

City of Devine

"The Name Says it All"

ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

THE CITY OF



Devine
TEXAS

CITY OF DEVINE, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2024

CITY OFFICIALS

MAYOR

BUTCH COOK

CITY COUNCIL

RAY GONZALES
MICHAEL HERNANDEZ
JEFF MILLER
JOSH RITCHEY
DEBBIE RANDALL

CITY ADMINISTRATOR

DAVID JORDAN

CITY TREASURER/ CITY ACCOUNTANT

DENISE DUFFY

CITY SECRETARY/HUMAN RESOURCES

DORA RODRIGUEZ

ATTORNEY

THOMAS CATE

CITY OF DEVINE, TEXAS
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SEPTEMBER 30, 2024

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Devine, 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 the City of Devine as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Devine's basic financial statements as listed in the table of contents.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 City of Devine 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 obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City of Devine's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Devine's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Devine'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Devine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes – Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes – Other Post Employment Benefits (OPEB) as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

A handwritten signature in black ink that reads "Armstrong, Vaughan & Associates, P.C." The signature is written in a cursive, flowing style.

Armstrong, Vaughan & Associates, P.C.

April 11, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

This section of City of Devine’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

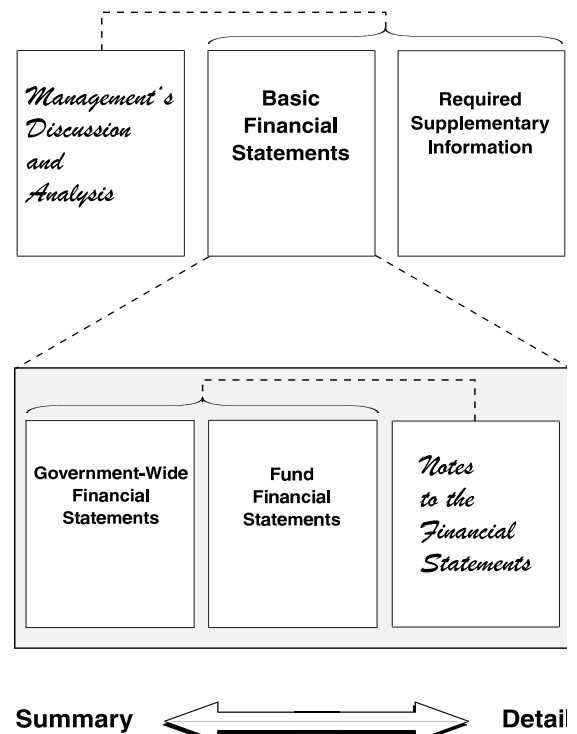
- The City’s total combined net position was \$12.7 million at September 30, 2024.
- During the year, the City’s governmental operating expenses were \$1.6 million less than the \$5.1 million generated in program and general revenues for the governmental activities.
- The total cost of the City’s programs (governmental activities) decreased from \$3.9 million to \$3.6 million and no new programs were added this year.
- The general fund reported a fund balance this year of \$2.8 million of which \$2.8 million was unassigned.
- The Water/Wastewater Utility Fund issued a new bond for \$2.5 million.

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*, such as water services.

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.

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.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
Fund Statements			
<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 City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water
<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 • 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

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 plus deferred outflows and liabilities plus deferred inflows—is one way to measure the City’s financial health or *position*.

- Over time, increases or decreases in the City’s net position is 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 nonfinancial 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 public safety, public works and general administration. Property taxes, sales taxes, franchise fees 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 City Council 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 at the bottom of the governmental funds statement, or on the subsequent page, that explain 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. The proprietary fund consists of the City utility fund.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City’s combined net position was \$12.7 million at September 30, 2024. (See Table A-1).

TABLE A-1
City of Devine Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$ 4,166,355	\$ 3,405,735	\$ 9,253,565	\$ 9,354,623	\$ 13,419,920	\$ 12,760,358
Capital and Other Assets	3,417,755	3,233,572	13,078,379	10,551,353	16,496,134	13,784,925
Total Assets	<u>7,584,110</u>	<u>6,639,307</u>	<u>22,331,944</u>	<u>19,905,976</u>	<u>29,916,054</u>	<u>26,545,283</u>
Deferred Outflows of Resources	<u>264,785</u>	<u>433,867</u>	<u>181,485</u>	<u>272,473</u>	<u>446,270</u>	<u>706,340</u>
Liabilities						
Current Liabilities	704,193	705,561	1,647,219	1,351,338	2,351,412	2,056,899
Noncurrent Liabilities	2,575,707	3,248,336	12,609,460	11,005,973	15,185,167	14,254,309
Total Liabilities	<u>3,279,900</u>	<u>3,953,897</u>	<u>14,256,679</u>	<u>12,357,311</u>	<u>17,536,579</u>	<u>16,311,208</u>
Deferred Inflows of Resources	<u>74,305</u>	<u>94,325</u>	<u>36,697</u>	<u>53,183</u>	<u>111,002</u>	<u>147,508</u>
Net Position						
Net Investment in Capital Assets	2,557,755	2,132,122	7,638,012	7,183,458	10,195,767	9,315,580
Restricted	639,968	547,569	479,939	-	1,119,907	547,569
Unrestricted	1,296,967	345,261	102,102	584,497	1,399,069	929,758
Total Net Position	<u>\$ 4,494,690</u>	<u>\$ 3,024,952</u>	<u>\$ 8,220,053</u>	<u>\$ 7,767,955</u>	<u>\$ 12,714,743</u>	<u>\$ 10,792,907</u>

Changes in Net Position

The City's total governmental revenues were \$5.1 million, of which 71.4% of the City's revenue came from taxes compared to 67.7% in the prior year. A total of 24.8% of the revenues are from those who directly received the service. The total cost of all governmental programs and services was \$3.6 million and charges for these services were \$1.3 million. Table A-2 reports the summarized changes in net position.

TABLE A-2
Changes in City of Devine's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,274,912	\$ 1,022,703	\$ 2,448,190	\$ 2,656,620	\$ 3,723,102	\$ 3,679,323
Operating Grants and Contributions	147,893	366,750	-	-	147,893	366,750
Capital Grants	-	-	-	369,725	-	369,725
General Revenues						
Property Taxes	1,661,577	1,355,786	-	-	1,661,577	1,355,786
Sales Taxes	1,801,694	1,811,098	-	-	1,801,694	1,811,098
Franchise Taxes	187,464	187,116	-	-	187,464	187,116
Occupancy Taxes	19,051	20,293	-	-	19,051	20,293
Payments in Lieu of Property Tax	4,880	-	-	-	4,880	-
Interest Income	17,020	196,437	268,073	296,307	285,093	492,744
Miscellaneous	23,589	25,367	88,833	-	112,422	25,367
Total Revenues	5,138,080	4,985,550	2,805,096	3,322,652	7,943,176	8,308,202
Expenses:						
Administration	378,677	643,708	-	-	378,677	643,708
Municipal Court	73,253	95,932	-	-	73,253	95,932
Street	315,026	363,457	-	-	315,026	363,457
Police	1,048,759	1,156,643	-	-	1,048,759	1,156,643
Health and Sanitation	919,786	882,344	-	-	919,786	882,344
Animal Control	173,406	196,500	-	-	173,406	196,500
Parks and Recreation	16,052	38,568	-	-	16,052	38,568
Golf Course	69,048	52,338	-	-	69,048	52,338
Library	154,472	159,900	-	-	154,472	159,900
Airport	233,103	199,690	-	-	233,103	199,690
Community Center	16,056	15,030	-	-	16,056	15,030
Code Enforcement	145,264	110,196	-	-	145,264	110,196
Emergency Management	18,533	6,213	-	-	18,533	6,213
Water/Wastewater Utilities	-	-	2,444,998	2,553,234	2,444,998	2,553,234
Interest Expense	14,907	20,364	-	-	14,907	20,364
Total Expenses	3,576,342	3,940,883	2,444,998	2,553,234	6,021,340	6,494,117
INCREASE IN NET POSITION BEFORE TRANSFERS	1,561,738	1,044,667	360,098	769,418	1,921,836	1,814,085
Transfers In (Out)	(92,000)	-	92,000	-	-	-
CHANGE IN NET POSITION	1,469,738	1,044,667	452,098	769,418	1,921,836	1,814,085
BEGINNING NET POSITION	3,024,952	1,980,285	7,767,955	6,998,537	10,792,907	8,978,822
ENDING NET POSITION	\$ 4,494,690	\$ 3,024,952	\$ 8,220,053	\$ 7,767,955	\$ 12,714,743	\$ 10,792,907

Governmental Activities

Property tax rates increased to .5553 per \$100 of assessed value. Property tax revenue increased \$306 thousand from fiscal year 2023. Charges for services increased by \$252 thousand.

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES
TOTAL EXPENSES 2024 -GOVERNMENT-WIDE

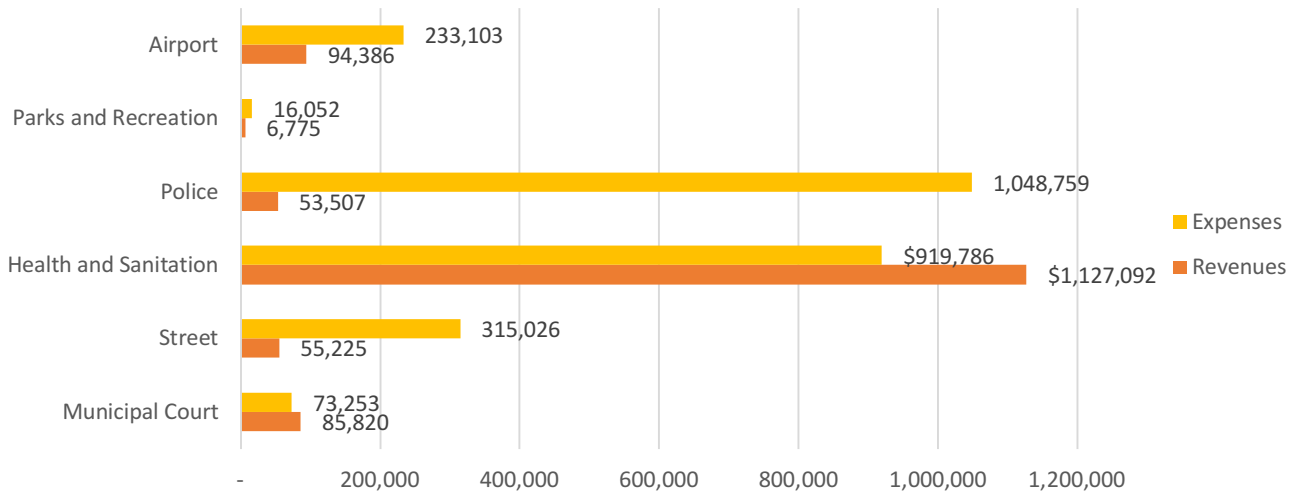
Revenues and Expenditures-Governmental Activities (Continued)

Table A-3 presents the cost of each of the City’s largest functions, as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

Table A-3
Net Cost of Selected City Functions

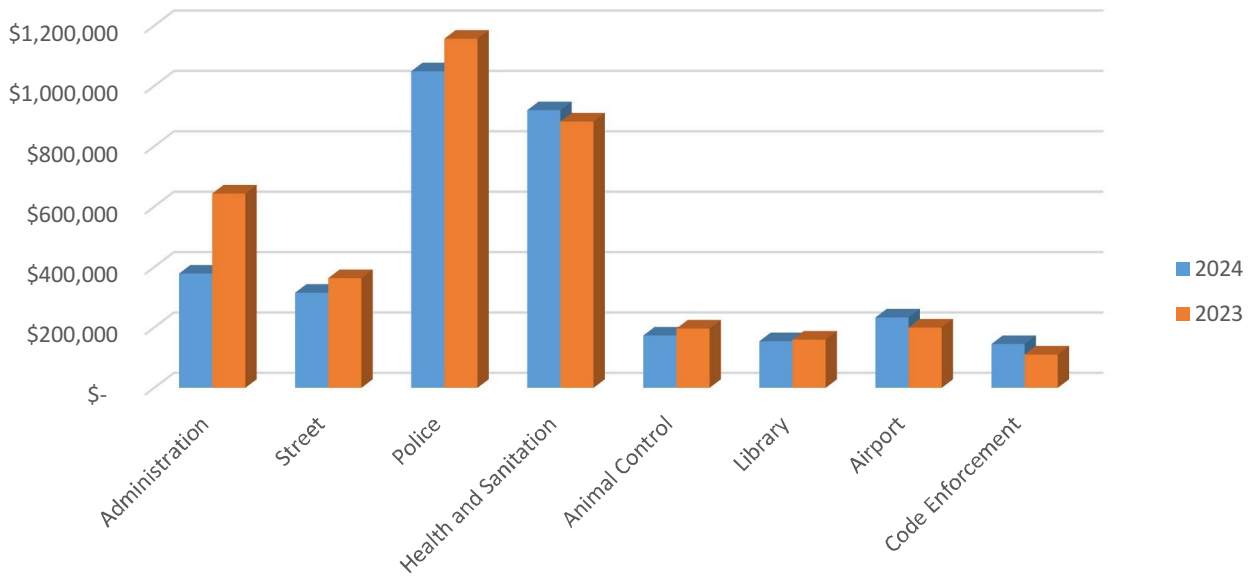
	Total Cost of Services		% Change	Net Cost of Services		Total Percentage Change 2024-2023
	2024	2023		2024	2023	
Administration	\$ 378,677	\$ 643,708	-41.2%	\$ 378,677	\$ 316,670	19.6%
Municipal Court	73,253	95,932	-23.6%	(12,567)	95,932	-113.1%
Street	315,026	363,457	-13.3%	259,801	361,722	-28.2%
Police	1,048,759	1,156,643	-9.3%	995,252	1,126,074	-11.6%
Health and Sanitation	919,786	882,344	4.2%	(207,306)	(56,100)	269.5%
Animal Control	173,406	196,500	-11.8%	173,406	196,500	-11.8%
Parks and Recreation	16,052	38,568	-58.4%	9,277	38,568	-75.9%
Golf Course	69,048	52,338	31.9%	69,048	52,338	31.9%
Library	154,472	159,900	-3.4%	154,472	159,900	-3.4%
Airport	233,103	199,690	16.7%	138,717	117,166	18.4%
Community Center	16,056	15,030	6.8%	16,056	15,030	6.8%
Code Enforcement	145,264	110,196	31.8%	145,264	110,196	31.8%
Emergency Management	18,533	6,213	198.3%	18,533	6,213	198.3%
Water/Wastewater Utilities	2,444,998	2,553,234	-4.2%	(3,192)	(473,111)	-99.3%
Interest Expense	14,907	20,364	-26.8%	14,907	20364	-26.8%

Program Revenue Compared to Program Expenditures

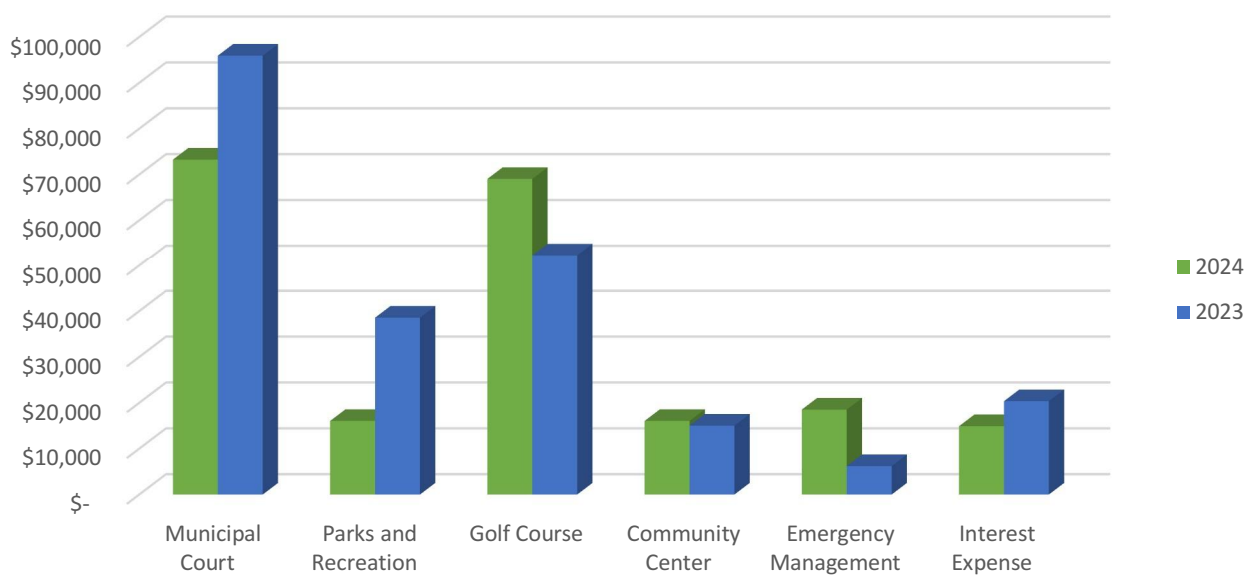


Programs not listed in table above did not have program revenue in fiscal year 2024. See following tables for all program expenses comparison information.

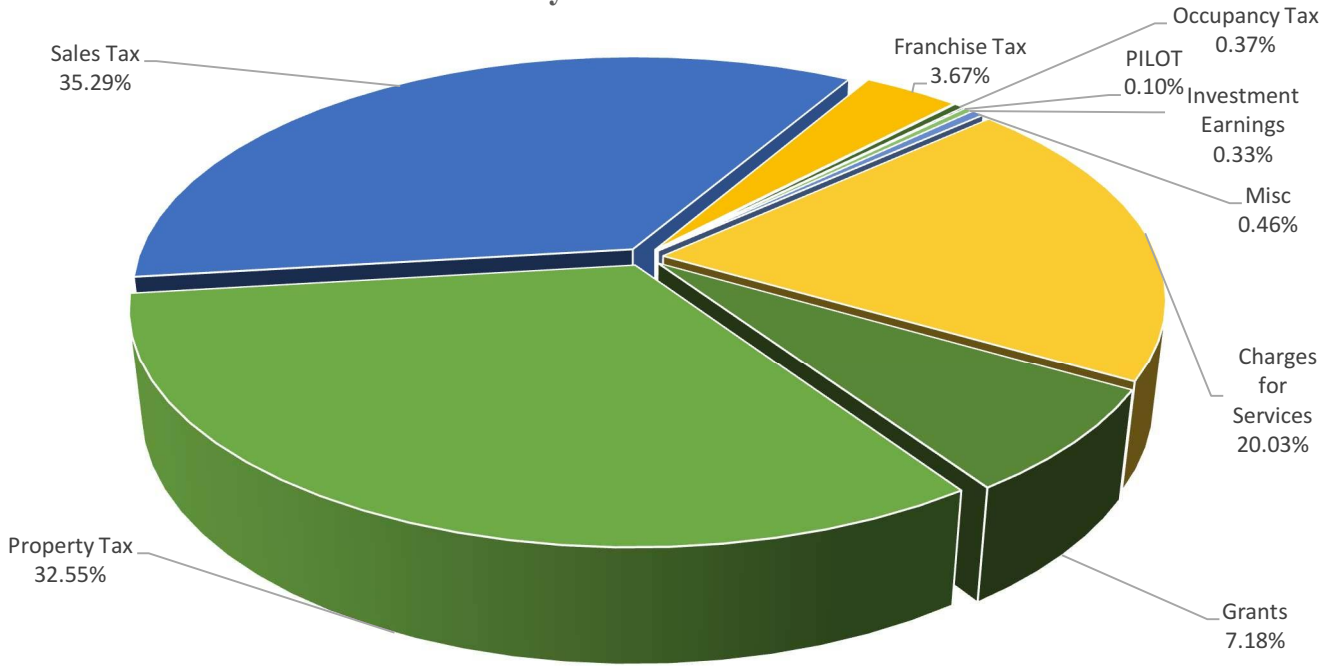
Program Expenditures Year Comparison Expenditures over \$100,000



Program Expenditures Year Comparison Expenditures Under \$100,000



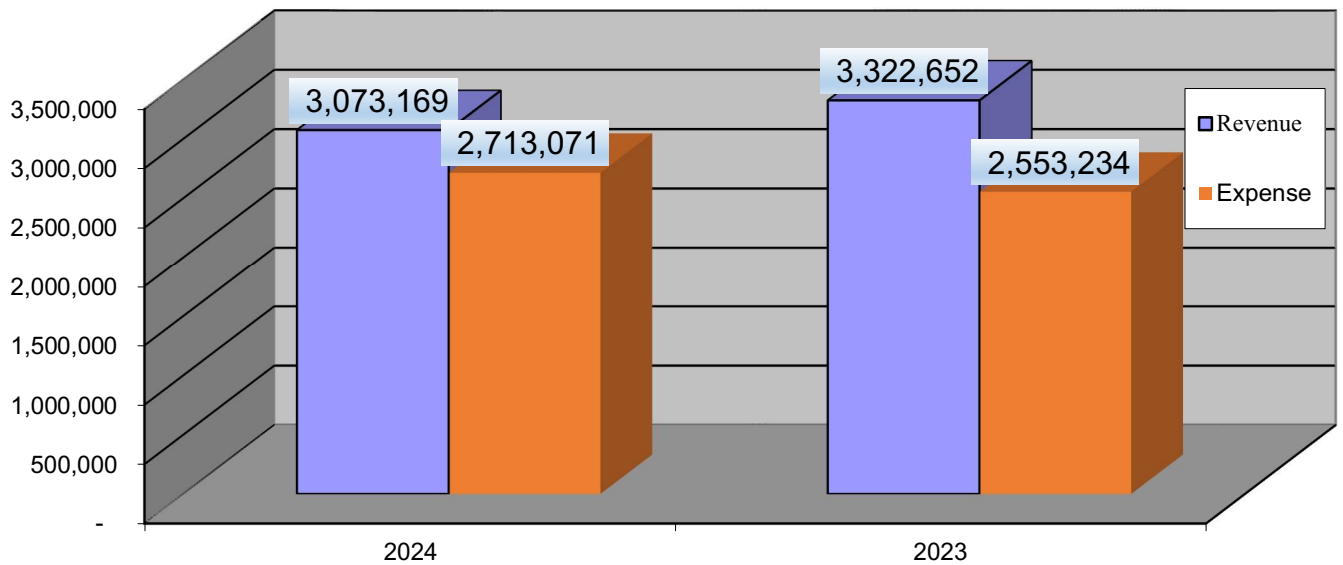
General Revenue by Source - Governmental Activities



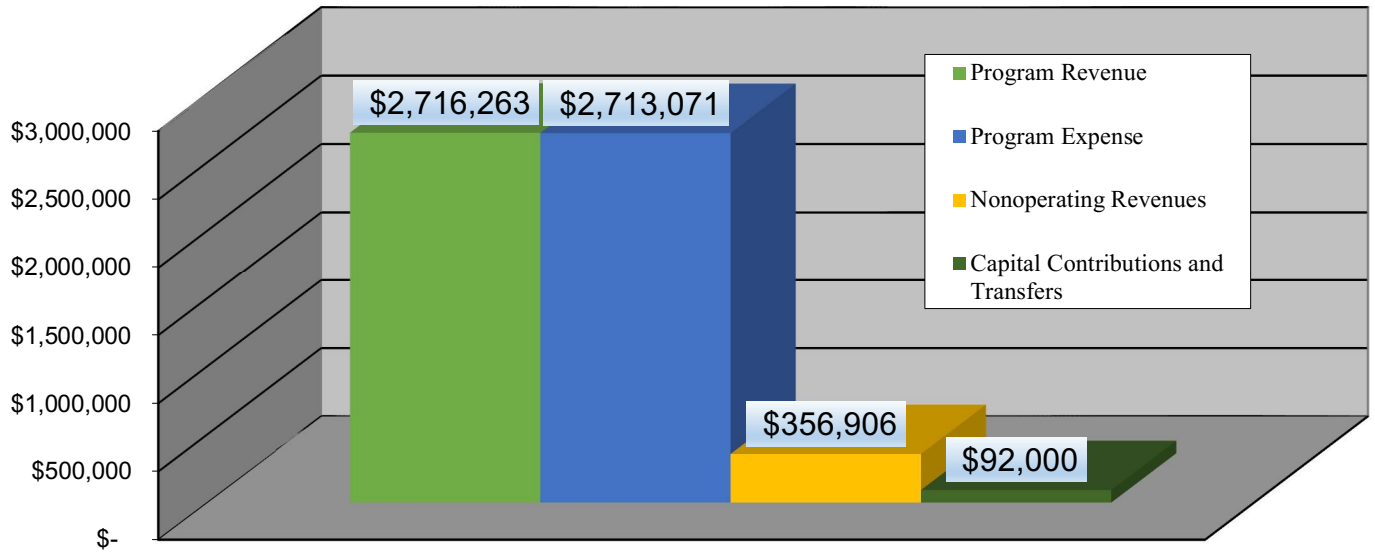
Business-Type Activities

Business-Type activities increased net position by \$452 thousand or 5.8%. The increase was perceptibly caused by an increase in charges for services. The City increased their utility rates effective October 2023.

Water/Sewer Utility Revenues and Expenditures Year Comparison



Utility Revenues and Expenses Fiscal Year 2024



Financial Analysis of the Government's Funds

As noted earlier, the City of Devine uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - Activities of the primary government's general fund, special revenue funds and debt service funds are considered general government functions. The general fund is the City's general operating fund. Special revenue funds are used to account for proceeds of specific sources that are legally restricted as to expenditures. The debt service funds are used to account for financial activity related to the City's general bonded indebtedness, as well as long-term obligations.

As September 30, 2024, the City's governmental funds reported combined ending fund balances of \$3.4 million, an increase of \$964 thousand in comparison with fiscal year 2023.

For the fiscal year ended September 30, 2024, the fund balance of the City's general fund increased by \$895 thousand. The increase largely relates to increased revenues for property tax by \$231 thousand, health and sanitation fees by \$104 thousand, and grants by \$107 thousand. Additionally, expenditures decreased by \$953 thousand. The decrease corresponds with a decrease in capital projects. Capital outlay decreased by \$793 thousand compared to the prior year. Street repairs also decreased by \$96 thousand.

For the fiscal year ended September 30, 2024, the balance of the City's American Rescue Plan Act (ARPA) was recorded in unearned revenue: \$412 thousand \$518 thousand allocated to the water/ wastewater utility fund.

The debt service fund has a total fund balance of \$474 thousand, all of which is restricted for the payment of debt service. The net increase in the fund balance during the current year in the debt service fund was \$62 thousand.

Proprietary Funds - The City's proprietary fund provided the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$102 thousand. The total increase in net position for the water and sewer fund was \$452 thousand. There was an increase in operating income of \$532 thousand which is primarily due to an increase in rates charged for services and expenditures decreased \$351 thousand.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised its budget for a total decrease of fund balance of \$1.1 million. As mentioned previously, the general fund balance increased by \$895 thousand at year end. The largest positive variances in revenues occurred in health and sanitation fees and grants for a combined variance of \$165 thousand. Expenditures were over budget in health and sanitation, golf course and emergency management.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City’s investment in capital assets for its governmental and business- type activities as of September 30, 2024 amounted to \$16.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure and construction in progress. The City’s investment in capital assets for the current fiscal year increased by \$3.0 million from fiscal year 2023.

TABLE A-4
CAPITAL ASSETS
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
	Land	\$ 531,361	\$ 509,481	\$ 142,693	\$ 142,693	\$ 674,054
Water Rights	-	-	402,500	402,500	402,500	402,500
Buildings	2,730,612	2,537,645	-	-	2,730,612	2,537,645
Utility Improvements	3,607,901	3,607,901	15,317,533	14,951,829	18,925,434	18,559,730
Equipment	1,847,517	1,736,231	-	-	1,847,517	1,736,231
Right-to-Use Asset	-	34,548	-	27,472	-	62,020
Construction in Progress	-	-	8,633,043	6,284,693	8,633,043	6,284,693
Accumulated Depreciation	(5,299,636)	(5,192,234)	(11,417,390)	(11,257,834)	(16,717,026)	(16,450,068)
TOTALS	\$ 3,417,755	\$ 3,233,572	\$ 13,078,379	\$ 10,551,353	\$ 16,496,134	\$ 13,784,925

Additional information of the City of Devine’s capital assets can be found in Note 5 of this report.

Long-Term Debt - For the fiscal year ended September 30, 2024, the City had total bonded debt outstanding of \$11.7 million. Additional information of the City of Devine’s long term debt can be found in Note 6 of this report.

TABLE A-5
LONG-TERM DEBT

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
	Bonds and Notes Payable	\$ 860,000	\$ 1,085,000	\$ 11,685,000	\$ 9,690,000	\$ 12,545,000
TOTALS	\$ 860,000	\$ 1,085,000	\$ 11,685,000	\$ 9,690,000	\$ 12,545,000	\$ 10,775,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The 2024 Taxable Value for the City of Devine was \$259 million
- The City's 2024 adopted a tax rate of \$0.5900, which increased from the 2023 tax rate.
- General Fund Revenues for the 2024-2025 Fiscal Year are expected to decrease by \$149 thousand compared to 2023-2024 actual revenues. The decrease is predominately due to a presumed decrease in grants.
- The City's budgeted general fund balance for 2025 is not expected to change appreciably by the close of the fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Treasurer/Accountant, 303 S. Teel Dr., Devine, Texas 78016.



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

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 DEVINE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ 3,096,338	\$ 2,285,218	\$ 5,381,556
Restricted for Capital Projects	-	6,390,202	6,390,202
Restricted for Debt	-	485,623	485,623
Restricted for Customer Deposits	-	199,619	199,619
Receivables (net of allowances):			
Taxes	452,784	-	452,784
Other	146,424	363,614	510,038
Due from Other Governments	98	-	98
Internal Balances	470,711	(470,711)	-
<i>Total Current Assets</i>	<u>4,166,355</u>	<u>9,253,565</u>	<u>13,419,920</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	531,361	142,693	674,054
Water Rights	-	402,500	402,500
Buildings	2,730,612	12,332,731	15,063,343
Utility Improvements	3,607,901	-	3,607,901
Equipment	1,847,517	2,984,802	4,832,319
Construction in Progress	-	8,633,043	8,633,043
Less: Accumulated Depreciation	(5,299,636)	(11,417,390)	(16,717,026)
<i>Total Noncurrent Assets:</i>	<u>3,417,755</u>	<u>13,078,379</u>	<u>16,496,134</u>
TOTAL ASSETS	<u>7,584,110</u>	<u>22,331,944</u>	<u>29,916,054</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Outflows	261,047	178,644	439,691
Deferred OPEB Related Outflows	3,738	2,841	6,579
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 264,785</u>	<u>\$ 181,485</u>	<u>\$ 446,270</u>

See accompanying notes to basic financial statements.

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 131,502	\$ 332,414	\$ 463,916
Accrued Expenses	93,950	48,134	142,084
Accrued Interest Payable	1,280	5,684	6,964
Unapplied Customer Credits	-	5,752	5,752
Payable from Restricted Assets:			
Customer Deposits Payable	-	199,619	199,619
Unearned Revenue	412,461	518,338	930,799
Current Portion of Long-Term Debt	65,000	537,278	602,278
<i>Total Current Liabilities</i>	<u>704,193</u>	<u>1,647,219</u>	<u>2,351,412</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences	115,884	50,704	166,588
Net Pension Liability	1,587,922	1,207,011	2,794,933
OPEB Liability	76,901	58,454	135,355
Long-Term Debt	795,000	11,293,291	12,088,291
<i>Total Noncurrent Liabilities</i>	<u>2,575,707</u>	<u>12,609,460</u>	<u>15,185,167</u>
TOTAL LIABILITIES	<u>3,279,900</u>	<u>14,256,679</u>	<u>17,536,579</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	62,709	27,883	90,592
Deferred OPEB Related Inflows	11,596	8,814	20,410
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>74,305</u>	<u>36,697</u>	<u>111,002</u>
NET POSITION			
Net Investment In Capital Assets	2,557,755	7,638,012	10,195,767
Restricted For:			
Debt Service	497,801	479,939	977,740
Lodging	75,605	-	75,605
Texas Commission on Law Enforcement	2,370	-	2,370
Unclaimed Property	2	-	2
Tax Increment Financing	62,007	-	62,007
Home Program	2,183	-	2,183
Unrestricted (Deficit)	1,296,967	102,102	1,399,069
TOTAL NET POSITION	<u>\$ 4,494,690</u>	<u>\$ 8,220,053</u>	<u>\$ 12,714,743</u>

See accompanying notes to basic financial statements.

CITY OF DEVINE
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 Services</u>	<u>Operating Grants and Contributions</u>
Primary Government:			
<i>Governmental Activities:</i>			
Administration	\$ 378,677	\$ -	\$ -
Municipal Court	73,253	85,820	-
Street	315,026	55,225	-
Police	1,048,759	-	53,507
Health and Sanitation	919,786	1,127,092	-
Animal Control	173,406	-	-
Parks and Recreation	16,052	6,775	-
Golf Course	69,048	-	-
Library	154,472	-	-
Airport	233,103	-	94,386
Community Center	16,056	-	-
Code Enforcement	145,264	-	-
Emergency Management	18,533	-	-
Interest Expense	14,907	-	-
<i>Total Governmental Activities</i>	<u>3,576,342</u>	<u>1,274,912</u>	<u>147,893</u>
<i>Business-Type Activities</i>			
Water/Wastewater Utilities	2,444,998	2,448,190	-
<i>Total Business-Type Activities</i>	<u>2,444,998</u>	<u>2,448,190</u>	<u>-</u>
Total Primary Government	<u>\$ 6,021,340</u>	<u>\$ 3,723,102</u>	<u>\$ 147,893</u>
General Revenues:			
Taxes:			
Property Taxes			
Sales Taxes			
Franchise Taxes			
Occupancy Taxes			
Payments in Lieu of Property Tax			
Interest income			
Miscellaneous			
Total General Revenues			
Transfers In (Out)			
Change in Net Position			
Net Position at Beginning of Year			
Net Position at End of Year			

See accompanying notes to basic financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (378,677)	\$ -	\$ (378,677)
12,567	-	12,567
(259,801)	-	(259,801)
(995,252)	-	(995,252)
207,306	-	207,306
(173,406)	-	(173,406)
(9,277)	-	(9,277)
(69,048)	-	(69,048)
(154,472)	-	(154,472)
(138,717)	-	(138,717)
(16,056)	-	(16,056)
(145,264)	-	(145,264)
(18,533)	-	(18,533)
(14,907)	-	(14,907)
<u>(2,153,537)</u>	<u>-</u>	<u>(2,153,537)</u>
-	3,192	3,192
<u>-</u>	<u>3,192</u>	<u>3,192</u>
<u>(2,153,537)</u>	<u>3,192</u>	<u>(2,150,345)</u>
1,661,577	-	1,661,577
1,801,694	-	1,801,694
187,464	-	187,464
19,051	-	19,051
4,880	-	4,880
17,020	268,073	285,093
23,589	88,833	112,422
<u>3,715,275</u>	<u>356,906</u>	<u>4,072,181</u>
<u>(92,000)</u>	<u>92,000</u>	<u>-</u>
1,469,738	452,098	1,921,836
<u>3,024,952</u>	<u>7,767,955</u>	<u>10,792,907</u>
<u>\$ 4,494,690</u>	<u>\$ 8,220,053</u>	<u>\$ 12,714,743</u>

CITY OF DEVINE
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,448,668	\$ 473,910	\$ 173,760	\$ 3,096,338
Accounts Receivables (net of allowances):				
Taxes	427,711	25,073	-	452,784
Other	144,403	-	2,021	146,424
Due from Other Governments	-	98	-	98
Due from Other Funds	504,214	-	11	504,225
TOTAL ASSETS	<u>\$ 3,524,996</u>	<u>\$ 499,081</u>	<u>\$ 175,792</u>	<u>\$ 4,199,869</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 131,380	\$ -	\$ 122	\$ 131,502
Accrued Expenditures	93,950	-	-	93,950
Due to Other Funds	11	-	33,503	33,514
Unearned Revenue	412,461	-	-	412,461
<i>Total Liabilities</i>	<u>637,802</u>	<u>-</u>	<u>33,625</u>	<u>671,427</u>
<i>Deferred Inflows of Resources:</i>				
Unavailable Revenues - Taxes	108,288	25,073	-	133,361
<i>Total Deferred Inflows of Resources</i>	<u>108,288</u>	<u>25,073</u>	<u>-</u>	<u>133,361</u>
<i>Fund Balances:</i>				
Restricted for:				
Debt Service	-	474,008	-	474,008
Lodging	-	-	75,605	75,605
Texas Commission on Law Enforcement	-	-	2,370	2,370
Unclaimed Property	-	-	2	2
Tax Increment Financing	-	-	62,007	62,007
Home Program	-	-	2,183	2,183
Unassigned	2,778,906	-	-	2,778,906
<i>Total Fund Balances</i>	<u>2,778,906</u>	<u>474,008</u>	<u>142,167</u>	<u>3,395,081</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,524,996</u>	<u>\$ 499,081</u>	<u>\$ 175,792</u>	<u>\$ 4,199,869</u>

See accompanying notes to basic financial statements.

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

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 3,395,081
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.		3,417,755
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		133,361
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(115,884)
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:		
Bonds Payable	(860,000)	
Accrued Interest Payable	(1,280)	(861,280)
Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
Net Pension Asset (Liability)	(1,587,922)	
Pension Related Deferred Inflows	(62,709)	
Pension Related Deferred Outflows	261,047	(1,389,584)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liability	(76,901)	
OPEB Related Deferred Inflows	(11,596)	
OPEB Related Deferred Outflows	3,738	(84,759)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 4,494,690</u>

See accompanying notes to basic financial statements.

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

	General Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,318,930	\$ 301,892	\$ 6,464	\$ 1,627,286
Sales Taxes	1,801,694	-	-	1,801,694
Occupancy Taxes	-	-	19,051	19,051
Franchise Taxes	187,464	-	-	187,464
Payment in Lieu of Property Tax	4,880	-	-	4,880
Licenses and Permits	55,225	-	-	55,225
Rent	6,775	-	-	6,775
Fines and Forfeitures	85,820	-	-	85,820
Health and Sanitation Fees	1,127,092	-	-	1,127,092
Grants	145,380	-	2,513	147,893
Interest Income	14,299	2,388	333	17,020
Miscellaneous	23,590	-	-	23,590
TOTAL REVENUES	\$ 4,771,149	\$ 304,280	\$ 28,361	\$ 5,103,790

See accompanying notes to basic financial statements.

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

	General Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
EXPENDITURES				
<i>Current:</i>				
Administration	\$ 335,553	\$ -	\$ 20,980	\$ 356,533
Municipal Court	70,360	-	-	70,360
Street	314,108	-	-	314,108
Police	1,056,759	-	796	1,057,555
Health and Sanitation	919,786	-	-	919,786
Animal Control	179,763	-	-	179,763
Parks and Recreation	14,985	-	-	14,985
Golf Course	53,483	-	-	53,483
Library	155,573	-	-	155,573
Airport	178,739	-	-	178,739
Community Center	15,089	-	-	15,089
Code Enforcement	145,264	-	-	145,264
Emergency Management	18,533	-	-	18,533
Capital Outlay	326,134	-	-	326,134
<i>Debt Service:</i>				
Principal	-	225,000	-	225,000
Interest and Fiscal Charges	-	17,259	-	17,259
TOTAL EXPENDITURES	<u>3,784,129</u>	<u>242,259</u>	<u>21,776</u>	<u>4,048,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>987,020</u>	<u>62,021</u>	<u>6,585</u>	<u>1,055,626</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(92,000)	-	-	(92,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(92,000)</u>	<u>-</u>	<u>-</u>	<u>(92,000)</u>
Net Change in Fund Balance	895,020	62,021	6,585	963,626
Fund Balances at Beginning of Year	<u>1,883,886</u>	<u>411,987</u>	<u>135,582</u>	<u>2,431,455</u>
Fund Balances at End of Year	<u>\$ 2,778,906</u>	<u>\$ 474,008</u>	<u>\$ 142,167</u>	<u>\$ 3,395,081</u>

See accompanying notes to basic financial statements.



CITY OF DEVINE
RECONCILIATION OF THE STATEMENT OF REVENUES,
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 963,626

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	326,133	
Depreciation Expense	(126,139)	199,994

In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of disposed assets. (15,811)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 34,292

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 241,450

Principal Repayments

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined pension contributions exceeded expenses. 151,468

Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined OPEB expense exceeded contributions. 8,890

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

Compensated Absences	(115,884)	
Accrued Interest	1,713	(114,171)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,469,738

CITY OF DEVINE
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-Type Activity
	Water and Wastewater
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents:	
Unrestricted	\$ 2,285,218
Restricted for Capital Projects	6,390,202
Restricted for Debt	485,623
Restricted for Customer Deposits	199,619
Accounts Receivable, Net of Allowance:	
Customer Accounts	363,614
<i>Total Current Assets</i>	9,724,276
 <i>Noncurrent Assets:</i>	
Capital Assets:	
Land	142,693
Water Rights	402,500
Buildings and Utility Improvements	12,332,731
Equipment	2,984,802
Construction in Progress	8,633,043
Less: Accumulated Depreciation	(11,417,390)
<i>Total Noncurrent Assets</i>	13,078,379
TOTAL ASSETS	22,802,655
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	178,644
Deferred OPEB Related Outflows	2,841
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 181,485

See accompanying notes to basic financial statements.

CITY OF DEVINE
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2024

	Business-Type Activity <u>Water and Wastewater</u>
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 332,414
Accrued Expenses	48,134
Accrued Interest Payable	5,684
Current Portion of Long-Term Debt	537,278
Unapplied Customer Credits	5,752
Due To Other Funds	470,711
Unearned revenue	518,338
Payable from Restricted Assets:	
Customer Deposits Payable	199,619
<i>Total Current Liabilities</i>	<u>2,117,930</u>
 <i>Noncurrent Liabilities:</i>	
Compensated Absences	50,704
Net Pension liability	1,207,011
OPEB Liability	58,454
Long-Term Debt	11,293,291
<i>Total Noncurrent Liabilities</i>	<u>12,609,460</u>
TOTAL LIABILITIES	<u>14,727,390</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	27,883
Deferred OPEB Related Inflows	8,814
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>36,697</u>
 NET POSITION	
Net Investment in Capital Assets	7,638,012
Restricted	479,939
Unrestricted	102,102
TOTAL NET POSITION	<u>\$ 8,220,053</u>

See accompanying notes to basic financial statements.

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

	Business-Type Activities
	Water and Sewer System
OPERATING REVENUES	
Metered Water Sales	\$ 1,896,725
Wastewater Sales Charges	787,569
Connection and Platting	31,969
Miscellaneous	88,833
TOTAL OPERATING REVENUES	2,805,096
OPERATING EXPENSES	
Water and Wastewater System:	
Personnel Costs	1,453,642
Supplies	155,701
Professional and Property Services	594,601
Other Expenses	165,479
Depreciation	171,365
TOTAL OPERATING EXPENSES	2,540,788
OPERATING INCOME (LOSS)	264,308
NONOPERATING REVENUES (EXPENSES)	
Bond Issuance Costs	(111,569)
Interest Income	268,073
Interest Expense	(60,714)
TOTAL NONOPERATING REVENUES (EXPENSES)	95,790
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	360,098
TRANSFERS AND CONTRIBUTIONS	
Transfers In	92,000
TOTAL TRANSFERS AND CONTRIBUTIONS	92,000
CHANGE IN NET POSITION	452,098
NET POSITION AT BEGINNING OF YEAR	7,767,955
NET POSITION AT END OF YEAR	\$ 8,220,053

See accompanying notes to basic financial statements.

CITY OF DEVINE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities
	Water and Sewer System
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 2,715,818
Cash Paid to Supplier for Goods & Services	(914,782)
Cash Paid for Employee Salaries and Benefits	(1,314,349)
Net Cash Provided (Used) by Operating Activities	486,687
Cash Flows From Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	(2,714,054)
Customer Deposits	(1,030)
Accrued Interest Payable	(7,292)
Proceeds from Bond Issuance	2,465,000
Proceeds from Bond Premium	145,569
Bond Issue Costs	(111,569)
Interest Paid on Long-Term Debt	(60,714)
Principal Paid on Long-Term Debt	(486,461)
Net Cash Provided (Used) by Capital and Related Financing Activities	(770,551)
Cash Flows From Non Capital Related Financing Activities:	
Transfers to/from Other Funds & Due to/from changes	234,767
Net Cash Provided (Used) by Financing Activities	234,767
Cash Flows From Investing Activities	
Interest Income	268,073
Net Cash Provided (Used) by Investing Activities	268,073
Net Increase (Decrease) in Cash and Cash Equivalents	218,976
Cash and Cash Equivalents at Beginning of Year:	
Cash and Cash Equivalents	8,941,037
Restricted Cash and Cash Equivalents	200,649
	9,141,686
Cash and Cash Equivalents at End of Year:	
Cash and Cash Equivalents	2,285,218
Restricted Cash and Cash Equivalents	7,075,444
	\$ 9,360,662

See accompanying notes to basic financial statements.

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

	Business-Type Activity <hr style="border: none; border-top: 1px solid black; margin: 0;"/> Water and Wastewater <hr style="border: none; border-top: 1px solid black; margin: 0;"/>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 264,308
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	171,365
Loss on Disposal of Right of Use Asset	15,664
Decrease (Increase) in Assets:	
Accounts Receivable (net)	(89,676)
Deferred Pension Related Outflows	83,324
Deferred OPEB Related Outflows	7,664
Other Assets	266,943
Increase (Decrease) in Liabilities:	
Accounts Payable	(281,608)
Accrued Expenses	48,134
Unapplied Customer Credits	398
Compensated Absences	7,387
Net Pension Liability (Asset)	(2,137)
OPEB Liability	11,407
Deferred Pension Related Inflows	(4,702)
Deferred OPEB Related Inflows	(11,784)
Net Cash Provided (Used) by Operating Activities	<hr style="border: none; border-top: 1px solid black; margin: 0;"/> \$ 486,687 <hr style="border: none; border-top: 1px solid black; margin: 0;"/>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Devine was established in 1881 as a result of the rail extension of the International-Great Northern Railroad from San Antonio to Laredo. The town was named after Judge Thomas Jefferson Devine from San Antonio, who was a jurist and an attorney for the railroad. Devine was incorporated on October 15, 1907. The town's close proximity to San Antonio has made it a choice location for those wishing to live near the city, but who still want to enjoy the peaceful atmosphere that a rural community can bring. The City operates under a council-administrator form of government and provides the following services as authorized by its charter: police protection, maintenance of streets, culture and recreation, general administrative services, water, and sewer services.

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. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations and APB Opinions. The more significant of the City's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include a potential component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 39 *Determining Whether Certain Organizations are Component Units*. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based upon the application of these criteria, the City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and 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. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment 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.

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund, and debt service fund meet the criteria as major governmental funds. The combined amounts for all nonmajor funds are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Detailed statements for nonmajor funds are presented within combining and individual fund statements and schedules.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenue types, which have been accrued, revenue from the investments, 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, and (2) operating grants and contributions. General revenues include all taxes, payments in lieu of taxes, grants not restricted to specific programs, interest income, and miscellaneous income.

Governmental fund level financial statements are reported using the current financial resources measurement focus and 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 deferred inflow of resources. Property taxes which are levied prior to September 30, 2023, and became due October 1, 2023 have been assessed to finance the budget of the fiscal year beginning October 1, 2023 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2024.

Sales taxes, franchise taxes, lodging taxes, and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government reports the following major governmental funds:

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, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

Debt Service Fund accounts for financial resources to be used for the payment of long term debt.

Nonmajor funds include special revenue funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those 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 water/wastewater fund (used to account for the provisions of water and sewer services to residents).

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- 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.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund (water and wastewater fund) considers all highly liquid investments including cash in banks, cash on hand, and money market accounts to be cash equivalents.

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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) - (d). Statutes 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.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost.

F. Receivables

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.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

G. Short-Term Inter-fund 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 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 DEVINE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventories and Prepaid Items

The City accounts for inventories using the consumption method. Inventories consist primarily of supplies and are valued at cost determined by the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Budget

An operating budget is adopted each fiscal year for all City governmental funds. The budget is adopted on the GAAP basis of accounting.

J. Restricted Assets

Certain enterprise fund revenues are collected for a specific purpose by state law and city ordinances such as impact fees for infrastructure improvements and the purchase of future water rights. These funds are classified as restricted assets on the statement of net position and balance sheet because their use is limited by law.

Deposits of water/sewer customers and performance bond deposits pending refund to the customer are considered restricted assets.

K. 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 \$5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

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

Asset	Useful Lives (Years)
Buildings	7-27
Utility Improvements	4-40
Equipment	3-25
Water Rights	50

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

Vested or accumulated vacation leave and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. The City is responsible for payment of vested or accumulated vacation leave. Amounts of vested or accumulated vacation leave time that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave time of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay at September 30, 2024 of \$50,704 and \$115,884 have been recorded in accrued liabilities of the proprietary fund and government-wide statements, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

M. Unearned Revenue

Unearned 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.

N. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension and OPEB related deferred outflows of resources.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has OPEB related deferred inflows.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund has typically been used in prior years to liquidate pension liabilities.

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. OPEB Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Total OPEB Liability have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. The general fund has typically been used in the prior year to liquidate OPEB liabilities.

Q. Long-Term Obligations

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For this purpose, debt does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable. In the current year, the City adopted a new GASB standard that establishes new note disclosure requirements for long-term debt, including direct borrowings and placement. See additional detail in Note 6.

In the government-wide financial statements, long-term debt 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 premium and discounts are deferred and amortized over the life of the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. 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.

R. Net Position

Net Position represents the difference between assets and liabilities. Net investment 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 is 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. The City has elected to appropriate net position of its business type activity. Such appropriations reflect the intended use of the net position.

S. Fund Balance Classification Policies

The City adopted Governmental Accounting Standards Board Statement Number 54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement provides guidance for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at fund balances, specifically reporting what fund balances, by major governmental fund type, are or are not available for public purposes.

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance Classification Policies (Continued)

Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Committed** - Fund balances in this category are limited by the government’s highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the Council, such as a City Administrator or Finance Director. Assigned fund balance is delegated by the City Council to the City Administrator.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

T. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

U. Operating Revenues and Expenses

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

V. 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.

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

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2024, the City's cash was fully collateralized.

B. Investments

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

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investments pools, (9) guaranteed investment contracts, and (10) commercial paper.

Fair Value Measurement is measured by the City using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments carried at fair value are valued using quoted markets prices (Level 1 inputs).

C. Analysis of Specific Deposit and Investment Risks

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. City investment policy follows state guidelines. The City policy allows investments in certificates of deposit with banks in Texas, investments in U.S. Treasuries and Agencies, and investment pools that invest in obligations of the United States or its agencies and instrumentalities to name a few.

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

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

C. Analysis of Specific Deposit and Investment Risks Continued

At September 30, 2024, the City's investments were in Lonestar Investment Pool, a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service.

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

At year end and per City policy all funds were in the City's name and collateralized with securities that maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service. The City was not exposed to custodial credit risk.

Concentration of Credit Risk. This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All City funds are in the external investment pool as allowed by the City's investment policy, and the investment pool invests in hundreds of authorized securities that minimize concentrations of credit risk. At year end, the City was not exposed to concentration of credit risk.

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk due to investment in an external investment pool as authorized by the City's investment policy.

Foreign Currency Risk. This is the risk that exchange rates will adversely affect the fair value of an investment. The City's policy does not allow investment in foreign currency. At year end the City was not exposed to foreign currency risk.

D. Investment Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts as amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools

Public funds investment pools in Texas are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory

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

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

E. Public Funds Investment Pools (Continued)

board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. As of September 30, 2024 the City had investments in local government investment pools as follows:

Investment Type	Fair Value	Weighted Average Maturity in Days	Ratings	
			MOODY'S	S&P
LoneStar Investment Pool	\$ 2,027,968	120	Aaa	AAAM

NOTE 3 -- RECEIVABLES

A. Receivables

Receivables consist of the following as of September 30, 2024:

	Governmental Funds			Proprietary Fund
	General	Debt Service	Nonmajor Funds	Water and Sewer Fund
<i>Receivables:</i>				
Property Taxes	\$ 120,320	\$ 25,073	\$ -	\$ -
Sales Taxes	298,288	-	-	-
Occupancy Taxes	-	-	2,021	-
Customers	-	-	-	363,614
Franchise Taxes	21,135	-	-	-
Sanitation and Other	144,403	-	-	-
Gross Receivables	584,146	25,073	2,021	363,614
Less: Allowance for Uncollectibles	(12,032)	-	-	-
Net Total Receivables	\$ 572,114	\$ 25,073	\$ 2,021	\$ 363,614

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

NOTE 4 -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Frio 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 \$308,865,575 (market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. 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 \$0.555300 per \$100 of assessed value, which means that the City has a tax margin of \$1.944700 for each \$100 value.

Property taxes are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

NOTE 5 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 509,481	\$ 21,880	\$ -	\$ 531,361
<i>Total Capital Assets Not Being Depreciated</i>	<u>509,481</u>	<u>21,880</u>	<u>-</u>	<u>531,361</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	2,537,645	192,967	-	2,730,612
Utility Improvements	3,607,901	-	-	3,607,901
Equipment	1,736,231	111,286	-	1,847,517
Right-to-Use Assets	34,548	-	(34,548)	-
<i>Total Capital Assets Being Depreciated</i>	<u>7,916,325</u>	<u>304,253</u>	<u>(34,548)</u>	<u>8,186,030</u>
<i>Accumulated Depreciation:</i>				
Buildings	(823,814)	(80,372)	-	(904,186)
Utility Improvements	(2,761,123)	(16,116)	(45,322)	(2,822,561)
Equipment	(1,588,560)	(29,651)	45,322	(1,572,889)
Right-to-Use Assets	(18,737)	-	18,737	-
<i>Total Accumulated Depreciation</i>	<u>(5,192,234)</u>	<u>(126,139)</u>	<u>18,737</u>	<u>(5,299,636)</u>
Total Capital Assets Being Depreciated, Net	<u>2,724,091</u>	<u>178,114</u>	<u>(15,811)</u>	<u>2,886,394</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,233,572</u>	<u>\$ 199,994</u>	<u>\$ -</u>	<u>\$ 3,417,755</u>

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

NOTE 5 -- CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 142,693	\$ -	\$ -	\$ 142,693
Water Rights	402,500	-	-	402,500
Construction in Progress	6,284,693	2,348,350	-	8,633,043
<i>Total Assets Not Being Depreciated</i>	<u>6,829,886</u>	<u>2,348,350</u>	<u>-</u>	<u>9,178,236</u>
<i>Capital Assets, Being Depreciated:</i>				
Plant and Equipment	14,951,829	365,704	-	15,317,533
Right-to-Use Assets	27,472	-	(27,472)	-
<i>Total Capital Assets Being Depreciated</i>	<u>14,979,301</u>	<u>365,704</u>	<u>(27,472)</u>	<u>15,317,533</u>
<i>Accumulated Depreciation:</i>				
Plant and Equipment	(11,246,026)	(171,364)	-	(11,417,390)
Right-to-Use Assets	(11,808)	-	11,808	-
<i>Total Accumulated Depreciation</i>	<u>(11,257,834)</u>	<u>(171,364)</u>	<u>11,808</u>	<u>(11,417,390)</u>
Total Capital Assets Being Depreciated, Net	<u>3,721,467</u>	<u>194,340</u>	<u>(15,664)</u>	<u>3,900,143</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,551,353</u>	<u>\$ 2,542,690</u>	<u>\$ (15,664)</u>	<u>\$ 13,078,379</u>

Depreciation expense was charged to the governmental and business type functions as follows:

<i>Governmental Activities:</i>	
Animal Control	\$ 6,393
Airport	54,603
Community Center	967
Golf Course	15,565
Library	991
Police	30,713
Parks and Recreation	1,067
Streets	15,840
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$ 126,139</u>
<i>Business-Type Activities:</i>	
Water & Sewer	\$ 171,364
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$ 171,364</u>

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

NOTE 6 -- LONG-TERM DEBT

Compensated absences and other postemployment benefit obligations for governmental activities are generally liquidated by the general fund.

Long-term debt and obligations payable at September 30, 2024 were comprised of the following individual issues:

	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>
<u>Primary Government</u>				
Governmental Activities:				
Certificates of Obligation:				
2021 General Obligation				
Combination Tax & Limited Pledge Revenue	\$ 1,000,000	2036	.75% - 2.3%	\$ 860,000
Total Governmental Long-Term Obligations				<u>\$ 860,000</u>
	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>
Business Type:				
Certificates of Obligation				
2019 General Obligation				
Combination Tax & Limited Pledge Revenue	\$ 1,075,000	2029	1.80%-2.45%	\$ 570,000
2024 General Obligation				
Combination Tax & Limited Pledge Revenue	2,465,000	2044	4%-5%	2,465,000
Revenue Bonds				
2013 General Obligation				
Refunding Bonds	1,840,000	2025	1.27%-3.12%	185,000
2018A Revenue Bonds				
Utility System	2,755,000	2048	.61%-2.37%	2,325,000
2018B Revenue Bonds				
Utility System	6,645,000	2048	0.00%	6,140,000
Total Business-Type Long-Term Obligations				<u>\$ 11,685,000</u>

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

NOTE 6 -- LONG-TERM DEBT (Continued)

Changes in long-term debt, bonds, notes and certificates were as follows:

	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Governmental Activities:					
Certificates of Obligation:					
2021 General Obligation	\$ 925,000	\$ -	\$ (65,000)	\$ 860,000	\$ 65,000
Tax Notes 2020	160,000	-	(160,000)	-	-
Right of Use Lease Liability	16,450	-	(16,450)	-	-
Net Pension liability (Asset)	1,909,984	-	(322,062)	1,587,922	-
Total OPEB Liability	79,631	-	(2,730)	76,901	-
Compensated Absences	-	115,884	-	115,884	-
	<u>\$ 3,091,065</u>	<u>\$ 115,884</u>	<u>\$ (566,242)</u>	<u>\$ 2,640,707</u>	<u>\$ 65,000</u>

	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Business-Type Activities:					
Certificates of Obligation					
Series 2019	\$ 675,000	\$ -	\$ (105,000)	\$ 570,000	\$ 110,000
Series 2024	-	2,465,000	-	2,465,000	45,000
Premiums	-	145,569	-	145,569	7,278
2013 General Obligation	375,000	-	(190,000)	185,000	185,000
2018A Revenue Bonds	2,400,000	-	(75,000)	2,325,000	75,000
2018B Revenue Bonds	6,240,000	-	(100,000)	6,140,000	115,000
Right of Use lease Liability	16,461	-	(16,461)	-	-
Net Pension Liability (Asset)	1,209,148	-	(2,137)	1,207,011	-
Total OPEB Liability	47,047	11,407	-	58,454	-
Compensated Absences	43,317	7,387	-	50,704	-
	<u>\$ 11,005,973</u>	<u>\$ 2,629,363</u>	<u>\$ (488,598)</u>	<u>\$ 13,146,738</u>	<u>\$ 537,278</u>

The annual requirements to amortize all long-term debt and obligations outstanding, excluding compensated absences, net pension liability and total OPEB Liability, as of September 30, 2024, including interest payments, are as follows:

Governmental Activities: Fiscal Year Ending September 30	Public Offering		
	Principal	Interest	Total
2025	\$ 65,000	\$ 15,578	\$ 46,767
2026	65,000	14,895	46,231
2027	65,000	14,115	45,695
2028	70,000	13,270	45,159
2029	70,000	12,220	44,623
2030-2034	365,000	41,433	229,874
2035-2036	160,000	5,480	91,809
	<u>\$ 860,000</u>	<u>\$ 116,991</u>	<u>\$ 550,158</u>

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

NOTE 6 -- LONG-TERM DEBT (Continued)

Business -Type Activities: Fiscal Year Ending September 30	Public Offering		
	Principal	Interest	Total
2025	\$ 530,000	\$ 207,505	\$ 737,505
2026	530,000	161,954	691,954
2027	545,000	154,042	699,042
2028	550,000	145,579	695,579
2029	560,000	136,585	696,585
2030-2034	2,305,000	571,450	2,876,450
2035-2039	2,465,000	384,712	2,849,712
2040-2044	2,675,000	174,506	2,849,506
2045-2038	1,525,000	23,024	1,548,024
	<u>\$ 11,685,000</u>	<u>\$ 1,959,357</u>	<u>\$ 13,644,357</u>

NOTE 7 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates as one of 900 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.tmrs.com.

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

B. Benefits Provided

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

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

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

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

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

	2023	2022
Inactive Employees or Beneficiaries Currently Receiving Benefit:	20	20
Inactive Employees Entitled to but Not Yet Receiving Benefits	28	24
Active Employees	38	34
	86	78

C. 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 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.36% and 17.9% for calendar years 2023 and 2024 respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$395,747, and were equal to the required contributions.

D. 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.

E. Actuarial Assumptions

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

Salary increases were based on a service-related table. Mortality rates for active members are based on the Salary increases were 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. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. +

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

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

E. Actuarial Assumptions (Continued)

Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over period ending December 31, 2022. They 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 in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

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

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

F. 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.

G. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2022	\$ 8,542,550	\$ 5,423,418	\$ 3,119,132
Changes for the year:			
Service Cost	243,406	-	243,406
Interest	574,504	-	574,504
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	8,313	-	8,313
Changes of Assumptions	(55,723)	-	(55,723)
Contributions - Employer	-	347,781	(347,781)
Contributions - Employee	-	120,200	(120,200)
Net Investment Income	-	630,739	(630,739)
Benefit Payments, Including Refunds of Employee Contributions	(306,160)	(306,160)	-
Administrative Expense	-	(3,993)	3,993
Other Changes	-	(28)	28
Net Changes	464,340	788,539	(324,199)
Balance at December 31, 2023	<u>\$ 9,006,890</u>	<u>\$ 6,211,957</u>	<u>\$ 2,794,933</u>

Sensitivity of the net pension liability to changes in the discount rate.

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	\$ 4,038,853	\$ 2,794,933	\$ 1,766,147

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

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

H. 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.

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

For the year ended, the City recognized pension expense of \$310,924.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 26,026	\$ 52,937
Changes in Actuarial Assumptions	-	37,655
Differences Between Projected and Actual Investment Earnings	133,248	-
Contributions Subsequent to the Measurement Date	280,417	-
	\$ 439,691	\$ 90,592

The City reported \$280,417 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2023) will be recognized as a reduction of the net pension liability for the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2024	\$ 13,310
2025	10,919
2026	97,383
2027	(52,930)
Thereafter	-
	\$ 68,682

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

NOTE 8 -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

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 post-employment benefit,” or OPEB. Membership in the plan at December 31, 2023, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	23
Inactive Employees Entitled to but Not Yet Receiving Benefits	5
Active Employees	38
	66
	66

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

For the Calendar Year Ended December 31,	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2022	0.41%	0.19%
2023	0.42%	0.21%

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2019 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. The assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	3.77% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

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

NOTE 8 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2023 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2022	\$ 126,678
Changes for the year:	
Service Cost	3,806
Interest	5,130
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(3,319)
Changes of Assumptions or Other Inputs	6,866
Benefit Payments	(3,806)
Net Changes	8,677
Balance at December 31, 2023	\$ 135,355

There is no separate trust maintained to fund this Total OPEB Liability. 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 (2.77%) and 1-percentage point higher (4.77%) than the current rate:

	Discount Rate 2.77%	Discount Rate 3.77%	Discount Rate 4.77%
Total OPEB Liability	\$ 159,528	\$ 135,355	\$ 116,108

For the year ended September 30, 2024, the City recognized OPEB expense of \$9,150. 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 Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 1,215
Changes in Actuarial Assumptions	-	19,195
Contributions Subsequent to the Measurement Date	6,579	-
	\$ 6,579	\$ 20,410

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

NOTE 8 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

Deferred outflows of resources in the amount of \$6,579 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 subsequent plan year ended December 31, 2024 (fiscal year ended September 30, 2024). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,			
2024	\$	(2,984)	
2025		(5,447)	
2026		(8,960)	
2027		(3,019)	
2028		-	
Thereafter		-	
	<u>\$</u>	<u>(20,410)</u>	

NOTE 9 -- TRANSFERS

Transfers at September 30, 2024 are noted below

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water and Wastewater	\$ 92,000	In support of utility fund
		<u>\$ 92,000</u>	

The inter-fund receivables and payables are as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
Water and Wastewater	General Fund	\$ 470,711	Short Term Borrowing
General Fund	Non - Major Fund	11	Short Term Borrowing
Non - Major Fund	General Fund	33,503	Short Term Borrowing
		<u>\$ 504,225</u>	

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

NOTE 10 -- TAX INCREMENT REINVESTMENT FINANCING ZONE (TIF)

The City of Devine approved a resolution in 2013 to create a tax increment financing reinvestment zone to support revitalization activities between Medina County and the City of Devine. The Tax Increment Financing Reinvestment Zone (the "Zone") extend until December 31, 2038. The Tax Increment Reinvestment Zone Financing Plan provides for tax increment allowable expenses in the approximate amount of \$8,095,000. The City has contributed \$6,801 in fiscal year 2024 to the Zone.

NOTE 11 -- 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 modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts.

NOTE 12 -- COMMITMENTS

As of September 30, 2024, the City had an additional commitment for the asbestos project to be paid in fiscal year 2025 of \$355,147.

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 in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios



CITY OF DEVINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR 2023)

	Budgeted Amounts		2024	Variance With	2023
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	Actual
REVENUES					
Property Taxes	\$ 1,397,233	\$ 1,397,233	\$ 1,318,930	\$ (78,303)	\$ 1,088,000
Sales Taxes	1,900,000	1,900,000	1,801,694	(98,306)	1,811,098
Franchise Taxes	-	184,000	187,464	3,464	187,116
Payment in Lieu of Property Tax	-	-	4,880	4,880	4,400
Licenses and Permits	51,500	51,500	55,225	3,725	56,304
Rent	3,500	3,500	6,775	3,275	-
Fines and Forfeitures	139,825	139,825	85,820	(54,005)	131,722
Health and Sanitation Fees	1,057,010	1,057,010	1,127,092	70,082	1,022,703
Grants	50,000	50,000	145,380	95,380	38,725
Interest Income	7,094	7,094	14,299	7,205	23,174
Miscellaneous	3,400	3,400	23,590	20,190	4,011
	<u>4,609,562</u>	<u>4,793,562</u>	<u>4,771,149</u>	<u>(22,413)</u>	<u>4,367,253</u>

CITY OF DEVINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR 2023)

	Budgeted Amounts		2024	Variance With	2023
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	Actual
EXPENDITURES					
Administration	\$ 237,837	\$ 376,665	\$ 335,553	\$ 41,112	\$ 299,587
Municipal Court	61,972	113,215	70,360	42,855	94,898
Street	25,587	420,336	314,108	106,228	410,437
Police	1,137,673	1,295,623	1,056,759	238,864	1,101,542
Health and Sanitation	907,100	911,000	919,786	(8,786)	880,621
Animal Control	61,808	218,254	179,763	38,491	187,936
Parks and Recreation	23,645	60,345	14,985	45,360	24,507
Golf Course	23,000	23,000	53,483	(30,483)	37,256
Library	42,276	172,919	155,573	17,346	155,752
Airport	116,702	208,202	178,739	29,463	121,197
Community Center	5,721	23,556	15,089	8,467	14,894
Code Enforcement	96,953	162,553	145,264	17,289	109,055
Emergency Management	900	5,300	18,533	(13,233)	6,213
Capital Outlay	326,134	326,134	326,134	-	1,119,361
<i>Debt Service:</i>					
Principal	-	-	-	-	169,290
Interest and Fiscal Charges	-	-	-	-	4,124
TOTAL EXPENDITURES	3,067,308	4,317,102	3,784,129	532,973	4,736,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,542,254	476,460	987,020	510,560	(369,417)
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	(92,000)	(92,000)	(39,270)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(92,000)	(92,000)	(39,270)
Net Change in Fund Balance	1,542,254	476,460	895,020	418,560	(408,687)
Fund Balances , Beginning	1,883,886	1,883,886	1,883,886	-	2,292,573
Fund Balances , Ending	\$ 3,426,140	\$ 2,360,346	\$ 2,778,906	\$ 418,560	\$ 1,883,886

CITY OF DEVINE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED 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 provisions embodied in the annual appropriation budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for the general fund, utility fund, Lodging Fund, TCOLE Fund, Unclaimed Property Fund, TIF Fund, Home Program fund and the Debt Service Fund. Of these budgets, the General Fund, TCOLE, Lodging, and the Debt Service Fund are legally adopted. The general fund budget exceeded in health and sanitation, emergency management and golf departments.

Budgetary preparation and control is exercised at the fund level. The city administrator is authorized to transfer budget amounts between accounts within a department. These transfers cannot increase the overall budgeted expenditures.



CITY OF DEVINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN PLAN YEARS

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 108,237	\$ 128,659	\$ 165,807	\$ 205,888
Interest (on the Total Pension Liability)	205,116	262,136	326,844	357,395
Changes of Benefit Terms	-	605,272	646,960	-
Difference between Expected and Actual Experience	(64,331)	(67,120)	65,984	169,723
Change of Assumptions	-	53,414	-	-
Benefit Payments, Including Refunds of Employee Contributions	(37,770)	(62,081)	(96,994)	(155,138)
Net Change in Total Pension Liability	211,252	920,280	1,108,601	577,868
Total Pension Liability - Beginning	2,894,988	3,106,240	4,160,760	5,269,361
Total Pension Liability - Ending	<u>\$ 3,106,240</u>	<u>\$ 4,026,520</u>	<u>\$ 5,269,361</u>	<u>\$ 5,847,229</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 128,545	\$ 137,430	\$ 204,547	\$ 282,988
Contributions - Employee	72,789	79,715	82,164	103,722
Net Investment Income	107,125	3,161	155,456	366,634
Benefit Payments, Including Refunds of Employee Contributions	(37,770)	(62,081)	(96,994)	(155,138)
Administrative Expense	(1,118)	(1,925)	(1,754)	(1,897)
Other	(92)	(94)	(95)	(96)
Net Change in Plan Fiduciary Net Position	269,479	156,206	343,324	596,213
Plan Fiduciary Net Position - Beginning	1,871,902	2,141,381	2,297,587	2,640,911
Plan Fiduciary Net Position - Ending	<u>\$ 2,141,381</u>	<u>\$ 2,297,587</u>	<u>\$ 2,640,911</u>	<u>\$ 3,237,124</u>
Net Pension Liability - Ending	\$ 964,859	\$ 1,728,933	\$ 2,628,450	\$ 2,610,105
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.94%	57.06%	50.12%	55.36%
Covered Payroll	\$ 1,455,779	\$ 1,719,860	\$ 1,643,285	\$ 1,728,698
Net Pension Liability as a Percentage of Covered Payroll	66.28%	100.53%	159.95%	150.99%

Total Pension Liability					
2018	2019	2020	2021	2022	2023
\$ 221,419	\$ 247,708	\$ 239,021	\$ 232,683	\$ 234,469	\$ 243,406
397,975	440,552	482,919	517,810	539,741	574,504
-	-	-	-	-	-
131,753	44,981	28,053	(136,526)	16,402	8,313
-	37,226	-	-	-	(55,723)
<u>(124,016)</u>	<u>(143,026)</u>	<u>(133,916)</u>	<u>(325,930)</u>	<u>(253,977)</u>	<u>(306,160)</u>
627,131	627,441	616,077	288,037	536,635	464,340
5,847,229	6,474,360	7,101,801	7,717,878	8,005,915	8,542,550
<u>\$ 6,474,360</u>	<u>\$ 7,101,801</u>	<u>\$ 7,717,878</u>	<u>\$ 8,005,915</u>	<u>\$ 8,542,550</u>	<u>\$ 9,006,890</u>

Plan Fiduciary Net Position					
2018	2019	2020	2021	2022	2023
\$ 300,137	\$ 339,024	\$ 328,037	\$ 307,393	\$ 330,789	\$ 347,781
111,640	123,957	118,425	114,060	114,748	120,200
(97,193)	531,305	325,511	642,427	(413,616)	630,739
(124,016)	(143,026)	(133,916)	(325,930)	(253,977)	(306,160)
(1,874)	(2,993)	(2,099)	(2,962)	(3,566)	(3,993)
<u>(97)</u>	<u>(89)</u>	<u>(82)</u>	<u>20</u>	<u>4,257</u>	<u>(28)</u>
188,597	848,178	635,876	735,008	(221,365)	788,539
3,237,124	3,425,721	4,273,899	4,909,775	5,644,783	5,423,418
<u>\$ 3,425,721</u>	<u>\$ 4,273,899</u>	<u>\$ 4,909,775</u>	<u>\$ 5,644,783</u>	<u>\$ 5,423,418</u>	<u>\$ 6,211,957</u>

\$ 3,048,639	\$ 2,827,902	\$ 2,808,103	\$ 2,361,132	\$ 3,119,132	\$ 2,794,933
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52.91%	60.18%	63.62%	70.51%	63.49%	68.97%
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\$ 1,860,662	\$ 2,065,958	\$ 1,973,751	\$ 1,902,003	\$ 1,912,475	\$ 2,003,341
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163.85%	136.88%	142.27%	124.14%	163.09%	139.51%
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CITY OF DEVINE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY CONTRIBUTIONS
 LAST TEN FISCAL YEARS*

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contributions in</u>	<u>Contribution] Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2024	\$ 386,597	\$ 386,597	\$ -	\$ 2,178,564	17.75%
2023	340,520	340,520	-	1,962,498	17.35%
2022	314,799	314,799	-	1,850,219	17.01%
2021	313,566	313,566	-	1,924,511	16.29%
2020	323,515	323,515	-	1,952,938	16.57%
2019	338,205	338,205	-	2,069,671	16.34%
2018	291,567	291,567	-	1,800,908	16.19%
2017	262,836	262,836	-	1,689,824	15.55%
2016	197,955	197,955	-	1,719,860	11.51%
2015	128,545	128,545	-	1,455,779	8.83%

CITY OF DEVINE
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CITY CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January,

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years, longest amortization ladder
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Change in Assumptions:	2023: New Mortality assumptions 2019: New Retirement and mortality assumptions 2015: Investment rate of return lowered from 7% to 6.75%
Changes in benefits:	2024: Employee contribution rate increased from 5% to 6%

CITY OF DEVINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
LAST SEVEN CALENDAR YEARS*

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	\$ 3,457	\$ 4,466	\$ 4,339	\$ 5,921
Interest on Total OPEB Liability	3,424	3,495	4,025	3,732
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	3,231	(1,857)	(2,113)
Change of Assumptions or Other Inputs	8,086	(7,555)	20,742	19,964
Benefit Payments	(346)	(558)	(826)	(790)
Net Change in Total OPEB Liability	14,621	3,079	26,423	26,714
Total OPEB Liability - Beginning	89,026	103,647	106,726	133,149
Total OPEB Liability - Ending	<u>\$ 118,268</u>	<u>\$ 106,726</u>	<u>\$ 133,149</u>	<u>\$ 159,863</u>
Covered Payroll	\$ 1,728,698	\$ 1,860,662	\$ 2,065,958	\$ 1,973,751
Total OPEB Liability as a Percentage of Covered Payroll	6.84%	5.74%	6.44%	8.10%

	Total OPEB Liability		
	2021	2022	2023
Service Cost	\$ 7,414	\$ 8,224	\$ 3,806
Interest on Total OPEB Liability	3,249	3,245	5,130
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	417	3,266	(3,319)
Change of Assumptions or Other Inputs	4,931	(58,973)	6,866
Benefit Payments	(2,281)	(2,677)	(3,806)
Net Change in Total OPEB Liability	13,730	(46,915)	8,677
Total OPEB Liability - Beginning	159,863	173,593	126,678
Total OPEB Liability - Ending	<u>\$ 173,593</u>	<u>\$ 126,678</u>	<u>\$ 135,355</u>
Covered Payroll	\$ 1,902,003	\$ 1,912,475	\$ 2,003,341
Total OPEB Liability as a Percentage of Covered Payroll	9.13%	6.62%	6.76%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

NOTES TO SCHEDULE OF CHANGES

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Lodging** Accounts for hotel occupancy tax revenues and expenditures, funding mainly the community and conference centers.
- **TCOLE (TEXAS COMMISSION ON LAW ENFORCEMENT)** – Accounts for financial resources allocated for law enforcement training and related activities, funded by the Texas Commission on Law Enforcement (TCOLE).
- **Unclaimed Property** - Accounts for money or assets that the City is unable to locate the rightful owner of after 3 years.
- **TIF (TAX INCREMENT FINANCING) Fund** - Accounts for the revenues and expenditures, funding the designated redevelopment area for public improvements.
- **HOME Program**- Accounts for federal funding received to expand affordable housing for low-income households.

BUDGET TO ACTUAL - DEBT SERVICE FUNDS

Debt Service funds are used to accumulate funds to pay debt.

CITY OF DEVINE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2024

	Special Revenue Funds		
	Lodging Tax Fund	TCOLE Fund	Unclaimed Property Fund
ASSETS			
Cash and Cash Equivalents	\$ 73,573	\$ 2,370	\$ 124
Accounts Receivable	2,021	-	-
Due from Other Funds	11	-	-
	<u>75,605</u>	<u>2,370</u>	<u>124</u>
TOTAL ASSETS	<u>\$ 75,605</u>	<u>\$ 2,370</u>	<u>\$ 124</u>
LIABILITIES AND FUND BALANCE			
<i>Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ 122
Due to Other Funds	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>122</u>
<i>Fund Balance:</i>			
Restricted	75,605	2,370	2
<i>Total Fund Balances</i>	<u>75,605</u>	<u>2,370</u>	<u>2</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 75,605</u>	<u>\$ 2,370</u>	<u>\$ 124</u>

<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds	2023
<u>TIF Fund</u>	<u>HOME Program Fund</u>		
\$ 95,510	\$ 2,183	\$ 173,760	\$ 119,354
-	-	2,021	16,350
-	-	11	-
<u>\$ 95,510</u>	<u>\$ 2,183</u>	<u>\$ 175,792</u>	<u>\$ 135,704</u>
\$ -	\$ -	\$ 122	\$ 122
33,503	-	33,503	-
<u>33,503</u>	<u>-</u>	<u>33,625</u>	<u>122</u>
62,007	2,183	142,167	135,582
<u>62,007</u>	<u>2,183</u>	<u>142,167</u>	<u>135,582</u>
<u>\$ 95,510</u>	<u>\$ 2,183</u>	<u>\$ 175,792</u>	<u>\$ 135,704</u>

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

	Special Revenue Funds		
	Lodging Tax Fund	TCOLE Fund	Unclaimed Property Fund
REVENUES			
Occupancy Taxes	\$ 19,051	\$ -	\$ -
Property Taxes	-	-	-
Grants and Donations	-	2,513	-
Interest Income	322	10	1
TOTAL REVENUES	19,373	2,523	1
EXPENDITURES			
Current:			
Administration	9,785	-	-
Police	-	796	-
TOTAL EXPENDITURES	9,785	796	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,588	1,727	1
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net Change in Fund Balance	9,588	1,727	1
Fund Balances, Beginning	66,017	643	1
Fund Balances, Ending	\$ 75,605	\$ 2,370	\$ 2

Special Revenue Funds		Total Nonmajor Governmental Funds	2023
TIF Fund	HOME Program Fund		
\$ -	\$ -	\$ 19,051	\$ 20,293
6,464	-	6,464	5,234
-	-	2,513	328,025
-	-	333	272
<u>6,464</u>	<u>-</u>	<u>28,361</u>	<u>353,824</u>
6,801	4,394	20,980	327,712
-	-	796	2,012
<u>6,801</u>	<u>4,394</u>	<u>21,776</u>	<u>329,724</u>
<u>(337)</u>	<u>(4,394)</u>	<u>6,585</u>	<u>24,100</u>
-	-	-	39,270
-	-	-	39,270
(337)	(4,394)	6,585	63,370
62,344	6,577	135,582	72,212
<u>\$ 62,007</u>	<u>\$ 2,183</u>	<u>\$ 142,167</u>	<u>\$ 135,582</u>

CITY OF DEVINE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
LODGING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget- Positive (Negative)	2023 Actual Amounts
	Original	Final			
REVENUES					
Lodging Taxes	\$ 20,000	\$ 20,000	\$ 19,051	\$ (949)	\$ 20,293
Interest Income	40	40	322		268
TOTAL REVENUES	<u>20,040</u>	<u>20,000</u>	<u>19,373</u>	<u>(949)</u>	<u>20,561</u>
EXPENDITURES					
Administrative	-	4,324	9,785	(5,461)	6,640
TOTAL EXPENDITURES	<u>-</u>	<u>4,324</u>	<u>9,785</u>	<u>(5,461)</u>	<u>6,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,040</u>	<u>15,676</u>	<u>9,588</u>	<u>(4,512)</u>	<u>13,921</u>
Net Change in Fund Balance	20,040	15,676	9,588	(4,512)	13,921
FUND BALANCE, BEGINNING	<u>66,017</u>	<u>66,017</u>	<u>66,017</u>	<u>-</u>	<u>52,096</u>
FUND BALANCE, ENDING	<u>\$ 86,057</u>	<u>\$ 81,693</u>	<u>\$ 75,605</u>	<u>\$ (4,512)</u>	<u>\$ 66,017</u>

CITY OF DEVINE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TCOLE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR 2023)

	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget- Positive (Negative)	2023 Actual Amounts
	Original	Final			
REVENUES					
Grants	\$ -	\$ -	\$ 2,513	\$ 2,513	\$ 987
Interest Income	2	2	10	8	4
TOTAL REVENUES	<u>2</u>	<u>2</u>	<u>2,523</u>	<u>2,521</u>	<u>991</u>
EXPENDITURES					
Police	-	-	796	(796)	2,012
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>796</u>	<u>(796)</u>	<u>2,012</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>2</u>	<u>1,727</u>	<u>(3,317)</u>	<u>(1,021)</u>
Net Change in Fund Balance	2	2	1,727	(3,317)	(1,021)
FUND BALANCE, BEGINNING	643	643	643	-	1,664
FUND BALANCE, ENDING	<u>\$ 645</u>	<u>\$ 645</u>	<u>\$ 2,370</u>	<u>\$ (3,317)</u>	<u>\$ 643</u>

CITY OF DEVINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR 2023)

	Budgeted Amounts		2024 Actual Amounts	Variance With Final Budget - Positive (Negative)	2023 Actual
	Original	Final			
REVENUES					
Property Taxes	\$ 250,600	\$ 250,600	\$ 301,892	\$ 51,292	\$ 254,607
Interest Income	1,500	1,500	2,388	888	1,921
TOTAL REVENUES	<u>250,600</u>	<u>250,600</u>	<u>304,280</u>	<u>52,180</u>	<u>256,528</u>
EXPENDITURES					
<i>Debt Service:</i>					
Principal	-	225,000	225,000	-	65,000
Interest and Fiscal Charges	17,259	17,259	17,259	-	16,682
TOTAL EXPENDITURES	<u>17,259</u>	<u>242,259</u>	<u>242,259</u>	<u>-</u>	<u>81,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>233,341</u>	<u>8,341</u>	<u>62,021</u>	<u>53,680</u>	<u>174,846</u>
Net Change in Fund Balance	233,341	8,341	62,021	53,680	174,846
FUND BALANCE - BEGINNING	<u>411,987</u>	<u>411,987</u>	<u>411,987</u>	<u>-</u>	<u>237,141</u>
FUND BALANCE - ENDING	<u>\$ 645,328</u>	<u>\$ 420,328</u>	<u>\$ 474,008</u>	<u>\$ 53,680</u>	<u>\$ 411,987</u>

THE CITY OF



Devine
TEXAS