CITY OF ALAMO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR YEAR ENDED SEPTEMBER 30, 2024

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City of Alamo, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

Prepared by:
Finance Department

Yvette Mendoza
Finance Director

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INTRODUCTORY SECTION

March 17, 2025

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, 2024. 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, 2024. 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.

PROFILE OF THE GOVERNMENT - Continued

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 budged 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

ECONOMIC CONDITION AND OUTLOOK - Continued

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 Wing stop.

The City continues to enjoy a stable outlook with property tax values at $1,132,640,298 up to 5% over the previous year. The Hidalgo County unemployment rate was 7.20% in 2024. The top 10 taxpayers are diverse, accounting for 7.12% of market value.

The City approved to decrease the property tax rate, 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 and retail stores.

The City's sales tax revenue had a slight decrease of 3% in collections compared to FY 2022-2023. 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.

LONG-TERM FINANCIAL PLANNING - Continued

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

	General Obligation	Revenue
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

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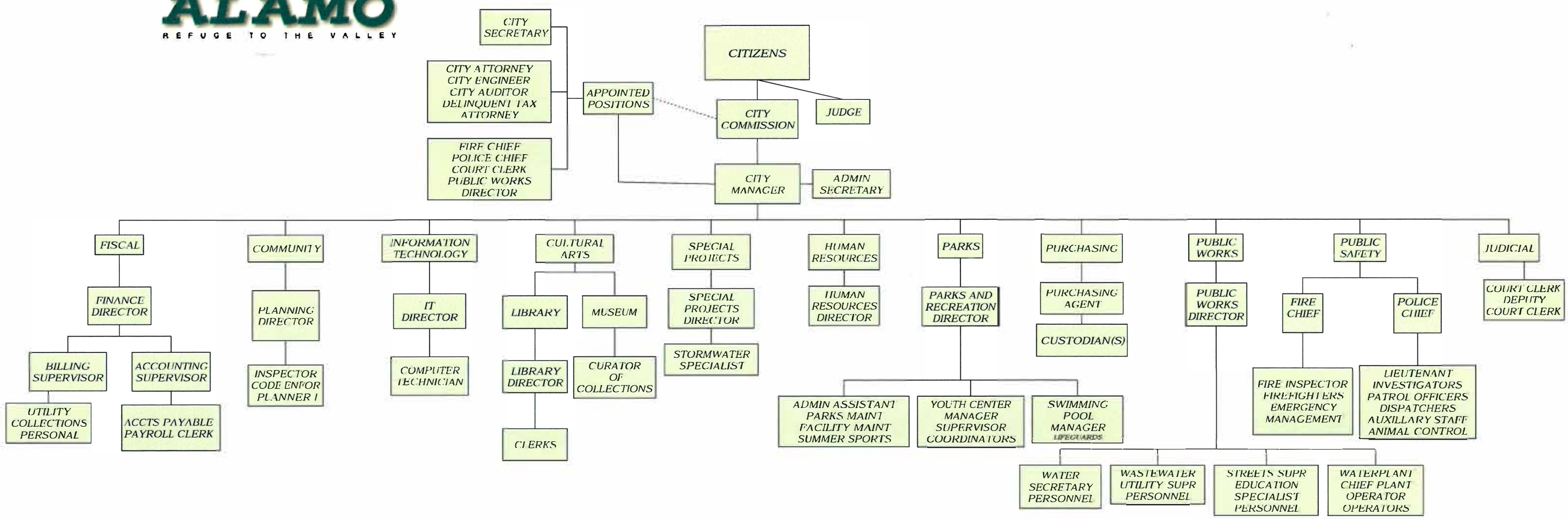
CITY OF ALAMO ORGANIZATIONAL CHART

ALAMO
REFUGE TO THE VALLEY



CITY OF ALAMO, TEXAS

For the Year Ended September 30, 2024

CITY OFFICIALS

J.R. Garza	Mayor
Roel Moreno Jr.	Mayor Pro-Tem
Pete Morales	Commissioner PL. 2
Okie Salinas	Commissioner PL. 3
Arturo Garcia	Commissioner PL. 4

CITY MANAGER

Roberto “Bobby” Salinas

FINANCE DIRECTOR

Yvette Mendoza

FINANCIAL SECTION

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ADRIAN WEBB, CPA

Certified Public Accountant
Edinburg, Texas

Independent Auditor's Report

To the City Commission of
City of Alamo, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of 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

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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.

3619 W ALBERTA RD, EDINBURG, TX 78539 MEMBER OF AICPA & TSCPA PHONE (956) 897-1142

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 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.

Other Information

Management is responsible for the other information included in the Annual Audit Report and Financial Statements. The other information comprises the introductory and statistical 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 17, 2025, 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 17, 2025

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, 2024. 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 $4,895,449. Net position from governmental activities increased $4,183,761, while net position from business-type activities increased by $711,688.

- The City's combined assets from governmental and business-type activities exceeded its liabilities at the close of the most recent fiscal year by $71,193,479 compared to $66,298,029, as restated, in the prior year.

- The General Fund ended the year with a fund balance of $9,320,277, a $277,149 decrease from prior year's balance of $9,597,426.

- In comparing the General Fund's final budget to actual, revenues were $45,567 less than the final budget, and expenditures were $589,545 less than final budget. This resulted in a total positive budget to actual variance of $543,978 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.

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 $19,160,718 an increase of $243,812 from the previous year.

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 $37,952,764 from $33,769,003, as restated. 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 $6,186,970 as of September 30, 2024.

In the current fiscal year, net position of business-type activities increased to $33,240,715 from 32,529,026. Table I, below illustrates a comparative summary of the City's statement of net position as of September 30, 2024, and 2023.

Table I

	Governmental Activities		Business-Type Activities		Totals		
	2024	2023	2024	2023	2024	2023	Increase / Decrease
Current Assets	$ 25,579,028	$ 25,922,404	$ 7,788,683	$ 7,396,908	$ 33,367,711	$ 33,319,312	$ 48,399
Capital Assets, Net	28,970,086	26,167,677	40,497,829	40,273,001	69,467,915	66,440,678	3,027,237
Total Assets	54,549,114	52,090,081	48,286,512	47,669,909	102,835,626	99,759,990	3,075,636
Deferred Outflows of Resources	409,320	1,566,990	211,607	416,063	620,927	731,085	(110,158)
Total Assets and deferred Outflows of resources	54,958,433	53,657,071	48,498,119	48,085,972	103,456,553	101,743,043	1,713,510
Other Liabilities	7,269,744	6,715,525	1,513,289	818,557	8,783,033	7,534,082	1,248,951
Long-Term Liabilities	9,210,394	12,256,060	13,648,436	14,718,307	22,858,830	26,974,367	(4,115,537)
Total Liabilities	16,480,138	18,971,585	15,161,725	15,536,864	31,641,863	34,508,449	(2,866,586)
Deferred Inflows of Resources	525,531	139,635	95,679	20,082	621,210	159,717	461,493
Net Invested in Capital Assets	20,123,882	16,357,555	26,531,185	25,826,594	46,655,067	39,577,799	7,077,268
Restricted for:							
Capital Projects	-	-	1,985,200	2,008,680	1,985,200	2,647,753	(662,553)
Debt Service	2,234,514	2,012,291	-	-	2,234,514	2,012,291	222,223
Hotel/Motel Tax	721,976	-	-	-	721,976	-	721,976
Parkland	104,539	-	-	-	104,539	-	104,539
Economic Development	6,272,805	4,492,860	-	-	6,272,805	4,492,860	1,779,945
Special Purposes	195,627	2,602,115	-	-	195,627	2,602,115	(2,406,488)
Unrestricted	8,299,421	9,081,030	4,724,330	4,693,752	13,023,751	13,774,782	(751,031)
Total Net Position	37,952,764	34,545,851	33,240,715	32,529,026	71,193,479	67,074,877	6,547,372
Total Liabilities, deferred Inflows of resources and net position	$ 54,958,433	$ 53,657,071	$ 48,498,119	$ 48,085,972	$ 103,456,553	$ 101,743,043	$ 1,713,510

Table II

	Governmental Activities		Business-Type Activities		Totals		
	2024	2023	2024	2023	2024	2023	Increase / Decrease
Revenues							
Program Revenues							
Charges for Services	$ 3,524,039	$ 3,283,738	$ 6,132,812	$ 5,653,068	$ 9,656,851	$ 8,936,806	$ 720,045
Operating Grants and Contributions	2,625,320	1,953,755	-	-	2,625,320	1,953,755	671,565
Capital Grants and Contributions	-	-	-	196,482	-	196,482	(196,482)
General Revenues							
Property Taxes	5,909,519	5,103,714	-	-	5,909,519	5,103,714	805,805
General Sales and Use Tax	6,064,413	6,251,795	-	-	6,064,413	6,251,795	(187,382)
Other Taxes	867,854	780,991	-	-	867,854	780,991	86,863
Other Revenues	2,912,702	2,132,401	-	195,197	2,912,702	2,327,598	585,104
Total Revenues	21,903,847	19,506,394	6,132,812	6,044,747	28,036,659	25,551,141	2,485,518
Expenses							
General Government	7,727,311	6,656,386	-	-	7,727,311	6,656,386	1,070,925
Public Safety	5,900,346	5,802,935	-	-	5,900,346	5,802,935	97,411
Highway and Streets	1,050,033	923,439	-	-	1,050,033	923,439	126,594
Culture and Recreation	1,897,261	1,558,783	-	-	1,897,261	1,558,783	338,478
Economic Development	159,751	63,433	-	-	159,751	63,433	96,318
Debt Service	-	66,881	-	-	-	66,881	(66,881)
Interest on long-term debt	858,891	436,743	-	-	858,891	436,743	422,148
Utility Services	-	-	5,547,616	4,381,643	5,547,616	4,381,643	1,165,973
Total Expenses	17,593,594	15,508,600	5,547,616	4,381,643	23,141,209	19,890,243	3,250,966
Increase in net position before transfers	4,310,253	3,997,794	585,196	1,663,104	4,895,450	5,660,898	(765,448)
Transfers	(126,492)	991,186	126,492	(991,186)	-	-	-
Change in Net Position	4,183,761	4,988,980	711,688	671,918	4,895,449	5,660,898	(765,449)
Net Position Beginning, as Restated	33,769,003	29,556,871	32,529,026	32,111,873	66,298,029	61,668,744	4,629,285
Net Position Ending	$ 37,952,764	$ 34,545,851	$ 33,240,715	$ 32,783,791	$ 71,193,479	$ 67,329,642	$ 3,863,836

The cost of all governmental activities in the current year was $17,593,594. However, as shown in Table II, the amount financed by property and non-property taxes were $5,909,519 and $6,932,267 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Governmental Activities		Business-Type Activities		Totals		
Capital Assets Not Being Depreciated	2024	2023	2024	2023	2024	2023	Increase / Decrease
Land	$ 2,177,334	$ 1,731,590	$ 2,943,078	$ 2,943,078	$ 5,120,412	$ 4,674,668	$ 445,744
Construction in Progress	1,895,097	1,422,041	12,556,036	11,409,614	14,451,133	12,831,655	1,619,478
Total capital assets, not being depeciated	4,072,431	3,153,631	15,499,114	14,352,692	19,571,545	17,506,323	2,065,222
Capital Asssets, Being Depreciated							
Buildings	13,413,065	13,318,685	4,838,176	4,838,176	18,251,241	18,156,861	94,380
Vehicles	6,056,991	5,049,606	293,844	293,844	6,350,835	5,343,450	1,007,385
Machinery and Equipment	4,711,635	4,485,787	2,277,191	6,636,749	6,988,826	11,122,536	(4,133,710)
Right-of-Use Assets	-	-	4,470,386	-	4,470,386	-	4,470,386
Infrastructure	18,739,221	16,938,404	26,221,471	26,221,471	44,960,692	16,938,404	16,938,404
Total capital assets, being depeciated	42,920,912	39,792,482	38,101,068	37,990,240	81,021,980	77,782,722	3,239,258
Less: accumulated depreciation for	(18,023,257)	(16,778,435)	(13,102,352)	(12,069,933)	(31,125,609)	(28,848,368)	(2,277,241)
Total capital assets, being depeciated, net	24,897,655	23,014,047	24,998,715	25,920,308	49,896,370	48,934,354	962,017
Governmental activities, capital assets, net	$ 28,970,086	$ 26,167,678	$ 40,497,829	$ 40,273,000	$ 69,467,915	$ 66,440,677	$ 3,027,239

At the end of the fiscal year, the City had $69,467,915 (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 $3,027,239 from the previous fiscal year.

Long-Term Debt

By the end of the fiscal year, the City had long-term obligations totaling $23,029,160 versus $24,702,056 at the end of last year, a decrease of $1,672,896. The following is a summary of long-term obligations:

	Governmental		Increase/
	2024	2023	Decrease
General Obligation Debt	$ 8,135,000	$ 9,275,000	$ (1,140,000)
Notes Payable	476,133	502,198	(26,065)
Capital Leases	-	32,924	(32,924)
Compensated Absences	396,077	382,330	13,747
Total Governmental Activities	$ 9,007,210	$ 10,192,452	$ (1,185,242)

	Business-Type		Increase/
	2024	2023	Decrease
General Obligation Debt	$ 10,150,000	$ 10,425,000	$ (275,000)
Capital Leases	3,816,644	4,021,407	(204,763)
Compensated Absences	55,306	63,197	(7,891)
Total Business-Type Activities	14,021,950	14,509,604	(487,654)
Total Primary Government	$ 23,029,160	$ 24,702,056	$ (1,672,896)

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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraisal values used in preparing 2024-2025 budget increased $72,860,916 over the prior year.

- The ad valorem property tax rate was set at .60220 for the 2024-2025 fiscal year.

- The Sales Tax collected in 2023-2024 decreased by $187,382 or 3.0% over prior year.

- The 2023-2024 General Fund operating budget was prepared using $9,597,426 as the estimated fund balance as of September 30, 2024. The actual unassigned fund balance for the General Fund was $9,320,277.

- 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.

BASIC FINANCIAL STATEMENTS

City of Alamo **EXHIBIT A-1**

Statement of Net Position

September 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
1010 Cash and Cash Equivalents	$ 10,503,663	$ 3,525,404	$ 14,029,068
1030 Investments - Current	10,319,535	1,714,534	12,034,069
Receivables (Net of Allowance for Uncollectible):			
1050 Taxes Receivable, Net	1,656,396	-	1,656,396
1150 Accounts Receivable, Net	1,010,436	487,299	1,497,734
1160 Notes Receivable	412,681	-	412,681
1260 Due from Other Governments	723,341	-	723,341
1300 Due from Other Funds	910,645	16,246	926,891
1430 Prepaid Items	42,331	60,000	102,331
Restricted Assets:			
1611 Restricted Cash and Cash Equivalents	-	1,985,200	1,985,200
Total Current Assets	25,579,028	7,788,683	33,367,710
Noncurrent Assets:			
Capital Assets			
1791 Capital Assets Not Being Depreciated	4,072,431	15,499,114	19,571,545
1792 Capital Assets Being Depreciated	42,920,912	38,101,067	81,021,979
1780 Accumulated Depreciation	(18,023,257)	(13,102,352)	(31,125,609)
Total Capital Assets	28,970,086	40,497,829	69,467,915
Total Noncurrent Assets	28,970,086	40,497,829	69,467,915
TOTAL ASSETS	54,549,113	48,286,512	102,835,625
DEFERRED OUTFLOWS OF RESOURCES:			
1991 Deferred Charge for Refunding	115,575	-	115,575
1992 Deferred Outflows Related to Pension Plan	275,510	50,160	325,670
1993 Deferred Outflows Related to OPEB	18,235	3,320	21,555
1994 Unamortized Discounts on Bonds	-	158,127	158,127
TOTAL DEFERRED OUTFLOWS OF RESOURCES	409,320	211,607	620,927
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 54,958,433	$ 48,498,119	$ 103,456,552
LIABILITIES:			
Current Liabilities:			
2010 Accounts Payable	$ 852,208	$ -	$ 852,208
2011 Wages and Salaries Payable	320,736	21,835	342,571
2015 Customer Deposits	-	682,293	682,293
2030 Compensated Absences Payable	396,077	55,306	451,383
2080 Due to Other Funds	767,482	159,408	926,891
2140 Accrued Interest	25,219	23,308	48,527
2230 Unearned Revenues	2,859,039	-	2,859,039
2250 Bonds Payable - Current	1,190,000	280,000	1,470,000
2255 Notes Payable - Current	26,325	-	26,325
2260 Right-to-Use Leases Payable - Current	-	217,415	217,415
2270 Other Current Liabilities	832,659	73,724	906,383
Total Current Liabilities	7,269,744	1,513,289	8,783,034
Noncurrent Liabilities:			
2501 Notes Payable	449,808	-	449,808
2502 Bonds Payable	6,945,000	9,870,000	16,815,000
2505 Unamortized Premiums (Discounts) on Bonds	831,269	-	831,269
2510 Lease Liability	-	3,599,230	3,599,230
2580 Net Pension Liability	736,097	134,015	870,112
2585 Other Post Employment Benefits	248,220	45,191	293,411
Total Noncurrent Liabilities	9,210,394	13,648,436	22,858,830
TOTAL LIABILITIES	16,480,138	15,161,725	31,641,863
DEFERRED INFLOWS OF RESOURCES:			
2602 Deferred Inflows Related to Pension Plan	478,754	87,163	565,917
2603 Deferred Inflows Related to OPEB	46,778	8,516	55,294
TOTAL DEFERRED INFLOWS OF RESOURCES	525,531	95,679	621,210
NET POSITION			
4001 Net Investment in Capital Assets and Lease Assets	20,123,882	26,531,185	46,655,067
Restricted For:			
3006 Debt Service	2,234,514	-	2,234,514
3007 Capital Projects	-	1,985,200	1,985,200
3009 Hotel/Motel Tax	721,976	-	721,976
3410 Parkland	104,539	-	104,539
3425 Economic Development	6,272,805	-	6,272,805
3490 Special Purposes	195,627	-	195,627
3890 Unrestricted	8,299,421	4,724,330	13,023,751
TOTAL NET POSITION	37,952,764	33,240,715	71,193,479
TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION	$ 54,958,433	$ 48,498,119	$ 103,456,552

City of Alamo
Statement of Activities
For the Year Ended September 30, 2024

EXHIBIT B-1

		Program Revenues		Net (Expense) Revenue and Changes in Net Position - Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
GOVERMENTAL ACTIVITIES:						
General Government	$ 7,727,311	$ 1,752,626	$ 405,190	$ (5,569,495)	$ -	$ (5,569,495)
Public Safety	5,900,346	1,156,800	2,116,468	(2,627,078)	-	(2,627,078)
Highways and Streets	1,050,033	205,866	-	(844,168)	-	(844,168)
Culture and Recreation	1,897,261	381,281	103,661	(1,412,319)	-	(1,412,319)
Economic Development	159,751	27,467	-	(132,284)	-	(132,284)
Interest on Debt	858,891	-	-	(858,891)	-	(858,891)
Total Governmental Activities	17,593,594	3,524,039	2,625,320	(11,444,235)	-	(11,444,235)
BUSINESS-TYPE ACTIVITIES:						
Water and Sewer	5,547,616	6,132,812	-	-	585,196	585,196
Total Business-Type Activities	5,547,616	6,132,812	-	-	585,196	585,196
TOTAL PRIMARY GOVERNMENT	23,141,210	9,656,851	2,625,320	(11,444,235)	585,196	(10,859,039)

	Governmental Activities	Business-Type Activities	Total
General Revenues			
Taxes:			
Property Taxes, Levied for General Purposes	5,288,107	-	5,288,107
Property Taxes, Levied for Debt Service	621,411	-	621,411
General Sales and Use Taxes	6,064,413	-	6,064,413
Franchise Tax	695,691	-	695,691
Other Taxes	68,398	-	68,398
Penalties and Interest on Taxes	103,765	-	103,765
Investment Earnings	1,002,724	-	1,002,724
Miscellaneous Revenue	1,808,212	-	1,808,212
Gain or Loss on Disposal of Assets	101,768		101,768
Transfers In (Out)	(126,492)	126,492	-
Total General Revenues and Transfers	15,627,996	126,492	15,754,489
Change in Net Position	4,183,761	711,688	4,895,449
Net Position - Beginning (Restated)	$ 33,769,003	$ 32,529,026	$ 66,298,029
Net Position - Ending	$ 37,952,764	$ 33,240,715	$ 71,193,479

City of Alamo
Balance Sheet - Governmental Funds
September 30, 2024

	Major Governmental Funds				
	General Fund	ARPA Fund	Alamo Economic Development	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:					
1010 Cash and Cash Equivalents	$ 2,772,936	$ 2,528,238	$ 3,048,866	$ 2,153,623	$ 10,503,663
1030 Investments - Current	7,064,631	-	1,508,886	1,746,018	10,319,535
1050 Taxes Receivable, Net	1,331,316	-	248,091	76,990	1,656,396
1150 Accounts Receivable, Net	593,510	-	2,931	413,995	1,010,436
1160 Notes Receivable	-	-	412,681	-	412,681
1260 Due from Other Governments	124,657	-	-	598,683	723,341
1300 Due from Other Funds	910,645	-	-	-	910,645
1430 Prepaid Items	4,415	-	37,917	-	42,331
TOTAL ASSETS	$ 12,802,109	$ 2,528,238	$ 5,259,371	$ 4,989,309	$ 25,579,028
LIABILITIES:					
2010 Accounts Payable	$ 838,437	$ -	$ 13,771	$ -	$ 852,208
2011 Wages and Salaries Payable	320,604	-	132	-	320,736
2080 Due to Other Funds	756,219	-	620	10,643	767,482
2230 Unearned Revenues	-	2,255,175	-	603,864	2,859,038
2270 Other Current Liabilities	832,659	-	-	-	832,659
TOTAL LIABILITIES	2,747,918	2,255,175	14,523	614,507	5,632,123
DEFERRED INFLOWS OF RESOURCES:					
2601 Deferred Property Taxes	481,584	-	-	52,273	533,857
2604 Deferred Accounts	252,329	-	-	-	252,329
TOTAL DEFERRED INFLOWS OF RESOURCES	733,913	-	-	52,273	786,186
FUND BALANCES:					
Non-spendable for:					
3001 Prepaid Items	4,415	-	37,917	-	42,331
Restricted for:					
3006 Debt Service	-	-	-	2,234,514	2,234,514
3009 Hotel/Motel Tax	-	-	-	721,976	721,976
3410 Parkland	-	-	-	104,539	104,539
3425 Economic Development	-	-	5,206,931	1,065,873	6,272,805
3490 Special Purposes	-	-	-	195,627	195,627
3600 Unassigned	9,315,863	273,063	-	-	9,588,926
TOTAL FUND BALANCES	9,320,277	273,063	5,244,848	4,322,529	19,160,718
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	$ 12,802,109	$ 2,528,238	$ 5,259,371	$ 4,989,309	$ 25,579,027

The accompanying notes are an integral part of this statement.

City of Alamo
Reconciliation of the Balance Sheet - Governmental to the Governmental Activities - Statement of Net Position
September 30, 2024

EXHIBIT C-2

Total Fund Balances - Governmental Funds		$ 19,160,718
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:		
Capital Assets Not Being Depreciated	4,072,431	
Capital Assets Being Depreciated	42,920,912	
Accumulated Depreciation	(18,023,256)	
Total Capital Assets, Net		28,970,087
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities at the fund level.		
Deferred Charge for Refunding	115,575	
Unamortized Premiums (Discounts) on Bonds	(831,269)	
Compensated Absences Payable	(396,077)	
Debt Service - Due Within One Year	(1,216,325)	
Debt Service - Due in More Than One Year	(7,394,808)	
Total Long-Term Liabilities		(9,722,904)
Some receivables are reported as deferred inflows of resources at the governmental level, and therefore are not reported in governmental funds.		
Property Taxes	533,857	
Fines	252,329	
Total Deferred Inflows of Resources		786,186
Interest on long-term debt is not accrued in the governmental funds, but is recognized as an expenditure in the funds.		
Accrued Interest Payable	(25,219)	
Total Accrued Interest Payable		(25,219)
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 resource inflow. This resulted in a decrease in net position.		
Net Pension Liability	(736,097)	
Deferred Outflow related to Pension Plan	275,510	
Deferred Inflow related to Pension Plan	(478,754)	
		(939,341)
Included in the noncurrent liabilities is the recognition of the City's net OPEB liability required by GASB Statement No. 75, a deferred resource outflow and a deferred resource inflow. This resulted in a decrease in net position.		
Net OPEB Liability	(248,220)	
Deferred Outflow related to OPEB	18,235	
Deferred Inflow related to OPEB	(46,778)	
		(276,763)
Net position of governmental activities		$ 37,952,764

City of Alamo

EXHIBIT C-3

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For The Year Ended September 30, 2024

		Major Governmental Funds				
		General Fund	ARPA Fund	Alamo Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes:						
5110	Property Taxes	$ 5,178,947	$ -	$ -	$ 628,610	$ 5,807,557
5120	General Sales and Use Taxes	4,548,310	-	1,516,103	-	6,064,413
5170	Franchise Tax	695,691	-	-	-	695,691
5180	Other Taxes	11,180	-	-	57,218	68,398
5190	Penalty and Interest on Taxes	92,192	-	-	11,572	103,765
5200	Licenses and Permits	270,740	-	-	-	270,740
5300	Intergovernmental Revenue and Grants	523,252	1,756,454	-	345,614	2,625,320
Fees and Charges:						
5400	Charges for Services	3,524,039	-	-	-	3,524,039
5510	Fines	318,699	-	-	-	318,699
5610	Investment Earnings	415,026	192,981	213,678	181,039	1,002,724
5620	Rents and Royalties	65,570	-	-	-	65,570
5700	Other Revenue	662,786	-	419	496,855	1,160,060
	TOTAL REVENUES	16,306,433	1,949,435	1,730,200	1,720,908	21,706,976
EXPENDITURES:						
100	General Government	6,039,979	-	469,770	203,123	6,712,872
200	Public Safety	5,113,433	-	-	1,820	5,115,253
300	Highway and Streets	910,317	-	-	-	910,317
500	Culture and Recreation	1,644,814	-	-	-	1,644,814
600	Economic Development	-	-	138,495	-	138,495
Debt Service:						
710	Principal on Debt	32,924	-	26,065	1,140,000	1,198,989
720	Interest on Debt	552,711	-	4,783	326,617	884,110
800	Capital Outlay	3,313,915	-	-	1,519,673	4,833,589
	TOTAL EXPENDITURES	17,608,093	-	639,113	3,191,234	21,438,439
	Excess(Deficiency) of Revenues Over(Under) Expenditures	(1,301,660)	1,949,435	1,091,087	(1,470,326)	268,536
OTHER FINANCING SOURCES (USES)						
7912	Gain or Loss on Disposal of Assets	101,768	-	-	-	101,768
7915	Transfers In	1,155,109	-	-	1,282,848	2,437,957
8911	Transfers Out	(232,366)	(1,888,585)	(339,099)	(104,400)	(2,564,450)
	TOTAL OTHER FINANCING SOURCES (USES)	1,024,511	(1,888,585)	(339,099)	1,178,448	(24,725)
	Net Change in Fund Balances	(277,149)	60,850	751,988	(291,878)	243,812
3600	Fund Balance - Beginning	$ 9,597,426	$ 212,213	$ 4,492,860	$ 4,614,407	$ 18,916,906
3900	Fund Balance - Ending	$ 9,320,277	$ 273,063	$ 5,244,848	$ 4,322,529	$ 19,160,718

City of Alamo **EXHIBIT C-4**

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Governmental Activities - Statement of Activities

For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds		$ 243,812
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year's capital outlays and debt principal payments is to increase (decrease) the change in net position.		
Additions to Capital Assets	4,833,589	
Depreciation of Capital Assets	(1,244,821)	
		3,588,768
Repayment of debt principal is an expenditure in the governemental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal Repayment	1,198,989	
Compensated Absences	13,747	
		1,212,736
Interest on long-term debt is not accrued in the governmental funds, but it is recognized as an expenditure at the fund level.		
Accrued Interest Payable	25,219	
		25,219
Because some property taxes and accounts receivable will not be collected for several months after the City's year end, they are not considered "available" revenues in the governmental funds. This represents the change in unavailable revenue from the prior year.		
Property Taxes	101,962	
Fines	(6,858)	
		95,104
GASB 68 requires certain plan expenditures to be de-expensed and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. Finally, the proportionate share of pension expense on the plan as a whole has to be recorded.		
Change in Net Pension Liability	570,019	
Deferred Outflow related to Pension Plan	(1,125,923)	
Deferred Inflow related to Pension Plan	(450,989)	
		(1,006,893)
GASB 75 requires certain plan expenditures to be de-expensed and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. Finally, the proportionate share of OPEB expense on the plan as a whole has to be recorded.		
Change in Net OPEB Liability	(27,176)	
Deferred Outflow related to OPEB	(12,900)	
Deferred Inflow related to OPEB	65,092	
		25,016
Change in Net Position of Governmental Activities		$ 4,183,761

City of Alamo
Statement of Net Position - Proprietary Funds
September 30, 2024

		Water and Sewer
ASSETS:		
Current Assets:		
1010 Cash and Cash Equivalents	$	3,525,404
1030 Investments - Current		1,714,534
1150 Accounts Receivable, Net		487,299
1300 Due from Other Funds		16,246
1430 Prepaid Items		60,000
Restricted Assets:		
1611 Restricted Cash and Cash Equivalents		1,985,200
Total Current Assets		7,788,683
Noncurrent Assets:		
Capital Assets		
1791 Capital Assets Not Being Depreciated		15,499,114
1792 Capital Assets Being Depreciated		38,101,067
1780 Accumulated Depreciation		(13,102,352)
Total Capital Assets		40,497,829
Total Noncurrent Assets		40,497,829
TOTAL ASSETS	$	48,286,512
DEFERRED OUTFLOWS OF RESOURCES:		
1992 Deferred Outflows Related to Pension Plan		50,160
1993 Deferred Outflows Related to OPEB		3,320
1994 Unamortized Discounts on Bonds		158,127
TOTAL DEFERRED OUTFLOWS OF RESOURCES		211,607
TOTAL ASSETS & DEFERRED OUTFLOWS	$	48,498,119
LIABILITIES:		
Current Liabilities:		
2011 Wages and Salaries Payable	$	21,835
2015 Customer Deposits		682,293
2030 Compensated Absences Payable		55,306
2080 Due to Other Funds		159,408
2140 Accrued Interest		23,308
2250 Bonds Payable - Current		280,000
2260 Right-to-Use Leases Payable - Current		217,415
2270 Other Current Liabilities		73,724
Total Current Liabilities		1,513,289
Noncurrent Liabilities:		
2502 Bonds Payable		9,870,000
2510 Lease Liability		3,599,230
2580 Net Pension Liability		134,015
2585 Other Post Employment Benefits		45,191
Total Noncurrent Liabilities		13,648,436
TOTAL LIABILITIES		15,161,725
DEFERRED INFLOWS OF RESOURCES:		
2602 Deferred Inflows Related to Pension Plan		87,163
2603 Deferred Inflows Related to OPEB		8,516
TOTAL DEFERRED INFLOWS OF RESOURCES		95,679
NET POSITION		
4001 Net Investment in Capital Assets		26,531,185
3890 Unrestricted		6,709,530
TOTAL NET POSITION		33,240,715
TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION	$	48,498,119

City of Alamo **EXHIBIT D-2**

Statement of Revenues, Expenditures, and Changes in Net Position

Proprietary Funds

For the Year Ended September 30, 2024

			Water and Sewer
OPERATING REVENUES:			
5400	Charges for Services	$	5,921,329
5610	Investment Earnings		203,549
5700	Other Revenue		7,933
	Total Operating Revenues		6,132,812
OPERATING EXPENSES:			
6100	Personnel Services - Salaries and Wages		1,105,365
6200	Personnel Services - Employee Benefits		396,471
6300	Purchased Professional & Technical Services		140,793
6500	Other Operating Costs		2,217,126
6600	Supplies		281,786
6800	Depreciation		1,032,412
	Total Operating Expenses		5,173,953
OPERATING INCOME(LOSS)			958,859
NON-OPERATING REVENUES(EXPENSES)			
6920	Interest on Debt		(373,663)
	Total Non-Operating Revenues(Expenses)		(373,663)
	Income(Loss) Before Capital Contributions and Transfers		585,196
7915	Transfers In		1,123,475
8911	Transfers Out		(996,983)
	Total Contributions and Transfers		126,492
	Change in Net Position	$	711,688
3890	Net Position - Beginning	$	32,529,026
3900	**Net Position - Ending**	$	33,240,715

EXHIBIT D-3

City of Alamo
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Total Receipts From Customers	$	5,929,262
Total Payments to Suppliers		(2,221,376)
Total Payments to Employees		(1,501,836)
Net Cash Flows Provided/(Used) by Operating Activities		2,206,050
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers In		1,123,475
Transfers Out to Other Funds		(996,983)
Net Cash Provided/(Used) by Non-capital Financing Activities		126,492
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Sale/(Acquisition) of Capital Assets		(1,257,249)
Principal Paid on Long-Term Debt		(479,763)
Interest Paid on Long-Term Debt		(373,663)
Net cash Provided/(Used) by Capital and related financing activities		(2,110,675)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income Received		203,549
Net Cash Provided/(Used) by Investing Activities		203,549
Net Increase/Decrease in Cash and Cash Equivalents including Restricted		425,416
Cash Beginning of Fiscal Year, including Restricted		5,085,187
Cash End of Fiscal Year, including Restricted	$	5,510,603
Reconciliation of Operating Income of Net Cash Provided/(Used) by Operating Activities		
Operating Income	$	958,859
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense		1,032,412
Effect of Increases and Decreases in Current Assets and Liabilities		
Decrease (Increase) in Receivables		10,709
Decrease (Increase) in Prepaid Items		(60,000)
Increase(Decrease) in Wages and Benefits Payable		(3,371)
Increase(Decrease) in Other Current Liabilities		17,666
Increase(Decrease) in Customer Deposits		(54,234)
Amortization of Discount on Bonds		7,281
Change in Deferred Pension Inflow		75,597
Change in Deferred Pension Outflow		197,175
Change in Net Pension Liability		23,956
Net Cash Provided (Used) by Operating Activities	$	2,206,050

Note 1 - Summary of Significant Accounting Policies

The City of Alamo, Texas, “the 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* is 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 the 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 I50: *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 are provided, reimbursed, or transferred. 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 benefiting 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/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:

Description	Useful Life
Improvements	10-25 years
Buildings	25 years
Furniture and Equipment	3-10 years
Infrastructure	15-40 years
Water and Sewer System	15-40 years
Equipment Under Lease	Term of Lease

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, 2024, 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).

Note 1 - Summary of Significant Accounting Policies - Continued

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.

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

The GASB has issued the following statement which became effective for fiscal year 2024, and has been implemented:

GASB Statement No. 100, "*Accounting for Changes and Error Corrections*"- an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The GASB has issued the following statements which will become effective for fiscal year 2025:

GASB Statement No. 101, "*Compensated Absences*"- The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Note 1 - Summary of Significant Accounting Policies – Continued

GASB Statement No 102, "*Certain Risk Disclosures*"- The objective of this statement is to provide users of government financial statement with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints, whether by an external party or formal authoritative action by the government. A government is to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The GASB has issued the following statements which will become effective for fiscal year 2026:

GASB Statement No. 103, "*Financial Reporting Model Improvements*"- The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues related to Management's Discussion and Analysis, unusual or infrequent items, Net Position of proprietary funds, Major Component Unit Information, and Budgetary Comparison Information.

GASB Statement 104, "*Disclosure of Certain Capital Assets*"- The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets separately in the capital assets note disclosures required by Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

This Statement specifically addresses assets recognized by Statement No. 87, *Leases*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology*.

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, 2024, the carrying amount of the City's deposits was $14,029,068. In addition, the City has $1,985,200 held in restricted escrow accounts.

The City has one depository institution: 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.

A. Deposits and Investments

As of September 30, 2024, the City's bank balance of $13,863,870 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.

Note 2 – Detail Notes on all Funds – Continued

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.

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, 2024, 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, 2024, 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.

Note 2 – Detail Notes on all Funds – Continued

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.

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. For financial reporting purposes, the City and component units reported amounts for investment pools of $10,525,183 and $1,508,886 respectively, in cash and cash equivalents on the Statement of Net Position as of September 30, 2024. There were no unfunded commitments as of September 30, 2024, 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 of September 30, 2024, are shown below:

Valuation Method	Description	Reported Amount	Weighted Average Maturity (Days)	Concentration of Credit Risk
Market Value	TexPool Investment Fund	12,034,069	37	100.00%

A reconciliation of cash and investments is as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	$ 10,503,663	$ 3,525,404	$ 14,029,068
Restricted cash	-	1,985,200	1,985,200
Money Market	10,319,535	1,714,534	12,034,069
	$ 20,823,199	$ 7,225,138	$ 28,048,337

Note 2 – Detail Notes on all Funds

B. Disaggregation of Receivables

The City's receivables as of September 30, 2024, are summarized by the following table:

	Governmental Funds				Business-Type Activities
Description	General Fund	Urban County	Non-Major Funds	Total	Utility Fund
Property taxes	$ 576,862	$ -	$ 85,544	$ 662,406	$ -
Sales taxes	764,197		248,091	1,012,288	-
Fines Receivable	504,658	-	-	504,658	-
Utility	304,821	-	-	304,821	724,519
Notes Receivable	-		-	412,681	-
Due from State	115,536	-	-	115,536	-
Due from County	9,657	598,683	271,413	879,753	-
Other Receivables	83,768	-	145,513	229,281	-
Gross Receivables	2,359,498	598,683	750,560	4,121,422	724,519
Less:Allowance for Uncollectible	(310,015)	-	(8,554)	(318,570)	(237,220)
Receivables, Net	$ 2,049,483	$ 598,683	$ 742,006	$ 3,802,853	$ 487,299

The City's receivables as of September 30, 2024, for non-major funds are broken down as summarized by the following table:

	Non-Major Funds				
escription	Debt Service Fund	TIRZ Fund	Hotel/Motel Fund	Alamo EDC	Total
Property Taxes	$ 85,544	$ -	$ -	$ -	$ 85,544
Sales Taxes				248,091	248,091
Due from County	-	271,413	-	-	271,413
Notes Receivable	-		-	412,681	412,681
Other Receivables	-	-	142,582	2,931	145,513
ross Receivables	85,544	271,413	142,582	663,703	1,163,241
ess:Allowance for Uncollectible	(8,554)	-	-	-	(8,554)
eceivables, Net	$ 76,990	$ 271,413	$ 142,582	$ 663,703	$ 1,154,687

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 Payables

The City's payables as of September 30, 2024, are summarized by the following table:

	Primary Government			
	Governmental Funds		Business-Type	
Description	General Fund	Alamo EDC	Utility Fund	Total Payables
Accounts Payable	$ 838,437	$ 13,771	$ -	$ 852,208
Wages and Salaries Payable	320,604	-	21,835	342,439
Accrued Interest	-	-	23,308	23,308
Other Current Liabilities	832,659	132	73,724	906,515
Total Payables	$ 1,991,700	$ 13,903	$ 118,867	$ 2,124,470

Note 2 – Detail Notes on all Funds - Continued

D. Interfund Receivables and Transfers

Interfund balances as of September 30, 2024, consisted of the following individual fund receivables and payables:

Description	Due From Other Funds	Due To Other Funds
General Fund:		
Water & Sewer	$ 159,408	$ 16,246
ARPA	-	-
Alamo Economic Development	620	-
Asset Forfeiture	10,643	-
Total General Fund	170,671	16,246
Asset Forfeiture Fund		
General	-	10,643
Total Asset Forfeiture Fund	-	10,643
Alamo Economic Development		
General	-	620
Total Alamo Economic Development	-	620
Water & Sewer Fund		
General	16,246	159,408
Total Water & Sewer Fund	16,246	159,408
Total Interfund Receivables	$ 186,917	$ 186,917

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, 2024, consisted of the following:

Description	Transfers In	Transfers Out
General Fund:		
Water and Sewer	$ 350,000	$ -
TIRZ	-	232,366
Park Improvement	-	104,400
Alamo Economic Development	40,000	-
ARPA	765,109	-
Total General Fund	1,155,109	336,766
Debt Service:		
AEDC	299,099	-
Water and Sewer Fund	646,983	-
Total Debt Service Fund	946,082	-
TIRZ Fund		
General Fund	232,366	-
Total TIRZ Fund	232,366	-
ARPA Fund		
General	-	765,109
Water & Sewer	-	1,123,475
Total ARPA Fund	-	1,888,585
Park Improvement Fund		
General	104,400	-
Total Park Improvement Fund	104,400	-
Alamo Economic Development		
General Fund	-	40,000
Debt Service	-	299,099
Total Alamo Economic Development	-	339,099
Water & Sewer Fund		
General Fund		350,000
ARPA Fund	1,123,475	
Debt Service Fund	-	646,983
Total Water & Sewer Fund	1,123,475	996,983
Total Interfund Transfers	$ 3,561,433	$ 3,561,433

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, 2024, is $412,681.

Description	Balance 9/30/2023	Additions	Retirements	Balance 9/30/2024
The Original Willies's Inc. $140,000 loan on May 19, 2016, at 5.00% interest with maturity on August 1, 2026	$ 46,594	$ -	$ (15,368)	$ 31,226
ANAB Services $75,000 Loan on March 25, 2021 at 4.00% interest with maturity on March 25, 2024	13,133	-	(13,133)	-
Melina Lerma $150,000 Loan on October 14, 2021, at 4.00% interest with maturity October 14, 2031	131,907	-	(13,779)	118,128
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	141,755	-	(12,787)	128,968
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	146,934	-	(12,576)	134,358
Total Notes Receivable	$ 480,323	$ -	$ (67,642)	$ 412,681

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, 2024, 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	$ 481,584	$ 52,273	$ 533,857
Court Fines	252,329	-	252,329
Total Deferred Inflows of Resources	$ 733,913	$ 52,273	$ 786,186

2. Unearned Revenues

Description	Urban County	ARPA	Asset Forfeiture	Total
Intergovernmental Grants	$ 598,683	$ 2,255,175	$ -	$ 2,853,858
Asset Forfeiture	-	-	5,181	5,181
Total Unearned Revenues	$ 598,683	$ 2,255,175	$ 5,181	$ 2,859,039

Note 2 – Detail Notes on all Funds - Continued
H. Capital Assets

The City's capital asset activity for governmental activities for the year ended September 30, 2024, is summarized by the following table:

	Beginning Balance	Additions	Reclassifications	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and right of way	$ 1,731,590	$ 445,744	$ -	$ 2,177,334
Construction in Progress	1,422,041	2,949,455	(2,476,400)	1,895,097
Total capital assets not being depreciated	3,153,631	3,395,199	(2,476,400)	4,072,431
Capital assets being depreciated				
Buildings and Improvements	13,318,685	94,380	-	13,413,065
Vehicles	5,049,606	1,007,385	-	6,056,991
Machinery and Equipment	4,485,787	225,848		4,711,635
Infrastructure	16,938,404	146,930	1,653,887	18,739,221
Total capital assets being depreciated	39,792,482	1,474,543	1,653,887	42,920,912
Less: accumulated depreciation	(16,778,435)	(1,244,821)	-	(18,023,257)
Total capital assets being depreciated, net	23,014,047	229,722	1,653,887	24,897,655
Capital Assets, Net - Governmental Activities	$ 26,167,678	$ 3,624,921	$ (822,512)	$ 28,970,086

The City's capital asset activity for business-type activities for the year ended September 30, 2024, is summarized by the following table:

	Beginning Balance	Additions	Reclassifications	Ending Balance
Capital assets not being depreciated				
Land and right of way	$ 2,943,078	$ -	$ -	$ 2,943,078
Construction in Progress	11,409,614	1,146,422	-	12,556,036
Total capital assets not being depreciated	14,352,692	1,146,422	-	15,499,114
Capital assets, being depreciated				
Building and Improvements	4,838,176	-	-	4,838,176
Vehicles	293,844	-	-	293,844
Machinery and Equipment	6,636,749	110,828	(4,470,386)	2,277,191
Right-of-Use Assets	-	4,470,386		4,470,386
Infrastructure	26,221,471	-	-	26,221,471
Total capital assets being depreciated	37,990,241	4,581,213	(4,470,386)	38,101,068
Less: accumulated depreciation	(12,069,940)	(1,926,701)	894,289	(13,102,352)
Total capital assets being depreciated, net	25,920,308	2,654,512	(3,576,097)	24,998,715
Capital Assets, Net - Business-Type Activities	40,273,000	3,800,934	(3,576,097)	40,497,829
Total Capital Assets, Net	$ 66,440,678	$ 7,425,854	$ (4,398,609)	$ 69,467,915

Note 2 – Detail Notes on all Funds – Continued

D. Capital Assets - Continued

For the year ended September 30, 2024, depreciation expense was charged to governmental and business-type activities functions of the primary government as follows:

Governmental Activities:	Amount
General Government	574801
Public Safety	438,901
Highway & Streets	78,107
Culture & Recreation	141,129
Economic Development	11,883
Total Depreciation - Governmental	$ 1,244,821

Business-type Activities:	Amount
Water/Sewer	$ 1,032,412
Total Depreciation - Business-type	$ 1,032,412

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 $115,575 as of September 30, 2024.

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, 2024, 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	2.00% - 4.00%	$ 5,590,000	2/15/2040	$ 3,715,000	$ -	$ (495,000)	$ 3,220,000	$ 510,000
Bond Series 2021	2.00% - 4.00%	4,495,000	2/15/2032	3,885,000	-	(640,000)	3,245,000	670,000
Bond Series 2023	4.18%	1,675,000	7/20/2034	1,675,000	-	(5,000)	1,670,000	10,000
Total Bonds Payable				9,275,000	-	(1,140,000)	8,135,000	1,190,000
Notes Payable								
USDA Intermediary Relending Loan	1.00%	750,000	11/15/2040	502,198	-	(26,065)	476,133	26,325
Total Notes Payable				502,198	-	(26,065)	476,133	26,325
Leases Payable								
Police Vehicles	3.62%	155,000	7/1/2024	32,924	-	(32,924)	-	-
Total Leases Payable				32,924	-	(32,924)	-	-
Total Bonds, Notes, and Leases Payable				**9,810,122**	**-**	**(1,198,989)**	**8,611,133**	**1,216,325**
Other Long-Term Obligations								
Compensated Absences				382,330	342,309	(328,561)	396,077	-
Total Other Long-Term Obligations				382,330	342,309	(328,561)	396,077	-
Total Long-Term Obligations				**$ 10,192,452**	**$ 342,309**	**$ (1,527,550)**	**$ 9,007,210**	**$ 1,216,325**

The annual debt service requirements to maturity for governmental activities' for bonds, notes, and leases payable debt obligations are as follows:

Fiscal Years Ending September 30,	Bonds, Notes, and Lease Requirements Principal	Interest	Total
2025	1,216,325	279,701	1,496,026
2026	1,296,588	230,096	1,526,684
2027	1,076,854	183,156	1,260,010
2028	842,042	147,026	989,068
2029	653,491	121,383	774,874
2030-2034	2,608,211	293,108	2,901,319
2035-2039	754,388	62,530	816,918
2040-2044	163,234	201	163,434
Total	$ 8,611,133	$ 1,317,201	$ 9,928,334

Note 2 – Detail Notes on all Funds – Continued

E. Long-Term Liabilities – Continued

Notes 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,	Note Requirements Principal	Interest	Total
2025	26,325	4,523	30,848
2026	26,588	4,259	30,848
2027	26,854	3,993	30,848
2028	27,042	3,849	30,891
2029	28,491	3,577	32,068
2030-2034	148,211	13,527	161,738
2035-2039	159,388	5,850	165,238
2040-2044	33,234	201	33,434
Total	$ 476,133	$ 39,778	$ 515,911

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	0.12% - 2.87%	$ 1,000,000	3/1/2037	$ 730,000	$ -	$ (45,000)	$ 685,000	$ 45,000
Bond Series 2018	0.73% - 2.19%	10,335,000	3/1/2047	9,695,000	-	(230,000)	9,465,000	235,000
Total Bonds Payable				10,425,000	-	(275,000)	10,150,000	280,000
Leases Payable								
Smart Meters	2.02%	4,470,386	10/1/2036	4,021,407	-	(204,763)	3,816,644	217,415
Total Leases Payable				4,021,407	-	(204,763)	3,816,644	217,415
Total Bonds and Leases Payable				**14,446,407**	**-**	**(479,763)**	**13,966,644**	**497,415**
Other Long-Term Obligations								
Compensated Absences				63,197	57,590	(65,481)	55,306	-
Total Other Long-Term Obligations				63,197	57,590	(65,481)	55,306	-
Total Long-Term Obligations				**$ 14,509,604**	**$ 57,590**	**$ (545,244)**	**$ 14,021,950**	**$ 497,415**

Note 2 – Detail Notes on all Funds – Continued

E. Long-Term Liabilities – Continued

The annual debt service requirements to maturity for business-type activities' for bonds and leases payable debt obligations are as follows:

Fiscal Years Ending	Bond and Lease Requirements		
September 30,	Principal	Interest	Total
2025	497,415	279,675	777,090
2026	520,580	270,984	791,564
2027	549,274	261,485	810,759
2028	668,515	250,467	918,983
2029	688,325	237,970	926,295
2030-2034	3,810,076	976,398	4,786,474
2035-2039	3,302,460	575,874	3,878,334
2040-2044	2,375,000	299,207	2,674,207
2045-2049	1,555,000	57,106	1,612,106
Total	$ 13,966,644	$ 3,209,167	$ 17,175,812

<u>Bonds Payable</u>

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

Fiscal Years Ending	Bond Requirements		
September 30,	Principal	Interest	Total
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
2029	415,000	181,453	596,453
2030-2034	2,200,000	784,261	2,984,261
2035-2039	2,320,000	545,485	2,865,485
2040-2044	2,375,000	299,207	2,674,207
2045-2049	1,555,000	57,106	1,612,106
Total	$ 10,150,000	$ 2,653,942	$ 12,803,942

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,	Lease Requirements Principal	Interest	Total
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	320,329
2029	273,325	56,517	329,842
2030-2034	1,610,076	192,137	1,802,213
2035-2039	982,460	30,389	1,012,849
Total	$ 3,816,644	$ 555,226	$ 4,371,870

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.

Note 3 – Defined Benefit Pension Plan: TMRS – Continued

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

	TMRS
Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but no yet receiving benefits	186
Active employees	158
Total participants	406

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 2023 and 2024 respectively. The City's contributions to the pension plan for the year ended September 30, 2024, were $408,112 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, 2023, 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	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increase	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality Assumption	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information	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 3.77% (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, 2023. 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.

Note 3 – Defined Benefit Pension Plan: TMRS – Continued

Therefore, the long-term expected rate of return on pension plan investments was 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).

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.

	Pension Liability (Asset) (a)	Fiduciary Net Position (b)	Pension Liability (Asset) (a) - (b)
Balance at December 31, 2022	$ 14,329,507	$ 12,792,904	$ 1,536,603
Changes for the year:			
Service Cost	668,114		668,114
Interest	967,373		967,373
Change of benefit terms	-		-
Difference between expected and actual experience	14,688		
Changes of assumptions	(99,452)		(99,452)
Benefit payments, including refunds of employee contributions	(664,211)	(664,211)	-
Contributions - employer		407,991	(407,991)
Contributions - employee		336,073	(336,073)
Net investment income		1,482,636	(1,482,636)
Administrative expense		(9,419)	9,419
Other Changes		(66)	66
Net Changes	886,512	1,553,004	(666,492)
Balance at December 31, 2023	$ 15,216,019	$ 14,345,907	$ 870,112

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 (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 3,257,876	$ 870,112	$ (1,049,912)

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

For the year ended September 30, 2024, the City recognized pension expense in the amount of $335,044.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	$ 10,430	$ -
Changes in actuarial assumptions	-	70,625
Differences between projected and actual investment earnings (net of current year amortization)	-	495,292
Contributions subsequent to the measurement date	315,240	-
Total	$ 325,670	$ 565,917

Note 3 – Defined Benefit Pension Plan: TMRS – Continued

$325,670 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions expense as follows:

Fiscal Year Ending September 30,	Amount
2024	$ 83,262
2025	106,807
2026	246,048
2027	(123,823)
2028	-
Thereafter	-
Total	$ 312,294

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	45
Inactive employees entitled to but no yet receiving benefits	21
Active employees	158
Total participants	224

Actuarial Assumptions and Other Inputs

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

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

Note 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 2023 and 2024 respectively. The City's contributions to TMRS for your ended September 30, 2024, were $27,905, and were equal to the required Contributions.

Balance at December 31, 2022	$	260,051
Changes for the year:		
Service Cost		14,787
Interest		10,655
Change in benefit terms		-
Difference between expected and actual experience		69
Changes in assumptions		16,587
Benefit payments, including refunds of employee contributions		(8,738)
Net Changes		33,360
Balance at December 31, 2023	$	293,411

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 3.77%, 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 (2.77%) or 1 Percentage point higher (4.77%) than the current discount rate.

1% Decrease in Discount Rate 2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
355,403	293,411	245,976

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, 2024, the City recognized OPEB expense in the amount of $16,663.

As of September 30, 2024, 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	$ -	$ 11,115
Changes in assumptions and other inputs	-	44,179
Contributions made subsequent to measurement date	21,555	N/A
Total	$ 21,555	$ 55,294

$21,555 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, 2024. 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
2024	$ (9,465)
2025	(9,354)
2026	(10,672)
2027	(19,306)
2028	(6,896)
Thereafter	399
Total	(55,294)

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.

Note 5 – Urban County (Continued)

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 $345,614 for expenses incurred between October 1, 2023, to September 30, 2024.

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, 2024, 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 – Prior Period Restatement

The City's restated beginning net position for governmental activities for prior years is as follows:

Description		Governmental Activities
Net Position, as Previously Reported	$	34,545,851
Adjustment for Deferred Property Taxes		45,664
Adjustment for Capital Assets		(822,512)
Total Net Position, as Restated	$	33,769,003

Note 8 – Commitments

The City's commitments as of September 30, 2024, are summarized as follows:

Description		Spent To Date
Nebraska Road Drainage	$	1,465,478
Alamo & Duranta Drainage		404,170
Improvements to Old Museum		25,448
Total Commitments	$	1,895,097

Note 9 – 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, 2024, 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 10 – Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 17, 2025, and then determined there were no other events other than the one listed above that would require disclosure.

CITY OF ALAMO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Plan Year Ended December 31,							
	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability								
Service cost	$ 668,114	$ 617,511	$ 548,211	$ 518,533	$ 519,378	$ 484,744	$ 436,093	$ 433,217
Interest (on the total pension liability)	967,373	894,067	831,658	787,423	732,247	714,270	673,375	628,448
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	14,688	109,972	(9,792)	(171,473)	(24,177)	(482,533)	(167,328)	(134,575)
Change of assumptions	(99,452)	-	-	-	71,592	-	-	-
Benefit payments, including refunds of employee contributions	(664,211)	(457,446)	(502,867)	(485,104)	(477,275)	(457,687)	(263,521)	(262,383)
Net Change in Total Pension Liability	886,512	1,164,104	867,210	649,379	821,765	258,794	678,619	664,707
Total Pension Liability - Beginning	14,329,507	13,165,403	12,298,193	11,648,814	10,827,049	10,568,255	9,889,636	9,224,929
Total Pension Liability - Ending (a)	$ 15,216,019	$ 14,329,507	$ 13,165,403	$ 12,298,193	$ 11,648,814	$ 10,827,049	$ 10,568,255	$ 9,889,636
Plan Fiduciary Net Position								
Contributions - employer	$ 407,991	$ 380,479	$ 340,570	$ 361,446	$ 359,136	$ 349,681	$ 336,920	$ 331,899
Contributions - employee	336,073	307,832	274,655	262,681	259,949	245,564	221,367	218,355
Net investment income	1,482,636	(989,990)	1,551,737	830,178	1,447,037	(284,902)	1,121,988	494,584
Benefit payments, including refunds of employee contributions	(664,211)	(457,446)	(502,867)	(485,104)	(477,275)	(457,687)	(263,521)	(262,383)
Administrative expense	(9,419)	(8,559)	(7,174)	(5,368)	(8,167)	(5,501)	(5,812)	(5,583)
Other	(66)	10,214	49	(208)	(245)	(287)	(295)	(318)
Net Change in Plan Fiduciary Net Position	1,553,004	(757,470)	1,656,970	963,625	1,580,435	(153,132)	1,410,647	776,554
Plan Fiduciary Net Position - Beginning	12,792,904	13,550,374	11,893,405	10,929,781	9,349,347	9,502,479	8,091,832	7,315,261
Plan Fiduciary Net Position - Ending (b)	$ 14,345,907	$ 12,792,904	$ 13,550,375	$ 11,893,406	$ 10,929,782	$ 9,349,347	$ 9,502,479	$ 8,091,815
Net Pension Liability - Ending (a) - (b)	$ 870,112	$ 1,536,603	$ (384,972)	$ 404,787	$ 719,032	$ 1,477,702	$ 1,065,776	$ 1,797,821
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.28%	89.28%	102.92%	96.71%	93.83%	86.35%	89.92%	81.82%
Covered Payroll	$ 6,721,470	$ 6,156,642	$ 5,493,101	$ 5,253,626	$ 5,198,981	$ 4,911,287	$ 4,427,336	$ 4,367,106
Net Pension Liability as a Percentage of Covered Payroll	12.95%	24.96%	-7.01%	7.70%	13.83%	30.09%	24.07%	41.17%

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	$ 428,171	$ 425,877	$ 388,686	$ 340,570	$ 361,446	$ 359,136
Contributions in relation to actuarially determined contribution	(428,171)	(425,877)	(388,686)	(340,570)	(361,446)	(359,136)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,721,470	$ 6,655,611	$ 6,284,101	$ 5,493,101	$ 5,253,636	$ 5,198,981
Contributions as a percentage of covered payroll	6.37%	6.40%	6.19%	6.20%	6.88%	6.91%

CITY OF ALAMO
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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	22 Years (Longest Amortization Ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:	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,				
	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	$ 14,787	$ 32,015	$ 28,015	$ 21,540	$ 18,716
Interest (on the total OPEB liability)	10,655	7,015	7,067	7,801	7,572
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	69	3,848	(14,680)	(6,252)	3,852
Change of assumputions	16,587	(144,377)	12,229	47,390	50,125
Benefit payments, including refunds of employee contributions	(8,738)	(7,388)	(6,042)	(2,101)	(2,080)
Net Change in Total OPEB Liability	33,360	(108,887)	26,589	68,378	78,185
Total OPEB Liability - Beginning	260,051	368,938	342,349	273,971	195,786
Total OPEB Liability - Ending	$ 293,411	$ 260,051	$ 368,938	$ 342,349	$ 273,971
Covered Payroll	$ 6,721,470	$ 6,156,642	$ 5,493,101	$ 5,253,626	$ 5,198,981
Total OPEB Liability as a Percentage of Covered Payroll	4.37%	4.22%	6.72%	6.52%	5.27%

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:

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

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

City of Alamo
Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	
Revenues:	Original	Final	Budgetary Basis	Variance
Property Taxes	$ 4,811,000	$ 5,201,000	$ 5,178,947	$ (22,053)
General Sales and Use Tax	4,381,368	4,654,368	4,548,310	(106,058)
Franchise Tax	580,000	680,000	695,691	15,691
Other Tax	6,000	6,000	11,180	5,180
Penalty and Interest on Taxes	95,000	95,000	92,192	(2,808)
Licenses and Permits	229,330	329,330	270,740	(58,590)
Intergovernmental Revenue and Grants	110,000	493,202	523,252	30,050
Charges for Services	3,432,950	3,799,950	3,524,039	(275,911)
Fines	300,000	300,000	318,699	18,699
Investment Earnings	8,000	418,000	415,026	(2,974)
Other Revenue	75,150	375,150	728,356	353,206
Total Revenues	14,028,798	16,352,000	16,306,433	(45,567)
Expenditures:				
General Government	5,775,962	8,071,877	6,039,979	2,031,898
Public Safety	5,621,630	5,957,646	5,113,433	844,213
Highways and Streets	927,230	1,056,830	910,317	146,513
Culture and Recreation	1,727,567	2,009,276	1,644,814	364,462
Debt Service:				
Principal on Debt	32,924	32,924	32,924	-
Interest on Debt	101,119	558,183	552,711	5,472
Capital Outlay:				
Capital Outlay	-	510,902	3,313,915	(2,803,013)
Total Expenditures	14,186,432	18,197,638	17,608,093	589,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,634)	(1,845,638)	(1,301,660)	543,978
Other Financing Sources (Uses):				
Transfers In	390,000	1,190,000	1,155,109	(34,891)
Transfers (Out)	(232,366)	(232,366)	(232,366)	-
Gain or Loss on Disposal of Assets	-	100,000	101,768	1,768
Total Other Funding Sources (Uses)	157,634	1,057,634	1,024,511	(33,123)
Change in Fund Balance	-	(788,004)	(277,149)	510,855
Fund Balance - Beginning	9,597,426	9,597,426	9,597,426	-
Fund Balance - End	$ 9,597,426	$ 8,809,422	$ 9,320,277	$ 510,855

City of Alamo
Balance Sheet - Governmental Funds
September 30, 2024

	Urban County Fund	TIRZ Fund	Hotel/Motel Fund	Asset Forfeiture Fund
ASSETS:				
1010 Cash and Cash Equivalents	$ -	$ 794,461	$ 62,895	$ 188,881
1030 Investments - Current	-	-	516,499	-
1050 Taxes Receivable, Net	-	-	-	-
Receivables (net of allowance for uncollectible):				
1150 Accounts Receivable, Net	-	271,413	142,582	-
1260 Due from Other Governments	598,683	-	-	-
TOTAL ASSETS	$ 598,683	$ 1,065,873	$ 721,976	$ 188,881
LIABILITIES:				
2080 Due to Other Funds	-	-	-	10,643
2230 Unearned Revenues	598,683	-	-	5,180
TOTAL LIABILITIES	598,683	-	-	15,823
DEFERRED INFLOWS OF RESOURCES:				
2601 Deferred Property Taxes	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES:				
Restricted for:				
3006 Debt Service	-	-	-	-
3009 Hotel/Motel Tax	-	-	721,976	-
3410 Parkland	-	-	-	-
3425 Economic Development	-	1,065,873	-	-
3490 Special Purposes	-	-	-	173,058
TOTAL FUND BALANCES	-	1,065,873	721,976	173,058
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	598,683	$ 1,065,873	$ 721,976	$ 188,881

	State Forfeiture Fund	Park Improvement Fund	Debt Service Funds: Debt Service Fund	Debt Service Funds: Interest and Series 2013 Fund	Total
ASSETS:					
1010 Cash and Cash Equivalents	$ 22,570	$ 104,539	$ 858,215	$ 122,063	$ 2,153,623
1030 Investments - Current	-	-	1,229,519	-	1,746,018
1050 Taxes Receivable, Net	-	-	76,990	-	76,990
Receivables (net of allowance for uncollectible):					
1150 Accounts Receivable, Net	-	-	-	-	413,995
1260 Due from Other Governments	-	-	-	-	598,683
TOTAL ASSETS	$ 22,570	$ 104,539	$ 2,164,724	$ 122,063	$ 4,989,309
LIABILITIES:					
2080 Due to Other Funds	-	-	-	-	10,643
2230 Unearned Revenues	-	-	-	-	603,864
TOTAL LIABILITIES	-	-	-	-	614,507
DEFERRED INFLOWS OF RESOURCES:					
2601 Deferred Property Taxes	-	-	52,273	-	52,273
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	52,273	-	52,273
FUND BALANCES:					
Restricted for:					
3006 Debt Service	-	-	2,112,451	122,063	2,234,514
3009 Hotel/Motel Tax	-	-	-	-	721,976
3410 Parkland	-	104,539	-	-	104,539
3425 Economic Development	-	-	-	-	1,065,873
3490 Special Purposes	22,570	-	-	-	195,627
TOTAL FUND BALANCES	22,570	104,539	2,112,451	122,063	4,322,529
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	$ 22,570	$ 104,539	$ 2,164,724	$ 122,063	$ 4,989,309

The accompanying notes are an integral part of this statement.

City of Alamo
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended September 30, 2024

		Special Revenue Funds				
		Urban County Fund	TIRZ Fund	Hotel/Motel Fund	Asset Forfeiture Fund	State Forfeiture Fund
REVENUES:						
Taxes:						
5110	Property Taxes	$ -	$ -	$ -	$ -	$ -
5180	Other Taxes	-	-	57,218	-	-
5190	Penalty and Interest on Taxes	-	-	-	-	-
5300	Intergovernmental Revenue and Grants	345,614	-	-	-	-
Fees and Charges:						
5610	Investment Earnings	-	41,983	29,444	5,571	526
5700	Other Revenue	-	286,757	-	185,866	24,233
	TOTAL REVENUES	$ 345,614	328,740	$ 86,662	$ 191,436	$ 24,759
EXPENDITURES:						
Current:						
100	General Government	-	-	82,090	118,333	1,900
200	Public Safety	-	-	-	-	1,820
Debt Service:						
710	Principal on Debt	-	-	-	-	-
720	Interest on Debt	-	-	-	-	-
800	Capital Outlay	345,614	1,174,059	-	-	-
	TOTAL EXPENDITURES	345,614	1,174,059	$ 82,090	$ 118,333	$ 3,720
Excess(Deficiency) of Revenues Over(Under)						
	Expenditures	$ -	(845,320)	$ 4,571	$ 73,104	$ 21,039
OTHER FINANCING SOURCES (USES)						
7915	Transfers In	-	232,366	-	-	-
8911	Transfers Out	-	(104,400)	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	127,966	-	-	-
	Net Change in Fund Balances	$ -	$ (717,354)	$ 4,571	$ 73,104	$ 21,039
3600	Fund Balance - Beginning	-	1,783,227	717,404	99,954	1,530
3900	Fund Balance - Ending	$ -	$ 1,065,873	$ 721,976	$ 173,058	$ 22,570

The accompanying notes are an integral part of this statement.

EXHIBIT H-2

		Debt Service Funds		
	Park Improvement Fund	Debt Service Fund	Interest and Series 2013 Fund	Total
REVENUES:				
Taxes:				
5110 Property Taxes	$ -	$ 628,610	$ -	$ 628,610
5180 Other Taxes	-	-	-	57,218
5190 Penalty and Interest on Taxes	-	11,572	-	11,572
5300 Intergovernmental Revenue and Grants	-	-	-	345,614
Fees and Charges:				
5610 Investment Earnings	139	98,252	5,124	181,039
5700 Other Revenue	-	-	-	496,855
TOTAL REVENUES	139	738,434	5,124	1,720,908
EXPENDITURES:				
Current:				
100 General Government	-	800	-	203,123
200 Public Safety	-	-	-	1,820
Debt Service:				
710 Principal on Debt	-	1,140,000	-	1,140,000
720 Interest on Debt	-	326,617	-	326,617
800 Capital Outlay	-	-	-	1,519,673
TOTAL EXPENDITURES	-	1,467,417	-	3,191,234
Excess(Deficiency) of Revenues Over(Under) Expenditures	139	(728,984)	5,124	(1,470,326)
OTHER FINANCING SOURCES (USES)				
7915 Transfers In	104,400	946,082	-	1,282,848
8911 Transfers Out	-	-	-	(104,400)
TOTAL OTHER FINANCING SOURCES (USES)	104,400	946,082	-	1,178,448
Net Change in Fund Balances	$ 104,539	$ 217,098	$ 5,124	$ (291,878)
3600 Fund Balance - Beginning	$ -	$ 1,895,353	$ 116,938	$ 4,614,407
3900 Fund Balance - Ending	$ 104,539	$ 2,112,451	$ 122,063	$ 4,322,529

The accompanying notes are an integral part of this statement.

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*

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 fond, and the aggregate remaining fund information of the City of Alamo, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Alamo, Texas' basic financial statements and have issued our report thereon dated March 17, 2025.

Report on 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.

Report on 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 17, 2025

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

Opinion on 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, 2024. 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.

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, 2024.

Basis for Opinion on Each Major Federal Program
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 are required to be independent of the City of Alamo, Texas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Alamo, Texas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Alamo, Texas' federal programs.

Auditor's responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Alamo' compliance based on our audit. 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 accounting standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Alamo, Texas' compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Alamo, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Alamo, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstance 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 the City of Alamo, Texas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Adrian Webb, CPA

ADRIAN WEBB, CPA
Edinburg, Texas
March 17, 2025

CITY OF ALAMO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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:
AL 21.019 – American Recovery Plan Act

H. Dollar threshold to distinguish between type A and type B programs: $750,000

I. Auditee qualifies as a low-risk auditee No

II. Financial Statement Findings

None Identified

II. Findings Relating to Federal Awards and Questions Costs.

None Identified

CITY OF ALAMO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying schedule of expenditures of federal award (the Schedule") includes the federal grant activity of 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 Principals, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in or used it the presentation 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, 2024, the City had no outstanding federal loans payable or loan guarantees.

NOTE 4: SUB-RECIPIENTS
During the fiscal year ended September 30, 2024, the City did not have any sub-recipients.

NOTE 5: NONCASH AWARDS
During the fiscal year ended September 30, 2024, the City did not receive any non-cash assistance.

NOTE 6: FEDERALLY FUNDED INSURANCE
During the fiscal year ended September 30, 2024, the City had no outstanding federally funded insurance.