

REPORT OF EXAMINATION

**CITY OF
WIMBERLEY**

Wimberley, Texas

**For the Year Ended
September 30, 2024**

CITY OF WIMBERLEY, TEXAS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

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

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NEFFENDORF & BLOCKER, P.C.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the City Council
City of Wimberley, Texas
Wimberley, TX 78676

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wimberley, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wimberley, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wimberley, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wimberley, Texas', ability

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to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Wimberley, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wimberley, Texas' 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, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes in Total Other Post-Employment Benefits Liability and Related Ratios on pages 4-9 and 40-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025, on our consideration of the City of Wimberley, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wimberley, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wimberley, Texas' internal control over financial reporting and compliance.

Neffendorf + Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas

April 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Wimberley, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial statements of the City for the year ended September 30, 2024. Please read it in conjunction with the independent auditors' report on page 1, and the City's Basic Financial Statements which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$16,098,664 (net position). Of this amount, \$3,118,526 (unrestricted net position) may be used to meet the City's ongoing obligations to citizen's and creditors.
- The City's net position increased by \$603,105 as a result of this year's operations.
- At September 30, 2024, the City's governmental funds reported combined ending fund balances of \$3,420,457, an increase of \$394,506 in comparison with the prior year.
- At September 30, 2024, the City's Enterprise Funds reported unrestricted net position of \$456,260, a decrease of \$11,788 in comparison with the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 through 12). These provide information about the activities of the City as a whole and present a longer-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (beginning on page 13) report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for the appropriations budget.

The notes to the financial statements (starting on page 22) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules, Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes in Total OPEB Liability and Related Ratios are presented as required supplementary information on page 40 through 51.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the City's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the City is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the City's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the City's net position and changes in them. The City's net position (the difference between assets and liabilities) provide one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider other factors as well, such as changes in the City's customers or its sales tax collections and the condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, the City has two kinds of activity:

- **Governmental activity** - Most of the City's basic services are reported here, including the public safety, municipal court and administration. User charges, sales tax and franchise tax finance most of these activities.
- **Business-type activity** - The City's wastewater system is reported as a business-type activity since the fees charged to customers cover the cost of services provided.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the 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.

The City has two kinds of funds:

- **Governmental funds** - All of the City's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Note II to the financial statements.
- **Proprietary funds** - Services for which the City charges customers a fee are generally reported in proprietary funds. The City's utility fund (Wastewater) is a business-type activity and provides both long and short-term financial information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the City's governmental activities increased from \$13,463,959 to \$14,106,698. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$2,662,266 at September 30, 2024. This increase in governmental net position was the result of five factors. First, the City's revenues exceeded the expenditures by \$373,207. Second the City acquired capital assets and paid debt principal in the amount of \$1,106,193. Third, the City recorded depreciation and amortization in the amount of \$759,600. Fourth, GASB Statement No. 68 required a decrease in expenses in the amount of \$23,435. Fifth, GASB Statement No. 75 required a decrease in expenses in the amount of \$387.

Net position of the City's business-type activities decreased from \$2,010,301 to \$1,991,966. Unrestricted net position was \$456,260 at September 30, 2024. This increase in business-type net position was the result of a net loss of \$18,335.

Table I
City of Wimberley

NET POSITION **In thousands**

	Governmental Activities		Business-Type Activities		TOTALS Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Restricted Assets	\$ 3,827	\$ 3,660	\$ 479	\$ 568	\$ 4,306	\$ 4,228
Capital Assets	12,122	12,093	5,836	6,002	17,958	18,095
Total Assets	\$ 15,949	\$ 15,753	\$ 6,315	\$ 6,570	\$ 22,264	\$ 22,323
Deferred Outflow of Resources						
Pension Plan	53	82	-	-	53	82
OPEB Plan	7	1	-	-	7	1
Total Deferred Outflows of Resources	\$ 60	\$ 83	\$ -	\$ -	\$ 60	\$ 83
Current Liabilities	\$ 449	\$ 690	\$ 23	\$ 100	\$ 472	\$ 790
Net Pension Liability	3	44	-	-	3	44
OPEB Liability	24	20	-	-	24	20
Noncurrent Liabilities	1,391	1,573	4,300	4,460	5,691	6,033
Total Liabilities	\$ 1,867	\$ 2,327	\$ 4,323	\$ 4,560	\$ 6,190	\$ 6,887
Deferred Inflow of Resources						
Pension Plan	\$ 21	\$ 33	\$ -	\$ -	\$ 21	\$ 33
OPEB Plan	15	13	-	-	15	13
Total Deferred Inflows of Resources	\$ 36	\$ 46	\$ -	\$ -	\$ 36	\$ 46
Net Position:						
Net Investment in Capital Assets	\$ 10,731	\$ 10,520	\$ 1,536	\$ 1,542	\$ 12,267	\$ 12,062
Restricted	713	777	-	-	713	777
Unrestricted	2,662	2,166	456	468	3,118	2,634
Total Net Position	\$ 14,106	\$ 13,463	\$ 1,992	\$ 2,010	\$ 16,098	\$ 15,473

Table II
City of Wimberley

CHANGES IN NET POSITION
In thousands

	Governmental Activities		Business-Type Activities		TOTALS	
	2024	2023	2024	2023	2024	2023
Revenues:						
Sales Tax	\$ 1,545	\$ 1,546	\$ -	\$ -	\$ 1,545	\$ 1,546
Franchise Tax	312	306	-	-	312	306
Other Taxes	832	858	-	-	832	858
Charges for Services	1,132	919	419	443	1,551	1,362
Miscellaneous	74	9	-	-	74	9
Grants and Contributions	368	501	-	-	368	501
Interest Earnings	129	27	3	1	132	28
Total Revenue	\$ 4,392	\$ 4,166	\$ 422	\$ 444	\$ 4,814	\$ 4,610
Expenses:						
Administration	\$ 913	\$ 1,033	\$ -	\$ -	\$ 913	\$ 1,033
Legal	79	64	-	-	79	64
Council/Board	109	115	-	-	109	115
Building	78	67	-	-	78	67
Public Safety	103	100	-	-	103	100
Public Works	372	269	-	-	372	269
Public Works- Roads	267	175	-	-	267	175
Public Works- Wastewater	-	20	440	410	440	430
Tourism	410	366	-	-	410	366
Community Center	237	191	-	-	237	191
Parks	1,128	919	-	-	1,128	919
Interest	70	41	-	-	70	41
Capital Outlay	4	-	-	-	4	-
Debt Service	-	59	-	-	-	-
Total Expenses	\$ 3,770	\$ 3,419	\$ 440	\$ 410	\$ 4,210	\$ 3,770
Increase (Decrease) in Net Position						
Before Transfers & Capital Contributions	\$ 622	\$ 747	\$ (18)	\$ 34	\$ 604	\$ 781
Transfers	-	-	-	-	-	-
Net Change	622	747	(18)	34	604	781
Net Position - Beginning	13,463	12,633	2,010	1,986	15,473	14,619
Prior Period Adjustment	21	83	-	(10)	21	73
Net Position - Ending	\$ 14,106	\$ 13,463	\$ 1,992	\$ 2,010	\$ 16,098	\$ 15,473

The cost of all governmental activities this year was \$3,770,604. However, as shown in the Statement of Activities on page 10, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$2,689,408 because the other costs were paid by user charges (\$1,132,459), grants (\$367,602), interest (\$129,058) and other miscellaneous (\$73,517).

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a fund balance of \$3,420,457, which is more than last year's total of \$3,025,951. Included in this year's total change in fund balance is an increase of \$445,449 in the City's General Fund. The increase in the General Fund balance was caused by an increase in rental and interest revenues.

The City adopted the General Fund Budget and the major special revenue funds. Actual revenues were more than budgeted amounts and actual expenditures were more than the budgeted amounts in the general fund. In the major special revenue fund- Blue Hole Parkland fund actual revenues were more than budgeted amounts and actual expenditure were more than budgeted amounts. In the major special revenue fund- Hotel Occupancy Tax fund actual revenues were more than budgeted amounts and actual expenditures were less than budgeted amounts. In the major special revenue fund- American Rescue Plan fund actual revenues were less than budgeted amounts and actual expenditures were less than budgeted amounts.

CAPITAL ASSETS

At September 30, 2024, the City had the following amounts invested in capital assets, net of depreciation:

CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		TOTALS	
					Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 4,384,856	\$ 4,384,856	\$ -	\$ -	\$ 4,384,856	\$ 4,384,856
Buildings and Improvements	7,291,934	7,291,934	-	-	7,291,934	7,291,934
Infrastructure	5,222,346	4,770,789	6,404,710	6,404,710	11,627,056	11,175,499
Machinery & Equipment	283,852	266,403	64,985	39,083	348,837	305,486
Right-to-Use Leased Assets	100,300	95,792	-	-	100,300	95,792
Construction In Progress	444,990	135,675	-	-	444,990	135,675
Total Capital Assets	\$ 17,728,278	\$ 16,945,449	\$ 6,469,695	\$ 6,443,793	\$ 24,197,973	\$ 23,389,242
Less: Accumulated Depreciation	(5,556,865)	(4,823,747)	(633,989)	(441,540)	(6,190,854)	(5,265,287)
Less: Accumulated Amortization	(49,350)	(28,907)	-	-	(49,350)	(28,907)
Capital Assets, Net	\$ 12,122,063	\$ 12,092,795	\$ 5,835,706	\$ 6,002,253	\$ 17,957,769	\$ 18,095,048

More detailed information about the City's capital assets is presented in Note C and D to the financial statements.

DEBT

At September 30, 2024, the City had the following outstanding debt:

OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		TOTALS	
					Primary Government	
	2024	2023	2024	2023	2024	2023
Bonds Payable	\$ 859,000	\$ 909,000	\$ 4,300,000	\$ 4,460,000	\$ 5,159,000	\$ 5,369,000
Tax Note Payable	480,000	596,000	-	-	480,000	596,000
Leases Payable	51,929	67,579	-	-	51,929	67,579
Total Outstanding Debt	\$ 1,390,929	\$ 1,572,579	\$ 4,300,000	\$ 4,460,000	\$ 5,690,929	\$ 6,032,579

For business-type activities, the City paid \$186,158 in principal payments on long-term debt.

For governmental activities, the City paid principal payments on the tax notes of \$116,000 and \$50,000 on bonds payable. More detailed information about the City's long-term liabilities is presented in Notes E through H to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year 2025 budget. The major factors are population growth and expansion of the wastewater services. These indicators were taken into account when adopting the General Fund budget for 2025. Amounts available for appropriation in the General Fund budget are \$2,103,300 and expenditures are estimated to be \$2,103,300.

If these estimates are realized, the City's budgetary General fund balance is expected to be about the same by the close of 2025.

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 show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's business office, at City of Wimberley, Texas.

CITY OF WIMBERLEY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

EXHIBIT A-1

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,952,381	\$ 524,873	\$ 2,477,254
Investments - Current	1,127,285	-	1,127,285
Accounts Receivable, Net	402,393	31,973	434,366
Due from Other Governments	267,804	-	267,804
Due from Other Funds	77,761	(77,761)	-
Capital Assets:			
Land Purchase and Improvements	4,384,856	-	4,384,856
Infrastructure, Net	3,549,718	5,784,231	9,333,949
Buildings, Net	3,642,590	-	3,642,590
Machinery & Equipment, Net	48,959	51,475	100,434
Right-to-Use Lease Assets	50,950	-	50,950
Construction in Progress	444,990	-	444,990
Total Assets	15,949,687	6,314,791	22,264,478
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Plan	53,113	-	53,113
Deferred Outflow Related to OPEB	7,262	-	7,262
Total Deferred Outflows of Resources	60,375	-	60,375
LIABILITIES			
Accounts Payable	13,458	4,536	17,994
Wages and Salaries Payable	72,764	-	72,764
Compensated Absences Payable	30,844	-	30,844
Intergovernmental Payable	712	-	712
Due to Others	15,239	5,051	20,290
Accrued Interest Payable	10,652	13,238	23,890
Unearned Revenues	304,994	-	304,994
Noncurrent Liabilities:			
Due Within One Year	209,243	165,000	374,243
Due in More Than One Year:			
Bonds Payable - Noncurrent	1,149,000	4,135,000	5,284,000
Right-to-Use Lease Liabilities - Noncurrent	32,686	-	32,686
Net Pension Liability	3,730	-	3,730
Net OPEB Liability	23,888	-	23,888
Total Liabilities	1,867,210	4,322,825	6,190,035
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Plan	21,048	-	21,048
Deferred Inflow Related to OPEB	15,106	-	15,106
Total Deferred Inflows of Resources	36,154	-	36,154
NET POSITION			
Net Investment in Capital Assets and Lease Assets	10,731,134	1,535,706	12,266,840
Restricted:			
Restricted for Federal Grant	10,835	-	10,835
Restricted for Municipal Court	2,266	-	2,266
Restricted for Tourism Development	700,197	-	700,197
Unrestricted	2,662,266	456,260	3,118,526
Total Net Position	\$ 14,106,698	\$ 1,991,966	\$ 16,098,664

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

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

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
Administration	\$ 912,892	\$ 192,359	\$ 82,500	\$ -
Legal	79,140	-	-	-
Council/Boards	108,799	-	-	-
Building	77,623	-	-	-
Public Safety	102,632	-	-	-
Public Works	372,229	-	-	21,287
Public Works - Roads	267,433	-	-	-
Tourism	410,454	-	-	-
Community Center	237,439	64,962	-	-
Parks	1,127,961	875,138	-	260,205
Interest on Debt	69,891	-	-	-
Capital Outlay	4,111	-	-	-
Total Governmental Activities	3,770,604	1,132,459	82,500	281,492
BUSINESS-TYPE ACTIVITIES:				
Wastewater Utility Fund	440,421	419,192	-	-
Total Business-Type Activities	440,421	419,192	-	-
TOTAL PRIMARY GOVERNMENT	\$ 4,211,025	\$ 1,551,651	\$ 82,500	\$ 281,492

General Revenues:

Taxes:

General Sales and Use Taxes

Franchise Tax

Other Taxes

Grants and Contributions

Miscellaneous Revenue

Investment Earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (638,033)	\$ -	\$ (638,033)
(79,140)	-	(79,140)
(108,799)	-	(108,799)
(77,623)	-	(77,623)
(102,632)	-	(102,632)
(350,942)	-	(350,942)
(267,433)	-	(267,433)
(410,454)	-	(410,454)
(172,477)	-	(172,477)
7,382	-	7,382
(69,891)	-	(69,891)
(4,111)	-	(4,111)
(2,274,153)	-	(2,274,153)
-	(21,229)	(21,229)
-	(21,229)	(21,229)
(2,274,153)	(21,229)	(2,295,382)
1,545,164	-	1,545,164
312,458	-	312,458
831,786	-	831,786
3,610	-	3,610
73,517	-	73,517
129,058	2,894	131,952
2,895,593	2,894	2,898,487
621,440	(18,335)	603,105
13,463,959	2,010,301	15,474,260
21,299	-	21,299
\$ 14,106,698	\$ 1,991,966	\$ 16,098,664

CITY OF WIMBERLEY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Blue Hole Parkland Fund	Hotel Occupancy Tax Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,064,285	\$ 130,869	\$ 395,258
Investments - Current	613,289	258,607	255,389
Accounts Receivable, Net	84,999	260,205	57,189
Due from Other Governments	267,804	-	-
Due from Other Funds	144,078	-	-
Total Assets	<u>\$ 2,174,455</u>	<u>\$ 649,681</u>	<u>\$ 707,836</u>
LIABILITIES			
Accounts Payable	\$ 3,131	\$ 10,112	\$ 156
Wages and Salaries Payable	43,913	21,368	7,483
Intergovernmental Payable	-	-	-
Due to Other Funds	-	66,317	-
Due to Others	3,955	11,284	-
Unearned Revenues	-	-	-
Total Liabilities	<u>50,999</u>	<u>109,081</u>	<u>7,639</u>
FUND BALANCES			
Federal or State Funds Grant Restriction	-	-	-
Restricted for Municipal Court	-	-	-
Restricted for Tourism Development	-	-	700,197
Other Committed Fund Balance	1,262,926	-	-
Committed for Park Operations & Improvements	-	540,600	-
Unassigned Fund Balance	860,530	-	-
Total Fund Balances	<u>2,123,456</u>	<u>540,600</u>	<u>700,197</u>
Total Liabilities and Fund Balances	<u>\$ 2,174,455</u>	<u>\$ 649,681</u>	<u>\$ 707,836</u>

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

American Rescue Plan Fund	Other Funds	Total Governmental Funds
\$ 315,829	\$ 46,140	\$ 1,952,381
-	-	1,127,285
-	-	402,393
-	-	267,804
-	-	144,078
<u>\$ 315,829</u>	<u>\$ 46,140</u>	<u>\$ 3,893,941</u>
\$ -	\$ 59	\$ 13,458
-	-	72,764
-	712	712
-	-	66,317
-	-	15,239
304,994	-	304,994
<u>304,994</u>	<u>771</u>	<u>473,484</u>
10,835	-	10,835
-	2,266	2,266
-	-	700,197
-	43,103	1,306,029
-	-	540,600
-	-	860,530
<u>10,835</u>	<u>45,369</u>	<u>3,420,457</u>
<u>\$ 315,829</u>	<u>\$ 46,140</u>	<u>\$ 3,893,941</u>

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

Total Fund Balances - Governmental Funds	\$ 3,420,457
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	10,465,227
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2024 capital outlays and debt principal payments is to increase net position.	1,106,193
The City is required under GASB Statement No. 68 to report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this requirement included a net pension liability of \$3,730, a deferred resource outflow of \$53,113 and a deferred resource inflow of \$21,048. The net effect of these was to increase net position by \$28,335.	28,335
The City is required under GASB Statement No. 75 to report their OPEB benefit plan through TMRS. The requirement resulted in an OPEB liability of \$23,888, a deferred resource outflow of \$7,262 and a deferred resource inflow of \$15,106. The net effect of these was to decrease net position by \$31,732.	(31,732)
The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(759,600)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(122,182)
Net Position of Governmental Activities	\$ 14,106,698

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

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

	General Fund	Blue Hole Parkland Fund	Hotel Occupancy Tax Fund
REVENUES:			
Taxes:			
General Sales and Use Taxes	\$ 1,545,164	\$ -	\$ -
Franchise Tax	312,458	-	-
Other Taxes	94,439	-	737,347
Licenses and Permits	87,212	-	-
Intergovernmental Revenue and Grants	82,500	260,205	-
Charges for Services	105,147	842,102	-
Investment Earnings	46,178	44,518	27,527
Rents and Royalties	64,962	33,036	-
Contributions & Donations from Private Sources	-	3,610	-
Other Revenue	61,882	49,083	15,727
Total Revenues	<u>2,399,942</u>	<u>1,232,554</u>	<u>780,601</u>
EXPENDITURES:			
Current:			
Administration	665,586	-	-
Legal	63,732	-	-
Council/Boards	87,616	-	-
Building	62,510	-	-
Public Safety	82,650	-	-
Public Works	300,700	-	-
Public Works - Roads	353,428	-	-
Tourism	-	-	724,285
Community Center	197,729	-	-
Parks	3,958	1,233,472	-
Debt Service:			
Principal on Debt	13,350	6,808	50,000
Interest on Debt	801	548	81,119
Capital Outlay:			
Capital Outlay	-	-	-
Total Expenditures	<u>1,832,060</u>	<u>1,240,828</u>	<u>855,404</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>567,882</u>	<u>(8,274)</u>	<u>(74,803)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from Right-to-Use Leases	4,508	-	-
Transfers In	-	-	-
Transfers Out	(126,941)	-	-
Total Other Financing Sources (Uses)	<u>(122,433)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	445,449	(8,274)	(74,803)
Fund Balance - October 1 (Beginning)	1,656,708	548,874	775,000
Prior Period Adjustment	21,299	-	-
Fund Balance - September 30 (Ending)	<u>\$ 2,123,456</u>	<u>\$ 540,600</u>	<u>\$ 700,197</u>

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

American Rescue Plan Fund	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,545,164
-	-	312,458
-	-	831,786
-	-	87,212
21,287	-	363,992
-	-	947,249
10,835	-	129,058
-	-	97,998
-	-	3,610
-	-	126,692
32,122	-	4,445,219
-	-	665,586
-	-	63,732
-	-	87,616
-	-	62,510
-	-	82,650
-	-	300,700
-	-	353,428
-	-	724,285
-	-	197,729
-	-	1,237,430
-	116,000	186,158
-	7,767	90,235
21,287	3,174	24,461
21,287	126,941	4,076,520
10,835	(126,941)	368,699
-	-	4,508
-	369,892	369,892
-	(242,951)	(369,892)
-	126,941	4,508
10,835	-	373,207
-	45,369	3,025,951
-	-	21,299
\$ 10,835	\$ 45,369	\$ 3,420,457

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

Total Net Change in Fund Balances - Governmental Funds	\$ 373,207
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2024 capital outlays and debt principal payments is to increase the change in net position.	1,106,193
The entries required by GASB Statement No. 68 did require that some expenses on B-1 be adjusted. The net effect on the change in net position on Exhibit B-1 is an increase of \$23,435.	23,435
The requirement of recording the OPEB liability under GASB Statement No. 75 resulted in an increase in net position.	387
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(759,600)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	(122,182)
Change in Net Position of Governmental Activities	\$ 621,440

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

CITY OF WIMBERLEY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business Type Activities
	Wastewater Utility Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 524,873
Accounts Receivable, Net	31,973
Total Current Assets	<u>556,846</u>
Noncurrent Assets:	
Capital Assets:	
Infrastructure	6,404,710
Accumulated Depreciation - Infrastructure	(620,479)
Machinery & Equipment	64,985
Accumulated Depreciation - Machinery & Equipment	(13,510)
Total Noncurrent Assets	<u>5,835,706</u>
Total Assets	<u>6,392,552</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	4,536
Due to Other Funds	77,761
Due to Others	5,051
Accrued Interest Payable	13,238
Bonds Payable - Current	165,000
Total Current Liabilities	<u>265,586</u>
Noncurrent Liabilities:	
Bonds Payable - Noncurrent	4,135,000
Total Noncurrent Liabilities	<u>4,135,000</u>
Total Liabilities	<u>4,400,586</u>
NET POSITION	
Net Investment in Capital Assets and Lease Assets	1,535,706
Unrestricted	456,260
Total Net Position	<u>\$ 1,991,966</u>

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

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

EXHIBIT D-2

	Business-Type Activities Wastewater Utility Fund
OPERATING REVENUES:	
Charges for Services	\$ 419,192
Total Operating Revenues	<u>419,192</u>
OPERATING EXPENSES:	
Contract Services	101,739
Utilities	61,537
Other Operating Costs	1,967
Depreciation	192,449
Total Operating Expenses	<u>357,692</u>
Operating Income	<u>61,500</u>
NONOPERATING REVENUES (EXPENSES):	
Investment Earnings	2,894
Interest Expense - Nonoperating	(82,551)
Other Nonoperating Expenses	(178)
Total NonOperating Revenue (Expenses)	<u>(79,835)</u>
Change in Net Position	(18,335)
Total Net Position - October 1 (Beginning)	<u>2,010,301</u>
Total Net Position - September 30 (Ending)	<u><u>\$ 1,991,966</u></u>

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

CITY OF WIMBERLEY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT D-3

	Business-Type Activities
	Wastewater Utility Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 420,020
Cash Payments for Other Operating Expenses	(165,402)
Net Cash Provided by Operating Activities	254,618
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of Capital Assets	(25,902)
Principal Payment on Long-Term Debt	(160,000)
Interest & Debt Service Fees Paid	(82,951)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(268,853)
<u>Cash Flows from Investing Activities:</u>	
Interest on Investments	2,894
Net Increase (Decrease) in Cash and Cash Equivalents	(11,341)
Cash and Cash Equivalents at Beginning of Year	536,214
Cash and Cash Equivalents at End of Year	\$ 524,873
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$ 61,500
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	192,449
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (Increase) in Receivables	(285)
Increase (Decrease) in Accounts Payable	(159)
Increase (Decrease) in Due to Others	1,113
Net Cash Provided by Operating Activities	\$ 254,618

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

CITY OF WIMBERLEY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wimberley, Texas, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The *Government Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

- A. Reporting Entity – The City of Wimberley, Texas ("City"), was incorporated in 2000 as the "Village of Wimberley" under the provisions of the State of Texas. In June 2008, the name was officially changed to City of Wimberley. The City is a municipal corporation governed by an elected mayor and five members of the city council, and provides the following services: public safety (law enforcement), public transportation (streets), health, culture, recreation, public facilities, wastewater services, legal, election functions, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units, if any existed, would be combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. As of September 30, 2024, the City had no component units.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the City of Wimberley nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, sales tax, franchise tax, municipal court fines, charges for services and other miscellaneous revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for services.

The Statement of Activities demonstrates how other people or entities that participate in programs the City operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories - governmental and proprietary. The City considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The City considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of sales tax. Sales tax revenues are recognized under the "susceptible to accrual" concept; that is, when they are both measurable and available. The City considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the City to refund all or part of the unused amount.

D. Fund Accounting

The City reports the following major governmental funds:

General 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.

Blue Hole Park Fund – The Blue Hole Park Fund is used to account for the operations of Blue Hole Regional Park, a 126-acre park with walking trails, picnic areas and swimming. Gate fees and facility rentals are charged to help fund the operational costs of the park.

Hotel Occupancy Tax Fund – The Hotel Occupancy Tax Fund is used to account for the proceeds of an occupancy tax adopted in December 2021.

American Rescue Plan – The American Rescue Plan Fund is used to account for the Coronavirus Local Fiscal Recovery funds provided by the American Rescue Plan Act.

Additionally, the City reports the following fund type(s):

Special Revenue Funds:

Municipal Court Fund – The Municipal Court Fund is used to account for municipal court costs.

Parking Spaces Cash in Lieu of Fund – This fund is used to account for fees in lieu of parking

spaces collected from property owners who are unable to provide the required number of parking spaces for non-residential use property.

Debt Service Fund:

The Debt Service Fund is used to account for principal and interest payments on general long-term debt of the City other than debt service payments made by the enterprise fund.

Capital Projects Funds:

Donations/ Sidewalks Fund – The Donations/Sidewalks Fund is used to account for financial resources used for donations for projects of the City.

Proprietary Fund:

Enterprise Fund- The Enterprise Fund is 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 enterprise fund is the Wastewater Fund (used to account for the operating activities of the City's wastewater management).

The Proprietary Fund is accounted for using the accrual basis of account 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.

E. Other Accounting Policies

1. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

2. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.
3. Investments – State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes also allow investing in local government-investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the

obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The City has all its monies in interest bearing checking accounts, savings accounts, and certificates of deposit. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

4. Accounts Receivable – 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.

Revenues for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are billable services for certain contracts, and billable services for the City's wastewater services. 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 uncollectible accounts.

5. 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."

6. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Water & Sewer Plant & Facilities	20-40
Buildings and Improvements	5-40
Furniture, Machinery and Equipment	5-10

7. Compensated Absences – Full time regular employees earn eight (8) hours of paid vacation leave per month beginning with the first month of employment. Part-time regular employees earn a proportionate number of hours based upon the amount of time the employee regularly works each week (available for use after three months of service is completed) up to a maximum of 24 days per year. Annual leave exceeding 24 days will not be carried over.

Employees earn sick leave at the rate of eight (8) per month starting with the first month of employment. No sick leave days are paid when an employee leaves city employment and no liability is reported for unpaid sick leave. Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

8. The City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories

to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

It is the City's policy to maintain three months of operating expenses in the unrestricted General Fund balance and nine months of operating expenses in the unrestricted Blue Hole Park Fund (to include committed and assigned balances). Should fund balance fall below this threshold, Council will take appropriate budgetary action to restore compliance.

9. Deferred Inflows/ Deferred Outflows

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.

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. Revenues 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.

10. When the City incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
11. The original budget is adopted by the City Council prior to the beginning of the fiscal year through passage of an ordinance. The budget includes proposed expenditures and the means of financing them.

Budgeted amounts for expenditures from the various funds may not exceed the beginning balances of those funds plus the anticipated revenues for the fiscal year. The final amended budget has been presented in this report.

12. Pensions. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System

(TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Post-Employment Benefits. GASB 75 requires the recognition of the Total OPEB Liability (TOL), deferred (inflows)/outflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the System's actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred (inflows)/outflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in OPEB expense in the period of the change. The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund.
14. As of October 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for lease that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Disclosures required by this standard are included in Note G.
15. The presentation 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.
16. The City adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITA)*. The implementation of this standard establishes a SBITA that results in a right-to-use subscription asset (an intangible asset) and a corresponding liability. The standard requires the recognition of right-to-use subscription assets and liabilities for SBITAs that previously were classified as operating expenditures based on the payment provisions of the contract. As of September 30, 2024, the City had no subscriptions under GASB 96.

NOTE II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2024, the carrying amount of the City's deposits was \$2,476,708 and the bank balance was \$2,908,582. The City's cash deposits held at September 30, 2024 were not entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based

on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City was not in substantial compliance with the requirements of the Act and with local policies.

The City's temporary investments at September 30, 2024, are shown below:

Name	Carrying Amount	Market Value	FDIC Coverage	Pledged Securities
<u>Certificates of Deposit</u>				
Texas Regional Bank	\$ 513,996	\$ 513,996	\$ 500,000	\$ -
<u>Local Governmental Investment Pools</u>				
TexPool	613,289	613,289	*	*
Total	<u>\$ 1,127,285</u>	<u>\$ 1,127,285</u>		

*Local government investment pools use amortized cost rather than market value to report net position to computer share prices. Accordingly, the market value of the position in these pools is the same as the value of the shares in the pool, which approximates the carrying amount. The investment pools are organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

TexPool is an investment pool in which the Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (The Trust Company), which is authorized to operate the pool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. TexPool is reported at amortized cost and does not have any limitation or restriction on participants' withdrawals. At September 30, 2024, TexPool had a weighted average maturity of 26 days and a net asset value of \$1.00029.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the City has adopted a deposit and investment policy. That policy does address the following risks:

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City was exposed to custodial credit risk since its deposits at year-end were not fully covered by depository insurance or by pledged collateral held by the City's agent bank in the City's name.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments (certificates of deposit) were not fully secured by FDIC insurance and pledged securities. Positions in external investment pools are not subject to this risk.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the City was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

B. Interfund Receivable and Payables

Interfund balances at September 30, 2024, consisted of the following:

	Receivable	Payable
<u>General Fund -</u>		
Blue Hole Park Fund	66,317	
Wastewater Utility Fund	77,761	
<u>Blue Hole Parkland Fund-</u>		
General Fund		66,317
<u>Wastewater Utility Fund-</u>		
General Fund		77,761
Totals	\$ 144,078	\$ 144,078

C. Infrastructure and Equipment-Enterprise Funds

A summary of changes in fixed assets for the enterprise funds appears below:

	Balance 09/30/23	Additions	Deletions	Balance 09/30/24
Infrastructure	\$ 6,404,710	\$ -	-	\$ 6,404,710
Machinery and Equipment	39,083	25,902	-	64,985
Totals	\$ 6,443,793	\$ 25,902	-	\$ 6,469,695
Accumulated Depreciation	(441,540)	(192,449)	-	(633,989)
Fixed Assets, Net	\$ 6,002,253	\$ (166,547)	-	\$ 5,835,706

D. Capital Asset Activity

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

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Land	\$ 4,384,856	\$ -	-	\$ 4,384,856
Buildings and Improvements	7,291,934	-	-	7,291,934
Infrastructure	4,770,789	451,557	-	5,222,346
Machinery and Equipment	266,403	23,488	(6,039)	283,852
Construction in Progress	135,675	444,990	(135,675)	444,990
Total Assets	\$ 16,849,657	\$ 920,035	\$ (6,039)	\$ 17,627,978
Accumulated Depreciation				
Buildings and Improvements	\$ (3,359,165)	\$ (290,179)	-	\$ (3,649,344)
Infrastructure	(1,245,489)	(427,139)	-	(1,672,628)
Machinery and Equipment	(219,093)	(21,839)	6,039	(234,893)
Total Accumulated Depreciation	\$ (4,823,747)	\$ (739,157)	\$ 6,039	\$ (5,556,865)
Capital Assets, Net	\$ 12,025,910	\$ 180,878	-	\$ 12,071,113
Right-to-Use Assets being, Amortized				
Leased Equipment	\$ 95,792	\$ 4,508	-	\$ 100,300
Total Right-to-Use Assets	\$ 95,792	\$ 4,508	-	\$ 100,300
Less Accumulated Amortization:				
Leased Equipment	\$ (28,907)	\$ (20,443)	-	\$ (49,350)
Total Accumulated Amortization	\$ (28,907)	\$ (20,443)	-	\$ (49,350)
Total Right-to-Use Assets being Amortized, Net	\$ 66,885	\$ (15,935)	-	\$ 50,950
Governmental Activities Capital Assets, Net	\$ 12,092,795	\$ 164,943	-	\$ 12,122,063

Depreciation expense was charged to governmental functions as follows:

Administration	\$	163,310
Legal		15,408
Council/Board		21,183
Building		15,113
Public Safety		19,982
Public Works		72,700
Public Works- Roads		85,448
Community Center		47,805
Parks		298,208
	\$	<u>739,157</u>

Amortization expense was charged to governmental functions as follows:

Administration	\$	8,181
Public Works		5,218
Parks		7,044
	\$	<u>20,443</u>

E. Changes in Long-Term Liabilities

A summary of changes in long-term debt for the year ended September 30, 2024 follows:

Description	Amounts Outstanding 9/30/23	Additions	Deletions	Amounts Outstanding 9/30/24	Due in One Year
Governmental Activities:					
Bonds Payable					
Tax Note, Series 2021	\$ 596,000	\$	\$ (116,000)	\$ 480,000	\$ 118,000
HOT Revenue Bonds, Series 2023	909,000		(50,000)	859,000	72,000
Leases Payable	67,579	4,508	(20,158)	51,929	19,243
Net Pension Liability	44,032		(40,302)	3,730	-
Total OPEB Liability	19,985	3,903		23,888	-
Compensated Absences	23,993	6,851		30,844	-
Total Governmental Activities	\$ <u>1,660,589</u>	\$ <u>15,262</u>	\$ <u>(226,460)</u>	\$ <u>1,449,391</u>	\$ <u>209,243</u>

Description	Interest Rate	Amounts Original Issue	Amounts Outstanding 9/30/23	Additions	Deletions	Amounts Outstanding 9/30/24	Due in One Year
Business-Type Activities:							
Refunding Bonds - Series 2020	0.37%-2.15%	\$ 4,940,000	\$ 4,460,000	\$	\$ (160,000)	\$ 4,300,000	\$ 165,000
Total Business Type Activities		\$ <u>4,940,000</u>	\$ <u>4,460,000</u>	\$ <u>-</u>	\$ <u>(160,000)</u>	\$ <u>4,300,000</u>	\$ <u>165,000</u>

F. Long-term Debt

Tax Note, Series 2021

The City issued \$824,000 Tax Notes, Series 2021 to finance the costs incurred in connection with acquiring, constructing, installing, and equipping additions, improvements, extensions and equipment for Wimberley Square. The Certificates were issued at interest rates of 1.00% to 1.55%. These Notes are payable from and secured by levying an annual ad valorem tax. The City set the annual tax rate at -0- for the 2021 tax year.

Hotel Occupancy Tax Revenue Bond, Series 2023

The City issued \$909,000 Hotel Occupancy Tax Revenue Bonds, Series 2023 to finance the purchase of sites for and the construction, improvement and equipping of a visitor information center. The Bonds were issued at interest rates of 6.85%. These Bonds are payable from and secured by levying a hotel occupancy tax.

Debt service requirements for the governmental activities are as follows:

Year Ended September 30	Bonds Payable		Total
	Principal	Interest	
2025	190,000	65,332	255,332
2026	196,000	59,043	255,043
2027	202,000	52,246	254,246
2028	211,000	44,607	255,607
2029	94,000	36,990	130,990
2030-2033	446,000	78,912	524,912
	<u>\$ 1,339,000</u>	<u>\$ 337,130</u>	<u>\$ 1,676,130</u>

Exchange Refunding Bonds, Series 2020 (TWDB)

The City issued \$4,940,000 in bonds for the exchange and refund of the Series 2017 Bonds. In 2017, the City issued \$5,255,000 in bonds for the construction of a comprehensive sewer system. The bonds mature serially through August 1, 2046 and bear interest at rates between 0.7% and 2.15%. The bonds were privately placed with a bank. Due to a change in project scope, the bonds that had not been defeased before August 15, 2020 (\$4,940,000) were reissued on August 27, 2020. These bonds were issued under identical repayment principal, interest and timing terms. They were also privately placed with a bank and there are no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences.

Year Ended September 30	Bonds Payable		Total
	Principal	Interest	
2025	165,000	81,191	246,191
2026	165,000	79,492	244,492
2027	165,000	77,495	242,495
2028	170,000	75,202	245,202
2029	170,000	72,618	242,618
2030-2034	900,000	317,809	1,217,809
2035-2039	990,000	227,577	1,217,577
2040-2044	1,100,000	121,780	1,221,780
2045-2046	475,000	15,349	490,349
	<u>\$ 4,300,000</u>	<u>\$ 1,068,513</u>	<u>\$ 2,438,807</u>

G. LEASES PAYABLE

The City has entered into multiple agreements that are considered "right-to-use" leases. The leases are for City equipment (vehicles, copier and postage machine).

Annual requirements to amortize leases payable and related interest are as follows:

Year Ended September 30	Leases Payable		Total
	Principal	Interest	
2025	19,629	664	20,293
2026	19,740	553	20,293
2027	11,610	182	11,792
2028	950	13	963
	<u>\$ 51,929</u>	<u>\$ 1,412</u>	<u>\$ 53,341</u>

H. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Wimberley, Texas participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](https://www.tmrs.com).

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

Benefits Provided

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

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member's contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2022	Plan Year 2023
Deposit Rate:	5%	5%
Matching Ratio (City to Employee):	2 to 1	2 to 1
Years required for vesting	5 yrs	5 yrs
Retirement eligibility (Age/Service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%
Retiree Cost of Living Adjustment	0% of CPI	0% of CPI

Employees covered by benefit terms.

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

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	19
Active employees	14
	<hr/> 40

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of the Member's total compensation, 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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Wimberley, Texas were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Wimberley, Texas were 6.11% and 5.47% in calendar years 2023 and 2024, respectively. The city's contributions to TMRS for the year ended September 30, 2024, were \$54,370, and were equal to the required contributions.

Net Pension Liability

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

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized by the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

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 Member 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 Members. 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.

Schedule of Changes in Net Pension Liability/(Asset)

	Total Pension Liability (a)	Increase/(Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of December 31, 2022	\$ 657,830	\$ 613,798	\$ 44,032
Changes for the year:			
Service cost	79,862		79,862
Interest	45,705		45,705
Changes of Benefit Terms			-
Difference between Expected and Actual Experience	1,131		1,131
Changes in Assumptions	(4,537)		(4,537)
Contributions - Employer		50,409	(50,409)
Contributions - Employee		41,251	(41,251)
Net investment income		71,259	(71,259)
Benefit Payments, Including Refunds of			-
Employee Contributions	(41,313)	(41,313)	-
Administrative Expense		(452)	452
Other Changes		(3)	3
Net Changes	80,848	121,151	(40,303)
Balances as of December 31, 2023	\$ 738,678	\$ 734,948	\$ 3,730

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

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

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
City's Net Pension Liability	\$ 124,088	\$ 3,730	\$ (92,515)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

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

For the year ended September 30, 2024, the City recognized pension expense of \$28,726.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 830	\$ 17,718
Changes of assumptions	-	3,330
Net difference between projected and actual investment earnings	14,669	-
Contributions made subsequent to measurement date	37,614	
	<u>\$ 53,113</u>	<u>\$ 21,048</u>

\$37,614 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2024	\$ (9,957)
2025	(303)
2026	10,675
2027	(5,964)
2028	-
Thereafter	-
Total	<u>\$ (5,549)</u>

I. Defined Other Post-Employment Benefit Plan

The City participates as one of 813 cities in the Texas Municipal Retirement System ("TMRS") optional death benefit plan, the Supplemental Death Benefits Fund (SDBF), which operates like a group-term life insurance plan. This voluntary program allows participating cities to provide supplemental death benefits for their active Members, with optional coverage for their retirees. A city may terminate coverage in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefit. Benefits payable from the SDBF become due after the death of a covered active Member or retiree and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active Members provides a lump-sum payment approximately equal to the Member's annual salary (calculated based on the Member's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is an "other poste-employment benefit" and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of the Pension Trust Fund.

Contributions. Contributions to the SDBF are made monthly based on the payroll of covered Members of the cities participating in the SDBF. The required contribution rate is actuarially determined annually for each city participating in the SDBF. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is

a one-year delay between the actuarial valuation that serves as the basis for the city's contribution rate and the calendar year when the rate goes into effect. The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund. The TMRS Act requires allocation from the Interest Reserve Account to the SDBF on an annual basis. The funding policy of this supplemental death benefit plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. As such, contributions fund the covered active Member and retiree deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

All eligible employees of the city are required to participate in the SDBF.

The City's contributions to the TMRS SDBF for the year ended 2024 and 2023 were \$740 and \$907 respectively, which equaled the required contributions each year.

Employees covered by benefit terms.

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

Inactive employees currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	2
Active Employees	14
Total	<u>21</u>

Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

The TMRS SDBF is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.00% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020. At transition, GASB No. 75 also requires that the Total OPEB Liability (TOL) as of the prior fiscal year end be estimated based on the 20 Year Bond GO Index.

Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate*	3.77%
Retirees' share of benefit-related cost	\$0
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021(with immediate convergence).
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale MP-2021(with immediate convergence) to account for future mortality improvements subject to the floor.

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

Changes in the City's Total OPEB Liability:

Covered Payroll	\$	825,019
Total OPEB Liability- Beginning of Year		19,985
Changes for the year		
Service Cost		1,320
Interest on Total OPEB Liability		818
Changes of benefit terms		
Differences between expected and actual experience		1,155
Changes in assumptions or other inputs		1,518
Benefit Payments **		(908)
Net Changes		3,903
Total OPEB Liability- End of Year		23,888
Total OPEB Liability as a Percentage of Covered Payroll		2.90%

** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to changes in the discount rate

The following presents the Total OPEB Liability of the City, calculated using the discount rate of 3.77%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
City's Total OPEB Liability	\$ 29,349	\$ 23,888	\$ 19,821

OPEB Expense and Deferred Outflows of Resources

For the year ended September 30, 2024, the City recognized OPEB expense of \$353.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,972	\$ 7,083
Changes in assumption and other inputs	4,812	8,023
Contributions made subsequent to measurement date	478	-
	<u>\$ 7,262</u>	<u>\$ 15,106</u>

\$478 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2024	\$ (1,301)
2025	(1,528)
2026	(2,664)
2027	(3,327)
2028	87
Thereafter	<u>411</u>
Total	\$ <u>(8,322)</u>

J. Cash Flows Statement - Supplemental Disclosures

Since the City is tax exempt no income tax was paid in 2024 and 2023. The City paid interest in the amount of \$82,551 in 2024 and \$86,636 in 2023.

K. Risk Management

The City's risk management program includes coverage for property, general liability, automobile liability, public officials' liability, and employee dishonesty bonds. The City participates in the Texas Municipal League joint self-insurance fund, which is a public entity risk pool. The premiums paid to TML result in the transfer of risk to the pool.

L. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

M. Unearned Revenues

Unspent Coronavirus State and Local Fiscal Recovery Funds in the amount of \$304,994 are classified as unearned revenue in the American Rescue Plan Fund. The funds are for response to the COVID-19 public health emergency.

N. Excess Expenditure Over Budget

Actual expenditures exceeded appropriations in total in the General Fund and Blue Hole Parkland Fund.

O. Prior Period Adjustment

A prior period adjustment of \$21,299 to record prior years accounts payable reversal. This adjustment restated the beginning fund balance of the general fund from \$1,656,708 to \$1,678,007.

P. Subsequent Events

The City has evaluated subsequent events through April 28, 2025, the date which the financial statements were available to be issued. The City is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
General Sales and Use Taxes	\$ 1,435,000	\$ 1,435,000	\$ 1,545,164	\$ 110,164
Franchise Tax	255,000	255,000	312,458	57,458
Other Taxes	60,000	60,000	94,439	34,439
Licenses and Permits	55,250	55,250	87,212	31,962
Intergovernmental Revenue and Grants	-	-	82,500	82,500
Charges for Services	49,700	49,700	105,147	55,447
Investment Earnings	2,000	2,000	46,178	44,178
Rents and Royalties	35,000	35,000	64,962	29,962
Other Revenue	1,000	1,000	61,882	60,882
Total Revenues	1,892,950	1,892,950	2,399,942	506,992
EXPENDITURES:				
Current:				
Administration	603,450	603,450	665,586	(62,136)
Legal	80,000	80,000	63,732	16,268
Council/Boards	99,500	99,500	87,616	11,884
Building	45,000	45,000	62,510	(17,510)
Public Safety	101,000	101,000	82,650	18,350
Public Works	312,150	312,150	300,700	11,450
Public Works - Roads	321,500	383,375	353,428	29,947
Public Works - Wastewater	2,000	2,000	-	2,000
Community Center	194,850	194,850	197,729	(2,879)
Parks	9,500	9,500	3,958	5,542
Debt Service:				
Principal on Debt	-	-	13,350	(13,350)
Interest on Debt	-	-	801	(801)
Total Expenditures	1,768,950	1,830,825	1,832,060	(1,235)
Excess (Deficiency) of Revenues Over (Under) Expenditures	124,000	62,125	567,882	505,757
OTHER FINANCING SOURCES (USES):				
Proceeds from Right-to-Use Leases	-	-	4,508	4,508
Transfers Out	(124,000)	(124,000)	(126,941)	(2,941)
Total Other Financing Sources (Uses)	(124,000)	(124,000)	(122,433)	1,567
Net Change	-	(61,875)	445,449	507,324
Fund Balance - October 1 (Beginning)	1,656,708	1,656,708	1,656,708	-
Prior Period Adjustment	-	-	21,299	21,299
Fund Balance - September 30 (Ending)	\$ 1,656,708	\$ 1,594,833	\$ 2,123,456	\$ 528,623

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

CITY OF WIMBERLEY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BLUE HOLE PARKLAND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 260,205	\$ 260,205
Charges for Services	705,000	705,000	842,102	137,102
Investment Earnings	900	900	44,518	43,618
Rents and Royalties	30,000	30,000	33,036	3,036
Contributions & Donations from Private	-	-	3,610	3,610
Other Revenue	15,000	15,000	49,083	34,083
Total Revenues	750,900	750,900	1,232,554	481,654
EXPENDITURES:				
Parks	750,900	782,068	1,233,472	(451,404)
Debt Service:				
Principal on Debt	-	-	6,808	(6,808)
Interest on Debt	-	-	548	(548)
Total Expenditures	750,900	782,068	1,240,828	(458,760)
Change in Fund Balance	-	(31,168)	(8,274)	22,894
Fund Balance - October 1 (Beginning)	548,874	548,874	548,874	-
Fund Balance - September 30 (Ending)	\$ 548,874	\$ 517,706	\$ 540,600	\$ 22,894

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

CITY OF WIMBERLEY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOTEL OCCUPANCY TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Taxes	\$ 725,000	\$ 725,000	\$ 737,347	\$ 12,347
Investment Earnings	2,000	2,000	27,527	25,527
Other Revenue	-	-	15,727	15,727
Total Revenues	727,000	727,000	780,601	53,601
EXPENDITURES:				
Tourism	727,000	883,128	724,285	158,843
Debt Service:				
Principal on Debt	-	-	50,000	(50,000)
Interest on Debt	-	-	81,119	(81,119)
Total Expenditures	727,000	883,128	855,404	27,724
Change in Fund Balance	-	(156,128)	(74,803)	81,325
Fund Balance - October 1 (Beginning)	775,000	774,999	775,000	1
Fund Balance - September 30 (Ending)	\$ 775,000	\$ 618,871	\$ 700,197	\$ 81,326

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

CITY OF WIMBERLEY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AMERICAN RESCUE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 50,000	\$ 50,000	\$ 21,287	\$ (28,713)
Investment Earnings	-	-	10,835	10,835
Total Revenues	50,000	50,000	32,122	(17,878)
EXPENDITURES:				
Capital Outlay:				
Capital Outlay	50,000	50,000	21,287	28,713
Total Expenditures	50,000	50,000	21,287	28,713
Change in Fund Balance	-	-	10,835	10,835
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ 10,835	\$ 10,835

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

CITY OF WIMBERLEY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
A. Total Pension Liability			
Service Cost	\$ 79,862	\$ 63,030	\$ 45,084
Interest (on the Total Pension Liability)	45,705	43,318	37,810
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,131	(44,364)	8,576
Changes of Assumptions	(4,537)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(41,313)	(28,782)	(8,901)
Net Change in Total Pension Liability	\$ 80,848	\$ 33,202	\$ 82,569
Total Pension Liability - Beginning	657,830	624,628	542,059
Total Pension Liability - Ending	\$ 738,678	\$ 657,830	\$ 624,628
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 50,409	\$ 37,848	\$ 30,520
Contributions - Employee	41,251	33,434	24,853
Net Investment Income	71,259	(45,054)	65,874
Benefit Payments, Including Refunds of Employee Contributions	(41,313)	(28,782)	(8,901)
Administrative Expense	(452)	(389)	(304)
Other	(4)	465	2
Net Change in Plan Fiduciary Net Position	\$ 121,150	\$ (2,478)	\$ 112,044
Plan Fiduciary Net Position - Beginning	613,798	616,276	504,232
Plan Fiduciary Net Position - Ending	\$ 734,948	\$ 613,798	\$ 616,276
C. Net Pension Liability	\$ 3,730	\$ 44,032	\$ 8,352
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.50%	93.31%	98.66%
E. Covered Payroll	\$ 825,019	\$ 660,691	\$ 497,067
F. Net Pension Liability as a Percentage of Covered Payroll	0.45%	6.66%	1.68%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
\$	41,069	\$	44,185	\$	38,459	\$	25,805	\$	21,061	\$	22,391	\$	22,714
	34,258		29,874		26,015		23,305		15,099		12,969		10,986
	-		-		-		90,245		-		-		-
	(17,639)		(1,208)		(4,903)		(9,438)		(4,066)		962		(1,336)
	-		(1,676)		-		-		-		5,463		-
	(5,251)		(4,075)		(6,458)		(5,246)		(1,015)		(4,396)		(3,352)
\$	52,437	\$	67,100	\$	53,113	\$	124,671	\$	31,079	\$	37,389	\$	29,012
	489,622		422,522		369,409		244,738		213,659		176,270		147,258
\$	542,059	\$	489,622	\$	422,522	\$	369,409	\$	244,738	\$	213,659	\$	176,270
\$	28,722	\$	37,191	\$	35,932	\$	9,066	\$	6,241	\$	7,077	\$	5,003
	21,892		23,628		19,743		17,846		14,790		16,085		15,539
	32,424		49,551		(8,366)		31,421		13,085		258		8,561
	(5,251)		(4,075)		(6,458)		(5,247)		(1,015)		(4,396)		(3,352)
	(210)		(280)		(162)		(163)		(148)		(158)		(89)
	(8)		(8)		(9)		(8)		(8)		(7)		(7)
\$	77,569	\$	106,007	\$	40,680	\$	52,915	\$	32,945	\$	18,859	\$	25,655
	426,662		320,655		279,975		227,060		194,115		175,256		149,601
\$	504,231	\$	426,662	\$	320,655	\$	279,975	\$	227,060	\$	194,115	\$	175,256
\$	37,828	\$	62,960	\$	101,867	\$	89,434	\$	17,678	\$	19,544	\$	1,014
	93.02%		87.14%		75.89%		75.79%		92.78%		90.85%		99.42%
\$	437,840	\$	472,564	\$	394,855	\$	356,919	\$	295,799	\$	321,706	\$	310,774
	8.64%		13.32%		25.80%		25.06%		5.98%		6.08%		0.33%

CITY OF WIMBERLEY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2024

	2024	2023	2022
Actuarially Determined Contribution	\$ 54,370	\$ 50,410	\$ 34,753
Contributions in Relation to the Actuarially Determined Contributions	(54,370)	(50,410)	34,753
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 920,745	\$ 787,708	\$ 601,032
Contributions as a Percentage of Covered Payroll	5.91%	6.39%	5.78%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

2021	2020	2019	2018	2017	2016	2015
\$ 27,234	\$ 31,820	\$ 38,818	\$ 25,992	\$ 9,008	\$ 6,608	\$ 5,003
(27,234)	(31,820)	(38,818)	(25,992)	(9,008)	(6,608)	(5,003)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 437,175	\$ 451,530	\$ 473,222	\$ 350,458	\$ 367,940	\$ 309,522	\$ 310,774
6.23%	7.05%	8.20%	7.42%	2.45%	2.13%	1.61%

CITY OF WIMBERLEY, TEXAS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2024

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based tables of rates vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).</p> <p>Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).</p>

Other Information:

Notes There were no benefit changes during the year.

CITY OF WIMBERLEY, TEXAS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
Total OPEB Liability			
Service Cost	\$ 1,320	\$ 2,973	\$ 2,883
Interest on the Total OPEB Liability	818	749	721
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,155	(10,557)	459
Changes of Assumptions	1,518	(11,957)	1,261
Benefit Payments*	(908)	(859)	(547)
Net Change in Total OPEB Liability	3,903	(19,651)	4,777
Total OPEB Liability - Beginning	19,985	39,636	34,859
Total OPEB Liability - Ending	\$ 23,888	\$ 19,985	\$ 39,636
Covered Payroll	\$ 825,019	\$ 660,691	\$ 497,067
Total OPEB Liability as a Percentage of Covered Payroll	2.90%	3.02%	7.97%

*The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
\$	1,751	\$	1,229	\$	1,303	\$	1,071
	730		743		745		712
	-		-		-		-
	1,848		249		(2,863)		-
	4,909		4,235		(1,471)		1,848
	(131)		(236)		(79)		(71)
	9,107		6,220		(2,365)		3,560
	25,752		19,532		21,897		18,337
\$	34,859	\$	25,752	\$	19,532	\$	21,897
\$	437,840	\$	472,564	\$	394,855	\$	356,919
	7.96%		5.45%		4.95%		6.14%

CITY OF WIMBERLEY, TEXAS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2024

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Inflation	2.5%
Salary Increases	Salary increases are assumed to occur once a year, on January 1. Therefore, the pay used for the prior year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. Salaries are assumed to increase by 3.60% to 11.85% including inflation.
Actuarial Cost Method:	Entry Age Normal
Valuation of Assets:	For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefore no assets are accumulated for OPEB.
Retirees' share of benefit-related costs	\$0
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas mortality tables with a 4 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect impairment for younger members who become disabled males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvement subject to the floor.
Discount Rate	Because the Supplemental Death Benefits Fund is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date. Discount rate is 4.05%.
Supplemental Death Benefit	The contribution rate for the Supplemental Death Benefit (SDB) is equal to the expected benefit payments during the upcoming year divided by the annualized pay of current active members and is calculated separately for actives and retirees. Due to the significant reserve in the Supplemental Death Fund, the SDB rate for retiree coverage is currently only on-third of the total term cost. Beginning January 2021, the SDB rate for retirees will be based on the full term cost.

Other Information:

Notes There were no benefit changes during the year.

SUPPLEMENTARY INFORMATION

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

	Municipal Court Fund	Parking Space Cash in Lieu Of Fund	Total Nonmajor Special Revenue Funds	Interest & Sinking Fund
ASSETS				
Cash and Cash Equivalents	\$ 3,037	\$ 38,000	\$ 41,037	\$ -
Total Assets	<u>\$ 3,037</u>	<u>\$ 38,000</u>	<u>\$ 41,037</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ 59	\$ -	\$ 59	\$ -
Intergovernmental Payable	712	-	712	-
Total Liabilities	<u>771</u>	<u>-</u>	<u>771</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Municipal Court	2,266	-	2,266	-
Committed Fund Balance:				
Other Committed Fund Balance	-	38,000	38,000	-
Total Fund Balances	<u>2,266</u>	<u>38,000</u>	<u>40,266</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 3,037</u>	<u>\$ 38,000</u>	<u>\$ 41,037</u>	<u>\$ -</u>

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

Capital Projects Fund	Donations/ Sidewalks Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 5,103	\$ 5,103	\$ 46,140
<u>\$ -</u>	<u>\$ 5,103</u>	<u>\$ 5,103</u>	<u>\$ 46,140</u>
\$ -	\$ -	\$ -	\$ 59
-	-	-	712
-	-	-	771
-	-	-	2,266
-	5,103	5,103	43,103
-	5,103	5,103	45,369
<u>\$ -</u>	<u>\$ 5,103</u>	<u>\$ 5,103</u>	<u>\$ 46,140</u>

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

	Municipal Court Fund	Parking Space Cash in Lieu Of Fund	Total Nonmajor Special Revenue Funds	Interest & Sinking Fund
EXPENDITURES:				
Debt Service:				
Principal on Debt	-	-	-	116,000
Interest on Debt	-	-	-	7,767
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	123,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(123,767)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	366,718
Transfers Out	-	-	-	(242,951)
Total Other Financing Sources (Uses)	-	-	-	123,767
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	2,266	38,000	40,266	-
Fund Balance - September 30 (Ending)	<u>\$ 2,266</u>	<u>\$ 38,000</u>	<u>\$ 40,266</u>	<u>\$ -</u>

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

Capital Projects Fund	Donations/ Sidewalks Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
-	-	-	116,000
-	-	-	7,767
3,174	-	3,174	3,174
3,174	-	3,174	126,941
(3,174)	-	(3,174)	(126,941)
3,174	-	3,174	369,892
-	-	-	(242,951)
3,174	-	3,174	126,941
-	-	-	-
-	5,103	5,103	45,369
\$ -	\$ 5,103	\$ 5,103	\$ 45,369



NEFFENDORF & BLOCKER, P.C.

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

Honorable Mayor and Members of
the City Council
City of Wimberley, Texas
Wimberley, TX 78676

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wimberley, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Wimberley, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Wimberley, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wimberley, Texas' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wimberley, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,


NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas

April 28, 2025

**CITY OF WIMBERLEY, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

A. Section I - Summary of Auditor's Results

1 Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting		
Material weakness(es) identified	<u> </u> yes	<u> X </u> no
Significant deficiencies identified that are not considered to be material weaknesses	<u> X </u> yes	<u> </u> no
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

B. Section II - Findings Related to the Financial Statements

2024-001 (Repeat Finding)

Criteria:	The City was required to adopt and implement GASB Statement No. 87, <i>Leases</i> for the fiscal year ended September 30, 2022. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities.
Condition:	The City did not evaluate the City's leases for the requirement to implement GASB Statement No. 87, <i>Leases</i> . The City did not implement GASB Statement No. 87, <i>Leases</i> . The City was not in compliance with Governmental Accounting Standards.
Cause:	The City did not evaluate the leases of the City to determine materiality.
Effect:	Audit procedures were performed with regard to the City's lease assets that met the definition of the Standard and noted one new lease was required to be recorded.
Recommendation:	The City should review, obtain the necessary education and implement the requirements of GASB Statement No. 87, <i>Leases</i> as well as any new GASB Statements that apply to the City.

2024-002

Criteria:	Adjustments were needed to correct year end cash balances for a bank account that the City had closed during the year.
Condition:	Material audit adjustments were required to properly reflect the City's cash accounts at the end of the year.
Cause:	The City did not compare the accounting software's cash balances to the bank account balances for the closed bank account.
Effect:	Allocation of pooled cash across funds was inaccurate.
Recommendation:	The City should review all cash accounts in the accounting software and ensure all cash accounts are reconciled by the hired accounting firm during the year.

**CITY OF WIMBERLEY, TEXAS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS/
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Prior Year's Findings:

2023-001

Finding Summary: The City failed to monitor the information received from the firm hired to prepare the bank reconciliations and the firm was not preparing the reconciliations.

Current Year Status: The City completed corrective action regarding the timeliness of the bank reconciliations.



NEFFENDORF & BLOCKER, P.C.

April 28, 2025

Honorable Mayor and Members of
the City Council
City of Wimberley, Texas
Wimberley, TX 78676

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wimberley, Texas for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 7, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Wimberley, Texas are described in Note 1 to the financial statements. GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* was adopted, and the application of existing policies was not changed during the year ended September 30, 2024. We noted no transactions entered into by the City of Wimberley, Texas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Significant journal entries (some of which were material) were made to correct and record balances to the financial statements. Management has agreed and corrected all such misstatements.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 28, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions and the schedule of changes in total other post-employment benefits liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Recommendations

Custodial Credit Risk Exposure

During our review of custodial credit risk of the City's cash deposits, it was noted that the City's deposits were not fully secured by FDIC and/or pledged collateral at year-end. We recommend the City monitor the City's bank balances and pledge securities throughout the year to ensure the City has adequate coverage.

Coronavirus State and Local Fiscal Recovery Grant Funds

The City expended CLFRF grant funds in the amount of \$21,287 in the American Rescue Plan fund. These funds were classified as unearned revenue in the previous year. The City failed to reclassify the expended funds from unearned revenue to grant revenue. This caused the liabilities to be overstated

and the revenues to be understated. We recommend the City monitor grant expenditures and recognize the allowable grant revenues.

This information is intended solely for the use of the City Council and management of City of Wimberley and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Neffendorf & Blocker, P.C.
NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas