ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2023

LYTLE

"A City on the Grow"

CITY OF LYTLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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CITY OF LYTLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	RUBEN GONZALEZ
ALDERMEN	MIGUEL AGUIRRE
	RICHARD HUGHES
	DAVID EMERY
	MICHAEL RODRIQUEZ
	CHARLES CATE
CITY SECRETARY	PAOLA RIOS
CITY ADMINISTRATOR	MATTHEW DEAR

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council
City of Lytle, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lytle as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Lytle'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 City of Lytle, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Lytle 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 opinion.

Responsibilities of Management for the Financial Statements

The City of Lytle'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 City of Lytle's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Lytle's basic financial statements as a whole. The combining, comparative financial statements and budgetary comparison (as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.
August 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Lytle's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2023. 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 $12.4 million at September 30, 2023.

- The City's governmental expenses were $303 thousand less than the $4.1 million generated in general and program revenues for governmental activities. The total cost of the City's governmental programs increased 6.2%.

- The City's business-type expenses (including transfers and payments in lieu of taxes) were $737 thousand less than the $2.7 million generated in charges for services and other revenues. The total cost of the City's business-type activities increased 1%.

- The general fund reported a fund balance of $1.6 million, a decrease of $83 thousand, this was largely due to increase in funds transferred to support nonmajor funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

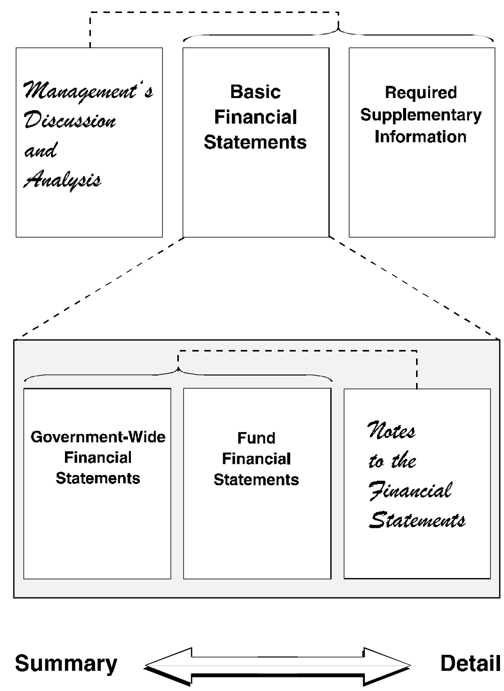
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.

- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*.

Figure A-1F, 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. Major Features of the City's Government-wide and Fund Financial Statements

		Fund Statements	
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds
Scope	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 of the City that operate similar to private businesses: electric , water airport, and sanitation
Required financial statements	• 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
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

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

Government-Wide Statements

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

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

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.
- The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, streets, culture and recreation, environmental protection, and interest on long-term debt. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The 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 on the subsequent page, which explains the relationship (or differences) between them.

- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position was $12.4 million at September 30, 2023. (See Table A-1).

Table A-1
City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current Assets	$ 1,934,182	$ 2,087,361	$ 928,758	$ 9,652,467	$ 2,862,940	$ 11,739,828
Other Assets	581	-	9,737,080	705,543	9,737,661	705,543
Capital Assets (net)	3,882,092	3,581,581	6,328,435	6,172,586	10,210,527	9,754,167
Total Assets	5,816,855	5,668,942	16,994,273	16,530,596	22,811,128	22,199,538
Deferred Outflows:	269,238	99,446	176,477	37,269	445,715	136,715
Liabilities:						
Current Liabilities	356,778	707,082	755,443	779,856	1,112,221	1,486,938
Long-Term Liabilities	1,329,759	779,998	8,338,718	8,410,013	9,668,477	9,190,011
Total Liabilities	1,686,537	1,487,080	9,094,161	9,189,869	10,780,698	10,676,949
Deferred Inflows:	36,840	222,024	37,255	75,765	74,095	297,789
Net Position:						
Net Invested in Capital Assets	2,962,092	2,581,581	6,567,944	6,072,557	9,530,036	8,654,138
Restricted	396,802	393,188	9,728,056	705,543	10,124,858	1,098,731
Unrestricted	1,003,822	1,084,515	(8,256,666)	524,131	(7,252,844)	1,608,646
Total Net Position	$ 4,362,716	$ 4,059,284	$ 8,039,334	$ 7,302,231	$ 12,402,050	$ 11,361,515

In the year ending September 30, 2023**:**

Governmental Activities

- Total assets increased by $147 thousand to $5.8 million.
- Total liabilities increased by $237 thousand to $1.7 million.
- Total net position increased by $303 thousand to $4.4 million.

Business-Type Activities

- Total assets increased by $464 thousand to $17.0 million.
- Total liabilities decreased by $95 thousand to $9.1 million.
- Total net position increased by $737 thousand to $8.0 million.

Total

- Total assets increased by $611 thousand to $22.8 million.
- Total liabilities decreased by $103 thousand to $10.8 million.
- Total net position increased by $1.04 million to $12.4 million.

Table A-2
Changes in City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for Services	$ 1,184,436	$ 1,007,068	$ 2,282,893	$ 1,741,068	$ 3,467,329	$ 2,748,136
Operating Grants and Contributions	-	-	-	-	-	-
Capital Contributions	-	-	158,311	604,133	158,311	604,133
General Revenues:						
Taxes	2,779,679	2,505,786	-	-	2,779,679	2,505,786
Interest Earnings	16,676	1,968	199,080	1,038	215,756	3,006
Miscellaneous	150,103	161,869	46,077	42,062	196,180	203,931
TOTAL REVENUES	4,130,894	3,676,691	2,686,361	2,388,301	6,817,255	6,064,992
Program Expenses:						
Administration	1,087,189	901,953	-	-	1,087,189	901,953
Public Safety	1,820,983	1,659,627	-	-	1,820,983	1,659,627
Environmental Protection	358,538	536,774	-	-	358,538	536,774
Culture and Recreation	269,919	242,852	-	-	269,919	242,852
Public Streets	264,436	228,408	-	-	264,436	228,408
Water	-	-	815,956	802,841	815,956	802,841
Gas	-	-	413,006	482,358	413,006	482,358
Sewer	-	-	380,815	308,872	380,815	308,872
Interest on Debt	26,397	33,153	339,481	-	365,878	33,153
TOTAL EXPENSES	3,827,462	3,602,767	1,949,258	1,594,071	5,776,720	5,196,838
Transfers	-	355,823	-	(355,823)	-	-
Change in Net Position	303,432	429,747	737,103	438,407	1,040,535	868,154
Beginning Net Position	4,059,284	3,629,537	7,302,231	6,863,824	11,361,515	10,493,361
Ending Net Position	$ 4,362,716	$ 4,059,284	$ 8,039,334	$ 7,302,231	$ 12,402,050	$ 11,361,515

Governmental Activities

- Revenues saw an increase in charges for services and taxes, leading to an increase of $454 thousand in revenues.
- Sales tax collections increased to $1.6 million, and Property Taxes increased to $848 thousand, an increase of 7% and 21%, respectively.
- Program expenses increased by 6.2%.

Business-Type Activities

- Total revenues from all business-type activities increased by 12% due to an increase in rates and increased interest earnings.
- Expenses increased by 22.3%. Water expense increased by 2%, Gas utilities decreased by 14% and Sewer increased by 23%.

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 grants as well as local tax dollars. The cost of all *governmental* activities this year was $3.8 million. Taxpayers paid for 73% of these activities through property, sales and franchise taxes of $2.8 million. 31% of the cost was paid by those who directly benefited from the programs. Business-type activities charges for services equaled 117% of expenses.

Table A-3

Net Cost of Selected City Functions

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Administration	$ 1,087,189	$ 901,953	$ 729,124	$ 721,256
Public Safety	1,820,983	1,659,627	1,532,070	1,370,714
Environmental Protection	358,538	536,774	(178,920)	(684)
Culture and Recreation	269,919	242,852	269,919	242,852
Public Streets	264,436	228,408	264,436	228,408
Water	815,956	802,841	(543,197)	(725,193)
Gas	413,006	482,358	(11,415)	108,902
Sewer	380,815	308,872	(276,815)	(134,839)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

- The General fund decreased its fund balance by $83 thousand.
- Total nonmajor funds fund balance increased by $5 thousand.
- The Water, Sewer, and Gas funds generated sufficient operating revenues to cover operating expenses and debt service.

Budgetary Highlights

- General Fund revenues were more than the budget by $239 thousand, primarily from higher than expected fines and permit revenue.
- General Fund expenditures were $540 thousand under budget. The savings were primarily from less than expected public street expenditures.
- The General Fund balance decreased $83 thousand, which was $1.5 million more than what the final budget projected, this was caused by lower than expected transfers in and no new debt issuances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the City had invested $10.2 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. Significant additions were made to the City's Governmental infrastructure. (See Table A-4)

Table A-4

City's Capital Assets

(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 119	$ 120	$ 812	$ 812	$ 931	$ 932
Buildings and Improvements	2,952	2,932	3	3	2,955	2,935
Infrastructure	1,235	1,235	10,657	9,747	11,892	10,982
Equipment	956	968	376	349	1,332	1,317
Construction in Progress	384	-	278	872	-	-
Totals at Historical Cost	5,646	5,255	12,126	11,783	17,110	16,166
Total Accumulated Depreciation	(1,764)	(1,673)	(5,798)	(5,609)	(7,562)	(7,282)
Net Capital Assets	$ 3,882	$ 3,582	$ 6,328	$ 6,174	$10,210	$ 9,756

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

Long Term Debt

The City had bonds payable at year end as outlined in Table A-5. More detailed information about the City's debt is presented in the notes H and I to the financial statements.

Table A-5

City's Long-Term Debt

(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds Payable	$ 920	$ 1,000	$ 8,055	$ 8,380	$ 8,975	$ 9,380
Total Long-Term Debt	$ 920	$ 1,000	$ 8,055	$ 8,380	$ 8,975	$ 9,380

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2023-2024 year, the City increased the property tax rate at $0.3883. In addition, property value growth is expected to help push continued growth in revenue. The City intends to maintain current service levels to the citizens, while containing and reducing overall operational costs. Any increases in revenue are targeted towards improving working capital and fund capital improvements. The City plans to continue water system rehabilitation efforts associated with its capital improvement program.

The City of Lytle's revenue trends are generally up over the past years especially in property tax revenue. In the coming years, we expect sales tax revenue to increase along with property tax revenue. This is important as the City continues to invest in capital improvement projects especially with its projected growth. This is key as the City needs to bring its second water well operational in the near future in order to keep up with its demands. The City plans to continue water system rehabilitation efforts associated with its five-year Capital Improvement Program while maintaining current service levels to their citizens.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Hall at (830) 709-3692 or visit the City's website at www.Lytletx.org.

LYTLE

"A City on the Grow"

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 Funds

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.

LYTLE

"A City on the Grow"

CITY OF LYTLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 1,381,498	$ 718,021	$ 2,099,519
Ad Valorem Tax Receivable (Net)	146,422	-	146,422
Sales Tax Receivables	275,349	-	275,349
Other Receivables (Net)	106,611	235,039	341,650
Prepaid Expenses	581	-	581
Inventory	-	9,024	9,024
Internal Balances	24,302	(24,302)	-
Restricted Cash and Cash Equivalents	-	9,728,056	9,728,056
Capital Assets (net)	3,882,092	6,328,435	10,210,527
TOTAL ASSETS	5,816,855	16,994,273	22,811,128
DEFERRED OUTFLOWS			
Deferred Pension/OPEB Related Outflows	269,238	176,477	445,715
TOTAL DEFERRED OUTFLOWS	269,238	176,477	445,715
LIABILITIES			
Withdrawals in Excess of Deposits	-	218,416	218,416
Accounts Payable	123,041	60,806	183,847
Accrued Interest	4,092	57,598	61,690
Accrued Wages	11,410	16,285	27,695
Accrued Compensated Absences	79,524	21,592	101,116
Deposits and Unearned Revenue	58,711	121,208	179,919
Long-term Liabilities			
Long-term Debt Due in One Year	80,000	259,538	339,538
Long-term Debt Due in More than One Year	840,000	8,071,695	8,911,695
Total OPEB Liabilities Due in More than One Year	30,035	14,474	44,509
Net Pension Liability Due in More than One Year	459,724	252,549	712,273
TOTAL LIABILITIES	1,686,537	9,094,161	10,780,698
DEFERRED INFLOWS			
Deferred Pension/OPEB Related Inflows	36,840	37,255	74,095
TOTAL DEFERRED INFLOWS	36,840	37,255	74,095
NET POSITION			
Net Investment in Capital Assets	2,962,092	6,567,944	9,530,036
Restricted	396,802	9,728,056	10,124,858
Unrestricted	1,003,822	(8,256,666)	(7,252,844)
TOTAL NET POSITION	$ 4,362,716	$ 8,039,334	$ 12,402,050

See accompanying notes to basic financial statements.

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

		Program Revenues		Program Revenues
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Administration	$ 1,087,189	$ 358,065	$ -	$ -
Public Safety	1,820,983	288,913	-	-
Environmental Protection	358,538	537,458	-	-
Culture and Recreation	269,919	-	-	-
Public Streets	264,436	-	-	-
Interest and Premium on Long-term Debt	26,397	-	-	-
Total Governmental Activities	3,827,462	1,184,436	-	-
Business-Type Activities:				
Water	815,956	1,200,842	-	158,311
Gas	413,006	424,421	-	-
Sewer	380,815	657,630	-	-
Interest and Premium on Long-term Debt	339,481	-	-	-
Total Business-Type Activities	1,949,258	2,282,893	-	158,311
Total Primary Government	$ 5,776,720	$ 3,467,329	$ -	$ 158,311
General Revenues:				
Taxes				
Ad Valorem Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
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
$ (729,124)		$ (729,124)
(1,532,070)		(1,532,070)
178,920		178,920
(269,919)		(269,919)
(264,436)		(264,436)
(26,397)		(26,397)
(2,643,026)		(2,643,026)
	$ 543,197	543,197
	11,415	11,415
	276,815	276,815
	(339,481)	(339,481)
	491,946	491,946
		(2,151,080)
847,521	-	847,521
1,604,417	-	1,604,417
209,959	-	209,959
117,782	-	117,782
16,676	199,080	215,756
150,103	46,077	196,180
2,946,458	245,157	3,191,615
303,432	737,103	1,040,535
4,059,284	7,302,231	11,361,515
$ 4,362,716	$ 8,039,334	$ 12,402,050

CITY OF LYTLE
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Fund General Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 1,369,730	$ 11,768	$ 1,381,498
Ad Valorem Taxes Receivable (Net)	126,125	20,297	146,422
Sales Taxes Receivable	275,349	-	275,349
Other Receivables (Net)	106,584	27	106,611
Prepaid Expenditures	-	581	581
Due from Other Funds	24,302	13	24,315
TOTAL ASSETS	$ 1,902,090	$ 32,686	$ 1,934,776
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 121,490	$ 1,551	$ 123,041
Accrued Wages	6,063	5,347	11,410
Due to Other Funds	13	-	13
Deposits and Unearned Revenue	58,711	-	58,711
Total Liabilities	186,277	6,898	193,175
Deferred Inflows of Resources:			
Unavailable Property Tax Revenue	126,125	20,297	146,422
Total Deferred Inflows of Resources	126,125	20,297	146,422
Fund Balances:			
Nonspendable for Prepaid Expenses	-	581	581
Restricted for:			
Tourism Development	387,804	-	387,804
Municipal Court	8,998	-	8,998
Committed for:			
Library Fund	-	4,910	4,910
Unassigned	1,192,886	-	1,192,886
Total Fund Balances	1,589,688	5,491	1,595,179
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,902,090	$ 32,686	$ 1,934,776

See accompanying notes to basic financial statements.

CITY OF LYTLE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 1,595,179
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.		3,882,092
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		146,422
Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds.		(79,524)
Long-term liabilities, including notes payable and related accrued interest, are not due and payable in the current period and, therefore not reported in the funds.		
Notes Payable	(920,000)	
Accrued Interest	(4,092)	(924,092)
Net pension and total other post-employment liabilities (and related deferred outflows and inflows of resources) do not consume or create current financial resources and are not reported in the funds.		
Net Pension Liability	(459,724)	
Total OPEB Liability	(30,035)	
Pension/OPEB Related Deferred Outflows	269,238	
Pension/OPEB Related Deferred Inflows	(36,840)	(257,361)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 4,362,716

See accompanying notes to basic financial statements.

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

	Major Fund General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	$ 693,186	$ 107,634	$ 800,820
Sales Taxes	1,604,417	-	1,604,417
Charges for Services	400,076	-	400,076
Franchise Taxes	209,959	-	209,959
Other Taxes	117,782	-	117,782
Licenses and Permits	150,334	-	150,334
Grants and Donations	-	2,964	2,964
Fines and Penalties	634,025	-	634,025
Interest Income	16,659	17	16,676
Miscellaneous	133,005	14,131	147,136
TOTAL REVENUES	3,959,443	124,746	4,084,189
EXPENDITURES			
Current:			
General Government	1,028,840	-	1,028,840
Public Streets	232,370	-	232,370
Public Safety	1,505,581	214,537	1,720,118
Environmental Protection	358,538	-	358,538
Culture and Recreation	70,987	191,482	262,469
Capital Outlay	401,870	50,872	452,742
Debt Service:			
Principal	-	80,000	80,000
Interest and Fiscal Charges	-	26,784	26,784
TOTAL EXPENDITURES	3,598,186	563,675	4,161,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,257	(438,929)	(77,672)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(445,270)	(850)	(446,120)
Transfers In	850	445,270	446,120
TOTAL OTHER FINANCING SOURCES (USES)	(444,420)	444,420	-
Net Change in Fund Balance	(83,163)	5,491	(77,672)
Fund Balances at Beginning of Year	1,672,851	-	1,672,851
Fund Balances at End of Year	$ 1,589,688	$ 5,491	$ 1,595,179

See accompanying notes to basic financial statements.

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

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (77,672)
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 reported as depreciation expense.		
Capital Outlay	452,742	
Depreciation	(152,231)	300,511
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		46,703
Governmental funds report required contributions to employee pensions and other post-employment benefits (OPEB) as expenditures. However in the Statement of Activities the cost of these benefits are recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded (fell short of) the actuarially determined plan expenses.		
Pension Plan	(26,283)	
Other Post-employment Benefits	(3,504)	(29,787)
The issuance of long-term debt (e.g. bonds and capital leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal Payments	80,000	80,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Compensated Absences	(16,710)	
Change in Accrued Interest	387	(16,323)
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ 303,432

See accompanying notes to basic financial statements.

CITY OF LYTLE
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities			Total
	Water	Gas	Sewer	Proprietary
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ -	$ 316,838	$ 401,183	$ 718,021
Receivables (net of allowances for uncollectible)	124,336	36,663	74,040	235,039
Due From Other Funds	33,155	3,100	-	36,255
Inventory	9,024	-	-	9,024
Total Current Assets	166,515	356,601	475,223	998,339
Noncurrent Assets:				
Restricted Cash for Construction	9,223,707	-	504,349	9,728,056
Property and Equipment (net)	4,675,235	26,778	1,626,422	6,328,435
Total Noncurrent Assets	13,898,942	26,778	2,130,771	16,056,491
TOTAL ASSETS	14,065,457	383,379	2,605,994	17,054,830
DEFERRED OUTFLOWS OF RESOURCES				
Pension/OPEB Related Deferred Outflows	93,716	46,173	36,588	176,477
TOTAL DEFERRED OUTFLOWS	93,716	46,173	36,588	176,477
LIABILITIES				
Current Liabilities:				
Withdrawals in Excess of Deposits	218,416	-	-	218,416
Accounts Payable	43,199	16,910	697	60,806
Accrued Interest	57,598	-	-	57,598
Accrued Wages	10,847	2,095	3,343	16,285
Accrued Compensated Absences	10,891	10,482	219	21,592
Deposits and Unearned Revenue	78,642	24,721	17,845	121,208
Due to Other Funds	12,985	12,404	35,168	60,557
Current Portion of Long-Term Debt	259,538	-	-	259,538
Total Current Liabilities	692,116	66,612	57,272	816,000
Long-term Liabilities:				
Long-term Debt Due in More than One Year	8,071,695	-	-	8,071,695
Total OPEB Liability	6,571	5,870	2,033	14,474
Net Pension Liability	124,774	77,009	50,766	252,549
Total Long-term Liabilities	8,203,040	82,879	52,799	8,338,718
TOTAL LIABILITIES	8,895,156	149,491	110,071	9,154,718
DEFERRED INFLOWS OF RESOURCES				
Pension/OPEB Related Deferred Inflows	22,276	9,834	5,145	37,255
TOTAL DEFERRED INFLOWS	22,276	9,834	5,145	37,255
NET POSITION				
Net Investment In Capital Assets	4,914,744	26,778	1,626,422	6,567,944
Restricted	9,223,707	-	504,349	9,728,056
Unrestricted	(8,896,710)	243,449	396,595	(8,256,666)
TOTAL NET POSITION	$ 5,241,741	$ 270,227	$ 2,527,366	$ 8,039,334

See accompanying notes to basic financial statements.

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

	Business-Type Activities			Total
	Water	Gas	Sewer	Proprietary
OPERATING REVENUES				
Charges for Utility Service	$ 1,200,842	$ 424,421	$ 657,630	$ 2,282,893
Miscellaneous Charges	34,656	6,461	4,960	46,077
TOTAL OPERATING REVENUES	1,235,498	430,882	662,590	2,328,970
OPERATING EXPENSES				
Personnel	230,823	127,027	147,326	505,176
Materials and Supplies	376,683	4,516	13,004	394,203
Services	78,519	137,859	163,080	379,458
Gas Purchased	-	142,622	-	142,622
Depreciation	129,931	982	57,405	188,318
TOTAL OPERATING EXPENSES	815,956	413,006	380,815	1,609,777
OPERATING INCOME (LOSS)	419,542	17,876	281,775	719,193
NONOPERATING REVENUES (EXPENSES)				
Grants	158,311	-	-	158,311
Interest Income	155,924	1,654	41,502	199,080
Interest Expense	(339,481)	-	-	(339,481)
TOTAL NONOPERATING	(25,246)	1,654	41,502	17,910
INCOME (LOSS) BEFORE TRANSFERS	394,296	19,530	323,277	737,103
TRANSFERS				
Transfers Out	-	-	(80,953)	(80,953)
Transfers In	80,953	-	-	80,953
TOTAL TRANSFERS	80,953	-	(80,953)	-
CHANGE IN NET POSITION	475,249	19,530	242,324	737,103
BEGINNING NET POSITION	4,766,492	250,697	2,285,042	7,302,231
ENDING NET POSITION	$ 5,241,741	$ 270,227	$ 2,527,366	$ 8,039,334

See accompanying notes to basic financial statements.

CITY OF LYTLE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities			
	Water	Gas	Sewer	Total Proprietary
Cash Flows From Operating Activities:				
Cash Received From Customers	$ 1,029,082	$ 424,256	$ 631,739	$ 2,085,077
Cash Paid to Employees for Services	(228,900)	(130,226)	(144,592)	(503,718)
Cash Paid to Suppliers for Goods and Services	(228,781)	(295,879)	(182,750)	(707,410)
Net Cash Provided (Used) by Operating Activities	571,401	(1,849)	304,397	873,949
Cash Flows From Noncapital Financing Activities:				
Transfers	80,953	-	(80,953)	-
Net Cash Provided (Used) by Noncapital Financing Activities	80,953	-	(80,953)	-
Cash Flows From Capital and Related Financing Activities:				
Interest Paid on Debt	(354,022)	-	-	(354,022)
Grants	158,311	-	-	158,311
Principal Payments on Debt	(325,000)	-	-	(325,000)
Purchase of Capital Assets	(156,705)	-	(187,461)	(344,166)
Net Cash Provided (Used) by Capital and Related Financing Activities	(677,416)	-	(187,461)	(864,877)
Cash Flows From Investing Activities:				
Investment Interest Received	155,924	1,654	41,502	199,080
Net Cash Provided (Used) by Investing Activities	155,924	1,654	41,502	199,080
Net Increase (Decrease) in Cash and Cash Equivalents	130,862	(195)	77,485	208,152
Beginning of Year:				
Cash and Cash Equivalents	112,905	317,033	531,701	961,639
Restricted Cash	8,979,940	-	296,346	9,276,286
Total Beginning of Year	9,092,845	317,033	828,047	10,237,925
End of Year:				
Cash and Cash Equivalents	-	316,838	401,183	718,021
Restricted Cash	9,223,707	-	504,349	9,728,056
Total End of Year	$ 9,223,707	$ 316,838	$ 905,532	$ 10,446,077

See accompanying notes to basic financial statements.

CITY OF LYTLE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities			
	Water	Gas	Sewer	Total Proprietary Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 419,542	$ 17,876	$ 281,775	$ 719,193
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	129,931	982	57,405	188,318
(Increase) Decrease in Operating Assets:				
Accounts Receivable (net)	(50,954)	(6,621)	(33,076)	(90,651)
Inventory	(9,024)	-	-	(9,024)
(Increase) Decrease in Deferred Outflows:				
Pension/OPEB Related Deferred Outflows	(64,937)	(41,580)	(32,691)	(139,208)
Increase (Decrease) in Current Liabilities:				
Withdrawals in Excess of Deposits	218,416	-	-	218,416
Accounts Payable	2,650	(10,882)	(6,666)	(14,898)
Accrued Interest	14,379	-	-	14,379
Accrued Wages	5,413	(2,143)	398	3,668
Accrued Compensated Absences	(8,896)	(3,402)	(426)	(12,724)
Deposits and Unearned Revenue	(155,462)	(5)	2,225	(153,242)
Total OPEB Liability	(1,571)	(681)	(804)	(3,056)
Net Pension Liability	94,734	53,757	42,797	191,288
Increase (Decrease) in Deferred Inflows:				
Pension/OPEB Related Deferred Inflows	(22,820)	(9,150)	(6,540)	(38,510)
Total Adjustments to Reconcile Operating Activities	151,859	(19,725)	22,622	154,756
Net Cash Provided (Used) by Operating Activities	$ 571,401	$ (1,849)	$ 304,397	$ 873,949

See accompanying notes to basic financial statements.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lytle, Texas ("City") was incorporated by an election on October 27, 1951 and the actual incorporation date is listed as October 29, 1951. The city operates under a general law type of government. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund meets the criteria as a ***major governmental fund***. All of the City's proprietary funds are all major funds.

2. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, property taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

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

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

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred inflows.

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

The government reports the following major governmental fund:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, sales and franchise taxes, charges for services and fines. Primary expenditures are for general government, public streets, public safety, environmental protection, culture and recreation, and public works.

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

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

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.

2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

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

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

3. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

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

4. INVESTMENTS

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

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2022 and past due after January 31, 2023. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levy are shown net of an allowance for uncollectbles of $22,257 and $3,582 in the general and debt service funds, respectively.

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 revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

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

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

7. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

8. 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 and a useful life in excess of 1 year. Infrastructure assets include City-owned streets, sewer, sidewalks, curbs and utilities. Capital assets are recorded at historical costs if purchased or constructed. In general, donated capital assets are recorded at estimated fair market value at the date of donation. However, donated works of art and capital assets received in a service concession arrangement are reported at acquisition value.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. 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	Estimated Life
Buildings and Improvements	20 to 50 years
Streets, Utilities and Infrastructure	30 to 50 years
Furniture, Fixtures, Vehicles	5 years

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

9. INVENTORY

Inventory consists of utility supplies. The inventory is recorded at cost using the first in/first out method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

10. COMPENSATED ABSENCES

Full-time employees earn vacation leave at varying rates depending on length of service. Up to 240 hours may be carried over annually based on the employee's length of service. Accumulated vacation leave is paid on termination. Full-time employees earn sick leave at 1 day per month. Unused sick leave is paid upon retirement (up to 160 hours or one fourth of his/her accumulated sick time, whichever is less) but not paid upon termination. Upon retirement an employee may either receive monetary value or early retirement for 16 hours or one fourth of the amount of accumulated sick leave whichever is less.

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

11. LONG-TERM OBLIGATIONS

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

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

12. PENSIONS

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

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

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The total OPEB liability (and related deferred inflows and outflows of resources) and OPEB expense of the TMRS supplemental death benefits fund, have been determined on the same basis as they are reported by TMRS.

14. FUND BALANCES

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

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

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

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

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

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

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

15. NET POSITION

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

16. OPERATING REVENUES AND EXPENSES

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

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

17. INTERFUND TRANSFERS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

18. USE OF ESTIMATES

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

NOTE B -- DEPOSITS AND INVESTMENTS

1. Deposits

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At September 30, 2023, the carrying amount of the City's deposits were fully collateralized by a combination of federal deposit insurance (FDIC) and securities pledged by the City's depository.

2. Investments

The City's investments at September 30, 2023 consist of $863,155 in certificates of deposit covered by pledged securities from the City's depository. The certificates are reported at amortized cost and are included in cash and cash equivalents.

3. 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. The City has reviewed its risk exposure and does not believe it is exposed to significant credit risk, custodial credit risk, or concentration of credit risk.

NOTE C -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar, Atascosa and Medina County Appraisal Districts 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, 2022, upon which the fiscal 2023 levy was based, was $228 million (i.e., market value less exemptions). The estimated market value was $289 million, making the taxable value 79% of the estimated market value.

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. 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, 2023, was $0.3643 per $100 of assessed value, which means that the City has a tax margin of $2.1357 for each $100 value and could increase its annual tax levy by approximately $6.2 million based upon the present assessed valuation before the limit is reached. However, the City may not adopt a tax rate that exceeds the effective tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

NOTE D -- RECEIVABLES

Receivables for the City as of September 30, 2023 are as follows:

	General Fund	Nonmajor Funds	Governmental Totals
Franchise Fees	$ 40,703	$ -	$ 40,703
Hotel Occupancy Tax	9,336	-	9,336
Property Tax	148,382	23,879	172,261
Sales Tax	275,349	-	275,349
Customer Charges - Garbage	53,583	-	53,583
Other Receivables	6,677	27	6,704
Allowance for Uncollectible	(25,972)	(3,582)	(29,554)
Total Other Receivables	$ 508,058	$ 20,324	$ 528,382

	Water	Gas	Sewer	Proprietary Totals
Customer Charges	$ 136,262	39,904	$ 49,889	$ 226,055
Other Receivables	-	-	28,120	28,120
Allowance for Uncollectible	(11,926)	(3,241)	(3,969)	(19,136)
Total Other Receivables	$ 124,336	$ 36,663	$ 74,040	$ 235,039

NOTE E -- RESTRICTED CASH AND INVESTMENTS

Restricted cash reported in the Proprietary Funds represents water and sewer acquisition fees and customer deposits. Additionally, the unspent bond funds are included here also.

NOTE F -- INTERFUND TRANSACTIONS

Interfund balances as of September 30, 2023 were as follows:

Due From	Due To	Amount	Purpose
Water	General	$ 12,985	*Short-term pooled cash loan*
General	Nonmajor	13	*Short-term pooled cash loan*
Sewer	General	11,318	*Short-term pooled cash loan*
Sewer	Water	20,750	*Short-term pooled cash loan*
Gas	Water	12,404	*Short-term pooled cash loan*
Sewer	Gas	3,100	*Short-term pooled cash loan*
		$ 60,570	

Interfund transfers during the year ending September 30, 2023 were as follows:

Transfer From	Transfer to	Amount	Purpose
General Fund	Nonmajor Fund	$ 207,976	*Contributions toward operations*
General Fund	Nonmajor Fund	237,294	*Contributions toward operations*
Nonmajor Fund	General Fund	850	*Contributions toward operations*
Sewer Fund	Water Fund	80,953	*Contributions towards capital outlay*
		$ 527,073	

NOTE G -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

Governmental Activities	Balance 10/1/2022	Additions	Disposals/ Transfers	Balance 9/30/2023
Land	$ 119,763	$ -	$ -	$ 119,763
Buildings and Improvements	2,932,052	19,652	-	2,951,704
Infrastructure	1,235,259	-	-	1,235,259
Vehicles and Equipment	967,949	49,380	(61,671)	955,658
Construction in Progress	-	383,710	-	383,710
	5,255,023	452,742	(61,671)	5,646,094
Less Accumulated Depreciation				
Buildings and Improvements	(775,106)	(64,814)	-	(839,920)
Infrastructure	(308,183)	(24,928)	-	(333,111)
Vehicles and Equipment	(590,153)	(62,489)	61,671	(590,971)
	(1,673,442)	(152,231)	61,671	(1,764,002)
Capital Assets, Net	$ 3,581,581	$ 300,511	$ -	$ 3,882,092

Business-Type Activities	Balance 10/1/2022	Additions	Disposals/ Transfers	Balance 9/30/2023
Land	$ 811,571	$ -	$ -	$ 811,571
Buildings and Improvements	2,526	-	-	2,526
Infrastructure	9,746,983	-	910,419	10,657,402
Vehicles and Equipment	348,757	28,120	-	376,877
Construction In Progress	872,172	316,046	(910,419)	277,799
	11,782,009	344,166	-	12,126,175
Less Accumulated Depreciation				
Buildings and Improvements	(2,526)	-	-	(2,526)
Infrastructure	(5,370,318)	(160,562)	-	(5,530,880)
Vehicles and Equipment	(236,579)	(27,755)	-	(264,334)
	(5,609,423)	(188,317)	-	(5,797,740)
Capital Assets, Net	$ 6,172,586	$ 155,849	$ -	$ 6,328,435

Land and Construction in Progress are not depreciated.

NOTE G -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

General Government	$ 21,684
Public Safety	65,481
Public Streets	35,607
Culture and Recreation	29,459
Total Depreciation Expense Governmental Activities	$ 152,231

NOTE H -- LONG-TERM LIABILITIES

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023
Governmental Activities				
Certificates of Obligation	$ 1,000,000	$ -	$ (80,000)	$ 920,000
Net Pension Liability	66,328	393,396	-	459,724
Accrued Compensated Absences	62,814	18,380	(1,670)	79,524
OPEB Liabilities	38,670	-	(8,635)	30,035
Total Governmental Activities	$ 1,167,812	$ 411,776	$ (90,305)	$ 1,489,283
Business-Type Activities				
Certificates of Obligation	$ 8,380,000	$ -	$ (325,000)	$ 8,055,000
Bond Premium	290,771	-	(14,538)	276,233
Net Pension Liability	61,261	152,835	-	214,096
Accrued Compensated Absences	34,316	-	(12,724)	21,592
OPEB Liabilities	17,530	1,526	(4,582)	14,474
Total Business-Type Activities	$ 8,783,878	$ 154,361	$ (356,844)	$ 8,581,395

Historically, the General Fund has been used to pay for governmental activities accrued compensated absences. Because of time restrictions placed on compensated absences, the City estimates that accrued compensated absences are generally taken within one year from the fiscal year end. Thus, the liability is shown as a current liability on the Statement of Net Position. The proprietary funds are split in the utility funds.

Historically, the General Fund has been used to pay for governmental pension and other post-employment benefits (OPEB) including Supplemental Death Benefits Fund (SBDF). The proprietary funds are split in the utility funds.

NOTE I -- BONDS PAYABLE

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

The City issued $8,380,000 in revenue bonds in 2022 for the purposes of making permanent public improvements and for other public purposes. The bonds mature serially through February 1, 2042, and bear interest at rates between 4.00% and 5.00%.

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2013

In 2022 the City refunded $1,020,000 in revenue bonds with $1,000,000 in revenue bonds. The refunding issue, Series 2022, resulted in a gross present value debt service savings of $63,556 and a net present value benefit of $75,388 over the remaining term of the old bonds. These bonds mature serially through February 1, 2033, and bear interest at 2.79%.

Both debts are funded by the tax collections of the City. These bonds were privately placed through a bank and contain no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences.

Changes in Bonds Payable

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
Governmental Activities					
Bonds Payable:					
2022 Refunding Series	$ 1,000,000	$ -	$ (80,000)	$ 920,000	$ 80,000
Total Governmental Activities	$ 1,000,000	$ -	$ (80,000)	$ 920,000	$ 80,000
Business-Type Activities					
2022 Series Premium	$ 290,771	$ -	$ (14,538)	$ 276,233	$ 14,538
2022 Series	8,380,000	-	(325,000)	8,055,000	245,000
Total Business-Type Activities	$ 8,670,771	$ -	$ (339,538)	$ 8,331,233	$ 259,538

NOTE I -- BONDS PAYABLE (Continued)

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2023, including interest payments, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
Governmental Activities			
2024	$ 80,000	$ 24,552	$ 104,552
2025	85,000	22,250	107,250
2026	85,000	19,879	104,879
2027	85,000	17,507	102,507
2028	90,000	15,066	105,066
2029-2033	495,000	35,224	530,224
	$ 920,000	$ 134,478	$ 1,054,478

Fiscal Year Ending September 30,	Principal	Interest	Total
Business-Type Activities			
2024	$ 245,000	$ 340,688	$ 585,688
2025	290,000	329,958	619,958
2026	300,000	318,188	618,188
2027	320,000	305,788	625,788
2028	330,000	292,788	622,788
2029-2033	1,905,000	1,202,563	3,107,563
2034-2038	2,385,000	723,788	3,108,788
2039-2042	2,280,000	197,738	2,477,738
	$ 8,055,000	$ 3,711,499	$ 11,766,499

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS

Plan Description

The City participates as one of 892 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 retirement system.

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Benefits Provided

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

At retirement, the 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.

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

	2021	2022
Inactive employees or beneficiaries currently receiving benefits	5	6
Inactive employees entitled to but not yet receiving benefits	11	9
Active employees	25	29
	41	44

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 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.47% and 10.25% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were $159,192 and matched the required contributions.

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Increases	3.5%-10.5% including inflation
Investment Rate of Return	6.75%

* Based on the Fidelity "20-year Municipal GO AA Index"

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. 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 UMP 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 the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are 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.

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

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 arithmetic real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
	100.00%	

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.

Net Pension Liability

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

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2021	$ 4,908,360	$ 4,780,771	$ 127,589
Changes for the year:			
Service Cost	172,077	-	172,077
Interest	330,145	-	330,145
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(39,052)	-	(39,052)
Changes of Assumptions	-	-	-
Contributions - Employer	-	154,250	(154,250)
Contributions - Employee	-	73,663	(73,663)
Net Investment Income	-	(350,011)	350,011
Benefit Payments, Including Refunds of Employee Contributions	(206,713)	(206,713)	-
Administrative Expense	-	(3,020)	3,020
Other Changes	-	3,604	(3,604)
Net Changes	256,457	(328,227)	584,684
Balance at December 31, 2022	$ 5,164,817	$ 4,452,544	$ 712,273

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	$ 1,527,472	$ 712,273	$ 47,398

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the year ended September 30, 2023, the City recognized pension expense of $159,192. Also, as of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ -	$ 62,582
Changes in Actuarial Assumptions	11,551	-
Differences Between Projected and Actual Investment Earnings	318,778	-
Contributions Subsequent to the Measurement Date	114,849	-
	$ 445,178	$ 62,582

Deferred outflows of resources in the amount of $114,849 are related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the calendar year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Calendar Year ended December 31,	
2023	$ 23,987
2024	73,819
2025	58,298
2026	113,780
2027	(2,137)
Thereafter	-
	$ 267,747

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT – SUPPLEMENTAL DEATH BENEFIT

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. Membership in the plan at December 31, 2022, the valuation and measurement date, consisted of:

	2022
Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	2
Active employees	29
	35

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

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution Rate
2023	0.40%	0.05%
2022	0.18%	0.02%

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during the employees' entire career.

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT - SBDF (Continued)

These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.5% to 11.5% including Inflation
Discount Rate	4.05%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The changes in the City's Total OPEB Liability (TOL), based on the above actuarial factors, during the year ended December 31, 2022, were as follows:

	Total OPEB Liability
Balance at December 31, 2021	$ 56,200
Changes for the year:	
Service Cost	6,188
Interest	1,088
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	3,914
Changes of Assumptions	(22,586)
Benefit Payments	(295)
Net Changes	(11,691)
Balance at December 31, 2022	$ 44,509

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

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT - SBDF (Continued)

The following presents the TOL of the City, calculated using the discount rate of 1.84% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate:

	Discount Rate		
	3.05%	4.05%	5.05%
Total OPEB Liability (Asset)	$ 53,305	$ 44,509	$ 37,501

For the year ended September 30, 2023, the City recognized OPEB expense of $5,618. Also, as of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ -	$ 49
Changes in Actuarial Assumptions	-	11,464
Contributions Subsequent to the Measurement Date	537	-
	$ 537	$ 11,513

Deferred outflows of resources in the amount of $538 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 calendar year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Calendar Year ended December 31,	
2023	$ (1,446)
2024	(1,446)
2025	(1,517)
2026	(1,763)
2027	(1,857)
Thereafter	(3,484)
	$ (11,513)

NOTE L -- CONTINGENCIES

Litigation

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

NOTE M -- RISK MANAGEMENT

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

NOTE N – COMMITMENTS

The City entered two contracts during fiscal year 2023. The contracts are for Water System Improvements and Wastewater Treatment Plant expansion. As of September 30, 2023, the contract for Water System Improvements was for $755,847, with $90,338 being incurred, leaving a remaining $665,509 to be completed. As of that same date, the Wastewater Treatment Plant expansion had a contract of $1,446,138, of which $187,461 had been incurred, leaving a remaining $1,258,677 to be completed.

LYTLE

"A City on the Grow"

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

	Budget Amounts		Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Ad Valorem Taxes	$ 763,133	$ 763,133	$ 693,186	$ (69,947)
Sales Taxes	1,555,500	1,555,500	1,604,417	48,917
Charges for Services	420,370	420,370	400,076	(20,294)
Franchise Tax	171,700	171,700	209,959	38,259
Other Taxes	121,500	121,500	117,782	(3,718)
Licenses and Permits	136,000	136,000	150,334	14,334
Fines and Penalties	340,370	340,370	634,025	293,655
Interest Income	2,200	2,200	16,659	14,459
Miscellaneous	102,268	102,268	133,005	30,737
TOTAL REVENUES	3,613,041	3,613,041	3,959,443	346,402
EXPENDITURES				
Current:				
General Government	775,551	775,551	1,028,840	(253,289)
Public Streets	896,827	896,827	232,370	664,457
Public Safety	1,515,959	1,515,959	1,505,581	10,378
Environmental Protection	378,000	378,000	358,538	19,462
Culture and Recreation	170,030	170,030	70,987	99,043
Capital Outlay	401,870	401,870	401,870	-
TOTAL EXPENDITURES	4,138,237	4,138,237	3,598,186	540,051
Excess (Deficiency) of Revenues Over (Under) Expenditures	(525,196)	(525,196)	361,257	886,453
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	985,000	985,000	-	(985,000)
Transfers Out	(445,270)	(445,270)	(445,270)	-
Transfers In	850	850	850	-
TOTAL OTHER FINANCING SOURCES (USES)	540,580	540,580	(444,420)	(985,000)
Net Change in Fund Balance	15,384	15,384	(83,163)	(98,547)
Beginning Fund Balance	1,672,851	1,672,851	1,672,851	-
Ending Fund Balance	$ 1,688,235	$ 1,688,235	$ 1,589,688	$ (98,547)

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The legal level of budgetary control is at the department level. However, additional information about expenditures at the object level is also included. The City Manager is authorized to adjust the budget within departments so long as it does not change the department total.

The following are the funds which have legally adopted annual budgets: General Fund, Debt Service, Library Fund, and Animal Care Fund.

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

The General Fund exceed budget for general government expenditures due to higher-than-expected salaries and wages.

The City does not use encumbrances.

CITY OF LYTLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT PLAN (CALENDAR) YEARS

	Total Pension Liability			
	2015	2016	2017	2018
Service Cost	$ 108,092	$ 119,034	$ 124,615	$ 131,755
Interest (on the Total Pension Liability)	170,269	183,467	205,032	228,561
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	31,648	25,709	39,721	90,300
Change of Assumptions	(19,789)	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,050)	(10,109)	(12,939)	(35,760)
Net Change in Total Pension Liability	280,170	318,101	356,429	414,856
Total Pension Liability - Beginning	2,383,396	2,663,566	2,981,667	3,338,096
Total Pension Liability - Ending	$ 2,663,566	$ 2,981,667	$ 3,338,096	$ 3,752,952

	Total Pension Liability			
	2015	2016	2017	2018
			6,321,780	
Contributions - Employer	$ 88,152	$ 93,179	$ 103,355	$ 110,600
Contributions - Employee	49,357	51,709	54,512	57,485
Net Investment Income	3,073	149,509	345,865	(89,459)
Benefit Payments, Including Refunds of Employee Contributions	(10,050)	(10,109)	(12,939)	(35,760)
Administrative Expense	(1,871)	(1,687)	(1,791)	(1,726)
Other	(92)	(91)	(90)	(89)
Net Change	128,569	282,510	488,912	41,051
Plan Fiduciary Net Position - Beginning	2,081,989	2,210,556	2,493,066	2,981,978
Plan Fiduciary Net Position - Ending	$ 2,210,558	$ 2,493,066	$ 2,981,978	$ 3,023,029
Net Pension Liability (Asset) - Ending	$ 453,008	$ 488,601	$ 356,118	$ 729,923
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.99%	83.61%	89.33%	80.55%
Covered Payroll	$ 937,138	$ 1,034,178	$ 1,090,241	$ 1,149,690
Net Pension Liability as a Percentage of Covered Payroll	48.34%	47.25%	32.66%	63.49%

Information for this schedule is being accumulated prospectively until 10 years is presented.

Total Pension Liability			
2019	2020	2021	2022
$ 137,802	$ 148,671	$ 158,206	$ 172,077
256,853	286,385	312,012	330,145
-	-	-	-
41,699	(27,677)	(93,068)	(39,052)
32,747	-	-	-
(33,247)	(40,794)	(24,181)	(206,713)
435,854	366,585	352,969	256,457
3,752,952	4,188,806	4,555,391	4,908,360
$ 4,188,806	$ 4,555,391	$ 4,908,360	$ 5,164,817

Total Pension Liability			
2019	2020	2021	2022
$ 118,778	$ 131,565	$ 143,565	$ 154,250
60,975	64,304	67,783	73,663
468,301	276,514	531,188	(350,011)
(33,247)	(40,794)	(24,181)	(206,713)
(2,641)	(1,785)	(2,452)	(3,020)
(80)	(69)	18	3,604
612,086	429,735	715,921	(328,227)
3,023,029	3,635,115	4,064,850	4,780,771
$ 3,635,115	$ 4,064,850	$ 4,780,771	$ 4,452,544
$ 553,691	$ 490,541	$ 127,589	$ 712,273
86.78%	89.23%	97.40%	86.21%
$ 1,219,491	$ 1,286,079	$ 1,355,664	$ 1,473,260
45.40%	38.14%	9.41%	48.35%

CITY OF LYTLE
SCHEDULE OF CITY PENSION CONTRIBUTIONS
LAST EIGHT FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 159,912	$ 159,912	-	$ 1,547,510	10.33%
2022	155,940	155,940	-	1,460,364	10.68%
2021	135,071	135,071	-	1,290,449	10.47%
2020	118,778	118,778	-	1,232,445	9.64%
2019	116,312	116,312	-	1,197,489	9.71%
2018	110,458	110,458	-	1,152,177	9.59%
2017	100,513	100,513	-	1,072,915	9.37%
2016	95,715	95,715	-	1,064,855	8.99%

Information for this schedule is being accumulated prospectively until 10 years is presented.

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.5% to 11.5% 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 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
	Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information	
Notes	There were no benefit changes during the year.

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

	Total OPEB Liability					
	2017	2018	2019	2020	2021	2022
Service Cost	$ 2,617	$ 3,219	$ 2,561	$ 4,244	$ 5,558	$ 6,188
Interest (on the Total OPEB Liability)	987	1,079	1,293	1,139	1,011	1,088
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	1,110	(4,714)	(3,090)	400	3,914
Change of Assumptions	2,674	(2,686)	6,706	6,356	1,615	(22,586)
Benefit Payments	(109)	(115)	(122)	(129)	(271)	(295)
Net Change in Total OPEB Liability	6,169	2,607	5,724	8,520	8,313	(11,691)
Total OPEB Liability - Beginning	24,867	31,036	33,643	39,367	47,887	56,200
Total OPEB Liability - Ending	$ 31,036	$ 33,643	$ 39,367	$ 47,887	$ 56,200	$ 44,509
Covered Payroll	$ 1,090,241	$ 1,149,690	$ 1,219,491	$ 1,286,079	$ 1,355,664	$ 1,473,260
Total OPEB Liability as a Percentage of Covered Payroll	2.85%	2.93%	3.23%	3.72%	4.15%	3.02%

Information for this schedule is being accumulated prospectively until 10 years is presented.

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.5% to 11.5% including Inflation
Discount Rate	4.05%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Combining Statements – Nonmajor Governmental Funds
- Individual Nonmajor Fund Budgetary Comparison Schedules
    - Debt Service
    - Library Fund
    - Animal Care Fund
- Comparative Statements of General Fund

DEBT SERVICE FUNDS

Debt Service Fund – To account for property taxes levied specifically to service voter approved bond issues.

SPECIAL REVENUE FUNDS

Library Fund – To account for revenue committed to the Library to support culture and recreation for the City.

Animal Care Fund – To account for revenue committed to the Animal Shelter to support public safety.

CITY OF LYTLE
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Debt Service	Special Revenue Funds: Library Fund	Special Revenue Funds: Animal Care Fund	Total Nonmajor Funds
ASSETS				
Cash and Cash Equivalents	$ -	$ 6,303	$ 5,465	$ 11,768
Ad Valorem Taxes Receivable (Net)	20,297	-	-	20,297
Prepaid Expenditures	-	581	-	581
Due from Other Funds	-	13	-	13
Other Receivables	-	-	27	27
TOTAL ASSETS	$ 20,297	$ 6,897	$ 5,492	$ 32,686
LIABILITIES, DEFERRED INFLOWS OF RESOURECED & FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ 1,406	$ 145	$ 1,551
Accrued Wages	-	-	5,347	5,347
Total Liabilities	-	1,406	5,492	6,898
Deferred Inflows of Resources:				
Unavailable Property Tax Revenue	20,297	-	-	20,297
Total Deferred Inflows of Resources	20,297	-	-	20,297
Fund Balances:				
Committed For:				
Nonspendable for Prepaid Expenses	-	581	-	581
Culture and Recreation	-	4,910	-	4,910
Total Fund Balances	-	5,491	-	5,491
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	$ 20,297	$ 6,897	$ 5,492	$ 32,686

CITY OF LYTLE
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2023

		Special Revenue Funds		Total
	Debt Service	Library Fund	Animal Care Fund	Nonmajor Funds
REVENUES				
Ad Valorem Taxes	$ 107,634	$ -	$ -	$ 107,634
Grants and Donations	-	2,964	-	2,964
Miscellaneous Revenue	-	5,668	8,463	14,131
Interest Income	-	17	-	17
TOTAL REVENUES	107,634	8,649	8,463	124,746
EXPENDITURES				
Current:				
Public Safety	-	-	214,537	214,537
Culture and Recreation	-	191,482	-	191,482
Capital Outlay	-	19,652	31,220	50,872
Debt Service:				
Principal	80,000	-	-	80,000
Interest and Fiscal Charges	26,784	-	-	26,784
TOTAL EXPENDITURES	106,784	211,134	245,757	563,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	850	(202,485)	(237,294)	(438,929)
OTHER FINANCING SOURCES (USES)				
Transfer Out	(850)	-	-	(850)
Transfer In	-	207,976	237,294	445,270
TOTAL OTHER FINANCING SOURCES (USES)	(850)	207,976	237,294	444,420
Net Change in Fund Balance	-	5,491	-	5,491
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	$ -	$ 5,491	$ -	$ 5,491

CITY OF LYTLE
DEBT SERVICE FUND BUDGET COMPARISON
FOR THE YEAR ENDING SEPTEMBER 30, 2023

	Budget Amounts		Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Ad Valorem Taxes	$ 106,783	$ 106,783	$ 107,634	$ 851
TOTAL REVENUES	106,783	106,783	107,634	851
EXPENDITURES				
Debt Service:				
Principal	704,200	704,200	80,000	624,200
Interest and Fiscal Charges	79,800	79,800	26,784	53,016
TOTAL EXPENDITURES	784,000	784,000	106,784	677,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(677,217)	(677,217)	850	(676,367)
OTHER FINANCING SOURCE:				
Transfers Out	-	-	(850)	(850)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(850)	(850)
Net Change in Fund Balance	(677,217)	(677,217)	-	(677,217)
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	$ (677,217)	$ (677,217)	$ -	$ (677,217)

CITY OF LYTLE
LIBRARY FUND BUDGET COMPARISON
FOR THE YEAR ENDING SEPTEMBER 30, 2023

	Budget Amounts		Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Grants and Donations	$ 2,950	$ 2,950	$ 2,964	$ 14
Miscellaneous Revenue	2,100	2,100	5,668	3,568
Interest Income	200	200	17	(183)
TOTAL REVENUES	5,250	5,250	8,649	3,399
EXPENDITURES				
Culture and Recreation	241,521	241,521	191,482	50,039
Capital Outlay	19,652	19,652	19,652	-
TOTAL EXPENDITURES	261,173	261,173	211,134	50,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	(255,923)	(255,923)	(202,485)	53,438
OTHER FINANCING SOURCES				
Transfers In	-	-	207,976	207,976
TOTAL OTHER FINANCING SOURCES (USES)	-	-	207,976	207,976
Net Change in Fund Balance	(255,923)	(255,923)	5,491	261,414
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	$ (255,923)	$ (255,923)	$ 5,491	$ 261,414

CITY OF LYTLE
ANIMAL CONTROL FUND BUDGET COMPARISON
FOR THE YEAR ENDING SEPTEMBER 30, 2023

	Budget Amounts		Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Miscellaneous Revenue	$ 6,190	$ 6,190	$ 8,463	$ 2,273
TOTAL REVENUES	6,190	6,190	8,463	2,273
EXPENDITURES				
Public Safety	292,126	292,126	214,537	77,589
Capital Outlay	31,220	31,220	31,220	-
TOTAL EXPENDITURES	323,346	323,346	245,757	77,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	(317,156)	(317,156)	(237,294)	79,862
OTHER FINANCING SOURCE:				
Transfers In	-	-	237,294	237,294
TOTAL OTHER FINANCING SOURCES (USES)	-	-	237,294	237,294
Net Change in Fund Balance	(317,156)	(317,156)	-	317,156
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	$ (317,156)	$ (317,156)	$ -	$ 317,156

CITY OF LYTLE
COMPARATIVE BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2023

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 1,369,730	$ 1,544,695
Receivables (net of allowances for uncollectible):		
Ad Valorem Taxes	126,125	84,730
Sales Taxes	275,349	256,178
Other Receivables	106,584	143,476
Due from Other Funds	24,302	24,303
TOTAL ASSETS	$ 1,902,090	$ 2,053,382
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 121,490	$ 253,020
Accrued Wages	6,063	19,139
Deposits and Unearned Revenue	58,711	23,642
Due to Other Funds	13	-
Total Liabilities	186,277	295,801
Deferred Inflows of Resources:		
Unavailable Property Tax Revenue	126,125	84,730
Total Deferred Inflows of Resources	126,125	84,730
Fund Balances:		
Restricted For		
Tourism Development	387,804	387,748
Municipal Court	8,998	5,440
Unassigned	1,192,886	1,279,663
Total Fund Balance	1,589,688	1,672,851
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,902,090	$ 2,053,382

CITY OF LYTLE
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2023

	2023	2022
REVENUES		
Ad Valorem Taxes	$ 693,186	$ 571,579
Sales Taxes	1,604,417	1,499,042
Franchise Taxes	209,959	190,539
Other Taxes	117,782	120,454
Charges for Services	400,076	537,458
Fines and Penalties	634,025	410,008
Licenses and Permits	150,334	59,601
Interest Income	16,659	1,830
Miscellaneous	133,005	146,686
TOTAL REVENUES	3,959,443	3,537,197
EXPENDITURES		
Current:		
General Government	1,028,840	909,542
Public Streets	232,370	453,980
Public Safety	1,505,581	1,553,937
Environmental Protection	358,538	536,774
Culture and Recreation	70,987	63,271
Capital Outlay	401,870	-
TOTAL EXPENDITURES	3,598,186	3,517,504
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,257	19,693
OTHER FINANCING SOURCES (USES)		
Transfers Out	(445,270)	(367,719)
Transfers In	850	387,140
TOTAL OTHER FINANCING SOURCES (USES)	(444,420)	19,421
Net Change in Fund Balance	(83,163)	39,114
BEGINNING FUND BALANCE	1,672,851	1,633,737
ENDING FUND BALANCE	$ 1,589,688	$ 1,672,851

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