



**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2024**



CITY OF SINTON  
PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

MARY SPEIDEL

CITY COUNCIL

GREG YBARRA

NATHAN LINDEMAN

DANNY DAVILA

EDWARD ADAMS

CITY MANAGER

JOHN HOBSON

CITY OF SINTON  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Members of the City Council, and management  
City of Sinton, 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, each major fund and the aggregate remaining fund information of City of Sinton as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Sinton's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sinton, 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 (GAAS) 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 Sinton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS 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 City of Sinton'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 City of Sinton's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sinton's basic financial statements. The supplementary information (as identified in the table of contents) is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2025 on our consideration of City of Sinton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sinton's internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.

February 3, 2025

## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Sinton’s annual financial report presents our discussion and analysis of the City’s financial performance during the fiscal year ended September 30, 2024. Please read it in conjunction with the City’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

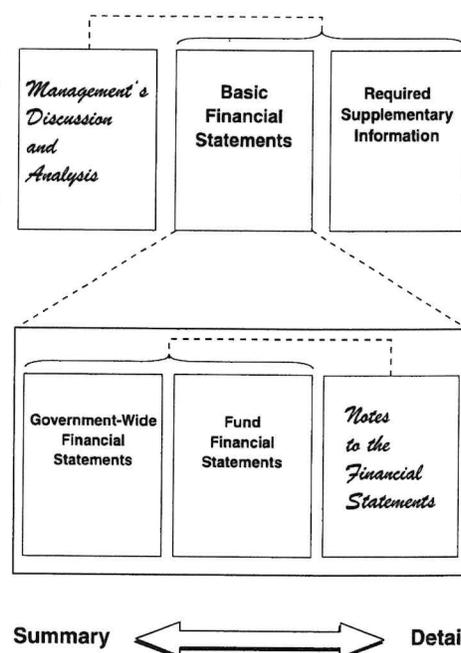
- The City’s total combined net position was \$48.9 million at September 30, 2024.
- The City’s governmental expenses were \$1.3 million less than the \$6.5 million generated in general and program revenues generated for governmental activities. Revenues decreased from the contribution of infrastructure in the Somerset development in the prior year. Taking that out, governmental revenues increased \$1.1 million, primarily from property taxes and permit revenue. Governmental expenses increased 20%, primarily from increased inspection costs, cost of living adjustments for staff and depreciation on the Somerset infrastructure.
- The City’s business-type expenses increased approximately 13% for additional system maintenance. Operating revenues increased 11% from the water and sewer rates.
- The general fund reported a fund balance of \$6.7 million, an increase of \$1.0 million.
- No new debt was issued.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

Figure A-1, Required Components of the City’s Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

| <b>Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements</b> |  |   |   |
|---|--|---|---|
| <b>Fund Statements</b>  |  |   |   |
| <i>Type of Statements</i>   | Government-wide  | Governmental Funds  | Proprietary Funds   |
| <i>Scope</i>  | Entire City's government (except fiduciary funds) and the City's component units   | The activities of the town that are not proprietary or fiduciary  | Activities of the City that operate similar to private businesses: water, sewer and garbage |
| <i>Required financial statements</i>  | • Statement of net position  | • Balance Sheet   | • Statement of net position   |
|   | • Statement of activities  | • Statement of revenues, expenditures & changes in fund balances  | • Statement of revenues, expenses & changes in net position<br>• Statement of cash flows    |
| <i>Accounting basis and measurement focus</i>   | Accrual accounting and economic resources focus                                    | Modified accrual accounting and current financial resources focus   | Accrual accounting and economic resources focus   |
| <i>Type of asset/liability information</i>  | All assets and liabilities, both financial and capital, short-term and long-term   | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included   | All assets and liabilities, both financial and capital, and short-term and long-term        |
| <i>Type of inflow/outflow information</i>   | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter. | All revenues and expenses during year, regardless of when cash is received or paid          |

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### **Government-Wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

- The government-wide financial statements of the City include the *Governmental activities*. Most of the City’s basic services are included here, such as general government, public safety, streets, economic development, culture and recreation, and interest on long-term debt. Property taxes and charges for services finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Alderman establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City’s combined net position was \$48.9 million at September 30, 2024. (See Table A-1).

**Table A-1**

City's Net Position

|                                | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|--------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                | 2024                       | 2023                 | 2024                        | 2023                 | 2024                 | 2023                 |
| <i>Assets:</i>                 |                            |                      |                             |                      |                      |                      |
| Current Assets                 | \$ 12,028,946              | \$ 13,930,459        | \$ 3,045,299                | \$ 2,744,816         | \$ 15,074,245        | \$ 16,675,275        |
| Other Assets                   | 77,593                     | 88,191               | -                           | -                    | 77,593               | 88,191               |
| Capital Assets (net)           | 28,294,422                 | 26,980,237           | 13,249,093                  | 13,646,681           | 41,543,515           | 40,626,918           |
| <b>Total Assets</b>            | <b>40,400,961</b>          | <b>40,998,887</b>    | <b>16,294,392</b>           | <b>16,391,497</b>    | <b>56,695,353</b>    | <b>57,390,384</b>    |
| <i>Deferred Outflows:</i>      | 359,192                    | 706,072              | 200,402                     | 310,031              | 559,594              | 1,016,103            |
| <i>Liabilities:</i>            |                            |                      |                             |                      |                      |                      |
| Current Liabilities            | 788,674                    | 2,303,325            | 778,811                     | 1,030,639            | 1,567,485            | 3,333,964            |
| Long-Term Liabilities          | 2,703,711                  | 3,662,970            | 2,092,710                   | 2,551,470            | 4,796,421            | 6,214,440            |
| <b>Total Liabilities</b>       | <b>3,492,385</b>           | <b>5,966,295</b>     | <b>2,871,521</b>            | <b>3,582,109</b>     | <b>6,363,906</b>     | <b>9,548,404</b>     |
| <i>Deferred Inflows:</i>       | 1,537,271                  | 1,355,449            | 419,446                     | 331,663              | 1,956,717            | 1,687,112            |
| <i>Net Position:</i>           |                            |                      |                             |                      |                      |                      |
| Net Invested in Capital Assets | 27,289,301                 | 25,570,406           | 11,607,010                  | 11,796,679           | 38,896,311           | 37,367,085           |
| Restricted                     | 4,174,341                  | 5,760,333            | -                           | -                    | 4,174,341            | 5,760,333            |
| Unrestricted                   | 4,266,855                  | 3,052,476            | 1,596,817                   | 991,077              | 5,863,672            | 4,043,553            |
| <b>Total Net Position</b>      | <b>\$ 35,730,497</b>       | <b>\$ 34,383,215</b> | <b>\$ 13,203,827</b>        | <b>\$ 12,787,756</b> | <b>\$ 48,934,324</b> | <b>\$ 47,170,971</b> |

**Governmental Activities**

- Property tax rates remained the same for the fiscal year ending September 30, 2024. However, new property and increasing valuations added \$272 thousand to revenues.
- Charges for services revenue increased as well as inspection expenses related to a large County project permit.
- Street expenses increased for depreciation on the Somerset infrastructure.

**Business-Type Activities**

- Operating revenues increased 11% from updated utility rates and expenses increased 13% for increased maintenance.

**Table A-2**  
Changes in City's Net Position

|                                    | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                    | 2024                       | 2023                 | 2024                        | 2023                 | 2024                 | 2023                 |
| <i>Program Revenues:</i>           |                            |                      |                             |                      |                      |                      |
| Charges for Services               | \$ 1,018,308               | \$ 613,421           | \$ 3,735,587                | \$ 3,359,686         | \$ 4,753,895         | \$ 3,973,107         |
| Operating Grants and Contributions | 154,765                    | 243,556              | -                           | -                    | 154,765              | 243,556              |
| Capital Contributions              | 161,944                    | 19,910,982           | 89,346                      | 6,175,881            | 251,290              | 26,086,863           |
| <i>General Revenues:</i>           |                            |                      |                             |                      |                      |                      |
| Taxes                              | 4,801,955                  | 4,340,425            | -                           | -                    | 4,801,955            | 4,340,425            |
| Interest Earnings                  | 22,077                     | 21,144               | -                           | -                    | 22,077               | 21,144               |
| Industrial District Agreement      | 330,000                    | 240,000              | -                           | -                    | 330,000              | 240,000              |
| Miscellaneous                      | 55,577                     | 25,228               | -                           | -                    | 55,577               | 25,228               |
| <b>TOTAL REVENUES</b>              | <b>6,544,626</b>           | <b>25,394,756</b>    | <b>3,824,933</b>            | <b>9,535,567</b>     | <b>10,369,559</b>    | <b>34,930,323</b>    |
| <i>Program Expenses:</i>           |                            |                      |                             |                      |                      |                      |
| Administration                     | 1,113,395                  | 986,585              | -                           | -                    | 1,113,395            | 986,585              |
| Police                             | 1,163,834                  | 1,158,887            | -                           | -                    | 1,163,834            | 1,158,887            |
| Fire                               | 160,920                    | 100,126              | -                           | -                    | 160,920              | 100,126              |
| Animal Control                     | 113,425                    | 87,789               | -                           | -                    | 113,425              | 87,789               |
| Municipal Court                    | 108,932                    | 96,199               | -                           | -                    | 108,932              | 96,199               |
| Streets                            | 1,254,472                  | 889,674              | -                           | -                    | 1,254,472            | 889,674              |
| Parks                              | 337,564                    | 264,839              | -                           | -                    | 337,564              | 264,839              |
| Emergency Services                 | 181,064                    | 185,682              | -                           | -                    | 181,064              | 185,682              |
| Inspections                        | 261,736                    | 53,774               | -                           | -                    | 261,736              | 53,774               |
| Library                            | 311,970                    | 287,878              | -                           | -                    | 311,970              | 287,878              |
| Utilities                          | -                          | -                    | 3,527,840                   | 3,125,649            | 3,527,840            | 3,125,649            |
| Interest on Debt                   | 71,054                     | 112,261              | -                           | -                    | 71,054               | 112,261              |
| <b>TOTAL EXPENSES</b>              | <b>5,078,366</b>           | <b>4,223,694</b>     | <b>3,527,840</b>            | <b>3,125,649</b>     | <b>8,606,206</b>     | <b>7,349,343</b>     |
| Transfers                          | (118,978)                  | (1,089,525)          | 118,978                     | 1,089,525            | -                    | -                    |
| Change in Net Position             | 1,347,282                  | 20,081,537           | 416,071                     | 7,499,443            | 1,763,353            | 27,580,980           |
| Net Position at Beginning of Year  | 34,383,215                 | 14,301,678           | 12,787,756                  | 5,288,313            | 47,170,971           | 19,589,991           |
| Net Position at End of Year        | <u>\$ 35,730,497</u>       | <u>\$ 34,383,215</u> | <u>\$ 13,203,827</u>        | <u>\$ 12,787,756</u> | <u>\$ 48,934,324</u> | <u>\$ 47,170,971</u> |

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

- The General fund increased its fund balance by \$1.0 million. Revenues exceeded expectations and expenditures were under budget.
- The Street Improvement fund spent \$1.5 million on street improvements from the 2023 tax notes. The remaining amount of bonds are expected to be spent in 2025.

### Budgetary Highlights

- General Fund revenues overall exceeded the budget by \$725 thousand, primarily in sales tax and grants.
- General Fund expenditures were \$305 thousand under budget.
- The General Fund balance increased \$1.0 million compared to a balanced budget expectation.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2024, the City had invested \$52.8 million in a broad range of capital assets, including land, equipment, buildings, and infrastructure. Significant changes in fiscal year 2024 included continued spending on street improvements. (See Table A-4)

**Table A-4**  
City's Capital Assets

|                            | Governmental<br>Activities |                     | Business-Type<br>Activities |                     | Total               |                     |
|----------------------------|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
|                            | 2024                       | 2023                | 2024                        | 2023                | 2024                | 2023                |
| Land                       | \$ 62,250                  | \$ 62,250           | \$ 4,000                    | \$ 4,000            | \$ 66,250           | \$ 66,250           |
| Buildings and Improvements | 5,782,270                  | 5,707,023           | -                           | -                   | 5,782,270           | 5,707,023           |
| Infrastructure             | 25,808,273                 | 24,198,960          | 17,104,404                  | 17,108,903          | 42,912,677          | 41,307,863          |
| Equipment                  | 3,605,674                  | 2,922,933           | 482,604                     | 424,970             | 4,088,278           | 3,347,903           |
| Construction in Progress   | -                          | 102,500             | 1                           | 504,506             | 1                   | 607,006             |
| Totals at Historical Cost  | 35,258,467                 | 32,993,666          | 17,591,009                  | 18,042,379          | 52,849,476          | 51,036,045          |
| Accumulated Depreciation   | (6,964,045)                | (6,013,429)         | (4,341,916)                 | (4,395,698)         | (11,305,961)        | (10,409,127)        |
| Net Capital Assets         | <u>\$28,294,422</u>        | <u>\$26,980,237</u> | <u>\$13,249,093</u>         | <u>\$13,646,681</u> | <u>\$41,543,515</u> | <u>\$40,626,918</u> |

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

**Long Term Debt**

The City had bonds payable at year end as outlined in Table A-5. No new debt was issued during the year and the City made payments in accordance with the debt schedules. More detailed information about the City’s debt is presented in the notes to the financial statements.

**Table A-5**  
City's Long-Term Debt

|                       | Governmental |              | Business-Type |              | Total        |              |
|-----------------------|--------------|--------------|---------------|--------------|--------------|--------------|
|                       | Activities   |              | Activities    |              |              |              |
|                       | 2024         | 2023         | 2024          | 2023         | 2024         | 2023         |
| Bonds & Notes Payable | \$ 1,095,975 | \$ 3,005,500 | \$ 1,629,025  | \$ 1,834,500 | \$ 2,725,000 | \$ 4,840,000 |
| Total Long-Term Debt  | \$ 1,095,975 | \$ 3,005,500 | \$ 1,629,025  | \$ 1,834,500 | \$ 2,725,000 | \$ 4,840,000 |

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

For the 2024-2025 year, the City kept the overall property tax rate of \$0.7593, which will generate more revenue with increasing valuations and new properties of \$299 thousand. The budget includes additional street and parks personnel. However, the City does not expect any significant changes to operations.

**CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact City at (361) 364-2381 or visit the City’s website at [www.sintontexas.org](http://www.sintontexas.org).

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
  - Governmental Funds
  - Proprietary Fund
  - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF SINTON  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

|                                   | Governmental<br>Activities | Business-Type<br>Activities | Total             |
|-----------------------------------|----------------------------|-----------------------------|-------------------|
| <b>ASSETS</b>                     |                            |                             |                   |
| Cash and Cash Equivalents         | \$ 11,169,979              | \$ 2,592,205                | \$ 13,762,184     |
| Ad Valorem Tax Receivable (Net)   | 303,910                    | -                           | 303,910           |
| Other Receivables (Net)           | 547,709                    | 453,094                     | 1,000,803         |
| Inventory                         | 7,348                      | -                           | 7,348             |
| Notes Receivable                  | 77,593                     | -                           | 77,593            |
| Capital Assets (net)              | 28,294,422                 | 13,249,093                  | 41,543,515        |
| <b>TOTAL ASSETS</b>               | <u>40,400,961</u>          | <u>16,294,392</u>           | <u>56,695,353</u> |
| <b>DEFERRED OUTFLOWS</b>          |                            |                             |                   |
| Deferred Pension Related Outflows | 345,164                    | 194,690                     | 539,854           |
| Deferred OPEB Related Outflows    | 14,028                     | 5,712                       | 19,740            |
| <b>TOTAL DEFERRED OUTFLOWS</b>    | <u>\$ 359,192</u>          | <u>\$ 200,402</u>           | <u>\$ 559,594</u> |

See accompanying notes to basic financial statements.

CITY OF SINTON  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2024

|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| <b>LIABILITIES</b>                       |                            |                             |                      |
| Accounts Payable                         | \$ 395,662                 | \$ 178,505                  | \$ 574,167           |
| Accrued Wages                            | 54,659                     | 16,552                      | 71,211               |
| Accrued Interest                         | 6,703                      | 8,168                       | 14,871               |
| Accrued Compensated Absences             | 164,900                    | 25,648                      | 190,548              |
| Deposits and Unearned Revenue            | -                          | 341,688                     | 341,688              |
| <i>Long-term Debt</i>                    |                            |                             |                      |
| Long-term Debt Due in One Year           | 166,750                    | 208,250                     | 375,000              |
| Long-term Debt Due in More than One Year | 940,033                    | 1,433,833                   | 2,373,866            |
| Total OPEB Liabilities                   | 1,129,151                  | 527,349                     | 1,656,500            |
| Net Pension Liability                    | 634,527                    | 131,528                     | 766,055              |
| <b>TOTAL LIABILITIES</b>                 | <u>3,492,385</u>           | <u>2,871,521</u>            | <u>6,363,906</u>     |
| <b>DEFERRED INFLOWS</b>                  |                            |                             |                      |
| Deferred Pension Related Inflows         | 424,203                    | 135,703                     | 559,906              |
| Deferred OPEB Related Inflows            | 929,728                    | 283,743                     | 1,213,471            |
| Lease Inflows                            | 183,340                    | -                           | 183,340              |
| <b>TOTAL DEFERRED INFLOWS</b>            | <u>1,537,271</u>           | <u>419,446</u>              | <u>1,956,717</u>     |
| <b>NET POSITION</b>                      |                            |                             |                      |
| Net Investment in Capital Assets         | 27,289,301                 | 11,607,010                  | 38,896,311           |
| Restricted for:                          |                            |                             |                      |
| Debt Service                             | 100,656                    | -                           | 100,656              |
| Economic Development                     | 3,310,657                  | -                           | 3,310,657            |
| Police Department                        | 856                        | -                           | 856                  |
| Tourism Development                      | 229,545                    | -                           | 229,545              |
| EMS Services                             | 3,545                      | -                           | 3,545                |
| Municipal Court                          | 62,275                     | -                           | 62,275               |
| Fire Department                          | 35,761                     | -                           | 35,761               |
| Affordable Housing                       | 431,046                    | -                           | 431,046              |
| Unrestricted                             | 4,266,855                  | 1,596,817                   | 5,863,672            |
| <b>TOTAL NET POSITION</b>                | <u>\$ 35,730,497</u>       | <u>\$ 13,203,827</u>        | <u>\$ 48,934,324</u> |

See accompanying notes to basic financial statements.

CITY OF SINTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| <u>Functions and Programs</u>            | <u>Expenses</u>     | <u>Program Revenues</u>         |   |   |
|--|---------------------|---------------------------------|---|---|
|  |                     | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> |
| <b>Primary Government:</b>               |                     |                                 |   |   |
| <i>Governmental Activities:</i>          |                     |                                 |   |   |
| Administration                           | \$ 1,113,395        | \$ 197,041                      | \$ -  | \$ -  |
| Police                                   | 1,163,834           | 68,598                          | 8,571   | -   |
| Fire                                     | 160,920             | 20,073                          | 66,623  | 161,944   |
| Animal Control                           | 113,425             | 3,380                           | -   | -   |
| Municipal Court                          | 108,932             | 119,663                         | -   | -   |
| Streets                                  | 1,254,472           | 47,174                          | -   | -   |
| Parks                                    | 337,564             | 122,628                         | -   | -   |
| Emergency Services                       | 181,064             | -                               | 78,571  | -   |
| Inspections                              | 261,736             | 434,543                         | -   | -   |
| Library                                  | 311,970             | 5,208                           | 1,000   | -   |
| Interest                                 | 71,054              | -                               | -   | -   |
| <i>Total Governmental Activities</i>     | <u>5,078,366</u>    | <u>1,018,308</u>                | <u>154,765</u>                                    | <u>161,944</u>                                  |
| <i>Business-Type Activities:</i>         |                     |                                 |   |   |
| Utilities                                | 3,527,840           | 3,735,587                       | -   | 89,346  |
| <i>Total Business-Type Activities</i>    | <u>3,527,840</u>    | <u>3,735,587</u>                | <u>-</u>  | <u>89,346</u>                                   |
| <b>Total Primary Government</b>          | <u>\$ 8,606,206</u> | <u>\$ 4,753,895</u>             | <u>\$ 154,765</u>                                 | <u>\$ 251,290</u>                               |
| <b>General Revenues:</b>                 |                     |                                 |   |   |
| Taxes                                    |                     |                                 |   |   |
| Ad Valorem Taxes                         |                     |                                 |   |   |
| Sales Taxes                              |                     |                                 |   |   |
| Other Taxes                              |                     |                                 |   |   |
| Interest and Investment Earnings         |                     |                                 |   |   |
| Industrial District Agreement            |                     |                                 |   |   |
| Miscellaneous                            |                     |                                 |   |   |
| Transfers Between Activities             |                     |                                 |   |   |
| <b>Total General Revenues</b>            |                     |                                 |   |   |
| Change in Net Position                   |                     |                                 |   |   |
| <b>Net Position at Beginning of Year</b> |                     |                                 |   |   |
| <b>Net Position at End of Year</b>       |                     |                                 |   |   |

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position  
Primary Government

| <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>         |
|------------------------------------|-------------------------------------|----------------------|
| \$ (916,354)                       |                                     | \$ (916,354)         |
| (1,086,665)                        |                                     | (1,086,665)          |
| 87,720                             |                                     | 87,720               |
| (110,045)                          |                                     | (110,045)            |
| 10,731                             |                                     | 10,731               |
| (1,207,298)                        |                                     | (1,207,298)          |
| (214,936)                          |                                     | (214,936)            |
| (102,493)                          |                                     | (102,493)            |
| 172,807                            |                                     | 172,807              |
| (305,762)                          |                                     | (305,762)            |
| (71,054)                           |                                     | (71,054)             |
| <u>(3,743,349)</u>                 |                                     | <u>(3,743,349)</u>   |
|                                    | <u>\$ 297,093</u>                   | <u>297,093</u>       |
|                                    | <u>297,093</u>                      | <u>297,093</u>       |
|                                    |                                     | <u>(3,446,256)</u>   |
| 2,562,564                          | -                                   | 2,562,564            |
| 1,903,045                          | -                                   | 1,903,045            |
| 336,346                            | -                                   | 336,346              |
| 22,077                             | -                                   | 22,077               |
| 330,000                            | -                                   | 330,000              |
| 55,577                             | -                                   | 55,577               |
| (118,978)                          | 118,978                             | -                    |
| <u>5,090,631</u>                   | <u>118,978</u>                      | <u>5,209,609</u>     |
| 1,347,282                          | 416,071                             | 1,763,353            |
| 34,383,215                         | 12,787,756                          | 47,170,971           |
| <u>\$ 35,730,497</u>               | <u>\$ 13,203,827</u>                | <u>\$ 48,934,324</u> |

CITY OF SINTON  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

|  | Major Funds                |                            |                          |                          |
|--|----------------------------|----------------------------|--------------------------|--------------------------|
|  | General<br>Fund            | Economic<br>Development    | Street<br>Improvement    | Debt<br>Service          |
| <b>ASSETS</b>  |                            |                            |                          |                          |
| Cash and Cash Equivalents  | \$ 6,562,672               | \$ 3,202,372               | \$ 675,520               | \$ 79,928                |
| Ad Valorem Taxes Receivable (Net)  | 276,479                    | -                          | -                        | 27,431                   |
| Other Receivables (Net)  | 250,226                    | 291,625                    | -                        | -                        |
| Inventory  | 7,348                      | -                          | -                        | -                        |
| Notes Receivable   | -                          | -                          | -                        | -                        |
| <b>TOTAL ASSETS</b>  | <b><u>\$ 7,096,725</u></b> | <b><u>\$ 3,493,997</u></b> | <b><u>\$ 675,520</u></b> | <b><u>\$ 107,359</u></b> |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>           |                            |                            |                          |                          |
| <i>Liabilities:</i>  |                            |                            |                          |                          |
| Accounts Payable   | \$ 104,154                 | \$ -                       | \$ 291,508               | \$ -                     |
| Accrued Wages  | 54,659                     | -                          | -                        | -                        |
| <i>Total Liabilities</i>   | <u>158,813</u>             | <u>-</u>                   | <u>291,508</u>           | <u>-</u>                 |
| <i>Deferred Inflows of Resources:</i>  |                            |                            |                          |                          |
| Unavailable Property Tax Revenue   | 266,519                    | -                          | -                        | 26,443                   |
| Lease Inflows  | -                          | 183,340                    | -                        | -                        |
| <i>Total Deferred Inflows</i>  | <u>266,519</u>             | <u>183,340</u>             | <u>-</u>                 | <u>26,443</u>            |
| <i>Fund Balances:</i>  |                            |                            |                          |                          |
| Nonspendable:  |                            |                            |                          |                          |
| Inventory  | 7,348                      | -                          | -                        | -                        |
| Notes Receivable   | -                          | -                          | -                        | -                        |
| Restricted for:  |                            |                            |                          |                          |
| Debt Service   | -                          | -                          | -                        | 80,916                   |
| Economic Development   | -                          | 3,310,657                  | -                        | -                        |
| Street Improvements  | -                          | -                          | 101,662                  | -                        |
| Police Department  | 856                        | -                          | -                        | -                        |
| Tourism Development  | -                          | -                          | -                        | -                        |
| EMS Services   | 3,545                      | -                          | -                        | -                        |
| Municipal Court  | 21,377                     | -                          | 40,898                   | -                        |
| Fire Department  | 35,761                     | -                          | -                        | -                        |
| Affordable Housing   | -                          | -                          | -                        | -                        |
| Committed for:   |                            |                            |                          |                          |
| Street Maintenance   | -                          | -                          | 241,452                  | -                        |
| Fire Equipment Replacement   | -                          | -                          | -                        | -                        |
| Unassigned   | 6,602,506                  | -                          | -                        | -                        |
| <i>Total Fund Balances</i>   | <u>6,671,393</u>           | <u>3,310,657</u>           | <u>384,012</u>           | <u>80,916</u>            |
| <b>TOTAL LIABILITIES,<br/>DEFERRED INFLOWS OF<br/>RESOURCES, AND<br/>FUND BALANCES</b> | <b><u>\$ 7,096,725</u></b> | <b><u>\$ 3,493,997</u></b> | <b><u>\$ 675,520</u></b> | <b><u>\$ 107,359</u></b> |

See accompanying notes to basic financial statements.

| Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------|--------------------------------|
| \$ 649,486                 | \$ 11,169,978                  |
| -                          | 303,910                        |
| 5,858                      | 547,709                        |
| -                          | 7,348                          |
| <u>77,593</u>              | <u>77,593</u>                  |
| <u>\$ 732,937</u>          | <u>\$ 12,106,538</u>           |

|          |                |
|----------|----------------|
| \$ -     | \$ 395,662     |
| -        | 54,659         |
| <u>-</u> | <u>450,321</u> |

|          |                |
|----------|----------------|
| -        | 292,962        |
| -        | 183,340        |
| <u>-</u> | <u>476,302</u> |

|        |        |
|--------|--------|
| -      | 7,348  |
| 77,593 | 77,593 |

|         |           |
|---------|-----------|
| -       | 80,916    |
| -       | 3,310,657 |
| -       | 101,662   |
| -       | 856       |
| 229,545 | 229,545   |
| -       | 3,545     |
| -       | 62,275    |
| -       | 35,761    |
| 353,453 | 353,453   |

|                |                   |
|----------------|-------------------|
| -              | 241,452           |
| 72,346         | 72,346            |
| -              | 6,602,506         |
| <u>732,937</u> | <u>11,179,915</u> |

|                   |                      |
|-------------------|----------------------|
| <u>\$ 732,937</u> | <u>\$ 12,106,538</u> |
|-------------------|----------------------|

See accompanying notes to basic financial statements.



CITY OF SINTON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

|  |             |               |
|--|-------------|---------------|
| TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS  |             | \$ 11,179,915 |
| 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 the funds.  |             | 28,294,422    |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.   |             | 292,963       |
| Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds.  |             | (164,900)     |
| Long-term liabilities, including capital leases and related accrued interest, are not due and payable in the current period and, therefore not reported in the funds.                                    |             | (1,113,486)   |
| Net pension and total other post-employment liabilities (and related deferred outflows and inflows of resources) do not consume or create current financial resources and are not reported in the funds. |             |               |
| Net Pension Liability  | (634,527)   |               |
| Pension Related Deferred Outflows  | 345,164     |               |
| Pension Related Deferred Inflows   | (424,203)   |               |
| Total OPEB Obligation  | (1,129,151) |               |
| OPEB Related Deferred Outflows   | 14,028      |               |
| OPEB Related Deferred Inflows  | (929,728)   | (2,758,417)   |
|  | (929,728)   | (2,758,417)   |
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES   |             | \$ 35,730,497 |

See accompanying notes to basic financial statements.

CITY OF SINTON  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|  | Major Funds        |                         |                       |                  |
|--|--------------------|-------------------------|-----------------------|------------------|
|  | General<br>Fund    | Economic<br>Development | Street<br>Improvement | Debt<br>Service  |
| <b>REVENUES</b>  |                    |                         |                       |                  |
| Ad Valorem Taxes   | \$2,270,529        | \$ -                    | \$ -                  | \$ 228,135       |
| Sales Taxes  | 1,191,068          | 711,977                 | -                     | -                |
| Other Taxes  | 267,054            | -                       | -                     | -                |
| Licenses and Permits   | 435,168            | -                       | -                     | -                |
| Grants and Donations   | 385,308            | -                       | -                     | -                |
| Lease Income   | 122,628            | 147,013                 | -                     | -                |
| Fines and Penalties  | 118,907            | -                       | -                     | -                |
| Interest Income  | 11,502             | 8,656                   | -                     | -                |
| Industrial District Agreement                                | 330,000            | -                       | -                     | -                |
| Miscellaneous  | 134,862            | -                       | 23,382                | -                |
| <b>TOTAL REVENUES</b>  | <u>5,267,026</u>   | <u>867,646</u>          | <u>23,382</u>         | <u>228,135</u>   |
| <b>EXPENDITURES</b>  |                    |                         |                       |                  |
| <i>Current:</i>  |                    |                         |                       |                  |
| Administration   | 983,294            | 84,833                  | -                     | -                |
| Police   | 1,138,529          | -                       | -                     | -                |
| Fire   | 103,755            | -                       | -                     | -                |
| Animal Control   | 116,257            | -                       | -                     | -                |
| Municipal Court  | 112,857            | -                       | -                     | -                |
| Streets  | 559,386            | -                       | -                     | -                |
| Parks  | 259,160            | -                       | -                     | -                |
| Emergency Services   | 181,064            | -                       | -                     | -                |
| Inspections  | 261,736            | -                       | -                     | -                |
| Library  | 259,381            | -                       | -                     | -                |
| Capital Outlay   | 350,740            | 495,837                 | 1,506,838             | -                |
| <i>Debt Service:</i>   |                    |                         |                       |                  |
| Principal  | -                  | 95,000                  | -                     | 1,814,525        |
| Interest and Fiscal Charges                                  | -                  | 13,609                  | -                     | 83,093           |
| <b>TOTAL EXPENDITURES</b>                                    | <u>4,326,159</u>   | <u>689,279</u>          | <u>1,506,838</u>      | <u>1,897,618</u> |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 940,867            | 178,367                 | (1,483,456)           | (1,669,483)      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                         |                       |                  |
| Transfers In (Out)   | 72,000             | (72,000)                | -                     | (118,978)        |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>72,000</u>      | <u>(72,000)</u>         | <u>-</u>              | <u>(118,978)</u> |
| Net Change in Fund Balance                                   | 1,012,867          | 106,367                 | (1,483,456)           | (1,788,461)      |
| Beginning Fund Balance                                       | 5,658,526          | 3,204,290               | 1,867,468             | 1,869,377        |
| Ending Fund Balance  | <u>\$6,671,393</u> | <u>\$ 3,310,657</u>     | <u>\$ 384,012</u>     | <u>\$ 80,916</u> |

See accompanying notes to basic financial statements.

| <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------------|---|
| \$ -                                | \$ 2,498,664                            |
| -                                   | 1,903,045                               |
| 69,291                              | 336,345                                 |
| -                                   | 435,168                                 |
| -                                   | 385,308                                 |
| -                                   | 269,641                                 |
| -                                   | 118,907                                 |
| 2,492                               | 22,650                                  |
| -                                   | 330,000                                 |
| 20,073                              | 178,317                                 |
| <u>91,856</u>                       | <u>6,478,045</u>                        |

|               |                  |
|---------------|------------------|
| 46,442        | 1,114,569        |
| -             | 1,138,529        |
| -             | 103,755          |
| -             | 116,257          |
| -             | 112,857          |
| -             | 559,386          |
| -             | 259,160          |
| -             | 181,064          |
| -             | 261,736          |
| -             | 259,381          |
| -             | 2,353,415        |
| -             | 1,909,525        |
| -             | 96,702           |
| <u>46,442</u> | <u>8,466,336</u> |

|                   |                      |
|-------------------|----------------------|
| 45,414            | (1,988,291)          |
| <u>-</u>          | <u>(118,978)</u>     |
| <u>-</u>          | <u>(118,978)</u>     |
| 45,414            | (2,107,269)          |
| 687,523           | 13,287,184           |
| <u>\$ 732,937</u> | <u>\$ 11,179,915</u> |

See accompanying notes to basic financial statements.



CITY OF SINTON  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (2,107,269)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|                |                    |           |
|----------------|--------------------|-----------|
| Capital Outlay | 2,353,415          |           |
| Depreciation   | <u>(1,039,230)</u> | 1,314,185 |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 63,899

Governmental funds report required contributions to employee pensions and other post-employment benefits (OPEB) as expenditures. However in the Statement of Activities the cost of these benefits are recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded (fell short of) the actuarially determined expense.

|                                |                 |         |
|--------------------------------|-----------------|---------|
| Pension Plan                   | 185,178         |         |
| Other Post-employment Benefits | <u>(23,834)</u> | 161,344 |

The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

|                    |  |           |
|--------------------|--|-----------|
| Principal Payments |  | 1,909,525 |
|--------------------|--|-----------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                                |               |              |
|--------------------------------|---------------|--------------|
| Change in Compensated Absences | (21,970)      |              |
| Amortization of Bond Premiums  | 2,023         |              |
| Change in Accrued Interest     | <u>25,545</u> | <u>5,598</u> |

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,347,282

CITY OF SINTON  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2024

|  | Utility Fund         |
|--|----------------------|
| <b>ASSETS</b>                                      |                      |
| <i>Current Assets:</i>                             |                      |
| Cash and Cash Equivalents                          | \$ 2,592,205         |
| Receivables (net of allowances for uncollectibles) | 453,094              |
| <i>Total Current Assets</i>                        | 3,045,299            |
| <br><i>Other Assets:</i>                           |                      |
| Property and Equipment (net)                       | 13,249,093           |
| <i>Total Other Assets</i>                          | 13,249,093           |
| <b>TOTAL ASSETS</b>                                | <b>16,294,392</b>    |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                      |
| Pension Related Deferred Outflows                  | 194,690              |
| OPEB Related Deferred Outflows                     | 5,712                |
| <b>TOTAL DEFERRED OUTFLOWS</b>                     | <b>200,402</b>       |
| <br><b>LIABILITIES</b>                             |                      |
| <i>Current Liabilities:</i>                        |                      |
| Accounts Payable                                   | 178,505              |
| Accrued Wages                                      | 16,552               |
| Accrued Interest                                   | 8,168                |
| Accrued Compensated Absences                       | 25,648               |
| Deposits and Unearned Revenue                      | 341,688              |
| Current Portion of Long-Term Debt                  | 208,250              |
| <i>Total Current Liabilities</i>                   | 778,811              |
| <br><i>Long-term Liabilities:</i>                  |                      |
| Long-term Debt (Net of Current Portion)            | 1,433,833            |
| Total OPEB Liabilities                             | 527,349              |
| Net Pension Liability                              | 131,528              |
| <i>Total Long-term Liabilities</i>                 | 2,092,710            |
| <b>TOTAL LIABILITIES</b>                           | <b>2,871,521</b>     |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>           |                      |
| Pension Related Deferred Inflows                   | 135,703              |
| OPEB Related Deferred Inflows                      | 283,743              |
| <b>TOTAL DEFERRED INFLOWS</b>                      | <b>419,446</b>       |
| <br><b>NET POSITION</b>                            |                      |
| Net Investment In Capital Assets                   | 11,607,010           |
| Unrestricted                                       | 1,596,817            |
| <b>TOTAL NET POSITION</b>                          | <b>\$ 13,203,827</b> |

See accompanying notes to basic financial statements.

CITY OF SINTON  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR SEPTEMBER 30, 2024

|  | Utility Fund  |
|--|---------------|
| <b>OPERATING REVENUES</b>                  |               |
| Water Service                              | \$ 1,640,009  |
| Sewer Service                              | 979,570       |
| Garbage Service                            | 932,236       |
| Miscellaneous Charges                      | 183,772       |
| <b>TOTAL OPERATING REVENUES</b>            | 3,735,587     |
| <b>OPERATING EXPENSES</b>                  |               |
| Personnel                                  | 713,055       |
| Administrative                             | 116,673       |
| Water and Sewer Maintenance and Operations | 1,153,787     |
| Garbage Contractor                         | 924,255       |
| Depreciation                               | 569,183       |
| <b>TOTAL OPERATING EXPENSES</b>            | 3,476,953     |
| <b>OPERATING INCOME (LOSS)</b>             | 258,634       |
| <b>NONOPERATING REVENUES (EXPENSES)</b>    |               |
| Grants                                     | 89,346        |
| Interest Expense                           | (50,887)      |
| <b>TOTAL NONOPERATING</b>                  | 38,459        |
| Transfers from Governmental Activities     | 118,978       |
| <b>CHANGE IN NET POSITION</b>              | 416,071       |
| <b>BEGINNING NET POSITION</b>              | 12,787,756    |
| <b>ENDING NET POSITION</b>                 | \$ 13,203,827 |

See accompanying notes to basic financial statements.

CITY OF SINTON  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|   | Utility Fund            |
|---|-------------------------|
| <b>Cash Flows From Operating Activities:</b>                                |                         |
| Cash Received From Customers  | \$ 3,652,277            |
| Cash Paid to Employees for Services   | (749,555)               |
| Cash Paid to Suppliers for Goods and Services                               | (2,448,730)             |
| <b>Net Cash Provided (Used) by Operating Activities</b>                     | <b>453,992</b>          |
| <br><b>Cash Flows From Capital and Related Financing Activities:</b>        |                         |
| Capital Grants and Contributions  | 89,346                  |
| Purchase of Capital Assets  | (171,595)               |
| Principal Payments on Long-Term Debt  | (205,475)               |
| Interest Paid   | (54,196)                |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <b>(341,920)</b>        |
| <br><b>Cash Flows From Noncapital Financing Activities:</b>                 |                         |
| Debt Service Transfer   | 118,978                 |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>          | <b>118,978</b>          |
| <br><b>Net Increase (Decrease) in Cash and Cash Equivalents</b>             | <br><b>231,050</b>      |
| <br><b>Beginning Cash and Cash Equivalents</b>                              | <br><b>2,361,155</b>    |
| <br><b>Ending Cash and Cash Equivalents</b>                                 | <br><b>\$ 2,592,205</b> |

See accompanying notes to basic financial statements.

CITY OF SINTON  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|  |               | Utility Fund       |
|--|---------------|--------------------|
| <b>Reconciliation of Operating Income to<br/>Net Cash Provided (Used) by<br/>Operating Activities:</b> |               |                    |
| Operating Income (Loss)  | \$            | 258,634            |
| Adjustments to Reconcile Operating<br>Income to Net Cash Provided (Used)<br>by Operating Activities:   |               |                    |
| Depreciation Expense   |               | 569,183            |
| (Increase) Decrease in:  |               |                    |
| Accounts Receivable (net)  |               | (69,433)           |
| Pension Related Deferred Outflows  |               | 108,516            |
| OPEB Related Deferred Outflows   |               | 1,113              |
| Increase (Decrease) in Current Liabilities:  |               |                    |
| Accounts Payable   |               | (254,015)          |
| Accrued Wages  |               | 10,453             |
| Accrued Compensated Absences   |               | 3,701              |
| Deposits and Unearned Revenue  |               | (13,877)           |
| Total OPEB Liabilities   |               | 50,664             |
| Net Pension Liability  |               | (298,730)          |
| Pension Related Deferred Inflows   |               | 131,690            |
| OPEB Related Deferred Inflows  |               | (43,907)           |
| <b>Total Adjustments to Reconcile<br/>    Operating Activities</b>                                     |               | <b>195,358</b>     |
| <br><b>Net Cash Provided (Used) by<br/>Operating Activities</b>  | <br><b>\$</b> | <br><b>453,992</b> |

See accompanying notes to basic financial statements.

CITY OF SINTON  
 STATEMENT OF FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2024

|                             | <u>Somerset<br/>PID</u> |
|-----------------------------|-------------------------|
| <b>ASSETS</b>               |                         |
| <i>Current Assets:</i>      |                         |
| Cash and Cash Equivalents   | <u>\$ 87,979</u>        |
| <b>TOTAL ASSETS</b>         | <u>87,979</u>           |
| <br><b>LIABILITIES</b>      |                         |
| <i>Current Liabilities:</i> |                         |
| Accounts Payable            | <u>-</u>                |
| <b>TOTAL LIABILITIES</b>    | <u>-</u>                |
| <br><b>NET POSITION</b>     |                         |
| Restricted for Debt Service | <u>87,979</u>           |
| <b>TOTAL NET POSITION</b>   | <u><u>\$ 87,979</u></u> |

See accompanying notes to basic financial statements.

CITY OF SINTON  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

|                               | Somerset<br>PID |
|-------------------------------|-----------------|
| <b>ADDITIONS</b>              |                 |
| Developer Contributions       | \$ 100,030      |
| <b>TOTAL ADDITIONS</b>        | 100,030         |
| <br><b>DEDUCTIONS</b>         |                 |
| Administrative Costs          | 26,363          |
| <b>TOTAL DEDUCTIONS</b>       | 26,363          |
| <b>CHANGE IN NET POSITION</b> | 73,667          |
| <b>BEGINNING NET POSITION</b> | 14,312          |
| <b>ENDING NET POSITION</b>    | \$ 87,979       |

See accompanying notes to basic financial statements.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Sinton, Texas (“City”) was incorporated in 1916 under the provisions of the State of Texas and operates under the Manager-Council form of government. The City provides the following primary services: police protection, emergency medical services, public works, street maintenance, parks, library and utility (water, sewer and garbage) service. The City is governed by a mayor and four council members.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. **REPORTING ENTITY**

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations; thus, data from these units, if any existed, would be combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. As of September 30, 2024, the City had the following component units:

City of Sinton Economic Development Corporation

The City exerts significant control over the Economic Development Corporation (EDC), a legally separate entity. The EDC uses the taxing authority of the City and provides services almost exclusively to the City and its constituents. This poses a significant benefit to the City. City Council appoints all members of the Board, approves the Budget, and is charged with hiring and firing of EDC employees, of which there are currently none. In addition, management of the City has operational responsibility for the component unit. This qualifies the EDC as a component unit, which is recorded as a separate fund of the City, using the blended method described in the previous paragraph. The EDC collects sales tax to promote economic growth in the City of Sinton. The EDC does not issue separate financial statements.

In addition, the City is affiliated with the following organizations:

Sinton Volunteer Fire Department (VFD)

The VFD is a legally separate entity over which the City Council has no control. The City provides financial support to supplement the other resources of the VFD. The City also allows the VFD to operate City fire vehicles and equipment. However, the City has no appointment or oversight abilities over the affairs of the VFD. As such, the financial statements of the VFD are not included in these financial statements. Financial information of the VFD may be obtained by writing to 317 E Market, Sinton, TX 78387.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Economic Development Fund, Street Improvement Fund, Debt Service Fund and Utility Fund meet the criteria as *major funds*.

3. 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. This measurement focus is also used for the proprietary 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. Revenue types which have been accrued consist of revenue from the investments, property taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

**Governmental fund level financial statements** are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONT.)

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, pension benefits and other post-employment benefits, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

**The General Fund** is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, sales taxes, and franchise fees. Primary expenditures are for general administration and public safety.

**Economic Development Fund** is used to account for the sales taxes collected to support economic development activities in the City.

**Street Improvement Fund** is used to account street improvement capital projects funded by debt and fees committed for streets on utility customer bills.

**Debt Service Fund** is used to account for property taxes levied to repay legally authorized debts of the City.

**Proprietary fund level financial statements** are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's Proprietary Fund is the utility fund.

The **Proprietary Funds** are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

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

4. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City. This includes local government investment pools.

Cash is reported as restricted only if the restriction on the cash is narrower than the purpose of the fund as a whole. For the City, these balances generally consist of proceeds from bonds for construction.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

The City's investments may include certificates of deposit (carried at amortized cost) and local government investment pools. These pools are 2a7-like which means they are not registered with the Securities and Exchange Commission as an investment company, but nevertheless have a policy that they will, and do, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These pools are reported a share price of \$1 which approximates fair value.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2023 and past due after January 31, 2024. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levy are not shown net of an allowance for uncollectibles as management believes all outstanding amounts will be collected.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and taxes collected on behalf of the City (primarily sales). Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

7. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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" on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

9. NOTES RECEIVABLE

The City's affordable housing program lends financial resources to individuals in the City to purchase homes. The notes require escrowed taxes and insurance payments and are issued at favorable interest rate. The unpaid balance of the notes and any required escrow amounts are recorded as Notes Receivable on the Balance Sheet and Statement of Net Position. Because these notes are secured by a lien on the property, no allowance for uncollectible amounts has been recorded.

10. INVENTORY

Inventory consists of unleaded and diesel fuels available for City and County use. The County is billed monthly for their consumption. The fuel is carried at the lower of cost or market based on a first in- first out method.

11. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as unavailable revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue.

12. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$2,000 or more and a useful life in excess of 1 year. Infrastructure assets include City-owned streets, sewer, and parks. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF SINTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

12. CAPITAL ASSETS (Continued)

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

| <u>Asset</u>                          | <u>Estimated Life</u> |
|---------------------------------------|-----------------------|
| Buildings and Improvements            | 10 to 50 years        |
| Streets, Utilities and Infrastructure | 20 to 50 years        |
| Furniture, Fixtures, Vehicles         | 5 to 20 years         |

13. COMPENSATED ABSENCES

Full-time employees earn vacation leave at varying rates depending on length of service. Accumulated vacation leave is paid on termination. In addition, employees accrue sick leave up to a maximum of 90 days. Unused sick leave is not paid upon termination.

Liabilities for compensated absences are recognized in the fund statements only to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

14. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are amortized over the life of the bond. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

15. PENSIONS

The net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The total OPEB liability (and related deferred inflows and outflows of resources) and OPEB expense of the TMRS supplemental death benefits fund, have been determined on the same basis as they are reported by TMRS. The total OPEB liability and OPEB expense related to retiree insurance, has been determined on the same basis of an actuarial study projecting retirement rates and health care cost trend rates.

17. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints through the same formal action.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. Assignments may be created by the City Council.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second and assigned third.

18. NET POSITION

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

19. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

20. INTERFUND TRANSFERS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds. However, debt service paid on behalf of proprietary funds is reported as debt service expenditures in the debt service fund and a transfer in the governmental activities.

21. USE OF ESTIMATES

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

**NOTE B -- DEPOSITS AND INVESTMENTS**

1. Deposits

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At September 30, 2024, the carrying amount of the City's deposits were fully covered by a combination of pledged collateral and FDIC insurance.

2. Investments

The City had no investments at September 30, 2024.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to specific investment risks at year end and if so, the reporting of certain related disclosures. The City has reviewed its risk exposure and does not believe it is exposed to significant credit risk, custodial credit risk, or concentration of credit risk.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE C -- PROPERTY TAX CALENDAR**

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the San Patricio County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2023, upon which the fiscal 2024 levy was based, was \$339 million (i.e., market value less exemptions). The estimated market value was \$459 million, making the taxable value 74% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$1.50 per \$100 of taxable assessed valuation for all governmental purposes. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2024, was \$0.759300 per \$100 of assessed value, which means that the City has a tax margin of \$0.7407 for each \$100 value and could increase its annual tax levy by approximately \$2.5 million based upon the present assessed valuation before the limit is reached. However, the City may not increase property tax rates more than 3% each year without voter approval.

**NOTE D -- OTHER RECEIVABLES**

Other receivables for the City as of September 30, 2024 are as follows:

|                              | General<br>Fund   | Economic<br>Development | Total<br>Nonmajor | Utility<br>Fund   |
|------------------------------|-------------------|-------------------------|-------------------|-------------------|
| Sales and Mixed Beverage Tax | \$ 197,309        | \$ 117,967              | \$ -              | \$ -              |
| Franchise Fees               | 36,645            | -                       | -                 | -                 |
| Hotel Occupancy Tax          | -                 | -                       | 5,858             | -                 |
| Customer Charges             | 16,235            | -                       | -                 | 635,877           |
| Leases                       | -                 | 173,658                 | -                 | -                 |
| Grants                       | 37                | -                       | -                 | -                 |
| Allowance for Uncollectibles | -                 | -                       | -                 | (182,783)         |
| Total Other Receivables      | <u>\$ 250,226</u> | <u>\$ 291,625</u>       | <u>\$ 5,858</u>   | <u>\$ 453,094</u> |

**NOTE E -- INTERFUND TRANSACTIONS**

Interfund transfers during the year ending September 30, 2024 were as follows:

| Transfer From        | Transfer to  | Amount            | Purpose                               |
|----------------------|--------------|-------------------|---------------------------------------|
| Economic Development | General      | \$ 72,000         | <i>In support of administration</i>   |
| Debt Service         | Utility Fund | 118,978           | <i>Debt service paid on behalf of</i> |
|                      |              | <u>\$ 190,978</u> |                                       |

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE F – NOTES RECEIVABLE**

The City has two outstanding notes for affordable housing as follows:

|        | Issue<br>Date | Original<br>Amount | Balance<br>9/30/24 | Monthly<br>Payment | Interest<br>Rate |
|--------|---------------|--------------------|--------------------|--------------------|------------------|
| Note 1 | 12/1/2010     | \$ 71,000          | \$ 46,063          | \$ 394             | 3.00%            |
| Note 2 | 12/1/2010     | 81,000             | 31,530             | 449                | 3.00%            |
|        |               | <u>\$ 152,000</u>  | <u>\$ 77,593</u>   | <u>\$ 843</u>      |                  |

Future minimum payments (not counting escrow payments for taxes and insurance) are as follows:

| Fiscal Year Ending<br>September 30, | Future Note<br>Payments |
|-------------------------------------|-------------------------|
| 2025                                | \$ 10,116               |
| 2026                                | 10,116                  |
| 2027                                | 10,116                  |
| 2028                                | 10,116                  |
| 2029                                | 10,116                  |
| Thereafter                          | 38,936                  |
| Gross Amounts                       | 89,516                  |
| Less: Amounts Representing Interest | (11,923)                |
|                                     | <u>\$ 77,593</u>        |

**NOTE G -- LEASES**

The Economic Development Corporation leases space in the community center to two tenants. The leases have fixed payments with no variable components.

|                             | Lease 1    | Lease 2   |
|-----------------------------|------------|-----------|
| Current Term Ends           | March 2027 | June 2025 |
| Extension Options End       | March 2037 | June 2032 |
| Termination Option          | None       | None      |
| Total Inflows               |            |           |
| Lease Revenue               | \$ 60,926  | \$ 39,438 |
| Interest Revenue            | 5,794      | 1,554     |
| Variable and Other Payments | -          | -         |

The City's general fund has short-term leases for RV park spaces and park facilities. These leases are typically 30 days or less in length.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE H -- CAPITAL ASSETS**

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

| <u>Governmental Activities</u>  | Balance<br>10/1/2023 | Additions           | Disposals/<br>Transfers | Balance<br>9/30/2024 |
|---------------------------------|----------------------|---------------------|-------------------------|----------------------|
| Land                            | \$ 62,250            | \$ -                | \$ -                    | \$ 62,250            |
| Buildings and Improvements      | 5,707,023            | 83,242              | (7,995)                 | 5,782,270            |
| Infrastructure                  | 24,198,960           | -                   | 1,609,313               | 25,808,273           |
| Vehicles and Equipment          | 2,922,933            | 763,360             | (80,619)                | 3,605,674            |
| Construction in Progress        | 102,500              | 1,506,813           | (1,609,313)             | -                    |
|                                 | <u>32,993,666</u>    | <u>2,353,415</u>    | <u>(88,614)</u>         | <u>35,258,467</u>    |
| Less Accumulated Depreciation   |                      |                     |                         |                      |
| Buildings and Improvements      | (2,672,309)          | (174,343)           | 7,995                   | (2,838,657)          |
| Vehicles and Equipment          | (2,016,806)          | (209,813)           | 80,619                  | (2,146,000)          |
| Infrastructure                  | (1,324,314)          | (655,074)           | -                       | (1,979,388)          |
|                                 | <u>(6,013,429)</u>   | <u>(1,039,230)</u>  | <u>88,614</u>           | <u>(6,964,045)</u>   |
| Capital Assets, Net             | <u>\$ 26,980,237</u> | <u>\$ 1,314,185</u> | <u>\$ -</u>             | <u>\$ 28,294,422</u> |
|                                 |                      |                     |                         |                      |
| <u>Business-Type Activities</u> | Balance<br>10/1/2023 | Additions           | Disposals/<br>Transfers | Balance<br>9/30/2024 |
| Land                            | \$ 4,000             | \$ -                | \$ -                    | \$ 4,000             |
| Infrastructure                  | 17,108,903           | 74,400              | (78,899)                | 17,104,404           |
| Vehicles and Equipment          | 424,970              | 64,794              | (7,160)                 | 482,604              |
| Construction in Progress        | 504,506              | 32,401              | (536,906)               | 1                    |
|                                 | <u>18,042,379</u>    | <u>171,595</u>      | <u>(622,965)</u>        | <u>17,591,009</u>    |
| Less Accumulated Depreciation   |                      |                     |                         |                      |
| Vehicles and Equipment          | (268,430)            | (52,138)            | 7,160                   | (313,408)            |
| Infrastructure                  | (4,127,268)          | (517,045)           | 615,805                 | (4,028,508)          |
|                                 | <u>(4,395,698)</u>   | <u>(569,183)</u>    | <u>622,965</u>          | <u>(4,341,916)</u>   |
| Capital Assets, Net             | <u>\$ 13,646,681</u> | <u>\$ (397,588)</u> | <u>\$ -</u>             | <u>\$ 13,249,093</u> |

Land and Construction in Progress are not depreciated.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE H -- CAPITAL ASSETS** (Continued)

Depreciation expense was charged to the governmental functions as follows:

|   |    |                            |
|---|----|----------------------------|
| Administration  | \$ | 30,188                     |
| Police  |    | 84,478                     |
| Fire  |    | 57,165                     |
| Animal Control  |    | 829                        |
| Streets   |    | 719,422                    |
| Parks   |    | 85,250                     |
| Library   |    | <u>61,898</u>              |
| Total Depreciation Expense -<br>Governmental Activities |    | <u><u>\$ 1,039,230</u></u> |

**NOTE I -- LONG-TERM LIABILITIES**

|                                       | Balance<br>10/1/2023 | Additions           | Reductions            | Balance<br>9/30/2024 |
|---------------------------------------|----------------------|---------------------|-----------------------|----------------------|
| <i>Governmental Activities</i>        |                      |                     |                       |                      |
| Bonds/Notes Payable and Premiums      | \$ 3,018,331         | \$ -                | \$ (1,911,548)        | \$ 1,106,783         |
| Net Pension Liability                 | 1,579,744            | 843,219             | (1,788,436)           | 634,527              |
| Accrued Compensated Absences          | 142,930              | 164,900             | (142,930)             | 164,900              |
| Total OPEB Liabilities:               |                      |                     |                       |                      |
| Retiree Death Benefit                 | 95,467               | 10,604              | (3,867)               | 102,204              |
| Retiree Health Insurance              | 878,953              | 155,573             | (7,579)               | 1,026,947            |
| <i>Total Governmental Activities</i>  | <u>\$ 5,715,425</u>  | <u>\$ 1,174,296</u> | <u>\$ (3,854,360)</u> | <u>\$ 3,035,361</u>  |
| <br><i>Business-Type Activities</i>   |                      |                     |                       |                      |
| Bonds Payable and Premiums            | \$ 1,850,002         | \$ -                | \$ (207,919)          | \$ 1,642,083         |
| Net Pension Liability                 | 430,258              | 229,658             | (528,388)             | 131,528              |
| Accrued Compensated Absences          | 21,947               | 25,648              | (21,947)              | 25,648               |
| Total OPEB Liabilities:               |                      |                     |                       |                      |
| Retiree Death Benefit                 | 21,643               | 2,404               | (275)                 | 23,772               |
| Retiree Health Insurance              | 455,042              | 69,624              | (21,089)              | 503,577              |
| <i>Total Business-Type Activities</i> | <u>\$ 2,778,892</u>  | <u>\$ 327,334</u>   | <u>\$ (779,618)</u>   | <u>\$ 2,326,608</u>  |

Historically, the General Fund has been used to pay for governmental accrued compensated absences, pension and other post-employment benefits.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE J – BONDS AND TAX NOTES PAYABLE**

*Combination Tax and Limited Pledged Revenue Certificates of Obligation, Series 2007*

The City issued \$1,500,000 in certificates in March, 2007 for the construction of a community center. The debt service is funded by a pledge of economic development sales taxes. The City may also levy a property tax to pay the debt service. The bonds mature serially through September 1, 2027 and bear interest at 4.27%.

*Combination Tax and Limited Pledged Revenue Certificates of Obligation, Series 2014*

The City issued \$3,000,000 in certificates in June, 2014 for replacing water meters. The debt service is funded by a combination of utility system revenues (55%) and property taxes (45%). The bonds mature serially through September 1, 2034 and bear interest at 2-4%.

*Combination Tax and Limited Pledged Revenue Certificates of Obligation, Series 2019*

The City issued \$1,240,000 in certificates in June, 2019 for automatic water meters. The debt service is funded by utility system revenues (and backed by property taxes if necessary). The bonds mature serially through September 1, 2029 and bear interest at 1.1-2.4%.

*Tax Notes, Series 2023*

The City issued \$1,750,000 in tax notes in May, 2023 for street improvements. The notes mature in 2024 with a single payment from debt service fund balance.

All three bond series and tax notes were privately placed with a bank and contain no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences.

*Changes in Bonds and Tax Notes Payable*

|                                       | Balance<br>10/1/2023 | Additions   | Reductions            | Balance<br>9/30/2024 | Due Within<br>One Year |
|---------------------------------------|----------------------|-------------|-----------------------|----------------------|------------------------|
| <i>Governmental Activities</i>        |                      |             |                       |                      |                        |
| Bonds Payable:                        |                      |             |                       |                      |                        |
| 2007 Series                           | \$ 410,000           | \$ -        | \$ (95,000)           | \$ 315,000           | \$ 100,000             |
| 2014 Series                           | 845,500              | -           | (64,525)              | 780,975              | 66,750                 |
| Tax Notes 2023                        | 1,750,000            | -           | (1,750,000)           | -                    | -                      |
| Unamortized Premiums                  | 12,831               | -           | (2,023)               | 10,808               | -                      |
| <i>Total Governmental Activities</i>  | <u>\$ 3,018,331</u>  | <u>\$ -</u> | <u>\$ (1,911,548)</u> | <u>\$ 1,106,783</u>  | <u>\$ 166,750</u>      |
| <i>Business-Type Activities</i>       |                      |             |                       |                      |                        |
| Bonds Payable:                        |                      |             |                       |                      |                        |
| 2019 Series                           | \$ 780,000           | \$ -        | \$ (125,000)          | \$ 655,000           | \$ 125,000             |
| 2014 Series                           | 1,054,500            | -           | (80,475)              | 974,025              | 83,250                 |
| Unamortized Premiums                  | 15,502               | -           | (2,444)               | 13,058               | -                      |
| <i>Total Business-Type Activities</i> | <u>\$ 1,850,002</u>  | <u>\$ -</u> | <u>\$ (207,919)</u>   | <u>\$ 1,642,083</u>  | <u>\$ 208,250</u>      |

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE J – BONDS AND TAX NOTES PAYABLE (Continued)**

The annual requirements to amortize all bonded debt and tax notes outstanding as of September 30, 2024, including interest payments, are as follows:

| Fiscal Year Ending<br>September 30, | Governmental Activities |                   | Business-Type Activities |                   | Total              |
|-------------------------------------|-------------------------|-------------------|--------------------------|-------------------|--------------------|
|                                     | Principal               | Interest          | Principal                | Interest          |                    |
| 2025                                | \$ 166,750              | \$ 40,219         | \$ 208,250               | \$ 49,005         | \$ 464,224         |
| 2026                                | 171,750                 | 33,839            | 213,250                  | 43,720            | 462,559            |
| 2027                                | 178,975                 | 26,869            | 216,025                  | 37,906            | 459,775            |
| 2028                                | 73,425                  | 21,672            | 226,575                  | 31,457            | 353,129            |
| 2029                                | 75,650                  | 18,690            | 229,350                  | 24,786            | 348,476            |
| 2030-2034                           | 429,425                 | 44,278            | 535,575                  | 55,222            | 1,064,500          |
|                                     | <u>\$1,095,975</u>      | <u>\$ 185,567</u> | <u>\$1,629,025</u>       | <u>\$ 242,096</u> | <u>\$3,152,663</u> |

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS**

The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.com). All eligible employees of the City are required to participate in TMRS retirement system.

**Benefits Provided**

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

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

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

At the December 31 valuations and measurement dates, the following employees were covered by the benefit terms:

|  | 2023 |
|--|------|
| Inactive employees or beneficiaries currently receiving benefits | 34   |
| Inactive employees entitled to but not yet receiving benefits    | 42   |
| Active employees   | 39   |
|  | 115  |

**Contributions**

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

Employees for the City were required to contribute 7% of their annual gross earnings and the City matches 2 to 1. The City also offers updated service credits and cost of living allowances. The contribution rates for the City were 12.76% and 13.35% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$294,474 and matched the required contributions.

**Actuarial Assumptions**

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

|                            |                                 |
|----------------------------|---------------------------------|
| Inflation                  | 2.50% per year                  |
| Salary Increases           | 3.6%-11.85% including inflation |
| Investment Rate of Return* | 6.75%                           |

\* Presented net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS** (Continued)

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

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

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return<br/>(Arithmetic)</u> |
|----------------------------------|--------------------------|--|
| Global Equity                    | 35%                      | 6.70%  |
| Core Fixed Income                | 6%                       | 4.70%  |
| Non-Core Fixed Income            | 20%                      | 8.00%  |
| Other Public and Private Markets | 12%                      | 8.00%  |
| Real Estate                      | 12%                      | 7.60%  |
| Hedge Funds                      | 5%                       | 6.40%  |
| Private Equity                   | 10%                      | 11.60%   |
|                                  | <u>100%</u>              |  |

**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.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**Net Pension Liability**

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

**Changes in the Net Pension Liability**

The below schedule presents the changes in the Net Pension Liability as of December 31, 2023:

|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balance at December 31, 2022                                     | \$ 11,585,357              | \$ 9,575,355                   | \$ 2,010,002             |
| Changes for the year:  |                            |                                |                          |
| Service Cost   | 294,474                    | -                              | 294,474                  |
| Interest   | 778,403                    | -                              | 778,403                  |
| Change of Benefit Terms  | -                          | -                              | -                        |
| Difference Between Expected and<br>Actual Experience             | (718,756)                  | -                              | (718,756)                |
| Changes of Assumptions   | (107,773)                  | -                              | (107,773)                |
| Contributions - Employer   | -                          | 251,674                        | (251,674)                |
| Contributions - Employee   | -                          | 138,065                        | (138,065)                |
| Net Investment Income  | -                          | 1,107,655                      | (1,107,655)              |
| Benefit Payments, Including Refunds<br>of Employee Contributions | (401,391)                  | (401,391)                      | -                        |
| Administrative Expense   | -                          | (7,050)                        | 7,050                    |
| Other Changes  | -                          | (49)                           | 49                       |
| Net Changes  | <u>(155,043)</u>           | <u>1,088,904</u>               | <u>(1,243,947)</u>       |
| Balance at December 31, 2023                                     | <u>\$ 11,430,314</u>       | <u>\$ 10,664,259</u>           | <u>\$ 766,055</u>        |

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

|                               | Discount Rate<br>5.75% | Discount Rate<br>6.75% | Discount Rate<br>7.75% |
|-------------------------------|------------------------|------------------------|------------------------|
| Net Pension Liability (Asset) | \$ 2,505,770           | \$ 766,055             | \$ (644,177)           |

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS** (Continued)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2024, the City recognized pension income of \$50,772. Also 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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and<br>Actual Economic Experience  | \$ 39,551                            | \$ 559,906                          |
| Changes in Actuarial Assumptions                                | -                                    | -                                   |
| Differences Between Projected and<br>Actual Investment Earnings | 268,108                              | -                                   |
| Contributions Subsequent to the<br>Measurement Date             | 232,195                              | -                                   |
|   | \$ 539,854                           | \$ 559,906                          |

Deferred outflows of resources in the amount of \$232,195 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| For the Fiscal Year ended September 30, |              |
|---|--------------|
| 2025                                    | \$ (155,524) |
| 2026                                    | (180,505)    |
| 2027                                    | 176,045      |
| 2028                                    | (92,263)     |
|   | \$ (252,247) |

CITY OF SINTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2024

**NOTE L -- OTHER POSTEMPLOYMENT BENEFIT – SUPPLEMENTAL DEATH BENEFIT**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB. Membership in the plan at December 31, 2023, the valuation and measurement date, consisted of:

|  |      |
|--|------|
|  | 2023 |
| Inactive employees or beneficiaries currently receiving benefits | 18   |
| Inactive employees entitled to but not yet receiving benefits    | 9    |
| Active employees   | 39   |
|  | 66   |

The SDBF required contribution rates, based on these assumptions, are as follows:

| For the Plan Year Ended<br>December 31, | Total<br>Rate | Retiree<br>Portion |
|---|---------------|--------------------|
| 2024                                    | 0.36%         | 0.19%              |
| 2023                                    | 0.40%         | 0.21%              |



CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE L -- OTHER POSTEMPLOYMENT BENEFIT - SBDF** (Continued)

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 3.77% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate:

|                      | Discount Rate<br>2.77% | Discount Rate<br>3.77% | Discount Rate<br>4.77% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | \$ 138,191             | \$ 125,976             | \$ 100,446             |

For the year ended September 30, 2024, the City recognized OPEB expense of (\$1,469). Also as of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Economic Experience | \$ 1,197                             | \$ 16,759                           |
| Changes in Actuarial Assumptions                            | 15,238                               | 34,254                              |
| Contributions Subsequent to the Measurement Date            | 3,305                                | -                                   |
|   | \$ 19,740                            | \$ 51,013                           |

Deferred outflows of resources in the amount of \$3,305 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| For the Fiscal Year ending September 30, |             |
|--|-------------|
| 2025                                     | \$ (7,342)  |
| 2026                                     | (10,835)    |
| 2024                                     | (12,626)    |
| 2028                                     | (4,325)     |
| 2029                                     | 550         |
|  | \$ (34,578) |

CITY OF SINTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2024

**NOTE M -- OTHER POSTEMPLOYMENT BENEFIT – RETIREE INSURANCE**

Eligible retirees of the City may participate in the health insurance plan of the City. The City covers the premiums for the retiree. Eligibility is reserved for employees with 25 years of continuous service with the City regardless of age and the employee must be retired from the Texas Municipal Retirement System. Benefits continue until death. Membership in the plan at September 30, 2023, the valuation date, consisted of:

|  |      |
|--|------|
|  | 2023 |
| Active employees                         | 36   |
| Inactive employees eligible for benefits | 0    |
| Retired employees drawing benefits       | 2    |
|  | 38   |

This City does not maintain a separate trust for this plan and is not accumulating assets to service the other post-employment benefit. Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern benefit costs of the City. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The assumptions are summarized below:

|                          |   |
|--------------------------|---|
| Actuarial Valuation Date | September 30, 2023  |
| Actuarial Method         | Individual Entry Age Normal   |
|                          | Level Percentage of Projected Salary  |
| Discount Rate            | 4.87%   |
| Mortality Table          | RP-2014 Total with Projection MP-2021   |
| Health Cost Trend        | Level 4.5% (2.69% for Medicare Part B)  |
| Disability               | None  |
| Coverage Assumption      | Employees will continue with same plan  |
| Turnover                 | Rates varying based on gender, age, and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report. |

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE M -- OTHER POSTEMPLOYMENT BENEFIT - RETIREE INSURANCE** (Continued)

The changes in the City's Total OPEB Liability (TOL), based on the above actuarial factors, during the year ended September 30, 2024, were as follows:

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at October 1, 2023                           | \$ 1,333,995            |
| Changes for the year:                                |                         |
| Service Cost   | 142,060                 |
| Interest   | 64,966                  |
| Change of Benefit Terms                              | -                       |
| Difference Between Expected and<br>Actual Experience | -                       |
| Changes of Assumptions                               | -                       |
| Benefit Payments                                     | (10,497)                |
| Net Changes  | 196,529                 |
| Balance at September 30, 2024                        | \$ 1,530,524            |

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The TOL of the City is calculated using a discount rate of 4.87% and a health care cost trend rate of 4.5%. The following table shows what the City's TOL would be if it were calculated using a discount rate (and healthcare cost trend rate) that is 1-percentage point lower and 1-percentage point higher than the current rate:

|                              | Discount Rate |              |              |
|------------------------------|---------------|--------------|--------------|
|                              | 3.87%         | 4.87%        | 5.87%        |
| Total OPEB Liability (Asset) | \$ 1,910,495  | \$ 1,530,524 | \$ 1,242,266 |

|                              | Health Care Cost Trend Rate |              |              |
|------------------------------|-----------------------------|--------------|--------------|
|                              | 3.50%                       | 4.50%        | 5.50%        |
| Total OPEB Liability (Asset) | \$ 1,211,639                | \$ 1,530,524 | \$ 1,963,727 |

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE M -- OTHER POSTEMPLOYMENT BENEFIT - RETIREE INSURANCE** (Continued)

For the year ended September 30, 2024, the City recognized OPEB expense of \$38,740. Also as of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and<br>Actual Economic Experience | \$ -                                 | \$ 241,793                          |
| Changes in Actuarial Assumptions                               | -                                    | 920,665                             |
| Contributions Subsequent to the<br>Measurement Date            | -                                    | -                                   |
|  | \$ -                                 | \$ 1,162,458                        |

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| For the Fiscal Year ended September 30, |                |
|---|----------------|
| 2025                                    | \$ (159,023)   |
| 2026                                    | (159,023)      |
| 2027                                    | (159,023)      |
| 2028                                    | (159,023)      |
| 2029                                    | (159,023)      |
| Thereafter                              | (367,343)      |
|   | \$ (1,162,458) |

**NOTE N -- RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts for losses up to \$1,000,000.

CITY OF SINTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2024

**NOTE O -- COMMITMENTS AND CONTINGENCIES**

Litigation

The City is the subject of various other claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City’s liability in these cases, if decided adversely to the City, will not have a material effect on the City’s financial position.

Commitments

In December 2019, the City contracted with Allegiance Mobile Health to provide emergency services to citizens of Sinton. The agreement requires quarterly installments from the City for \$43,750. Payments commenced January 1, 2021. The term of the agreement is for five years with three optional three year renewal periods. However, the contract allows the City to terminate the contract at any time with 90 days notice.

Further, the City has obtained a grant for a comprehensive plan and has engaged a firm to manage the grant and perform the plan for \$300,000. As of September 30, 2024, \$15,000 had been incurred on that contract, leaving an estimated commitment of \$285,000. The entire cost is expected to be covered by the grant.

**NOTE P -- INDUSTRIAL DISTRICT AGREEMENT**

In December 2019, the City signed an industrial district agreement with a business just outside the City’s extraterritorial jurisdiction (ETJ). The agreement annexed the business into the ETJ, but precludes the City from annexing the property into the City. The Agreement is for 15 years and in exchange the City will receive the following annual payments in lieu of taxes (PILOT) as follows:

| Calendar<br>Year | Annual<br>PILOT | Calendar<br>Year | Annual<br>PILOT |
|------------------|-----------------|------------------|-----------------|
| 2025             | \$ 360,000      | 2031             | \$ 420,000      |
| 2026             | 360,000         | 2032             | 480,000         |
| 2027             | 360,000         | 2033             | 600,000         |
| 2028             | 360,000         | 2034             | 720,000         |
| 2029             | 420,000         | 2035             | 720,000         |
| 2030             | 420,000         |                  |                 |

**NOTE Q -- DEVELOPMENT AGREEMENT**

In July 2024, the City signed a development agreement in conjunction with the creation of Sinton Ranch Municipal Utility District (“MUD”) in the City’s extraterritorial jurisdiction (ETJ). The City agrees not to annex the property until all of the infrastructure has been completed and the developer has recovered their development costs. The Agreement is for 45 years and in exchange the City will receive an annual payment in lieu of taxes (PILOT) of \$100 per lot beginning in 2025.

CITY OF SINTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE R -- PUBLIC IMPROVEMENT DISTRICT AND TAX INCREMENT REINVESTMENT ZONE**

The City issued special assessment bonds in the amount of \$11.735 million to construct infrastructure in a section of the City referred to as Somerset. The City has no responsibility for the bonds, which will be paid by a special assessment on the property in the District. Accordingly, this debt is not reported in these financial statements. The City will collect the special assessments and distribute them for debt service in a custodial fiduciary fund. Infrastructure from the project was completed and accepted by the City in 2023.

In addition, the City established a Tax Increment Reinvestment Zone (TIRZ) on the same area. The City will use 50% of the incremental maintenance and operations property tax revenues to reimburse the developer for actual infrastructure costs up to \$21,654,086. The last year of the TIRZ is expected to be 2050. For the year ending September 30, 2024, the City rebated \$20,286 in property taxes, leaving a maximum future commitment of \$21,629,708.



## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability
- Schedule of Employer Pension Contributions
- Schedule of Changes – Total OPEB Liability – Supplemental Death Benefits Fund
- Schedule of Changes – Total OPEB Liability – Retiree Health Insurance

CITY OF SINTON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|  | Budget Amounts      |                     | Actual<br>Amounts   | Variance                   |
|--|---------------------|---------------------|---------------------|----------------------------|
|  | Original            | Final               |                     | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                     |                     |                     |                            |
| Ad Valorem Taxes   | \$ 2,325,311        | \$ 2,325,311        | \$ 2,270,529        | \$ (54,782)                |
| Sales Taxes  | 1,011,649           | 1,011,649           | 1,191,068           | 179,419                    |
| Other Taxes  | 247,513             | 247,513             | 267,054             | 19,541                     |
| Licenses and Permits   | 104,800             | 104,800             | 435,168             | 330,368                    |
| Grants and Donations   | 202,000             | 202,000             | 385,308             | 183,308                    |
| Lease Income   | 123,200             | 123,200             | 122,628             | (572)                      |
| Fines and Penalties  | 57,250              | 57,250              | 118,907             | 61,657                     |
| Interest Income  | 45,000              | 45,000              | 11,502              | (33,498)                   |
| Industrial District Agreement                                | 330,000             | 330,000             | 330,000             | -                          |
| Miscellaneous  | 95,090              | 95,090              | 134,862             | 39,772                     |
| <b>TOTAL REVENUES</b>  | <u>4,541,813</u>    | <u>4,541,813</u>    | <u>5,267,026</u>    | <u>725,213</u>             |
| <b>EXPENDITURES</b>  |                     |                     |                     |                            |
| <i>Current:</i>  |                     |                     |                     |                            |
| Administration   | 900,743             | 958,404             | 983,294             | (24,890)                   |
| Police   | 1,335,783           | 1,295,032           | 1,138,529           | 156,503                    |
| Fire   | 160,300             | 160,300             | 103,755             | 56,545                     |
| Animal Control   | 129,874             | 139,371             | 116,257             | 23,114                     |
| Municipal Court  | 101,079             | 107,027             | 112,857             | (5,830)                    |
| Streets  | 671,974             | 608,818             | 559,386             | 49,432                     |
| Parks  | 301,911             | 314,182             | 259,160             | 55,022                     |
| Emergency Services   | 175,000             | 175,000             | 181,064             | (6,064)                    |
| Inspections  | 47,437              | 47,437              | 261,736             | (214,299)                  |
| Library  | 241,967             | 260,497             | 259,381             | 1,116                      |
| Capital Outlay   | 564,790             | 564,790             | 350,740             | 214,050                    |
| <b>TOTAL EXPENDITURES</b>                                    | <u>4,630,858</u>    | <u>4,630,858</u>    | <u>4,326,159</u>    | <u>304,699</u>             |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(89,045)</u>     | <u>(89,045)</u>     | <u>940,867</u>      | <u>1,029,912</u>           |
| <b>OTHER FINANCING SOURCES</b>                               |                     |                     |                     |                            |
| Transfers In   | 90,000              | 90,000              | 72,000              | (18,000)                   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>90,000</u>       | <u>90,000</u>       | <u>72,000</u>       | <u>(18,000)</u>            |
| Net Change in Fund Balance                                   | 955                 | 955                 | 1,012,867           | 1,011,912                  |
| Beginning Fund Balance                                       | <u>5,658,526</u>    | <u>5,658,526</u>    | <u>5,658,526</u>    | <u>-</u>                   |
| Ending Fund Balance  | <u>\$ 5,659,481</u> | <u>\$ 5,659,481</u> | <u>\$ 6,671,393</u> | <u>\$ 1,011,912</u>        |

CITY OF SINTON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT CORPORATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|  | Budget Amounts      |                     | Actual<br>Amounts   | Variance                   |
|--|---------------------|---------------------|---------------------|----------------------------|
|  | Original            | Final               |                     | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                     |                     |                     |                            |
| Sales Taxes  | \$ 439,961          | \$ 439,961          | \$ 711,977          | \$ 272,016                 |
| Lease Income   | 100,000             | 100,000             | 147,013             | 47,013                     |
| Interest Income  | 1,000               | 1,000               | 8,656               | 7,656                      |
| <b>TOTAL REVENUES</b>  | <u>540,961</u>      | <u>540,961</u>      | <u>867,646</u>      | <u>326,685</u>             |
| <b>EXPENDITURES</b>  |                     |                     |                     |                            |
| <i>Current:</i>  |                     |                     |                     |                            |
| Administration   | 37,500              | 37,500              | 84,833              | (47,333)                   |
| Capital Outlay   | -                   | -                   | 495,837             | (495,837)                  |
| <i>Debt Service:</i>   |                     |                     |                     |                            |
| Principal  | -                   | -                   | 95,000              | (95,000)                   |
| Interest   | -                   | -                   | 13,609              | (13,609)                   |
| <b>TOTAL EXPENDITURES</b>                                    | <u>37,500</u>       | <u>37,500</u>       | <u>689,279</u>      | <u>(651,779)</u>           |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>503,461</u>      | <u>503,461</u>      | <u>178,367</u>      | <u>(325,094)</u>           |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |                            |
| Transfers Out  | <u>(58,000)</u>     | <u>(58,000)</u>     | <u>(72,000)</u>     | <u>(14,000)</u>            |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>(58,000)</u>     | <u>(58,000)</u>     | <u>(72,000)</u>     | <u>(14,000)</u>            |
| Net Change in Fund Balance                                   | 445,461             | 445,461             | 106,367             | (339,094)                  |
| Beginning Fund Balance                                       | <u>3,204,290</u>    | <u>3,204,290</u>    | <u>3,204,290</u>    | <u>-</u>                   |
| Ending Fund Balance  | <u>\$ 3,649,751</u> | <u>\$ 3,649,751</u> | <u>\$ 3,310,657</u> | <u>\$ (339,094)</u>        |

CITY OF SINTON  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE- BUDGET AND ACTUAL  
SEPTEMBER 30, 2024

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Economic Development Corporation and Debt Service.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The City does not use encumbrances.

CITY OF SINTON  
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN PLAN (CALENDAR) YEARS

|  | Total Pension Liability |              |              |              |              |              |               |               |               |  |
|--|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|--|
|  | 2014                    | 2015         | 2016         | 2017         | 2018         | 2019         | 2020          | 2021          | 2022          |  |
| Service Cost   | \$ 242,487              | \$ 339,180   | \$ 340,258   | \$ 336,274   | \$ 326,906   | \$ 313,235   | \$ 264,624    | \$ 279,410    | \$ 294,607    |  |
| Interest (on the Total Pension Liability)                | 496,612                 | 531,734      | 555,308      | 575,209      | 612,641      | 630,470      | 659,309       | 685,856       | 732,737       |  |
| Changes of Benefit Terms                                 | -                       | -            | -            | -            | -            | -            | -             | -             | -             |  |
| Difference between Expected and Actual Experience        | -                       | 81,947       | (212,614)    | 61,618       | (287,727)    | (178,397)    | (193,648)     | 159,482       | 120,273       |  |
| Change of Assumptions                                    | 14,629                  | 5,560        | -            | -            | -            | 36,748       | -             | -             | -             |  |
| Benefit Payments, Including Refunds of                   |                         |              |              |              |              |              |               |               |               |  |
| Employee Contributions                                   | (302,873)               | (297,806)    | (358,952)    | (413,288)    | (414,455)    | (347,235)    | (353,803)     | (334,971)     | (540,643)     |  |
| Net Change   | 450,855                 | 660,615      | 324,000      | 559,813      | 237,365      | 454,821      | 376,482       | 789,777       | 606,974       |  |
| Total Pension Liability - Beginning                      | 7,124,655               | 7,575,510    | 8,236,125    | 8,560,125    | 9,119,938    | 9,357,303    | 9,812,124     | 10,188,606    | 10,978,383    |  |
| Total Pension Liability - Ending                         | \$ 7,575,510            | \$ 8,236,125 | \$ 8,560,125 | \$ 9,119,938 | \$ 9,357,303 | \$ 9,812,124 | \$ 10,188,606 | \$ 10,978,383 | \$ 11,585,357 |  |
| Plan Fiduciary Net Position                              |                         |              |              |              |              |              |               |               |               |  |
|  | 2014                    | 2015         | 2016         | 2017         | 2018         | 2019         | 2020          | 2021          | 2022          |  |
| Contributions - Employer                                 | \$ 255,224              | \$ 296,695   | \$ 278,890   | \$ 276,867   | \$ 269,484   | \$ 266,599   | \$ 214,472    | \$ 226,663    | \$ 245,047    |  |
| Contributions - Employee                                 | 137,959                 | 164,309      | 157,319      | 153,450      | 149,663      | 145,016      | 121,547       | 129,101       | 137,667       |  |
| Net Investment Income                                    | 323,232                 | 8,942        | 420,850      | 931,463      | (229,595)    | 1,149,442    | 656,055       | 1,208,945     | (766,216)     |  |
| Benefit Payments, Including Refunds of                   |                         |              |              |              |              |              |               |               |               |  |
| Employee Contributions                                   | (302,873)               | (297,806)    | (358,952)    | (413,288)    | (414,455)    | (347,235)    | (353,803)     | (334,971)     | (540,643)     |  |
| Administrative Expense                                   | (3,374)                 | (5,446)      | (4,752)      | (4,826)      | (4,436)      | (6,493)      | (4,244)       | (5,594)       | (6,631)       |  |
| Other  | (277)                   | (269)        | (256)        | (245)        | (232)        | (194)        | (166)         | 37            | 7,913         |  |
| Net Change   | 409,891                 | 166,425      | 493,099      | 943,421      | (229,571)    | 1,207,135    | 633,861       | 1,224,181     | (922,863)     |  |
| Beginning Plan Fiduciary Net Position                    | 5,649,776               | 6,059,667    | 6,226,092    | 6,719,191    | 7,662,612    | 7,433,041    | 8,640,176     | 9,274,037     | 10,498,218    |  |
| Ending Plan Fiduciary Net Position                       | \$ 6,059,667            | \$ 6,226,092 | \$ 6,719,191 | \$ 7,662,612 | \$ 7,433,041 | \$ 8,640,176 | \$ 9,274,037  | \$ 10,498,218 | \$ 9,575,355  |  |
| Net Pension Liability (Asset) - Ending                   | \$ 1,515,843            | \$ 2,010,033 | \$ 1,840,934 | \$ 1,457,326 | \$ 1,924,262 | \$ 1,171,948 | \$ 914,569    | \$ 480,165    | \$ 2,010,002  |  |
| Plan Fiduciary Net Position as a                         |                         |              |              |              |              |              |               |               |               |  |
| Percentage of Total Pension Liability                    | 79.99%                  | 75.59%       | 78.49%       | 84.02%       | 79.44%       | 88.06%       | 91.02%        | 95.63%        | 82.65%        |  |
| Covered Payroll  | \$ 1,970,842            | \$ 2,347,267 | \$ 2,247,414 | \$ 2,192,141 | \$ 2,138,037 | \$ 2,071,661 | \$ 1,736,381  | \$ 1,844,293  | \$ 1,966,672  |  |
| Net Pension Liability as a Percentage of Covered Payroll | 76.91%                  | 85.63%       | 81.91%       | 66.48%       | 90.00%       | 56.57%       | 52.67%        | 26.04%        | 102.20%       |  |



CITY OF SINTON  
SCHEDULE OF CHANGES – TOTAL OPEB LIABILITY AND RELATED RATIOS  
SUPPLEMENTAL DEATH BENEFIT  
LAST SEVEN PLAN (CALENDAR) YEARS

|   | Total OPEB Liability |              |              |              |              |              |              |
|---|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2017                 | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
| Service Cost  | \$ 6,576             | \$ 7,269     | \$ 5,593     | \$ 6,425     | \$ 9,221     | \$ 8,063     | \$ 2,959     |
| Interest (on the Total OPEB Liability)                  | 4,401                | 4,486        | 4,581        | 4,057        | 3,510        | 3,394        | 4,719        |
| Changes of Benefit Terms                                | -                    | -            | -            | -            | -            | -            | -            |
| Difference between Expected and Actual Experience       | -                    | (12,838)     | (9,346)      | (4,521)      | (5,610)      | (18,635)     | 1,459        |
| Change of Assumptions                                   | 9,293                | (8,329)      | 24,340       | 22,402       | 5,302        | (54,466)     | 3,871        |
| Benefit Payments  | (1,315)              | (1,710)      | (1,864)      | (1,215)      | (2,398)      | (3,343)      | (4,142)      |
| Net Change in Total OPEB Liability                      | 18,955               | (11,122)     | 23,304       | 27,148       | 10,025       | (64,987)     | 8,866        |
| Total OPEB Liability - Beginning                        | 113,787              | 132,742      | 121,620      | 144,924      | 172,072      | 182,097      | 117,110      |
| Total OPEB Liability - Ending                           | \$ 132,742           | \$ 121,620   | \$ 144,924   | \$ 172,072   | \$ 182,097   | \$ 117,110   | \$ 125,976   |
| Covered Payroll   | \$ 2,192,141         | \$ 2,138,037 | \$ 2,071,661 | \$ 1,736,381 | \$ 1,844,293 | \$ 1,966,672 | \$ 1,972,364 |
| Total OPEB Liability as a Percentage of Covered Payroll | 6.06%                | 5.69%        | 7.00%        | 9.91%        | 9.87%        | 5.95%        | 6.39%        |

Information is being accumulated until 10 years are presented.



CITY OF SINTON  
SCHEDULE OF CHANGES – TOTAL OPEB LIABILITY AND RELATED RATIOS  
RETIREE HEALTH INSURANCE  
LAST FIVE FISCAL YEARS

|   | Total OPEB Liability |                     |                     |                     |                     |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2020                 | 2021                | 2022                | 2023                | 2024                |
| Service Cost  | \$ 138,934           | \$ 138,934          | \$ 138,934          | \$ 142,060          | \$ 142,060          |
| Interest (on the Total OPEB Liability)                  | 49,711               | 53,831              | 57,917              | 62,048              | 64,966              |
| Changes of Benefit Terms                                | -                    | -                   | -                   | -                   | -                   |
| Difference between Expected and Actual Experience       | -                    | -                   | -                   | (307,947)           | -                   |
| Change of Assumptions                                   | -                    | -                   | -                   | (1,172,557)         | -                   |
| Benefit Payments  | (11,131)             | (11,131)            | (11,131)            | (10,497)            | (10,497)            |
| Net Change in Total OPEB Liability                      | 177,514              | 181,634             | 185,720             | (1,286,893)         | 196,529             |
| Total OPEB Liability - Beginning                        | 2,076,020            | 2,253,534           | 2,435,168           | 2,620,888           | 1,333,995           |
| Total OPEB Liability - Ending                           | <u>\$ 2,253,534</u>  | <u>\$ 2,435,168</u> | <u>\$ 2,620,888</u> | <u>\$ 1,333,995</u> | <u>\$ 1,530,524</u> |
| Covered Payroll   | \$ 1,827,173         | \$ 1,808,312        | \$ 1,808,312        | \$ 1,615,749        | \$ 1,620,425        |
| Total OPEB Liability as a Percentage of Covered Payroll | 123.33%              | 134.67%             | 144.94%             | 82.56%              | 94.45%              |

Information is being accumulated until 10 years are presented.



SUPPLEMENTARY INFORMATION

CITY OF SINTON  
 COMPARATIVE BALANCE SHEETS – GENERAL FUND  
 SEPTEMBER 30, 2024 AND 2023

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Cash and Cash Equivalents  | \$ 6,562,672        | \$ 5,495,165        |
| Receivables (net of allowances for uncollectibles):                        |                     |                     |
| Property Taxes   | 276,479             | 214,510             |
| Other Receivables  | 250,226             | 335,660             |
| Inventory  | 7,348               | 6,652               |
| <b>TOTAL ASSETS</b>  | <b>\$ 7,096,725</b> | <b>\$ 6,051,987</b> |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>   |                     |                     |
| <i>Liabilities:</i>  |                     |                     |
| Accounts Payable   | \$ 104,154          | \$ 156,707          |
| Unearned Revenue   | -                   | 6,538               |
| Accrued Wages  | 54,659              | 21,702              |
| <i>Total Liabilities</i>   | 158,813             | 184,947             |
| <br><i>Deferred Inflows of Resources:</i>                                  |                     |                     |
| Unavailable Property Tax Revenue   | 266,519             | 208,514             |
| <i>Total Deferred Inflows of Resources</i>                                 | 266,519             | 208,514             |
| <br><i>Fund Balances:</i>  |                     |                     |
| Nonspendable   |                     |                     |
| Inventory  | 7,348               | 6,652               |
| Restricted for   |                     |                     |
| Police Department  | 856                 | 856                 |
| EMS Services   | 3,545               | 3,545               |
| Municipal Court  | 21,377              | 17,816              |
| Fire Department  | 35,761              | -                   |
| Unassigned   | 6,602,506           | 5,629,657           |
| <i>Total Fund Balance</i>  | 6,671,393           | 5,658,526           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> | <b>\$ 7,096,725</b> | <b>\$ 6,051,987</b> |

CITY OF SINTON  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – GENERAL FUND  
 FOR THE YEARS ENDING SEPTEMBER 30, 2024 AND 2023

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| <b>REVENUES</b>  |                     |                     |
| Ad Valorem Taxes   | \$ 2,270,529        | \$ 2,065,119        |
| Sales Taxes  | 1,191,068           | 1,067,161           |
| Other Taxes  | 267,054             | 260,349             |
| Licenses and Permits   | 435,168             | 112,034             |
| Grants and Donations   | 385,308             | 291,822             |
| Lease Income   | 122,628             | 134,706             |
| Fines and Penalties  | 118,907             | 63,231              |
| Interest Income  | 11,502              | 8,652               |
| Industrial District Agreement                                | 330,000             | 240,000             |
| Miscellaneous  | 134,862             | 97,820              |
| <b>TOTAL REVENUES</b>  | <b>5,267,026</b>    | <b>4,340,894</b>    |
| <b>EXPENDITURES</b>  |                     |                     |
| <i>Current:</i>  |                     |                     |
| Administration   | 983,294             | 765,747             |
| Police   | 1,138,529           | 1,105,574           |
| Fire   | 103,755             | 60,044              |
| Animal Control   | 116,257             | 81,484              |
| Municipal Court  | 112,857             | 92,669              |
| Streets  | 559,386             | 970,396             |
| Parks  | 259,160             | 312,493             |
| Emergency Services   | 181,064             | 185,682             |
| Inspections  | 261,736             | 53,774              |
| Library  | 259,381             | 216,934             |
| Capital Outlay   | 350,740             | 6,817               |
| <b>TOTAL EXPENDITURES</b>                                    | <b>4,326,159</b>    | <b>3,851,614</b>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 940,867             | 489,280             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |
| Transfers In   | 72,000              | 82,500              |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <b>72,000</b>       | <b>82,500</b>       |
| Net Change in Fund Balance                                   | 1,012,867           | 571,780             |
| <b>BEGINNING FUND BALANCE</b>                                | <b>5,658,526</b>    | <b>5,086,746</b>    |
| <b>ENDING FUND BALANCE</b>                                   | <b>\$ 6,671,393</b> | <b>\$ 5,658,526</b> |

CITY OF SINTON  
 COMPARATIVE BALANCE SHEETS – ECONOMIC DEVELOPMENT  
 SEPTEMBER 30, 2024 AND 2023

|  | <u>2024</u>                | <u>2023</u>                |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                            |
| Cash and Cash Equivalents  | \$ 3,202,372               | \$ 3,081,997               |
| Other Receivables  | <u>291,625</u>             | <u>408,917</u>             |
| <b>TOTAL ASSETS</b>  | <u><u>\$ 3,493,997</u></u> | <u><u>\$ 3,490,914</u></u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                            |                            |
| <i>Liabilities:</i>  |                            |                            |
| Accounts Payable   | \$ -                       | \$ 2,841                   |
| <i>Total Liabilities</i>   | <u>-</u>                   | <u>2,841</u>               |
| <i>Deferred Inflows:</i>   |                            |                            |
| Lease Inflows  | <u>183,340</u>             | <u>283,783</u>             |
| <i>Total Deferred Inflows</i>  | <u>183,340</u>             | <u>283,783</u>             |
| <i>Fund Balances:</i>  |                            |                            |
| Restricted for Economic Development  | <u>3,310,657</u>           | <u>3,204,290</u>           |
| <i>Total Fund Balance</i>  | <u>3,310,657</u>           | <u>3,204,290</u>           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b> | <u><u>\$ 3,493,997</u></u> | <u><u>\$ 3,490,914</u></u> |

CITY OF SINTON  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – ECONOMIC DEVELOPMENT  
 FOR THE YEARS ENDING SEPTEMBER 30, 2024 AND 2023

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| <b>REVENUES</b>  |                     |                     |
| Sales Taxes  | \$ 711,977          | \$ 638,826          |
| Lease Income   | 147,013             | 132,013             |
| Interest Income  | 8,656               | 11,175              |
| <b>TOTAL REVENUES</b>  | <b>867,646</b>      | <b>782,014</b>      |
| <br><b>EXPENDITURES</b>  |                     |                     |
| <i>Current:</i>  |                     |                     |
| Administration   | 84,833              | 117,144             |
| Capital Outlay   | 495,837             | 42,320              |
| <i>Debt Service:</i>   |                     |                     |
| Principal  | 95,000              | 90,000              |
| Interest and Fiscal Charges                                      | 13,609              | 18,067              |
| <b>TOTAL EXPENDITURES</b>  | <b>689,279</b>      | <b>267,531</b>      |
| <br>Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <br>178,367         | <br>514,483         |
| <br><b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |
| Transfers Out  | (72,000)            | (72,000)            |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                  | <b>(72,000)</b>     | <b>(72,000)</b>     |
| <br>Net Change in Fund Balance                                   | <br>106,367         | <br>442,483         |
| <br><b>BEGINNING FUND BALANCE</b>                                | <br>3,204,290       | <br>2,761,807       |
| <b>ENDING FUND BALANCE</b>                                       | <b>\$ 3,310,657</b> | <b>\$ 3,204,290</b> |

CITY OF SINTON  
 COMPARATIVE BALANCE SHEETS – DEBT SERVICE  
 SEPTEMBER 30, 2024 AND 2023

|  | 2024              | 2023                |
|--|-------------------|---------------------|
| <b>ASSETS</b>  |                   |                     |
| Cash and Cash Equivalents  | \$ 79,928         | \$ 1,868,786        |
| Property Tax Receivable (net)  | 27,431            | 21,140              |
| <b>TOTAL ASSETS</b>  | <b>\$ 107,359</b> | <b>\$ 1,889,926</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                   |                     |
| <i>Liabilities:</i>  |                   |                     |
| Accounts Payable   | \$ -              | \$ -                |
| <i>Total Liabilities</i>   | -                 | -                   |
| <i>Deferred Inflows of Resources:</i>                                      |                   |                     |
| Unavailable Property Tax   | 26,443            | 20,549              |
| <i>Total Deferred Inflows of Resources</i>                                 | 26,443            | 20,549              |
| <i>Fund Balances:</i>  |                   |                     |
| Restricted for Debt Service  | 80,916            | 1,869,377           |
| <i>Total Fund Balance</i>  | 80,916            | 1,869,377           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> | <b>\$ 107,359</b> | <b>\$ 1,889,926</b> |

CITY OF SINTON  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – DEBT SERVICE  
 FOR THE YEARS ENDING SEPTEMBER 30, 2024 AND 2023

|  | 2024        | 2023         |
|--|-------------|--------------|
| <b>REVENUES</b>  |             |              |
| Property Taxes   | \$ 228,135  | \$ 197,116   |
| <b>TOTAL REVENUES</b>  | 228,135     | 197,116      |
| <br><b>EXPENDITURES</b>  |             |              |
| <i>Debt Service:</i>   |             |              |
| Principal  | 1,814,525   | 62,300       |
| Interest and Fiscal Charges                                      | 83,093      | 32,799       |
| <b>TOTAL EXPENDITURES</b>  | 1,897,618   | 95,099       |
| <br>Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,669,483) | 102,017      |
| <br><b>OTHER FINANCING SOURCES (USES)</b>                        |             |              |
| Transfer Out   | (118,978)   | -            |
| <b>TOTAL OTHER FINANCING SOURCES</b>                             | (118,978)   | -            |
| <br>Net Change in Fund Balance                                   | (1,788,461) | 102,017      |
| <br><b>BEGINNING FUND BALANCE</b>                                | 1,869,377   | 1,767,360    |
| <b>ENDING FUND BALANCE</b>                                       | \$ 80,916   | \$ 1,869,377 |

CITY OF SINTON  
 COMBINING BALANCE SHEETS – NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2024

|   | Affordable<br>Housing | Fire<br>Equipment    | Occupancy<br>Tax      | Total<br>Nonmajor     |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                      |                       |                       |
| Cash and Cash Equivalents   | \$ 353,453            | \$ 72,346            | \$ 223,687            | \$ 649,486            |
| Other Receivables   | -                     | -                    | 5,858                 | 5,858                 |
| Notes Receivable  | 77,593                | -                    | -                     | 77,593                |
| <b>TOTAL ASSETS</b>   | <b>\$ 431,046</b>     | <b>\$ 72,346</b>     | <b>\$ 229,545</b>     | <b>\$ 732,937</b>     |
| <br><b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b>           |                       |                      |                       |                       |
| <i>Liabilities:</i>   |                       |                      |                       |                       |
| Accounts Payable  | \$ -                  | \$ -                 | \$ -                  | \$ -                  |
| <i>Total Liabilities</i>  | -                     | -                    | -                     | -                     |
| <br><i>Fund Balances:</i>   |                       |                      |                       |                       |
| Nonspendable:   |                       |                      |                       |                       |
| Notes Receivable  | 77,593                | -                    | -                     | 77,593                |
| Restricted For:   |                       |                      |                       |                       |
| Tourism Development   | -                     | -                    | 229,545               | 229,545               |
| Affordable Housing  | 353,453               | -                    | -                     | 353,453               |
| Committed For:  |                       |                      |                       |                       |
| Fire Equipment  | -                     | 72,346               | -                     | 72,346                |
| <i>Total Fund Balances</i>  | 431,046               | 72,346               | 229,545               | 732,937               |
| <br><b>TOTAL LIABILITIES,<br/>DEFERRED INFLOWS<br/>OF RESOURCES<br/>AND FUND BALANCES</b> | <br><b>\$ 431,046</b> | <br><b>\$ 72,346</b> | <br><b>\$ 229,545</b> | <br><b>\$ 732,937</b> |

CITY OF SINTON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

|                            | <u>Affordable<br/>Housing</u> | <u>Fire<br/>Equipment</u> | <u>Occupancy<br/>Tax</u> | <u>Total<br/>Nonmajor</u> |
|----------------------------|-------------------------------|---------------------------|--------------------------|---------------------------|
| <b>REVENUES</b>            |                               |                           |                          |                           |
| Occupancy Taxes            | \$ -                          | \$ -                      | \$ 69,291                | \$ 69,291                 |
| Miscellaneous              | -                             | 20,073                    | -                        | 20,073                    |
| Interest Income            | 2,492                         | -                         | -                        | 2,492                     |
| <b>TOTAL REVENUES</b>      | <u>2,492</u>                  | <u>20,073</u>             | <u>69,291</u>            | <u>91,856</u>             |
| <b>EXPENDITURES</b>        |                               |                           |                          |                           |
| <i>Current:</i>            |                               |                           |                          |                           |
| General Government         | -                             | -                         | 46,442                   | 46,442                    |
| <b>TOTAL EXPENDITURES</b>  | <u>-</u>                      | <u>-</u>                  | <u>46,442</u>            | <u>46,442</u>             |
| Net Change in Fund Balance | 2,492                         | 20,073                    | 22,849                   | 45,414                    |
| Beginning Fund Balance     | <u>428,554</u>                | <u>52,273</u>             | <u>206,696</u>           | <u>687,523</u>            |
| Ending Fund Balance        | <u>\$ 431,046</u>             | <u>\$ 72,346</u>          | <u>\$ 229,545</u>        | <u>\$ 732,937</u>         |

CITY OF SINTON  
 COMPARATIVE STATEMENT OF NET POSITION – PROPRIETARY FUND  
 SEPTEMBER 30, 2024 AND 2023

|  | 2024          | 2023          |
|--|---------------|---------------|
| <b>ASSETS</b>                                      |               |               |
| <i>Current Assets:</i>                             |               |               |
| Cash and Cash Equivalents                          | \$ 2,592,205  | \$ 2,361,155  |
| Receivables (net of allowances for uncollectibles) | 453,094       | 383,661       |
| <i>Total Current Assets</i>                        | 3,045,299     | 2,744,816     |
| Property and Equipment (net)                       | 13,249,093    | 13,646,681    |
| <b>TOTAL ASSETS</b>                                | 16,294,392    | 16,391,497    |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b>          |               |               |
| Pension Related Deferred Outflows                  | 194,690       | 303,206       |
| OPEB Related Deferred Outflows                     | 5,712         | 6,825         |
| <b>TOTAL DEFERRED OUTFLOWS</b>                     | 200,402       | 310,031       |
| <br><b>LIABILITIES</b>                             |               |               |
| <i>Current Liabilities:</i>                        |               |               |
| Accounts Payable                                   | 178,505       | 432,520       |
| Accrued Wages                                      | 16,552        | 6,099         |
| Accrued Interest                                   | 8,168         | 9,033         |
| Accrued Compensated Absences                       | 25,648        | 21,947        |
| Deposits and Unearned Revenue                      | 341,688       | 355,565       |
| Current Portion of Long-Term Debt                  | 208,250       | 205,475       |
| <i>Total Current Liabilities</i>                   | 778,811       | 1,030,639     |
| <br><i>Long-term Liabilities:</i>                  |               |               |
| Long-term Debt (Net of Current Portion)            | 1,433,833     | 1,644,527     |
| Total OPEB Liabilities                             | 527,349       | 476,685       |
| Net Pension Liability                              | 131,528       | 430,258       |
| <i>Total Long-term Liabilities</i>                 | 2,092,710     | 2,551,470     |
| <b>TOTAL LIABILITIES</b>                           | 2,871,521     | 3,582,109     |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>           |               |               |
| Pension Related Deferred Inflows                   | 135,703       | 4,013         |
| OPEB Related Deferred Inflows                      | 283,743       | 327,650       |
| <b>TOTAL DEFERRED INFLOWS</b>                      | 419,446       | 331,663       |
| <br><b>NET POSITION</b>                            |               |               |
| Net Investment In Capital Assets                   | 11,607,010    | 11,796,679    |
| Unrestricted                                       | 1,596,817     | 991,077       |
| <b>TOTAL NET POSITION</b>                          | \$ 13,203,827 | \$ 12,787,756 |

CITY OF SINTON  
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
 PROPRIETARY FUND  
 FOR THE YEARS ENDING SEPTEMBER 30, 2024 AND 2023

|   | 2024          | 2023          |
|---|---------------|---------------|
| <b>OPERATING REVENUES</b>                     |               |               |
| Water Service                                 | \$ 1,640,009  | \$ 1,490,574  |
| Sewer Service                                 | 979,570       | 837,534       |
| Garbage Service                               | 932,236       | 899,531       |
| Miscellaneous Charges                         | 183,772       | 132,047       |
| <b>TOTAL OPERATING REVENUES</b>               | 3,735,587     | 3,359,686     |
| <b>OPERATING EXPENSES</b>                     |               |               |
| Personnel                                     | 713,055       | 692,966       |
| Administrative                                | 116,673       | 103,584       |
| Water and Sewer Maintenance and Operations    | 1,153,787     | 976,549       |
| Garbage Contractor                            | 924,255       | 876,838       |
| Depreciation                                  | 569,183       | 419,902       |
| <b>TOTAL OPERATING EXPENSES</b>               | 3,476,953     | 3,069,839     |
| <b>OPERATING INCOME (LOSS)</b>                | 258,634       | 289,847       |
| <b>NONOPERATING REVENUES (EXPENSES)</b>       |               |               |
| Grants and Contributed Infrastructure         | 89,346        | 6,175,881     |
| Interest Expense                              | (50,887)      | (55,810)      |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b> | 38,459        | 6,120,071     |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | 297,093       | 6,409,918     |
| <b>TRANSFERS</b>                              |               |               |
| Transfers In                                  | 118,978       | 1,089,525     |
| <b>TOTAL TRANSFERS</b>                        | 118,978       | 1,089,525     |
| <b>CHANGE IN NET POSITION</b>                 | 416,071       | 7,499,443     |
| <b>NET POSITION AT BEGINNING OF YEAR</b>      | 12,787,756    | 5,288,313     |
| <b>NET POSITION AT END OF YEAR</b>            | \$ 13,203,827 | \$ 12,787,756 |



COMPLIANCE SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

Management, Mayor and City Council of  
City of Sinton, Texas

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Sinton as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Sinton's basic financial statements, and have issued our report thereon dated February 3, 2025.

#### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Sinton's internal control over financial reporting (internal control) to determine the 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 Sinton's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Sinton'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 City'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. 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 Sinton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

We noted certain other matters that we have reported to management of the City in a separate letter dated February 3, 2025.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 3, 2025

