recognition of the City's net pension liability required by GASB Statement No. 68, a deferred resource outflow, and a deferred inflow. This net change resulted in an increase in net position.	
Net Pension Liability	(1,633,342)
Deferred Inflow Related to Pension Plan	830,234
Deferred Outflow Related to Pension Plan	1,135,326
	332,218
Included in the noncurrent liabilities is the recognition of the City's net pension liability required by GASB Statement No. 68, a deferred resource outflow, and a deferred inflow. This net change resulted in a decrease in net position.	
Net OPEB Liability	92,554
Deferred Inflow Related to OPEB	(83,364)
Deferred Outflow Related to OPEB	(47,116)
	(37,926)
Change in Net Position of Governmental Activities	\$ 4,988,980

THIS PAGE IS INTENTIONALLY BLANK

PROPRIETARY FUNDS

CITY OF ALAMO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business Type Activities
	Water and Sewer
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,955,961
Restricted Cash	2,008,680
Investments - Current	1,625,699
Accounts Receivable, Net	476,590
Due from Other Funds	482,958
Prepaid Items	120,000
Total Current Assets	<u>7,669,888</u>
Noncurrent Assets:	
Capital Assets:	
Capital Assets, Being Depreciated	25,920,308
Capital Assets, Not Being Depreciated, net	<u>14,352,693</u>
Total Noncurrent Assets	<u>40,273,001</u>
Total Assets	<u>47,942,889</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	245,160
Deferred Outflow Related to OPEB	5,495
Unamortized Discount on Bonds	<u>165,408</u>
Total Deferred Outflows of Resources	<u>416,063</u>
LIABILITIES	
Current Liabilities:	
Wages and Salaries Payable	18,464
Compensated Absences Payable	63,197
Due to Other Funds	272,980
Accrued Interest Payable	17,447
Customer Deposits	628,059
Other Current Liabilities	91,390
Total Current Liabilities	<u>1,091,537</u>
Noncurrent Liabilities:	
Debt Due Within One Year	479,763
Debt Due After One Year	13,966,644
Net Pension Liability	230,487
Net OPEB Liability	41,413
Total Noncurrent Liabilities	<u>14,718,307</u>
Total Liabilities	<u>15,809,844</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	341
Deferred Inflow Related to OPEB	<u>19,741</u>
Total Deferred Inflows of Resources	<u>20,082</u>
NET POSITION	
Net Investment in Capital Assets and Lease Assets	25,826,594
Restricted for Capital Projects	2,008,680
Unrestricted	4,693,752
Total Net Position	<u>\$ 32,529,026</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ALAMO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT D-2

	Business-Type Activities
	Water and Sewer
OPERATING REVENUES:	
Charges for Services	\$ 5,653,068
Investment Earnings	173,834
Other Revenue	21,363
Total Operating Revenues	5,848,265
OPERATING EXPENSES:	
Personnel Services - Salaries and Wages	1,050,658
Personnel Services - Employee Benefits	330,423
Purchased Professional & Technical Services	48,998
Other Operating Costs	1,314,813
Supplies	285,813
Depreciation	1,036,443
Debt Service	314,495
Total Operating Expenses	4,381,643
Income Before Transfers	1,466,622
Transfers Out	(991,186)
Change in Net Position	475,436
Total Net Position - October 1 (Beginning)	32,053,590
Total Net Position - September 30 (Ending)	\$ 32,529,026

The notes to the financial statements are an integral part of this statement.

CITY OF ALAMO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
As of September 30, 2023

Exhibit D - 3

<hr/>	
Cash Flows from Operating Activities:	
Cash Received from User Charges	\$ 5,672,254
Cash Payments to Employees for Services	(1,391,886)
Cash Payments for Suppliers	(1,672,440)
Net Cash Provided by Operating Activities	<hr/> 2,607,928
<hr/>	
Cash Flows from Non-Capital Financing Activities:	
Decrease from Due To and Due From	(86,595)
Operating Transfer In(Out)	(991,186)
Net Cash Provided by Non-Capital Financing Activities	<hr/> (1,077,781)
<hr/>	
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(1,052,428)
Reduction of Debt	(457,604)
Interest Paid on Long-Term Debt	(314,495)
Net Cash Provided by (Used for) Capital Related Financing Activities	<hr/> (1,824,527)
<hr/>	
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	173,834
Redemption of Investment	(101,828)
Net Increase in Cash and Cash Equivalents	<hr/> (120,546)
Cash and Cash Equivalents at Beginning of Year	\$ 5,085,187
Cash and Cash Equivalents at End of Year	<hr/> <hr/> \$ 4,964,641
<hr/>	
Reconciliation of Operating Income of Net Cash Provided By Operating Activities:	
Operating Income	\$ 1,607,283
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	1,036,443
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (Increase) in Receivables	20,937
Decrease (Increase) in Prepaid Items	(42,618)
Increase(Decrease) in Wages and Benefits Payable	10,805
Increase(Decrease) in Other Current Liabilities	71,531
Increase(Decrease) in Customer Deposits	41,563
Amortization of Deferred Charge on Refunding	7,281
Change in Deferred Pension Inflow	(136,360)
Change in Deferred Pension Outflow	(231,886)
Change in Net Pension Liability	222,949
Net Cash Provided by Operating Activities	<hr/> <hr/> \$ 2,607,928

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The City of Alamo, Texas (City) was incorporated as a general law city in 1924. The charter established a City Manager form of government. The municipal government provided by the Charter of the City of Alamo shall be known as the Board of Commissioners. The Board of Commissioners shall consist of a Mayor and five Commissioners which shall enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who is held responsible to the Board of Commissioners for the execution of the laws and the administration of the government of the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-body for establishing governmental accounting and financial reporting principles. The more significant accounting policies used by the City are described below.

A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Alamo, Texas and its component units, entities for which the City is considered to be financially accountable. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The criteria for including organizations as component units with the City's reporting entity as set forth in Section 2100 of GASB's codification of Governmental 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 potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

Blended Component Unit – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same of substantially the same as the City Commission or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

Note 1 - Summary of Significant Accounting Policies - Continued

The City has one blended component unit, the Alamo Economic Development Corporation (AEDC).

Alamo Economic Development Corporation – (AEDC) is a nonprofit industrial development corporation organized for the purpose of promoting, assisting and enhancing economic development activities for the City as provided by the Development Corporation Act of 1979. Sales Taxes are collected under Section 4B of the Development Corporation Act of 1979 for these purposes. AEDC was incorporated on January 8, 1999. The AEDC board is fully appointed by the City Board of Commissioners. The reason it is a blended component unit is, because the City appoints all AEDC board members and can remove them at will, the AEDC board is substantially the same as the City governing body. A copy of their annual financial report can be requested and obtained in the office of the City of Alamo.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Separate financial statements are provided for Governmental Funds and Proprietary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Note 1 - Summary of Significant Accounting Policies - Continued

The City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate self-balancing set of accounts for its assets, other debits, liabilities, other credits, equity, revenue and expenditures or expenses, as appropriate.

Governmental Funds – Government resources are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

Enterprise Funds – account for operations (1) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that 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 (2) 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.

Note 1 - Summary of Significant Accounting Policies - Continued

Major Governmental Funds

The City reports the following major Governmental Funds:

The General Fund— the City’s primary operating fund. It accounts for all the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The debt service fund is reported as a major fund.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to expenditure for specified purposes. The American Rescue Plan fund is reported as a major fund.

Major Proprietary Funds

The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City and some residents outside of the city.

Other Fund Types

Additionally, the City reports internal service funds which are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis. These services include fleet management. These are proprietary funds that are reported with governmental activities in the government-wide financial statements because the majority of activity is for governmental activities.

Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are reimbursements are treated as reduction of expenses.

E. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Water and Sewer (Utility) Fund. The Capital Projects Funds adopt project – length budgets. Formal budgetary integration is employed as a management control device during the year for the General and Debt Service, as well as for the Water and Sewer (Utility) Fund. The American Rescue Plan fund, a major special revenue fund, did not have the City Commission accepted the funds by resolution, but no budgetary action was taken to the timing of the receipt of the funds.

Note 1 - Summary of Significant Accounting Policies - Continued

Unused appropriations of the above annual budgets lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Budgetary data for Capital Project Funds is budgeted over the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements. Revisions that alter total expenditures within a department must be approved by the City Commission. Therefore, legal level of budgetary responsibility is at the departmental level.

City Management establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year. City Management submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating fund includes proposed expenditures and the means of financing them. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is adopted by the City Commission

Expenditures may not legally exceed budgeted appropriations at the department level. During the year, several supplementary appropriations were necessary.

F. Compliance and Accountability

Finance-Related Legal and Contractual Provisions

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

The City did not complete its audit of the financial statements within 120 days after year-end as required by its bond covenants.

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

i. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Note 1 - Summary of Significant Accounting Policies – Continued

Cash in all funds, including restricted cash, is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash is available upon demand and is considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

Negative balances incurred in pooled cash at year-end are treated as inter-fund receivables of the General Fund and interfund payables of the deficit fund.

ii. Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer deposit accounts - Deposited in non-interest-bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and capital activities – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or future capital activities.

iii. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the TexPool public fund investment pool (Pool). The Pool meets all the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

iv. Receivables and Payables

Unbilled receivables – An amount for unbilled revenue is recorded in the Water and Sewer (Utility Fund) for services rendered but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to the fiscal year end and prorated for usage in September.

Allowance for doubtful accounts - Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 365 days are subject to being considered as uncollectible.

Note 1 - Summary of Significant Accounting Policies – Continued

v. *Inventories*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

vi. *Interfund Activities and Transactions*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

vii. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are reflected at their acquisition value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Gains or losses on dispositions of capital assets are included in income within the proprietary fund financial statements and in the governmental activities and business-type activities columns of the government-wide financial statements. In the governmental fund financial statements, only the proceeds from the disposition are reported.

Note 1 - Summary of Significant Accounting Policies – Continued

Within the proprietary fund, interest cost, less interest earned on investments acquired with proceeds of related borrowing, is capitalized during the construction of capital projects when material. Interest expense is not capitalized on capital assets. Depreciation of capital assets used by proprietary funds, including those acquired by contributed capital, is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements. Depreciation of capital assets used by funds categorized as governmental activities is not provided in the fund financial statements, however, is included in the gross expense by function in the government-wide statement of activities. Capital assets, net of accumulated depreciation, are reported on proprietary fund balance sheets and in both the governmental activities and business-type activities column of the government-wide statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Improvements	10 - 25 years
Buildings	25 years
Furniture and Equipment	3 - 10 years
Infrastructure	15 - 40 years
Water and Sewer System	15 - 40 years

The right-to-use lease asset capitalization level is determined by the Board. The term of the lease must be the noncancelable period during which the District has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. As of September 30, 2023, the City's right-of-use assets are recognized in the financial statements.

viii. 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. The City has four (4) items that qualify for reporting as deferred outflows of resources, the *Unamortized Discounts on the issuance of long-term debt*, *deferred amount on refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*, each reported in the government-wide and proprietary funds statements of net position.

Note 1 - Summary of Significant Accounting Policies – Continued

The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the debt instruments exceeds their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions and OPEB are an aggregate of items related to pensions and other post-employment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the net pension liability or OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (3) items that qualify for reporting as deferred inflows of resources. The *Unamortized Premium on the issuance of long-term debt*, *deferred inflows related to pensions and OPEB* are an aggregate of items related to pensions and other postemployment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

ix. *Compensated Absences*

Accumulated unpaid compensated absences are accrued when incurred in proprietary funds. The liability for governmental funds is recorded only in the governmental activities' column of the government-wide financial statements. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in long-term debt. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Note 1 - Summary of Significant Accounting Policies – Continued

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no accrual is recorded for compensated absences that are dependent on the performance of future services by employees or when payments are dependent on future events outside the control of the employer and employees. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

x. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether withheld from debt proceeds, are reported as debt service expenditures.

xi. *Pensions*

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City’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. Information regarding the City’s Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Note 1 - Summary of Significant Accounting Policies – Continued

xii. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This measure is used for purposes of measuring the total OPEB liability, deferred outflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the applicable OPEB's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Information regarding the City's total OPEB liability related to the TMRS Supplemental Death Benefit is obtained from TMRS through a report prepared by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

xiii. Categories and Classification of Fund Equity

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

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

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

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Non-spendable fund balance – Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Note 1 - Summary of Significant Accounting Policies - Continued

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are 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.

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

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing commission has by resolution authorized the City Manager and the Finance Director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

xiv. Revenues and Expenditures/Expenses

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

Property taxes – Property taxes attach as an enforceable lien on property as of January 1st. Property taxes are levied as of October 1st. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1st or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

Note 1 - Summary of Significant Accounting Policies – Continued

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Water and Sewer (Utility) Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

xv. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

xvi. *Recently Issued and Implemented Accounting Pronouncements*

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. This Statement has been implemented by the city as reflected in the financial statements as of September 30, 2023.
- GASB Statement No. 91, *Conduit Debt Obligations* – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Note 1 - Summary of Significant Accounting Policies – Continued

The Governmental Accounting Standards Board has issued statement that will become effective in future years. These statements are as follows:

- GASB Statement No. 101, *Compensated Absences* – This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Note 2 – Detail Notes on all Funds

A. Deposits and Investments

City's funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public Funds of the Government Code 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 dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

As of September 30, 2023, the carrying amount of the City's deposits was \$15,200,981. In addition, the City has \$2,008,680 held in restricted escrow accounts.

The City has two depository Institutions: Freedom Bank.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk.

Note 2 – Detail Notes on all Funds

A. Deposits and Investments

As of September 30, 2023, the City's bank balance of \$15,421,694 was not exposed to custodial credit risk and was fully insured and fully collateralized by \$250,000 FDIC insurance.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City 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. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

State law and the City's Investment Policy restrict depository time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks) doing business in Texas. By policy, depository CDs are limited to maturities not exceeding two (2) years and require collateralization to 102% with pledged securities (and 110% if collateral is a mortgage-backed security). All collateral is to be held by an independent custodian. The pledging bank is contractually responsible for monitoring and maintaining the collateral margins daily. Brokered CD securities must be FDIC insured and delivered versus payment to the City's depository. The maximum maturity for brokered CDs is one year and FDIC insurance must be verified before purchase. The policy requires that FDIC status of the brokered CD banks be monitored weekly and any mergers exposing the City to non-FDIC coverage requires immediate liquidation.

State law and the City's adopted Investment Policy limit repurchase agreements to primary dealers or banks doing business in Texas. The policy requires independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three (3) years executed under a Master Repurchase Agreement.

Note 2 – Detail Notes on all Funds – Continued

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

A. Deposits and Investments

As of September 30, 2023, the City held the following fair value measurements:

Interest Rate Risk

The investment policy states that no investment shall exceed two years in maturity. By limiting the exposure of its investments by less than two years as reflected in the above schedule, the City reduces its risks to the rising interest rates.

Credit Risk

As of September 30, 2023, the investments in Texas CLASS external investment pool were rated AAAM by Moody's Investor Service and Standards and Poor's. The City's investment policy limits authorized investments to certificates of deposits, U.S. Treasuries and federal government agencies, direct obligations of the State of Texas or its agencies, certain fully collateralized direct repurchase agreements, commercial paper – 270-day limit, or any investment allowed under the Public Funds Investment Act with prior approval of the City Commission.

Custodial Credit Risk

Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits and investments are uncollateralized, collateralize 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. At year end, the City was not exposed to custodial credit risk.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act.

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.

Note 2 – Detail Notes on all Funds – Continued

Public Funds Investment Pools

Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”) is an investment pool (local government investment pool) for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. Texas CLASS reports its financial statements in accordance with Financial Accounting Standards Board (FASB) and follows ASC 820 “Fair Value Measurement and Disclosure Requirements” in reporting its investments. For pricing and redeeming shares, Texas CLASS maintains a stable net asset value (NAV) of \$1 per share using the fair value method.

A. Deposits and Investments

For financial reporting purposes, the City and component units reported amounts for investment pools of \$9,979,842 and \$1,430,706 respectively, in cash and cash equivalents on the Statement of Net Position as of September 30, 2023. There were no unfunded commitments as of September 30, 2023, and amounts reported in the investment pool had a daily redemption frequency and do not require prior notice for redemption.

The City’s Investments as September 30, 2023, are shown below:

Reported At Market Value	Description	Reported Amount	Weighted Average Maturity (days)	Standard & Poor's Rating	Concentration of Credit Risk
	TexPool Investment Fund	\$11,410,548	37	AAA-m	0.00%

A reconciliation of cash and investments is as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	\$ 12,245,020	\$ 2,955,961	\$ 15,200,981
Restricted cash	-	2,008,680	2,008,680
Money Market	9,784,849	1,625,699	11,410,548
	<u>\$ 22,029,869</u>	<u>\$ 6,590,341</u>	<u>\$ 28,620,209</u>

Note 2 – Detail Notes on all Funds

B. Disaggregation of Receivables

The City’s receivables as of September 30, 2023, are summarized by the following table:

Description	Primary Government				
	Governmental Funds				Business-type
	General Fund	Alamo EDC	Non-Major Funds	Total	Utility Fund
Property taxes	\$ 455,467	\$ -	\$ 72,711	\$ 528,178	\$ -
Sales taxes	867,312	282,698	-	1,150,010	-
Fines Receivable	490,943	-	-	490,943	-
Utility	302,185	-	-	302,185	746,100
Due from State	333,820	-	-	333,820	-
Due from County	-	-	648,022	648,022	-
Other Receivables	113,173	480,323	354,130	947,626	-
Gross Receivables	2,562,899	763,021	1,074,863	4,400,783	746,100
Less: Allowance for Uncollectible	(291,018)	-	(7,271)	(298,289)	(269,510)
Receivables, Net	\$ 2,271,881	\$ 763,021	\$ 1,067,592	\$ 4,102,494	\$ 476,590

The City’s receivables as of September 30, 2023, for non-major funds are broken down as summarized by the following table:

Description	Debt Service Fund	TIRZ Fund	Hotel/Motel Fund	Urban County	Total
Property Taxes	\$ 72,711	\$ -	\$ -	\$ 648,022	\$ 720,733
Due from County	-	209,841	-	-	209,841
Other Receivables	-	-	144,289	-	144,289
Gross Receivables	72,711	209,841	144,289	648,022	1,074,863
Less: Allowance for Uncollectible	(7,271)	-	-	-	(7,271)
Receivables, Net	\$ 65,440	\$ 209,841	\$ 144,289	\$ 648,022	\$ 1,067,592

Property tax revenues are recognized when they become available in the fund statements. Available includes those property tax receivables expected to be collected within sixty days after year end.

Note 2 – Detail Notes on all Funds

C. Disaggregation of Other Liabilities

The City’s payables as of September 30, 2023, are summarized by the following table:

Description	Primary Government			
	Governmental Funds		Business-type	
	General Fund	Alamo EDC	Utility Fund	Total Payables
Accounts Payable	\$ 117,283	\$ 5,762	\$ 18,460	\$ 141,505
Wages and Salaries Payable	74,279	507	-	74,786
Accrued Interest	-	-	17,447	17,447
Other Current Liabilities	789,259	-	91,390	880,649
Total Payables	\$ 980,821	\$ 6,269	\$ 127,297	\$ 1,114,387

Note 2 – Detail Notes on all Funds - Continued

D. Interfund Receivables and Transfers

Inter-fund balances as of September 30, 2023, consisted of the following individual fund receivables and payables:

Description	Due From Other Funds	Due To Other Funds
General Fund:		
Water and Sewer Fund	\$ 272,980	\$ 19,694
ARPA	169,715	-
AEDC	46	141,660
Asset Forfeiture	2,895	-
Hotel/Motel Fund	999	2,275
Total General Fund	446,634	163,629
ARPA		
General Fund	-	169,715
Water and Sewer Fund	-	463,264
Total ARPA	-	632,979
Hotel/Motel Fund		
General Fund	2,275	999
Total Hotel/Motel Fund	2,275	999
TIRZ		
AEDC	450,000	-
Total TIRZ	450,000	-
Asset Forfeiture		
General Fund	-	2,895
Total Asset Forfeiture	-	2,895
AEDC		
General Fund	141,660	46
TIRZ	-	450,000
Total AEDC	141,660	450,046
Water and Sewer Fund		
General Fund	19,694	272,980
ARPA	463,264	-
Total Water and Sewer Fund	482,958	272,980
Total Interfund Receivables	\$ 1,523,528	\$ 1,523,528

Note 2 – Detail Notes on all Funds - Continued

E. Interfund Receivables and Transfers

The City reports interfund transfers between many of its funds. Interfund transfers for the year ended September 30, 2023, consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
Water and Sewer Fund	\$ 350,000	\$ -
TIRZ	-	222,897
AEDC	62,770	-
Debt Service	1,600,000	-
Total General Fund	<u>2,012,770</u>	<u>222,897</u>
Debt Service:		
AEDC	274,055	-
General Fund	-	1,600,000
Water and Sewer Fund	641,186	-
Total Debt Service	<u>915,241</u>	<u>1,600,000</u>
TIRZ:		
General Fund	222,897	-
AEDC	450,000	-
Total TIRZ	<u>672,897</u>	<u>-</u>
ARPA:		
Water and Sewer Fund	-	463,264
Total ARPA	<u>-</u>	<u>463,264</u>
AEDC:		
General Fund	-	40,000
Debt Service	-	296,825
TIRZ	-	450,000
Total AEDC	<u>-</u>	<u>786,825</u>
Water and Sewer Fund		
General Fund	-	350,000
ARPA Fund	463,264	-
Debt Service Fund	-	641,186
Total Water & Sewer Fund	<u>463,264</u>	<u>991,186</u>
Total Interfund Transfers	<u>\$ 4,064,173</u>	<u>\$ 4,064,173</u>

City of Alamo, Texas
Notes to the Basic Financial Statements

Note 2 – Detail Notes on all Funds - Continued

F. Notes Receivable – AEDC Blended Component Unit

In an effort to provide local economic development and stimulate business and commercial activity within the City of Alamo the Alamo Economic Development Corporation has accepted notes from various businesses. These notes provide assistance to small emerging private business in the City of Alamo. These notes are funded from a \$750,000 Intermediary Relending Loan from USDA. The balance in notes receivables as of September 30, 2023, is \$480,323.

<u>IRP Notes Receivable</u>	Balance 9/30/2022	Additions	Retirements	Balance 9/30/2023
The Original Willies's Inc. \$140,000 loan on May 19, 2016, at 5.00% interest with maturity on August 1, 2026	\$ 61,362	\$ -	\$ 14,768	\$ 46,594
ANAB Services \$75,000 Loan on March 25, 2021 at 4.00% interest with maturity on March 25, 2024	38,622	-	25,489	13,133
Landmark on Tower, LLC \$187,000 Loan on August 10, 2021, at 4.00% interest with maturity on January 10, 2032	172,241	-	172,241	-
Melina Lerma \$150,000 Loan on October 14, 2021, at 4.00% interest with maturity October 14, 2031	145,254	-	13,347	131,907
Little Bright Minds Academy, LLC Loan on December 21, 2021, for the amount of \$150,000 at an interest rate of 4.00% maturing on December 21, 2032	-	150,000	8,245	141,755
Good Times Screen Printing, LLC on June 8, 2023, for the amount of \$150,000 at an interest rate of 4.00% maturing on June 8, 2033	-	150,000	3,066	146,934
Total IRP Notes Receivable	417,479	300,000	237,156	480,323
<u>RBEG Notes Receivable</u>				
S & G Auto Sales, LLC \$5,000 loan on September 9 2020 at 5.00% interest with maturity on March 1, 2023	1,298	-	1,298	-
Total RBEG Notes Receivable	1,298	-	1,298	-
Total Notes Receivable	\$ 418,777	\$ 300,000	\$ 238,454	\$ 480,323

Note 2 – Detail Notes on all Funds - Continued

G. Deferred Inflows and Unearned Revenues

Governmental funds defer revenue recognition with resources that have been received, but not yet earned. As of September 30, 2023, the various components of deferred revenue and unearned revenue reported in the fund financials statements were summarized by the following table:

1. Deferred Inflows of Resources

Description	General Fund	Debt Service Fund	Total
Property Taxes	\$ 409,920	\$ 65,440	\$ 475,360
Court Fines	245,471	-	245,471
Total Deferred Inflows of Resources	\$ 655,391	\$ 65,440	\$ 720,831

2. Unearned Revenues

Description	Urban County	ARPA	Asset Forfeiture	Total
Intergovernmental Grants	\$ 648,022	\$ 4,011,629	\$ -	\$ 4,659,651
Asset Forfeiture	-	-	5,181	5,181
Total Unearned Revenues	\$ 648,022	\$ 4,011,629	\$ 5,181	\$ 4,664,831

Note 2 – Detail Notes on all Funds - Continued

H. Capital Assets

Capital asset activity for the year ended September 30, 2023, is summarized by the following table:

	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 9/30/2023</u>
Governmental Activities				
Capital assets, not being depreciated				
Land and right of way	\$ 1,731,590	\$ -	\$ -	\$ 1,731,590
Construction in Progress	280,066	1,141,975	-	1,422,041
Total capital assets, not being depreciated	2,011,656	1,141,975	-	3,153,631
Capital assets, being depreciated				
Buildings and Improvements	13,168,533	150,152	-	13,318,685
Vehicles	4,113,351	936,255	-	5,049,606
Machinery and Equipment	3,498,549	987,238	-	4,485,787
Infrastructure	16,800,369	138,035	-	16,938,404
Total capital assets, being depreciated	37,580,802	2,211,680	-	39,792,482
Less: accumulated depreciation for	(15,723,124)	(1,055,311)	-	(16,778,435)
Total capital assets, being depreciated, net	21,857,678	1,156,369	-	23,014,047
Governmental activities, capital assets, net	<u>\$ 23,869,334</u>	<u>\$ 2,298,344</u>	<u>\$ -</u>	<u>\$ 26,167,678</u>
Business-type Activities				
Capital assets, not being depreciated				
Land and right of way	\$ 2,943,078	\$ -	\$ -	\$ 2,943,078
Construction in Progress	14,904,851	974,884	(4,470,121)	11,409,614
Total capital assets, not being depreciated	17,847,929	974,884	(4,470,121)	14,352,692
Capital assets, being depreciated				
Building and Improvements	4,838,176	-	-	4,838,176
Vehicles	293,844	-	-	293,844
Machinery and Equipment	2,067,735	4,569,014	-	6,636,749
Infrastructure	26,221,471	-	-	26,221,471
Total capital assets, being depreciated	33,421,227	4,569,014	-	37,990,241
Less: accumulated depreciation	(11,033,491)	(1,057,510)	21,068	(12,069,933)
Total capital assets, being depreciated, net	22,387,736	3,511,504	21,068	25,920,308
Business-type activities, capital assets, net	<u>40,235,665</u>	<u>4,486,388</u>	<u>(4,449,053)</u>	<u>40,273,000</u>
Total capital assets, net	<u>\$ 64,104,998</u>	<u>\$ 6,784,732</u>	<u>\$ (4,449,053)</u>	<u>\$ 66,440,678</u>

Note 2 – Detail Notes on all Funds – Continued

D. Capital Assets - Continued

For the year ended September 30, 2023, depreciation expense was charged to governmental and business-type activities functions of the primary government as follows:

<u>Governmental Activities:</u>	<u>Amount</u>
General Government	\$ 475,087
Public Safety	403,563
Highway & Streets	64,220
Culture & Recreation	108,405
Economic Development	4,036
Total Depreciation - Governmental	<u>\$ 1,055,311</u>

<u>Business-type Activities:</u>	<u>Amount</u>
Water/Sewer	\$ 1,057,510
Total Depreciation - Business-type	<u>\$ 1,057,510</u>

E. Long-Term Liabilities

General Obligation Bonds

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Certificates of obligation have been issued for general government activities as well as business-type (proprietary) activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the City.

Governmental Activities

The City issued \$4,495,000 in Texas General Obligation Refunding Bonds- Series 2021 to provide resources to cover the costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The aggregate difference between the refunding debt and refunded debt is \$134,422 as of September 30, 2023.

City of Alamo, Texas
Notes to the Basic Financial Statements

Note 2 – Detail Notes on all Funds – Continued

E. Long-Term Liabilities

The City’s total long-term debt obligations for governmental activities as of September 30, 2023 are summarized by the following table:

Governmental Activities	Interest Rate Payable	Amounts Original Issue	Maturity Date	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds Payable								
Bond Series 2019	3.00% - 4.00%	\$ 5,590,000	2/15/2040	\$ 4,185,000	\$ -	\$ (470,000)	\$ 3,715,000	\$ 495,000
Bond Series 2021	3.00% - 4.00%	4,495,000	2/15/2032	4,495,000	-	(610,000)	3,885,000	640,000
Bond Series 2023	4.00% - 5.00%	1,675,000	7/20/2023	-	1,675,000	-	1,675,000	5,000
Notes Payable								
USDA Intermediary Relending Loan	1.00%	750,000	11/15/2040	528,005	-	(25,807)	502,198	26,065
Leases Payable								
Police Vehicles	3.62%	155,000	7/1/2024	64,856	-	(31,932)	32,924	32,924
Total Bonds, Notes, and Leases Payable				9,272,861	1,675,000	(1,137,739)	9,810,122	1,198,989
Compensated Absences			2030	367,793	14,537		382,330	-
Amortization of Bond Premiums				1,006,288	-	(87,510)	918,778	87,510
Total Long-Term Obligations				\$ 10,646,942	\$ 1,689,537	\$ (1,225,249)	\$ 11,111,230	\$ 1,286,499

The annual debt service requirements to maturity for governmental and activities long-term debt obligations are as follows:

Fiscal Years Ending September 30,	Bonds Payable Requirements		
	Principal	Interest	Total
2024	\$ 1,115,000	\$ 343,567	\$ 1,458,567
2025	1,175,000	295,279	1,470,279
2026	1,255,000	246,536	1,501,536
2027	1,020,000	200,763	1,220,763
2028	1,070,000	160,278	1,230,278
Thereafter	3,640,000	249,856	3,889,856
Total	\$ 9,275,000	\$ 1,496,279	\$ 10,771,279

Loan Payable

Alamo Economic Development Corporation \$750,000 USDA Intermediary Relending Loan which will be for a term of 30 years and will be amortized at the rate of 1% interest, created November 15, 2010, principal payments were deferred for a period of 2 years. The annual debt service requirements to maturity for the loan payable outstanding is as follows:

Fiscal Years Ending September 30,	Loans Payable Requirements		
	Principal	Interest	Total
2024	\$ 26,065	\$ 4,783	\$ 30,848
2025	26,325	4,523	30,848
2026	26,588	4,259	30,847
2027	26,854	3,993	30,847
2028	27,042	3,713	30,755
Thereafter	369,323	24,656	393,979
Total	\$ 502,198	\$ 45,927	\$ 548,125

Note 2 – Detail Notes on all Funds – Continued

E. Long-Term Liabilities – Continued

Capital Leases

The annual debt service requirements to maturity for the leases payable outstanding is as follows:

Fiscal Years Ending September 30,	Leases Payable Requirements		
	Principal	Interest	Total
2024	\$ 32,924	\$ 762	\$ 33,686
Total	\$ 32,924	\$ 762	\$ 33,686

Business-Type Activities

The City’s long-term debt obligations for business-type activities are as follows:

Business-type Activities	Interest Rate Payable	Amounts Original Issue	Maturity Date	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds Payable								
Bond Series 2017	.12% - 2.87%	\$ 1,000,000	3/1/2037	\$ 775,000	\$ -	\$ (45,000)	\$ 730,000	\$ 45,000
Bond Series 2018	.73% - 2.19%	10,335,000	3/1/2047	9,915,000	-	(220,000)	9,695,000	230,000
Leases Payable								
Smart Meters	2.02%	4,470,386	10/1/2036	4,214,011		(192,604)	4,021,407	204,763
Total Bonds and Leases Payable				14,904,011	-	(457,604)	14,446,407	479,763
Compensated Absences				57,197	6,000	-	63,197	-
Total Long-Term Obligations				\$ 14,961,208	\$ 6,000	\$ (457,604)	\$ 14,509,604	\$ 479,763

The annual debt service requirements to maturity for business-type long-term debt obligations are as follows:

Fiscal Years Ending September 30,	Bonds Payable Requirements		
	Principal	Interest	Total
2024	\$ 275,000	\$ 207,401	\$ 482,401
2025	280,000	203,671	483,671
2026	290,000	199,439	489,439
2027	305,000	194,666	499,666
2028	410,000	188,654	598,654
Thereafter	8,865,000	1,867,515	10,732,515
Total	\$ 10,425,000	\$ 2,861,346	\$ 13,286,346

Note 2 – Detail Notes on all Funds – Continued

E. Long-Term Liabilities – Continued

Capital Leases

The annual debt service requirements to maturity for business-type leases payable are as follows:

Fiscal Years Ending September 30,	Leases Payable Requirements		
	Principal	Interest	Total
2024	\$ 204,763	\$ 80,204	\$ 284,967
2025	217,415	76,004	293,419
2026	230,580	71,546	302,126
2027	244,274	66,819	311,093
2028	258,515	61,813	320,328
Thereafter	2,865,861	279,043	3,144,904
Total	\$ 4,021,407	\$ 635,429	\$ 4,656,837

Note 3 – Defined Benefit – Pension Plan - TMRS

Plan Description

The City of Alamo participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with TMRS act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (ACFR) that can be obtained at www.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 benefits are calculated as if the sum of the employee’s contributions, with interest, and the city-financing monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Note 3 – Defined Benefit – Pension Plan – TMRS - Continued

Employees covered by benefit terms

	<u>TMRS</u>
Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but no yet receiving benefits	168
Active employees	<u>149</u>
Total participants	<u>371</u>

Contributions

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

Employees for the City of Alamo were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.40% and 6.40% in calendar year 2022 and 2023 respectively. The City’s contributions to TMRS for the year ended September 30, 2023, were \$425,877 and were equal to the required contributions.

Note 3 – Defined Benefit – Pension Plan – TMRS – Continued

Net Pension Liability

The City’s Net Pension Liability was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Schedule of Actuarial Assumptions

Valuation Date	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increase	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table based on rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality Assumption	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information	There were no benefit changes during the year.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index). A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2022. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the City’s fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e. the employer normal cost).

Note 3 – Defined Benefit – Pension Plan – TMRS – 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 employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3 – Defined Benefit – Pension Plan – TMRS – Continued

	Pension Liability (Asset) <u>(a)</u>	Fiduciary Net Position <u>(b)</u>	Pension Liability (Asset) <u>(a) - (b)</u>
Balance at December 31, 2021	\$ 13,165,403	\$ 13,550,375	\$ (384,972)
Changes for the year:			
Service Cost	617,511		617,511
Interest	894,067		894,067
Change of benefit terms	-		-
Difference between expected and actual experience	109,972		109,972
Changes of assumptions	-		-
Benefit payments, including refunds of employee contributions	(457,446)	(457,446)	-
Contributions - employer		380,479	(380,479)
Contributions - employee		307,832	(307,832)
Net investment income		(989,990)	989,990
Administrative expense		(8,559)	8,559
Other Changes		10,214	(10,214)
Net Changes	<u>1,164,104</u>	<u>(757,470)</u>	<u>1,921,574</u>
Balance at December 31, 2022	<u><u>\$ 14,329,507</u></u>	<u><u>\$ 12,792,905</u></u>	<u><u>\$ 1,536,602</u></u>

Note 3 – Defined Benefit – Pension Plan – TMRS – Continued

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 have been if it were calculated using a discount rate that is 1 percentage lower (5.75%) or 1 percentage 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%)
\$ 3,836,964	\$ 1,536,603	\$ (306,315)

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

For the year ended September 30, 2023, the City recognized pension expense in the amount of \$412,987.

As of September 30, 2023, 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 (net of current year amortization)		\$ 81,333
Changes in actuarial assumptions	-	
Differences between projected and actual investment earnings (net of current year amortization)		1,523,712
Contributions subsequent to the measurement date	328,949	
Total	\$ 328,949	\$ 1,605,045

Note 3 – Defined Benefit – Pension Plan – TMRS – Continued

\$328,949 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions expense as follows:

Fiscal Year Ending September 30,	Amount
2023	\$ 38,058
2024	231,654
2025	255,199
2026	380,928
2027	-
Thereafter	-
Total	<u>\$ 905,839</u>

Note 4 – Other Post Employment Benefits

Plan Description

The City also participates in a single-employer, defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered as other post-employment benefits (“OPEB”) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered an unfunded OPEB plan (i.e. no assets are accumulated).

Note 4 – Other Post Employment Benefits – Continued

Employees Covered by Benefit Terms

	TMRS
Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but no yet receiving benefits	20
Active employees	149
Total participants	208

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under requirements of GASB No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis scale UMP.
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 Scale UMP to account for future mortality improvements subject to floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Note 4 – Other Post Employment Benefits – Continued

Total OPEB Liability

Employees for the City of Alamo were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.40% and 6.40% in calendar 2022 and 2023 respectively. The City’s contributions to TMRS for your ended September 30, 2023, were \$13,311, and were equal to the required Contributions.

Balance at December 31, 2021	\$ 368,938
Changes for the year:	
Service Cost	32,015
Interest	7,015
Change in benefit terms	-
Difference between expected and actual experience	3,848
Changes in assumptions	(144,377)
Benefit payments, including refunds of employee contributions	<u>(7,388)</u>
Net Changes	<u>(108,887)</u>
Balance at December 31, 2022	<u>\$ 260,051</u>
 Total OPEB Liability as a Percentage of Covered Payroll	 4.22%

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, Calculated using the discount rate of 4.05%, as well as what the City’s total OPEB liability would have been if it were calculated using a discount rate that is 1 Percentage point lower (3.05%) or 1 Percentage point higher (5.05%) than the current discount rate.

1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
<u>314,604</u>	<u>260,051</u>	<u>218,483</u>

Note 4 – Other Post Employment Benefits – Continued

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

For the year ended September 30, 2023, the City recognized OPEB expense in the amount of \$27,541.

As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (15,933)
Changes in assumptions and other inputs	-	(64,796)
Differences between projected actual investment earnings (net of current year amortization)	-	-
Contributions made subsequent to measurement date	13,311	N/A
Total	<u>\$ 13,311</u>	<u>\$ (80,729)</u>

\$13,311 of deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2023	\$ (11,489)
2024	(12,175)
2025	(12,064)
2026	(13,382)
2027	(22,016)
Thereafter	<u>(9,603)</u>
Total	\$ (80,729)

Note 5 – Urban County

The City of Alamo and other municipalities in Hidalgo County participate in Hidalgo County's "Urban County" Program. By being designated as an "Urban County," Hidalgo County and the participating cities are entitled to receive a formula share of entitlement CDBG program funds from U.S. Department of Housing and Urban Development (HUD). Monies received from HUD are allocated to the cities participating in the program based on agreed-upon formulas. The County is responsible for the administration of the program and is ultimately responsible for including the grant activity related to the "Urban County Program" in its audit report (s) as per CDBG guidelines. All monies received from HUD on this program are handled by the County. The County pays the vendors or contractors directly for goods or services which benefit the different cities. The County also reimburses the cities for general administration costs incurred by those cities. The City received \$128,269 for expenses incurred between October 1, 2022 to September 30, 2023.

Note 6- Commitments and Contingencies

Grant Programs

The City participates in several federal and state assisted grant programs. Under the terms of these grants, the City is subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would be made to the grantor agencies. The amounts of expenditures which might be disallowed by the grantor agencies cannot be determined at this time; however, management believes such amounts, if any, would be immaterial.

Texas Water Development Board Disclosure

Texas Water Code, Chapter 16, Section 16.356 indicates a political subdivision that receives financial assistance from the economically distressed areas program under Subchapter K, Chapter 17, may not use any revenue received from fees collected from water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes. The City of Alamo, Texas did not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

Litigation

The City is involved in litigation claims against it from time to time that are generally incidental to its operations. However, it is the opinion of the City's management that the City's liability in those cases that are not covered by liability insurance will not be material to the financial statements for these contingent liabilities. As of September 30, 2023, the City was a defendant in various lawsuits as to which the ultimate resolution and possibility of any unfavorable outcome is not yet determinable. At the present time, the City does not anticipate any material losses as a result of these lawsuits.

Note 7 – Risk Management

The City of Alamo is exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors-and-omissions; catastrophes, and medical claims by employees; job-related illnesses and injuries and pollution claims for which the City carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years. The City is member of an intergovernmental risk pool.

The risk pool is an interlocal non-assessable agency with present unreserved resources in excess of \$357,000,000 (as of September 30, 2023, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A- and above rated companies in amounts ranging from \$10,000,000 to 275,000,000 depending on the type of insurance coverage. City management is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

Note 8 – Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2024, and then determined there were no other events other than the one listed above that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALAMO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Plan Year Ended December 31,							
	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 617,511	\$ 548,211	\$ 518,533	\$ 519,378	\$ 484,744	\$ 436,093	\$ 433,217	\$ 425,360
Interest (on the total pension liability)	894,067	831,658	787,423	732,247	714,270	673,375	628,448	601,851
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	109,972	(9,792)	(171,473)	(24,177)	(482,533)	(167,328)	(134,575)	(5,511)
Change of assumptions	-	-	-	71,592	-	-	-	15,891
Benefit payments, including refunds of employee contributions	(457,446)	(502,867)	(485,104)	(477,275)	(457,687)	(263,521)	(262,383)	(395,703)
Net Change in Total Pension Liability	1,164,104	867,210	649,379	821,765	258,794	678,619	664,707	641,888
Total Pension Liability - Beginning	13,165,403	12,298,193	11,648,814	10,827,049	10,568,255	9,889,636	9,224,929	8,583,041
Total Pension Liability - Ending (a)	<u>\$ 14,329,507</u>	<u>\$ 13,165,403</u>	<u>\$ 12,298,193</u>	<u>\$ 11,648,814</u>	<u>\$ 10,827,049</u>	<u>\$ 10,568,255</u>	<u>\$ 9,889,636</u>	<u>\$ 9,224,929</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 380,479	\$ 340,570	\$ 361,446	\$ 359,136	\$ 349,681	\$ 336,920	\$ 331,899	\$ 331,056
Contributions - employee	307,832	274,655	262,681	259,949	245,564	221,367	218,355	217,242
Net investment income	(989,990)	1,551,737	830,178	1,447,037	(284,902)	1,121,988	494,584	10,566
Benefit payments, including refunds of employee contributions	(457,446)	(502,867)	(485,104)	(477,275)	(457,687)	(263,521)	(262,383)	(395,703)
Administrative expense	(8,559)	(7,174)	(5,368)	(8,167)	(5,501)	(5,812)	(5,583)	(6,434)
Other	10,214	49	(208)	(245)	(287)	(295)	(318)	(318)
Net Change in Plan Fiduciary Net Position	(757,470)	1,656,970	963,625	1,580,435	(153,132)	1,410,647	776,554	156,409
Plan Fiduciary Net Position - Beginning	13,550,374	11,893,405	10,929,781	9,349,347	9,502,479	8,091,832	7,315,261	7,158,853
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,792,904</u>	<u>\$ 13,550,375</u>	<u>\$ 11,893,406</u>	<u>\$ 10,929,782</u>	<u>\$ 9,349,347</u>	<u>\$ 9,502,479</u>	<u>\$ 8,091,815</u>	<u>\$ 7,315,262</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,536,603</u>	<u>\$ (384,972)</u>	<u>\$ 404,787</u>	<u>\$ 719,032</u>	<u>\$ 1,477,702</u>	<u>\$ 1,065,776</u>	<u>\$ 1,797,821</u>	<u>\$ 1,909,667</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.28%	102.92%	96.71%	93.83%	86.35%	89.92%	81.82%	79.30%
Covered Payroll	\$ 6,156,642	\$ 5,493,101	\$ 5,253,626	\$ 5,198,981	\$ 4,911,287	\$ 4,427,336	\$ 4,367,106	\$ 4,367,106
Net Pension Liability as a Percentage of Covered Payroll	24.96%	-7.01%	7.70%	13.83%	30.09%	24.07%	41.17%	43.73%

CITY OF ALAMO
 SCHEDULE OF CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Fiscal Year Ended September 30,					
	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 425,877	\$ 388,686	\$ 340,570	\$ 361,446	\$ 359,136	\$ 349,681
Contributions in relation to actuarially determined contribution	<u>(425,877)</u>	<u>(388,686)</u>	<u>(340,570)</u>	<u>(361,446)</u>	<u>(359,136)</u>	<u>(349,681)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,655,611	\$ 6,284,101	\$ 5,493,101	\$ 5,253,636	\$ 5,198,981	\$ 4,911,287
Contributions as a percentage of covered payroll	6.40%	6.19%	6.20%	6.88%	6.91%	7.12%

CITY OF ALAMO
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation Date: 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	14 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table based on rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(1) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information: There were no benefit changes during the year.

CITY OF ALAMO
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Plan Year Ended December 31,				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 32,015	\$ 28,015	\$ 21,540	\$ 18,716	\$ 17,681
Interest (on the total OPEB liability)	7,015	7,067	7,801	7,572	7,137
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	3,848	(14,680)	(6,252)	3,852	(20,848)
Change of assumptions	(144,377)	12,229	47,390	50,125	(13,978)
Benefit payments, including refunds of employee contributions	(7,388)	(6,042)	(2,101)	(2,080)	(1,965)
Net Change in Total OPEB Liability	(108,887)	26,589	68,378	78,185	(11,973)
Total OPEB Liability - Beginning	368,938	342,349	273,971	195,786	207,759
Total OPEB Liability - Ending	<u>\$ 260,051</u>	<u>\$ 368,938</u>	<u>\$ 342,349</u>	<u>\$ 273,971</u>	<u>\$ 195,786</u>
Covered Payroll	\$ 6,156,642	\$ 5,493,101	\$ 5,253,626	\$ 5,198,981	\$ 4,911,287
Total OPEB Liability as a Percentage of Covered Payroll	4.22%	6.72%	6.52%	5.27%	3.99%

CITY OF ALAMO
 NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation Date: 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	N/A
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	2.00%
Retirement Age	N/A
Mortality	Service retirees: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. 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 Scale UMP to account for future mortality improvements subject to the floor.

Other Information: There were no benefit changes during the year.

CITY OF ALAMO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 4,273,810	\$ 4,523,810	\$ 4,495,339	\$ (28,471)
5120	General Sales and Use Taxes	4,031,350	4,672,350	4,688,846	16,496
5170	Franchise Tax	580,000	580,000	722,523	142,523
5180	Other Taxes	6,000	6,000	13,537	7,537
5190	Penalty and Interest on Taxes	150,000	150,000	84,017	(65,983)
5200	Licenses and Permits	257,600	417,600	246,498	(171,102)
5300	Intergovernmental Revenue and Grants	95,000	950,000	1,192,507	242,507
5400	Charges for Services	3,158,029	3,433,029	3,283,738	(149,291)
5510	Fines	300,000	300,000	260,316	(39,684)
5610	Investment Earnings	8,000	268,000	270,564	2,564
5620	Rents and Royalties	36,120	36,120	36,120	-
5700	Other Revenue	49,230	49,230	312,093	262,863
5020	Total Revenues	12,945,139	15,386,139	15,606,098	219,959
EXPENDITURES:					
Current:					
0100	General Government	5,347,483	5,724,132	5,312,291	411,841
0200	Public Safety	5,487,190	5,855,401	5,451,077	404,324
0300	Highway and Streets	873,312	931,914	867,564	64,350
0500	Culture and Recreation	1,474,167	1,573,089	1,464,465	108,624
Debt Service:					
0710	Principal on Debt	31,933	31,933	31,932	1
0720	Interest on Debt	1,754	88,845	88,845	-
Capital Outlay:					
0800	Capital Outlay	-	3,117,525	3,117,525	-
6030	Total Expenditures	13,215,839	17,322,839	16,333,699	989,140
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(270,700)	(1,936,700)	(727,601)	1,209,099
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	390,000	2,160,000	2,012,770	(147,230)
8911	Transfers Out	(119,300)	(223,300)	(222,897)	403
7080	Total Other Financing Sources (Uses)	270,700	1,936,700	1,789,873	(146,827)
1200	Net Change	-	-	1,062,272	1,062,272
0100	Fund Balance - October 1 (Beginning)	8,535,154	8,535,154	8,535,154	-
3000	Fund Balance - September 30 (Ending)	\$ 8,535,154	\$ 8,535,154	\$ 9,597,426	\$ 1,062,272

THIS PAGE IS INTENTIONALLY BLANK

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

CITY OF ALAMO
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED SEPTEMBER 30, 2023

Last 10 Years Ended September 30	Tax Rates		Assessed/Appraised Value for Tax Purposes
	Maintenance	Debt Service	
2014	Various	Various	\$ Various
2015	0.49350	0.10550	518,376,862
2016	0.48360	0.10450	546,953,409
2017	0.47980	0.10120	569,133,760
2018	0.46270	0.09380	611,441,742
2019	0.49240	0.08930	663,263,626
2020	0.49900	0.08270	634,860,998
2021	0.50140	0.08030	813,904,546
2022	0.51020	0.07150	940,985,085
2023 (Fiscal year under audit)	0.52260	0.05910	1,077,465,269
1000	TOTALS		

Beginning Balance October 1, 2022	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance September 30, 2023
\$ 121,479	\$ -	\$ 6,492	\$ 1,430	\$ 1,174	\$ 112,383
15,742	-	1,329	284	-	14,129
19,240	-	1,754	379	-	17,106
18,880	-	1,635	345	-	16,900
22,753	-	2,288	464	-	20,001
32,212	-	5,172	938	3,628	22,474
36,082	-	6,727	1,115	35	28,205
60,824	-	18,882	3,024	(3,898)	42,816
134,642	-	55,537	7,783	2,825	68,497
-	5,103,714	4,395,523	497,083	25,444	185,665
<u>\$ 461,854</u>	<u>\$ 5,103,714</u>	<u>\$ 4,495,339</u>	<u>\$ 512,845</u>	<u>\$ 29,208</u>	<u>\$ 528,177</u>

CITY OF ALAMO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

Data Control Codes	200	201	202	204
	Urban County	TIF	Hotel/Motel	Asset Forfeiture
ASSETS				
1010 Cash and Cash Equivalents	\$ -	\$ 1,123,385	\$ 82,102	\$ 108,030
1030 Investments - Current	-	-	489,738	-
1050 Taxes Receivable	-	-	-	-
1051 Allowance for Uncollectible Taxes (credit)	-	-	-	-
1150 Accounts Receivable, Net	-	209,841	144,289	-
1260 Due from Other Governments	648,022	-	-	-
1300 Due from Other Funds	-	450,000	2,275	-
1000 Total Assets	<u>\$ 648,022</u>	<u>\$ 1,783,226</u>	<u>\$ 718,404</u>	<u>\$ 108,030</u>
LIABILITIES				
2080 Due to Other Funds	\$ -	\$ -	\$ 999	\$ 2,895
2230 Unearned Revenues	648,022	-	-	5,181
2000 Total Liabilities	<u>648,022</u>	<u>-</u>	<u>999</u>	<u>8,076</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3470 Special Projects	-	1,783,226	717,405	99,954
3480 Debt Service	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>1,783,226</u>	<u>717,405</u>	<u>99,954</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 648,022</u>	<u>\$ 1,783,226</u>	<u>\$ 718,404</u>	<u>\$ 108,030</u>

205	Total	500	501	Total	Total
State	Nonmajor			Nonmajor	Nonmajor
Forfeiture	Special	Debt Service	Interest and	Debt Service	Governmental
	Revenue Funds	Fund	Sinking	Funds	Funds
\$ 1,530	\$ 1,315,047	\$ 729,539	\$ 116,938	\$ 846,477	\$ 2,161,524
-	489,738	1,165,814	-	1,165,814	1,655,552
-	-	72,711	-	72,711	72,711
-	-	(7,271)	-	(7,271)	(7,271)
-	354,130	-	-	-	354,130
-	648,022	-	-	-	648,022
-	452,275	-	-	-	452,275
<u>\$ 1,530</u>	<u>\$ 3,259,212</u>	<u>\$ 1,960,793</u>	<u>\$ 116,938</u>	<u>\$ 2,077,731</u>	<u>\$ 5,336,943</u>
\$ -	\$ 3,894	\$ -	\$ -	\$ -	\$ 3,894
-	653,203	-	-	-	653,203
-	657,097	-	-	-	657,097
-	-	65,440	-	65,440	65,440
-	-	65,440	-	65,440	65,440
1,530	2,602,115	-	-	-	2,602,115
-	-	1,895,353	116,938	2,012,291	2,012,291
<u>1,530</u>	<u>2,602,115</u>	<u>1,895,353</u>	<u>116,938</u>	<u>2,012,291</u>	<u>4,614,406</u>
<u>\$ 1,530</u>	<u>\$ 3,259,212</u>	<u>\$ 1,960,793</u>	<u>\$ 116,938</u>	<u>\$ 2,077,731</u>	<u>\$ 5,336,943</u>

CITY OF ALAMO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Data Control Codes	200	201	202	204
	Urban County	TIF	Hotel/Motel	Asset Forfeiture
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5180 Other Taxes	-	-	44,931	-
5190 Penalty and Interest on Taxes	-	-	-	-
5300 Intergovernmental Revenue and Grants	128,269	-	-	-
5610 Investment Earnings	-	43,016	26,034	4,805
5700 Other Revenue	-	209,841	1	174,338
5020 Total Revenues	<u>128,269</u>	<u>252,857</u>	<u>70,966</u>	<u>179,143</u>
EXPENDITURES:				
Current:				
0100 General Government	-	-	107,697	55,390
0200 Public Safety	-	-	-	-
0600 Economic Development	-	32,875	-	-
Debt Service:				
0710 Principal on Debt	-	-	-	-
0720 Interest on Debt	-	-	-	-
0790 Other Debt Service	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	<u>128,269</u>	<u>51,479</u>	<u>-</u>	<u>56,757</u>
6030 Total Expenditures	<u>128,269</u>	<u>84,354</u>	<u>107,697</u>	<u>112,147</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>168,503</u>	<u>(36,731)</u>	<u>66,996</u>
OTHER FINANCING SOURCES (USES):				
7911 Issuance of Bonds	-	-	-	-
7915 Transfers In	-	672,897	-	-
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>672,897</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	841,400	(36,731)	66,996
0100 Fund Balance - October 1 (Beginning)	<u>-</u>	<u>941,826</u>	<u>754,136</u>	<u>32,958</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 1,783,226</u>	<u>\$ 717,405</u>	<u>\$ 99,954</u>

205	Total Nonmajor Special Revenue Funds	500 Debt Service Fund	501 Interest and Sinking	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 512,845	\$ -	\$ 512,845	\$ 512,845
-	44,931	-	-	-	44,931
-	-	7,091	-	7,091	7,091
-	128,269	-	-	-	128,269
56	73,911	76,145	4,655	80,800	154,711
350	384,530	-	-	-	384,530
406	631,641	596,081	4,655	600,736	1,232,377
-	163,087	800	-	800	163,887
737	737	-	-	-	737
-	32,875	-	-	-	32,875
-	-	1,080,000	-	1,080,000	1,080,000
-	-	294,331	-	294,331	294,331
-	-	66,881	-	66,881	66,881
-	236,505	-	-	-	236,505
737	433,204	1,442,012	-	1,442,012	1,875,216
(331)	198,437	(845,931)	4,655	(841,276)	(642,839)
-	-	1,675,000	-	1,675,000	1,675,000
-	672,897	915,241	-	915,241	1,588,138
-	-	(1,600,000)	-	(1,600,000)	(1,600,000)
-	672,897	990,241	-	990,241	1,663,138
(331)	871,334	144,310	4,655	148,965	1,020,299
1,861	1,730,781	1,751,043	112,283	1,863,326	3,594,107
\$ 1,530	\$ 2,602,115	\$ 1,895,353	\$ 116,938	\$ 2,012,291	\$ 4,614,406

CITY OF ALAMO
Schedule of Revenues and Expenses to Indicate Net Revenue Available for Debt
Service Proprietary Funds
For the Year Ended September 30, 2023

		Business-Type Activities
		Enterprise Funds
		Water Sewer Fund

Operating Revenues		
Charges for Services	\$	5,653,068
Other Revenues		21,363
Total Operating Revenues		----- 5,674,431
 Operating Expenses		
Payments to Employees		1,381,081
Payments to Supplies and Others		1,649,624
Total Operating Expenses		----- 3,030,705
 Income Before Non-Operating Revenues(Expenses)		
Interest Revenue		173,834
Net Non-Operating Revenues (Expenses)		----- 173,834
Net Revenue Available for Debt Service	\$	----- ----- 3,204,539

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

City of Alamo, Texas
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
Year Ended September 30, 2023

With Comparative Totals for September 30, 2022

<u>Governmental Funds Capital Assets</u>	<u>2023</u>	<u>2022</u>
Land and Right of Way	\$ 1,731,590	\$ 1,731,590
Construction in Progress	1,422,041	280,066
Building and Improvements	13,318,685	13,168,533
Vehicles	5,049,603	4,113,348
Machinery and Equipment	4,485,790	3,498,178
Infrastructure	16,938,404	16,800,369
Total Governmental Funds Capital Assets	<u>\$ 42,946,113</u>	<u>\$ 39,592,084</u>
<u>Investments in Governmental Funds Capital Assets</u>		
Capital Projects	\$ 28,197,787	\$ 26,095,265
Grants-in-aid	3,154,903	2,275,833
General Fund Revenues	11,593,422	11,220,986
Total Investments in Governmental Funds Capital Assets	<u>\$ 42,946,113</u>	<u>\$ 39,592,084</u>

City of Alamo, Texas
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended September 30, 2023

<u>Function and Activity</u>	Governmental Funds Capital Assets September 30, 2022	Additions	Reclassifications/D eductions	Governmental Funds Capital Assets September 30, 2023
General Government	\$ 6,232,916	\$ 1,222,738	\$ -	7,455,654
Public Safety	7,548,601	1,868,729	-	9,417,330
Highways and Streets	17,046,094	138,035	-	17,184,129
Health and Welfare	1,575,779	-	-	1,575,779
Culture and Recreation	7,188,694	124,527	-	7,313,221
Total Governmental Funds Capital Assets	\$ 39,592,084	\$ 3,354,029	\$ -	\$ 42,946,113

City of Alamo, Texas
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended September 30, 2023

Function and Activity	Land and Right of Way	Construction in Progress	Building and Improvements	Vehicles	Machinery and Equipment	Infrastructure	Total
General Government	\$ 1,731,590	\$ 1,422,041	\$ 3,556,593	\$ 303,156	\$ 442,274	\$ -	\$ 7,455,655
Public Safety	-	-	2,094,068	4,073,717	3,249,544	-	9,417,329
Highways and Streets	-	-	89,789	524,455	573,448	15,996,437	17,184,129
Health and Welfare	-	-	1,503,677	72,102	-	-	1,575,779
Culture and Recreation	-	-	6,074,557	76,174	220,523	941,967	7,313,221
Total General Fixed Assets	\$ 1,731,590	\$ 1,422,041	\$ 13,318,684	\$ 5,049,604	\$ 4,485,789	\$ 16,938,404	\$ 42,946,113

STATISTICAL SECTION

CITY OF ALAMO, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in capital assets	\$ 5,749,616	\$ 13,088,501	\$ 12,385,226	\$ 14,002,698	\$ 15,068,507	\$ 15,040,876	\$ 11,585,401	\$ 13,706,207	\$ 14,832,643	\$ 16,357,555
Restricted	10,032,063	3,900,193	4,272,958	4,579,468	3,636,579	3,903,882	4,705,415	4,785,397	7,250,254	9,107,266
Unrestricted	4,576,322	3,790,680	3,429,583	3,429,583	4,051,289	4,596,280	6,267,790	7,497,367	7,473,974	8,906,010
Total Governmental Activities Net Position	\$ 20,358,001	\$ 20,779,374	\$ 20,087,767	\$ 22,011,749	\$ 22,756,375	\$ 23,541,038	\$ 22,558,606	\$ 25,988,971	\$ 29,556,871	\$ 34,370,831
Business-Type Activities										
Net Investment in capital assets	\$ 17,584,383	\$ 21,868,626	\$ 22,101,236	\$ 21,141,916	\$ 21,813,377	\$ 12,078,980	\$ 15,973,236	\$ 20,109,560	\$ 24,745,156	\$ 25,826,594
Restricted	-	-	-	-	-	10,223,794	10,377,226	7,786,113	2,647,753	2,008,680
Unrestricted	7,816,048	3,255,440	3,013,417	4,106,337	3,318,192	3,447,650	3,441,597	3,544,282	4,660,681	4,693,752
Total Business-Type Activities Net Position	\$ 25,400,431	\$ 25,124,066	\$ 25,114,653	\$ 25,248,253	\$ 25,131,569	\$ 25,750,424	\$ 29,792,059	\$ 31,439,955	\$ 32,053,590	\$ 32,529,026
Primary Government										
Net Investment in capital assets	\$ 23,333,999	\$ 34,957,127	\$ 34,486,462	\$ 35,144,614	\$ 36,881,884	\$ 27,119,856	\$ 27,558,637	\$ 33,815,767	\$ 39,577,799	\$ 42,184,149
Restricted	10,032,063	3,900,193	4,272,958	4,579,468	3,636,579	14,127,676	15,082,641	12,571,510	9,898,007	11,115,946
Unrestricted	12,392,370	7,046,120	6,443,000	7,535,920	7,369,481	8,043,930	9,709,387	11,041,649	12,134,655	13,599,762
Total Primary Government Net Position	\$ 45,758,432	\$ 45,903,440	\$ 45,202,420	\$ 47,260,002	\$ 47,887,944	\$ 49,291,462	\$ 52,350,665	\$ 57,428,926	\$ 61,610,461	\$ 66,899,857

**CITY OF ALAMO, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General Government	\$ 3,548,970	\$ 3,906,733	\$ 5,174,598	\$ 4,054,005	\$ 4,331,411	\$ 4,312,743	\$ 5,013,140	\$ 4,479,733	\$ 5,475,625	\$ 6,656,386
Public Safety	3,518,106	3,790,022	3,850,703	3,815,052	4,150,946	4,922,694	4,688,501	4,721,020	5,101,058	5,802,935
Highways and streets	618,237	650,109	742,394	1,107,940	592,114	1,195,126	787,351	988,402	1,199,912	923,439
Health and welfare	255,552	277,341	317,566	298,817	230,586	241,880	204,994	280,531	194,915	-
Culture and recreation	832,050	890,470	840,164	930,782	1,109,758	1,223,173	1,051,002	976,155	1,409,463	1,558,783
Interest on long-term debt	243,693	347,026	363,387	312,456	286,645	259,746	346,482	319,904	323,656	503,624
Economic Development	367,914	421,173	396,258	416,229	256,933	255,005	530,593	391,189	194,462	63,433
Total Governmental Activities Net Position	<u>\$ 9,384,522</u>	<u>\$ 10,282,874</u>	<u>\$ 11,685,070</u>	<u>\$ 10,935,281</u>	<u>\$ 10,958,393</u>	<u>\$ 12,410,367</u>	<u>\$ 12,622,063</u>	<u>\$ 12,156,934</u>	<u>\$ 13,899,091</u>	<u>\$ 15,508,600</u>
Business-Type Activities										
Water and Sewer	2,745,936	2,841,016	3,194,302	3,469,082	3,757,600	3,736,770	3,816,836	3,397,050	4,252,063	4,381,643
Total Business-Type Activities Net Position	<u>2,745,936</u>	<u>2,841,016</u>	<u>3,194,302</u>	<u>3,469,082</u>	<u>3,757,600</u>	<u>3,736,770</u>	<u>3,816,836</u>	<u>3,397,050</u>	<u>4,252,063</u>	<u>4,381,643</u>
Total Primary Government Expenses	<u>\$ 12,130,458</u>	<u>\$ 13,123,890</u>	<u>\$ 14,879,372</u>	<u>\$ 14,404,363</u>	<u>\$ 14,715,993</u>	<u>\$ 16,147,137</u>	<u>\$ 16,438,899</u>	<u>\$ 15,553,984</u>	<u>\$ 18,151,154</u>	<u>\$ 19,890,243</u>
Program Revenue										
Governmental Activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	151,369	170,208	192,336	216,257	239,556	309,529	365,802	406,035	422,966	1,477,682
Public Safety	681,410	767,639	802,605	623,525	454,237	543,819	376,549	374,298	419,321	1,247,821
Highways and streets	1,695,218	1,792,373	1,887,112	1,925,177	2,023,837	2,137,028	2,301,763	2,455,388	2,679,681	197,024
Health and welfare	19,271	15,643	14,966	14,732	16,205	22,931	17,319	18,154	-	-
Culture and recreation	96,181	101,742	89,162	139,442	127,697	127,617	60,252	122,922	33,498	361,211
Operating grants and contributions	383,318	392,832	314,057	1,239,115	463,046	678,895	2,781,730	1,091,078	1,284,549	1,953,755
Capital grants and contributions	195,000	-	-	-	-	-	-	-	-	-
Total Primary Governmental Activities	<u>\$ 3,221,767</u>	<u>\$ 3,240,437</u>	<u>\$ 3,300,238</u>	<u>\$ 4,158,248</u>	<u>\$ 3,324,578</u>	<u>\$ 3,819,819</u>	<u>\$ 5,903,415</u>	<u>\$ 4,467,875</u>	<u>\$ 4,840,015</u>	<u>\$ 5,237,493</u>
Business-Type Activities										
Charges for services	3,528,534	3,545,358	3,759,170	4,053,730	4,147,141	4,323,860	4,755,119	5,045,557	5,564,053	5,653,068
Operating grants and contributions	-	-	-	-	-	-	-	-	196,482	-
Capital grants and contributions	956,583	38,450	-	-	-	-	-	994,347	-	-
Total Business-Type Activities Program Revenues	<u>4,485,117</u>	<u>3,583,808</u>	<u>3,759,170</u>	<u>4,053,730</u>	<u>4,147,141</u>	<u>4,323,860</u>	<u>4,755,119</u>	<u>6,039,904</u>	<u>5,760,535</u>	<u>5,653,068</u>
Total Primary Government Program Expenses	<u>\$ 7,706,884</u>	<u>\$ 6,824,245</u>	<u>\$ 7,059,408</u>	<u>\$ 8,211,978</u>	<u>\$ 7,471,719</u>	<u>\$ 8,143,679</u>	<u>\$ 10,658,534</u>	<u>\$ 10,507,779</u>	<u>\$ 10,600,550</u>	<u>\$ 10,890,561</u>
Net (expense)/revenue										
Governmental Activities	\$ (6,162,755)	\$ (7,042,437)	\$ (8,384,832)	\$ (6,777,033)	\$ (7,633,815)	\$ (8,590,548)	\$ (6,718,648)	\$ (7,689,059)	\$ (9,059,076)	\$ (10,271,107)
Business-Type Activities	1,739,181	742,792	564,868	584,648	389,541	587,090	938,283	2,642,854	1,508,472	1,271,425
Total Primary Government Net Expense	<u>\$ (4,423,574)</u>	<u>\$ (6,299,645)</u>	<u>\$ (7,819,964)</u>	<u>\$ (6,192,385)</u>	<u>\$ (7,244,274)</u>	<u>\$ (8,003,458)</u>	<u>\$ (5,780,365)</u>	<u>\$ (5,046,205)</u>	<u>\$ (7,550,604)</u>	<u>\$ (8,999,682)</u>

CITY OF ALAMO, TEXAS
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenue and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 2,847,121	\$ 3,224,247	\$ 3,281,010	\$ 3,355,089	\$ 3,463,220	\$ 3,736,410	\$ 3,870,480	\$ 4,216,795	\$ 4,382,309	\$ 5,103,714
Sales taxes	3,466,644	3,483,713	3,457,159	3,435,440	3,599,081	3,830,735	4,246,105	4,922,804	5,569,320	6,251,795
Franchise taxes	511,976	514,954	526,425	537,167	557,694	575,790	572,112	598,554	633,832	722,523
Hotel/motel taxes	131,149	130,731	120,183	96,008	90,228	107,966	41,048	94,454	79,222	58,468
Investment earning	42,343	39,591	40,722	65,424	128,358	172,097	64,796	12,778	86,013	798,078
Miscellaneous	132,171	155,547	111,836	207,947	159,342	230,297	265,213	258,360	668,864	1,334,323
Grants and contribution not restricted	-	-	-	-	-	13,118	26,225	19,309	-	-
Transfers	549,300	956,213	549,300	549,300	549,300	350,923	(2,990,674)	996,658	994,031	991,186
Total Governmental Activities	\$ 7,680,704	\$ 8,504,996	\$ 8,086,635	\$ 8,246,375	\$ 8,547,223	\$ 9,017,336	\$ 6,095,305	\$ 11,119,712	\$ 12,413,591	\$ 15,260,087
Business-Type Activities										
Investment earning	\$ 879	\$ 1,106	\$ 5,554	\$ 16,711	\$ 47,537	\$ 218,129	\$ 82,352	\$ 1,699	\$ 99,193	\$ 195,197
Miscellaneous	2,633	-	-	1,650	-	-	-	-	-	-
Transfers	(549,300)	(956,213)	(549,300)	(549,300)	(549,300)	(350,923)	2,990,674	(996,658)	(994,031)	(991,186)
Total Business-Type Activities	(545,788)	(955,107)	(543,746)	(530,939)	(501,763)	(132,794)	3,073,026	(994,959)	(894,838)	(795,989)
Total Primary Government	\$ 7,134,916	\$ 7,549,889	\$ 7,542,889	\$ 7,715,436	\$ 8,045,460	\$ 8,884,542	\$ 9,168,331	\$ 10,124,753	\$ 11,518,753	\$ 14,464,098
Change in Net Position										
Governmental Activities	\$ 1,517,949	\$ 1,462,559	\$ (298,197)	\$ 1,469,342	\$ 913,408	\$ 426,788	\$ (623,343)	\$ 3,430,653	\$ 3,354,515	\$ 4,988,980
Business-Type Activities	1,193,393	(212,315)	21,122	53,709	(112,222)	454,296	4,011,309	1,647,895	613,634	475,436
Total Primary Government	\$ 2,711,342	\$ 1,250,244	\$ (277,075)	\$ 1,523,051	\$ 801,186	\$ 881,084	\$ 3,387,966	\$ 5,078,548	\$ 3,968,149	\$ 5,464,416

CITY OF ALAMO, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,397,945	4,263,616	4,657,972	4,437,711	4,116,015	3,769,911	5,983,318	7,589,283	8,535,154	9,597,426
Total General Fund	<u>\$ 3,397,945</u>	<u>\$ 4,263,616</u>	<u>\$ 4,657,972</u>	<u>\$ 4,437,711</u>	<u>\$ 4,116,015</u>	<u>\$ 3,769,911</u>	<u>\$ 5,983,318</u>	<u>\$ 7,589,283</u>	<u>\$ 8,535,154</u>	<u>\$ 9,597,426</u>
All Other Governmental Funds										
Restricted	\$ 8,531,071	\$ 7,362,329	\$ 4,951,466	\$ 4,579,468	\$ 4,800,121	\$ 5,314,824	\$ 5,881,452	\$ 6,507,745	\$ 7,513,059	\$ 9,107,266
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	212,213
Total All Other Governmental Funds	<u>\$ 8,531,071</u>	<u>\$ 7,362,329</u>	<u>\$ 4,951,466</u>	<u>\$ 4,579,468</u>	<u>\$ 4,800,121</u>	<u>\$ 5,314,824</u>	<u>\$ 5,881,452</u>	<u>\$ 6,507,745</u>	<u>\$ 7,513,059</u>	<u>\$ 9,319,479</u>

Note: The City implemented GASB Statement No. 54 for the fiscal year ended September 2011. The new classifications have not been restated for 2010 and prior.

**CITY OF ALAMO, TEXAS
CHANGES IN FUND BALANCE
Last Ten Fiscal Years
(Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 6,954,202	\$ 7,337,252	\$ 7,390,754	\$ 7,458,819	\$ 7,726,500	\$ 8,254,240	\$ 8,738,472	\$ 9,858,716	\$ 10,792,493	\$ 12,040,970
Fines	534,424	646,975	614,993	475,042	342,999	351,858	301,196	284,678	237,377	91,108
Licenses and permits	100,448	111,964	128,594	141,026	140,526	186,686	241,485	259,003	279,346	246,498
Charges for services	1,966,157	2,064,472	2,180,401	2,227,264	2,366,152	2,591,430	2,554,180	2,730,929	3,032,394	3,283,738
Intergovernmental Grants	36,463	32,725	48,693	69,225	52,143	54,701	21,360	64,981	1,284,549	1,953,755
Other revenues	124,471	161,998	111,936	234,339	179,892	241,247	299,713	355,560	542,045	696,707
Other	541,855	360,107	265,368	1,169,890	410,903	637,312	2,773,556	1,045,406	109,907	300,011
Interest revenue	42,343	39,590	40,722	65,424	128,358	172,097	64,796	12,778	86,013	798,077
Total Revenues	\$ 10,300,363	\$ 10,755,083	\$ 10,781,461	\$ 11,841,029	\$ 11,347,473	\$ 12,489,571	\$ 14,994,758	\$ 14,612,051	\$ 16,364,124	\$ 19,410,864
Expenditures										
General Government	\$ 3,270,509	\$ 3,586,188	\$ 4,778,793	\$ 4,598,997	\$ 3,978,732	\$ 4,101,351	\$ 4,421,433	\$ 4,210,709	\$ 5,512,202	\$ 6,418,054
Public Safety	3,242,071	3,450,501	3,422,325	4,635,048	3,932,040	4,444,046	4,321,012	4,435,165	4,976,495	5,451,814
Highways and streets	562,193	590,526	666,445	633,853	641,120	1,103,248	722,400	939,670	835,321	867,564
Health and welfare	237,441	252,224	251,847	245,589	255,443	229,049	176,313	241,501	-	-
Culture and recreation	766,766	810,378	750,957	846,669	1,027,353	1,107,501	963,979	941,350	1,361,960	1,464,465
Economic Development	224,817	384,608	343,008	379,598	247,522	42,956	499,460	186,050	194,462	59,595
Capital Outlay	2,591,683	1,986,439	1,550,006	943,793	507,877	419,610	366,727	589,743	1,033,935	3,354,030
Debt Principal	935,867	958,370	976,959	1,289,056	1,068,172	1,087,438	1,495,429	1,470,774	6,176,934	1,137,739
Debt Interest	399,567	375,255	352,952	341,024	317,847	291,701	370,899	355,846	283,441	388,216
Bond Issuance cost	-	-	-	-	-	-	153,513	-	-	66,881
Total Expenditures	\$ 12,230,914	\$ 12,394,489	\$ 13,093,292	\$ 13,913,627	\$ 11,976,106	\$ 12,826,900	\$ 13,491,165	\$ 13,370,808	\$ 20,374,750	\$ 19,208,358
Excess of Revenues Over (Under) Expend	(1,930,551)	(1,639,406)	(2,311,831)	(2,072,598)	(628,633)	(337,329)	1,503,593	1,241,243	(4,010,626)	202,506
Other Financing Sources (Uses)										
Transfers In	\$ 1,143,966	\$ 1,595,092	\$ 1,302,012	\$ 1,135,164	\$ 1,147,231	\$ 1,158,342	\$ 1,712,016	\$ 1,609,879	\$ 1,531,939	\$ 3,600,908
Transfer Out	(594,666)	(638,879)	(752,712)	(585,863)	(597,931)	(807,419)	(4,702,690)	(613,221)	(537,908)	(2,609,722)
Proceeds from refunding bonds	-	-	-	-	-	-	5,590,000	-	-	-
Proceeds from General obligation Bon	-	-	-	-	-	-	-	-	4,495,000	1,675,000
Payment to Bond Escrow Agent	-	-	-	-	-	-	(1,710,762)	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	375,275	-	426,188	-
Proceeds on sale of assets	7,700	-	-	16,110	-	-	13,069	-	320,676	-
Other Resources	-	-	-	-	-	-	-	-	-	-
Loan proceeds	112,500	-	-	896,614	-	155,000	-	-	-	-
Total Other Financing Sources (Uses)	\$ 669,500	\$ 956,213	\$ 549,300	\$ 1,462,025	\$ 549,300	\$ 505,923	\$ 1,276,908	\$ 996,658	\$ 6,235,895	\$ 2,666,186
Net Change in Fund Balances	\$ (1,261,051)	\$ (683,193)	\$ (1,762,531)	\$ (610,573)	\$ (79,333)	\$ 168,594	\$ 2,780,501	\$ 2,237,901	\$ 2,225,269	\$ 2,868,692
Debt service as a percentage of noncapital expenditures	13.85%	12.81%	11.52%	12.57%	12.09%	11.12%	14.22%	14.29%	33.40%	9.62%

CITY OF ALAMO, TEXAS
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Occupancy Tax	Total
2014	2,847,121	3,466,644	511,976	-	131,149	6,956,890
2015	3,224,247	3,483,713	514,954	2,010	128,721	7,353,645
2016	3,281,010	3,457,159	526,425	1,204	118,979	7,384,777
2017	3,355,089	3,435,440	537,167	137	95,870	7,423,703
2018	3,479,497	3,599,081	557,694	2,883	90,228	7,729,383
2019	3,739,749	3,830,735	575,790	2,590	105,376	8,254,240
2020	3,879,207	4,246,105	572,112	1,657	39,391	8,738,472
2021	4,242,904	4,922,804	572,112	14,672	94,454	9,846,946
2022	4,510,119	5,569,320	633,832	7,922	71,300	10,792,493
2023	5,008,184	6,251,795	722,523	13,537	44,931	12,040,970

City of Alamo, Texas
Assessed And Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Minerals</u>	Less: <u>Tax Exempt Real Property</u>	<u>Total Taxable Assesses Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2014	603,331,082	46,613,114	-	160,496,288	489,447,908	0.5989	649,944,196	75%
2015	667,514,004	51,466,795	-	200,603,937	518,376,862	0.5989	718,980,799	72%
2016	700,725,523	46,086,274	-	199,858,388	546,953,409	0.5881	746,811,797	73%
2017	720,446,547	48,348,601	-	199,661,388	569,133,760	0.5810	768,795,148	74%
2018	773,390,823	52,455,543	-	214,374,624	611,441,742	0.5565	825,816,366	74%
2019	800,571,354	50,204,583	-	215,914,939	663,263,626	0.5817	879,178,565	75%
2020	824,619,973	56,553,288	-	214,214,588	634,860,998	0.5817	877,478,214	72%
2021	913,816,485	54,207,236	-	154,317,173	813,904,546	0.5817	968,221,719	84%
2022	1,004,009,306	60,169,716	-	123,193,937	940,985,085	0.5817	1,064,179,022	88%
2023	1,077,465,269	74,870,595	-	217,578,012	1,077,465,269	0.5817	1,295,043,281	83%

**City of Alamo, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	City of Alamo			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Hidalgo County Tax Rate	PSJA ISD School District Tax Rate	South Texas College Tax Rate	
2014	0.4896	0.1093	0.5989	0.5900	1.3592	0.1500	2.6981
2015	0.4934	0.1055	0.5989	0.5900	1.3592	0.1850	2.7331
2016	0.4836	0.1045	0.5881	0.5900	1.3992	0.1850	2.7623
2017	0.4798	0.1012	0.5810	0.5900	1.3992	0.1850	2.7552
2018	0.4627	0.0938	0.5565	0.5800	1.3892	0.1850	2.7107
2019	0.4924	0.0893	0.5817	0.5800	1.2725	0.1733	2.6075
2020	0.4990	0.0827	0.5817	0.5800	1.2725	0.1733	2.6075
2021	0.5014	0.0803	0.5817	0.5750	1.2167	0.1715	2.5449
2022	0.5102	0.0715	0.5817	0.5750	1.2167	0.1718	2.5452
2023	0.5226	0.0591	0.5817	0.5750	1.2167	0.1718	2.5452

Note: Overlapping rates are those of the City, County and School District that apply to property owners within the City of Alamo. Not all overlapping rates apply to all City of Alamo property owners (for example, the rates of Pharr San Juan Alamo Independent School District only apply to the City's property owners whose property is located within the geographic boundaries of the PSJA Independent School District).

**City of Alamo, Texas
Principal TaxPayers
(Unaudited)**

Tax Payer	2023			2013		
	Tax Value	Rank	Percentage of Total Taxable Value	Tax Value	Rank	Percentage of Total Taxable Value
Wal-Mart Real Estate Bus Trust	\$ 14,966,987	1	1.62%	\$ 11,554,667	1	2.36%
Kim-Taek & Nancy Vargas Trusts	14,308,024	2	1.55%	8,599,866	3	
AEP Texas Central Co.	10,255,140	3	1.11%	4,695,430	7	0.96%
H E Butt Grocery Company	6,654,189	4	0.72%	6,240,219	4	1.33%
Wilder Corporation of Delaware	6,475,477	5	0.70%	5,018,440	6	1.03%
Wal-Mart Stores Texas, LLC	6,190,520	6	0.67%	9,369,313	2	1.91%
Guardia Family	6,452,228	7	0.70%			
DCTN3 Texas Portfolio, LLC	5,190,000	8	0.56%	5,678,295	5	1.16%
MHC Alamo Palms, LLC	4,489,974	9	0.49%			
Touchstone Realty ALMO LLC	4,348,764	10	0.47%			0.74%
Alamo Bank of Texas				4,653,936	8	0.95%
Triple R medical Facilities, LTD				4,068,257	9	0.83%
CPRD Inc				3,931,514	10	0.80%
Totals	<u>\$ 79,331,303</u>		<u>8.61%</u>	<u>\$ 63,809,937</u>		<u>12.08%</u>

Source: Hidalgo County Appraisal District

City of Alamo, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Total Tax Levy* for Fiscal Year	Collection within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2,865,965	2,687,376	93.8%	85,872	2,773,248	96.8%
2015	3,034,541	2,885,295	95.1%	150,070	3,035,365	100.0%
2016	3,149,506	3,015,594	95.7%	134,692	3,150,286	100.0%
2017	3,241,761	3,108,020	95.9%	110,961	3,218,981	99.3%
2018	3,336,652	3,212,772	96.3%	121,136	3,333,908	99.9%
2019	3,622,302	3,501,799	96.7%	129,033	3,630,832	100.2%
2020	3,779,361	3,657,812	96.8%	47,582	3,705,394	98.0%
2021	4,052,227	3,950,368	97.5%	136,699	4,087,067	100.9%
2022	4,358,898	4,365,493	100.2%	134,642	4,500,135	103.2%
2023	5,103,714	4,891,422	95.8%	185,665	5,077,087	99.5%

* Tax Levy including modifications throught the year

CITY OF ALAMO, TEXAS
Water Sewer Revenues
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Water	Sewer	Total
2014	1,973,740	1,464,665	3,438,404
2015	1,920,992	1,508,259	3,429,251
2016	2,047,498	1,574,493	3,621,991
2017	2,206,676	1,702,839	3,909,515
2018	2,213,956	1,812,188	4,026,144
2019	2,219,282	1,957,528	4,176,810
2020	2,409,425	2,211,775	4,621,200
2021	2,501,195	2,393,030	4,894,225
2022	2,856,334	2,707,719	5,564,053
2023	2,885,294	2,767,774	5,653,068

CITY OF ALAMO, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2023
(amounts expressed in thousands)

Governmental Unit	Date	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:				
City of Alamo	9/30/2023	\$ 9,275	100%	\$ 9,275
Overlapping:				
Pharr, San Juan, Alamo ISD	9/30/2023	247,255	9.8%	24,256
Hidalgo County	9/30/2023	395,825	2.0%	7,877
Hidalgo County Irrigation District #1	9/30/2023	276,378	2.1%	5,693
South Texas College	9/30/2023	103,235	1.9%	1,920
South Texas ISD	9/30/2023	-	0.0%	-
Total Direct Debt				<u>9,275</u>
Total Net Overlapping Debt				<u>39,746</u>
Total Direct and Overlapping Debt				<u><u>\$ 49,021</u></u>

Source: Municipal Advisory Council of Texas

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

CITY OF ALAMO, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	12,825,000	868,515	11,956,485	2.44%	628
2015	12,015,000	973,468	11,041,532	2.13%	576
2016	11,190,000	996,263	10,193,737	1.86%	530
2017	10,345,000	1,120,983	9,224,017	1.62%	443
2018	9,475,000	1,248,222	8,226,778	1.35%	410
2019	8,590,000	1,383,700	7,206,300	1.09%	356
2020	11,270,000	1,456,767	9,813,233	1.37%	485
2021	10,040,000	1,575,730	8,464,270	1.04%	418
2022	8,680,000	1,750,147	6,929,853	0.85%	342
2023	9,275,000	1,895,353	7,379,648	0.91%	365

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. In addition, amounts listed under general obligation bonds do not include the portion of these bonds that are being serviced in proprietary funds.

(1) Please see the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF ALAMO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases			
2014	12,825,000	725,475	589,206	5,661,000	15,819	19,816,500	6.50%	1,041
2015	12,015,000	701,634	464,677	5,389,000	11,968	18,582,279	6.14%	969
2016	11,190,000	677,564	336,788	5,114,000	8,017	17,326,369	5.94%	901
2017	10,345,000	653,254	812,657	5,831,000	313,457	17,955,368	5.58%	863
2018	9,475,000	628,700	638,794	5,494,000	189,946	16,426,440	5.49%	820
2019	8,590,000	603,901	616,156	15,442,000	62,886	25,314,943	7.86%	1,251
2020	11,270,000	578,854	405,526	11,265,000	38,136	23,557,516	6.88%	1,165
2021	10,040,000	553,556	190,050	10,983,000	4,483,235	26,249,841	7.63%	1,297
2022	8,680,000	528,005	64,855	10,690,000	4,214,012	24,176,872	6.80%	1,194
2023	9,275,000	502,198	32,923	10,425,000	4,021,407	24,256,528	6.61%	1,198

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

(1) Source: Texas Workforce Commission Tax Department.

**CITY OF ALAMO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
(Unaudited)**

Assessed Valuation 2022 Tax Roll for Fiscal Year 2023	\$ 1,120,599,547
Debt Limit - Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 10% of the assessed valuation is used.	<div style="text-align: right; margin-right: 20px;">10%</div> <hr style="width: 100%;"/> <div style="text-align: right;">112,059,955</div> <hr style="width: 100%;"/>
Total Bonded Debt	9,275,000
Deduct amount available in debt service fund	<hr style="width: 100%;"/> <div style="text-align: right;">1,895,353</div> <hr style="width: 100%;"/>
Applicable Debt	<hr style="width: 100%;"/> <div style="text-align: right;">7,379,648</div> <hr style="width: 100%;"/>
Economic Debt Margin	<hr style="width: 100%;"/> <div style="text-align: right;">\$ 104,680,307</div> <hr style="width: 100%;"/>

**CITY OF ALAMO, TEXAS
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (Unaudited)**

Fiscal Year	Revenue Bonds			Debt Service		Coverage
	Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	
2014	3,531,528	2,745,418	786,110	5,661,000	15,819	0.14
2015	3,584,914	1,416,717	2,168,197	5,389,000	11,968	0.40
2016	3,764,724	1,676,250	2,088,474	5,114,000	8,017	0.41
2017	4,070,441	2,090,305	1,980,136	5,831,000	313,457	0.32
2018	4,194,678	2,901,074	1,293,604	5,494,000	189,946	0.23
2019	4,541,989	2,487,291	2,054,698	15,442,000	62,886	0.13
2020	4,837,471	3,809,556	1,027,915	11,265,000	38,136	0.09
2021	5,045,589	3,182,282	1,863,307	10,983,000	218,629	0.17
2022	5,663,247	3,293,023	2,370,224	10,690,000	219,939	0.22
2023	5,674,431	3,030,705	2,643,726	10,425,000	207,401	0.25

**City of Alamo, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population (1)	MSA Per Capita Personal Income (3)	Median Age (3)	Unemployment Rate (2)
2014	19,036	16,007	35.6	2.30%
2015	19,171	15,787	35.1	0.30%
2016	19,220	15,164	33.3	1.90%
2017	20,804	15,476	34.2	0.10%
2018	20,041	14,920	31.1	1.80%
2019	20,241	15,951	33.8	0.10%
2020	20,263	15,834	39.8	1.60%
2021	20,346	15,951	39.8	2.80%
2022	20,346	15,951	39.8	2.80%
2023	20,346	15,951	39.8	2.80%

(1) Estimated (Information was received from the US Census)

(2) Source: Texas Workforce Commission Tax Department

(3) Source: U.S. Census Bureau, American Community Survey 5-year Estimates

**City of Alamo, Texas
Principal Employers
(Unaudited)**

	2023	
Employees	Employees	Rank
PSJA Independent School District	3,500	1
Wal-Mart	438	2
H.E.B	305	3
City of Alamo	151	4
Rio Plex Distributors	60	5
McDonald's	40	6
South Texas Health Systems ER	35	7
Vangaurd Academy Mozart Elementary	34	8
Hess Air	30	9
Peter Piper Pizza	30	10
Totals	4,623	

Source: Alamo Economic Development Corporation

City of Alamo, Texas
Full-Time Equivalent City Government Employees by Function
Last Three Fiscal Years
(Unaudited)

		Fiscal Year	Fiscal Year	Fiscal Year
		2021	2022	2023
General Government				
01-510	Mayor and City Council	5	5	5
01-512	Planning and Comm. Develop	4	4	4
01-514	Municipal Court	2	2	2
01-522	City Manger	2	2	2
01-523	Purchasing	2	2	2
01-524	City Secretary	1	1	1
01-525	Human Resources	2	2	2
01-526	Finance	5	6	6
01-529	Information Technology	2	2	2
01-550	Storm Water	2		
Public Safety				
01-513	Police	48	48	48
01-516	Fire	22	22	22
Highways and Streets				
01-518	Streets	16	16	16
Health & Welfare				
01-512	Code Enforcement	1	1	1
Culture & Recreation				
01-515	Library	7	6	6
01-517	Parks & Recreation	13	14	17
01-519	Museum	1	1	1
01-521	Swimming Pool	2.50	2.50	2.50
General Fund Total		<u>138</u>	<u>137</u>	<u>140</u>
Utility				
03-530	Water	11	11	11
03-531	Sewer	5	2	2
03-534	Water Plant	5	5	5
03-535	Sewer Plant	2	5	5
03-536	Billing	4.5	5.5	5.5
Water/Sewer Fund Total		<u>28</u>	<u>29</u>	<u>29</u>
Grand Total		<u>165</u>	<u>165</u>	<u>168</u>

Source: City of Alamo Finance Department

**City of Alamo, Texas
Operating Indicators by Function
(Unaudited)**

<u>Function</u>	<u>2022</u>	<u>2023</u>
Public Safety - Police		
Physical Arrests	2160	2320
Parking Violations	8	7
Traffic Violations	3989	4021
Public Safety - Fire		
Number of Calls Answered	1595	1789
Inspections	261	262
Highways and Streets		
Traffic Signs Repaired	36	35
Solid Waste Services		
Materials Recycled - Tons	1900	1980
Culture and Recreation		
Programs	9	9
Parks Maintained	7	7
Water		
New Connections	1200	1210
Water Main Breaks	190	188
Average Daily Consumption (millions of gallons)	1.964	1.998
Wastewater		
Average Daily Sewage Treatment (millions of gallons)	1.785	1.820

Source: Various City Departments

Note: Indicators are not available for the general government function

City of Alamo, Texas
Capital Assets Statistics by Function
(Unaudited)

<u>Function</u>	<u>2023</u>
Miles of Streets:	
Paved	128.25
Miles of Sewer:	
Storm	46.09
Sanitary	95.95
Storm Drainage Ditches	14.54
Building Permits:	
Permits Issued	819
Estimated Value	\$ 176,154
Fire Protection:	
Number of Stations	2
Police Protection:	
Number of Stations	1
Recreation:	
Number of Parks	7
Number of Playgrounds	9
Number of Municipal Swimming Pools	1
Number of Splash Pads	2
Tennis Courts	4
Baseball Fields	7
Soccer Fields	1
Basketball Fields	4

Source: Various City Departments

INTERNAL CONTROL / COMPLIANCE SECTION

ADRIAN WEBB, CPA

Certified Public Accountant
Edinburg, Texas

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*

Independent Auditor's Report

To the City Commission of
City of Alamo, Texas

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 blended component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Alamo, Texas' basic financial statements and have issued our report thereon dated March 23, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Alamo'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 City of Alamo's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Alamo'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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Alamo' 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 statement. 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 result 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.

Adrian Webb, CPA

ADRIAN WEBB, CPA
Certified Public Accountant
Edinburg, Texas
March 23, 2024

ADRIAN WEBB, CPA

**Certified Public Accountant
Edinburg, Texas**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Commission of
City of Alamo, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Alamo, Texas compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Alamo, Texas major federal programs for the year ended September 30, 2023. City of Alamo, Texas major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Alamo, Texas major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Alamo, Texas compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Alamo, Texas compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Alamo, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Report on Internal Control over Compliance

Management of the City of Alamo, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Alamo, Texas internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Alamo, Texas internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Adrian Webb, CPA

ADRIAN WEBB, CPA

Edinburg, Texas

March 23, 2024

CITY OF ALAMO, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

I. Summary of the Auditor’s Results:

Financial Section:

- | | |
|--|--------------------|
| A. The type of report issued: | Unmodified opinion |
| B. Internal control over financial statements: | |
| Material Weakness(es) identified? | No |
| Significant Deficiency(ies) identified which
were not considered material weaknesses? | No |
| C. Noncompliance material to the financial statements noted. | No |

Federal Awards Section:

- | | |
|--|--------------------|
| D. The type of report issued: | Unmodified Opinion |
| E. Internal control over Major Programs: | |
| Material Weakness(es) identified? | No |
| Significant Deficiency(ies) identified which
were not considered material weaknesses? | No |
| F. Any audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance? | No |
| G. Identification of major programs:
CFDA 21.019 – American Recovery Plan Act
CFDA 16.738 – Byrne Justice Assistance Grant Program | |
| H. Dollar threshold to distinguish between type A and type B programs: | \$750,000 |
| I. Auditee qualifies as a low-risk auditee | No |

CITY OF ALAMO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2023

II. Financial Statement Findings

None Identified

II. Findings Relating to Federal Awards and Questions Costs.

None Identified

THIS PAGE IS INTENTIONALLY BLANK

CITY OF ALAMO, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year ended September 30, 2023

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>US Department of Justice</u>			
Passed through Direct Programs:			
Byrne Justice Assistance Grant Program	16.738	15JCOPS-22-GG-0154-STECP	\$ 540,000
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>540,000</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the Texas Homeland Security Office:			
State Homeland Security Program	97.067	3172307	124,008
State Homeland Security Program	97.067	3172308	25,795
APD Operation Shield	97.067	4594701	183,639
PD Anti-Terrorism Enhancement Project	97.067	4481601	109,580
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>443,022</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Passed through Urban County			
Community Development Block Grant	14.218	B-13-UC-48-0501	128,269
TOTAL HOUSING AND URBAN DEVELOPMENT			<u>128,269</u>
<u>U.S. Department of the Treasury:</u>			
Direct Program			
American Recovery Act Plan (ARPA)	21.019	746000004	632,979
Total Expenditures of Federal Awards			<u>\$ 1,744,270</u>

THIS PAGE IS INTENTIONALLY BLANK

CITY OF ALAMO, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Alamo, Texas. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of the basic financial statements.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2: INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3: FEDERAL LOANS AND LOAN GUARANTEES

During the fiscal year ended September 30, 2023, the City had no outstanding federal loans payable or loan guarantees.

NOTE 4: SUB-RECIPIENTS

During the fiscal year ended September 30, 2023, the City did not have any sub-recipients.

NOTE 5: NONCASH AWARDS

During the fiscal year ended September 30, 2023, the City did not receive any non-cash assistance.

NOTE 6: FEDERALLY FUNDED INSURANCE

During the fiscal year ended September 30, 2023, the City had no outstanding federally funded insurance.