



Annual Comprehensive Financial Report

Year Ended September 30, 2024

City of Victoria, Texas

CITY OF VICTORIA, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

Prepared by the Finance Department
City of Victoria, Texas

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INTRODUCTORY SECTION



EST. 1824
Founded by Congress,
Republic of Texas,
1839

MISSION
The Mission of the
City of Victoria is to
provide services to
Victoria residents
that enhance the
livability of our
community.

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April 21, 2025

Honorable Mayor, City Council and Citizens
City of Victoria
Victoria, Texas

The Annual Comprehensive Financial Report of the City of Victoria, Texas (the "City"), as of September 30, 2024, and for the year then ended is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the independent auditors' report.

City of Victoria Profile

Victoria is the largest city for the seven-county area known as the "Golden Crescent," which includes Victoria, Calhoun, Dewitt, Goliad, Gonzales, Jackson, and Lavaca counties. This gives Victoria a retail trade of more than 206,095 shoppers with retail sales totaling more than \$1.0 billion dollars and an expected growth in the range of 3%. Victoria is a regional transportation hub with a long list of transportation options; access to large and small freight carriers, the Victoria Regional Airport, railway terminals, the shallow draft Port of Victoria, and the deep-water Port of Port Lavaca-Point Comfort. Victoria holds a prime position along the NAFTA Corridor with Mexico and will add another critical segment to its transportation resources; the soon-to-be-completed IH69.

Victoria is home to the largest medical community in the Golden Crescent region with a medical network that provides state-of-the-art care on five hospital campuses. With more than 720 beds, a system of local clinics, and skilled personnel providing individualized care with the most modern advances in technology for inpatient and outpatient services, residents in Victoria and surrounding counties have access to the finest in medical care.

Structure and Services Provided

The City provides the traditional local government services under the direction of the Mayor and City Council, and all such activities are accounted for and reported within the basic funds. This report includes all funds of the City government. The financial statements of the Victoria Sales Tax Development Corporation, the Victoria Special Events Association, Inc., the Victoria Housing Finance Corporation, and the Tax Increment Reinvestment Zone #1 are also reported herein as discretely presented (*constituting a separate entity*) component units of the City. The reporting entity funds and various related entities are thoroughly discussed in the notes.

The City utilizes a Council-Manager form of government. The elected body is made up of a Mayor, who is elected at large, and six Council Members elected by district. The City Manager, appointed by the City Council, is responsible for the management of City employees and administration of all City affairs. The City Council appoints several boards and commissions, most of which are used in an advisory capacity. Most of these boards and commissions have no operating budgets and no financial statements, except for the Victoria Sales Tax Development Corporation and Victoria Housing Finance Corporation.

The following boards and commissions are appointed, partially or entirely, by Council, or include a sitting Council member:

- | | |
|---|---|
| 1. Board of Adjustments & Appeals | 12. Parks and Recreation Commission |
| 2. Housing Authority Board | 13. Victoria Development Commission |
| 3. Library Board | 14. Victoria Sales Tax Dev. Corp. Board |
| 4. Planning Commission | 15. Victoria Metropolitan Planning Org. |
| 5. Food Establishment Appeals Board | 16. Victoria Health Facilities Dev. Corp. |
| 6. Health Auth. for Victoria County Public Health Dept. | 17. Victoria Special Events Assoc. Board |
| 7. Victoria Housing Finance Corporation Board | 18. Victoria Central Appraisal District |
| 8. Building and Standards Commission | 19. Golden Crescent Reg. Planning Comm. |
| 9. Victoria County Public Health Dept. Board of Health | 20. Tax Increment Reinvestment Zone #1 |
| 10. Tourism Advisory Board | 21. Victoria Public Facility Corporation |
| 11. Victoria Economic Development Corp. | |

The City provides a full range of municipal services to its citizens. In the public safety sector, the City maintains and operates a Fire Department and Police Department. The public works sector includes Engineering, Traffic Control, Water/Wastewater (*the City owns and operates a water pumping and distribution system, a surface water treatment facility, and a wastewater collection and treatment system*), and Streets and Drainage (*provides street cleaning, street maintenance, and drainage structure maintenance, as well as some capability for rehabilitation of streets, drainage structures, and sidewalks*). Various refuse collection departments, including Residential Solid Waste, Brush and Bulky Item, Yard Waste, and Recycling, as well as Community Appearance, are operated in the City's environmental services sector. The City owns its landfill and contracts out management of the landfill to an outside party.

Also included in the City's program of services are a building inspection and code enforcement department, and a parks system, which includes recreational programs, golf course and a community center. The City of Victoria maintains its own in-house print shop, custodial service, and building maintenance service. In addition, the City has a full-service garage for fleet maintenance.

According to the Charter, which was amended in 2022, the City Manager, City Attorney, and Municipal Court Judge are appointed by City Council. General staff support includes an in-house Human Resources Department, Information Technology Department, and Finance Department. The Finance Department includes all accounting, budgeting, treasury, purchasing, and other financial administration. Beginning with fiscal year 2020, the City Manager utilizes two Assistant City Managers, an increase of one from prior years.

Per an interlocal agreement entered between the City of Victoria and the County of Victoria, the City provides fire, emergency medical services and all hazard response services for a set reimbursement amount from the County. In addition, the City of Victoria operates library services at no cost to the County. By provisions of the interlocal agreement, the County of Victoria provides health and animal control services at no cost to the City.

Major Initiatives

For Fiscal Year 2024 and Into the Future:

Fiscal year 2024 saw many accomplishments. For example, Phase 4 of the Compensation Program which began in Fiscal year 2021, has been implemented which impacted employees in several City departments; the Residential Street Construction Program, Preventive Street Maintenance Program, Thoroughfare Street Program, Street Sweeping Program, and various Traffic Signal Projects are being implemented or will be awarded by year- end. Major Park improvements/programs have been completed, for example, Duck Pond and Dog Park; and, the City's Golf Course Program is being managed effectively. The Drainage Mowing Program has been implemented. City is on track implementing its 2024 Capital Expenditure Replacement Program; and, the City's Four-Year Capital Improvement Program has been updated. The City met its 2024 OPEB Trust Fund, i.e. post-employment health care benefit liability, funding requirements; and, the City's debt is being managed effectively and meeting its bond covenant requirements. Several master plans have begun which will guide the City in future improvements to recreation and transportation. Construction on DeLeon Plaza was completed in time for the City's Bicentennial event in 2024. Construction of the new Public Safety Headquarters is underway and construction is anticipated to be completed in Summer 2025.

The previous mentioned accomplishments are just some of the fiscal year 2024 initiatives and accomplishments. We look forward to implementing the fiscal year 2025 budgetary priorities; and with Council's leadership, we will make sure we continue to move in the right direction for our community.

Every year the City strives to improve the current level of core services within available resources to serve our citizens, businesses, and visitors in the City. In developing the 2025 budget, allocating available resources to the various budgetary priorities was a challenge. The top budgetary priorities include:

- *Personnel Services* - The total budgeted positions for fiscal year 2025 is 656. The total budgeted personnel cost for fiscal year 2025 is \$52.7 million, an increase of 3 percent across-the-board raise with public safety receiving an additional 1% STEP for qualifying individuals with a total cost of \$1.4 million over last year's budget. This is the fifth consecutive year of implementing a pay plan STEP Pay Program for Fire and Police.
- *Street & Drainage Programs* - Aging street infrastructure is a nationwide problem and one of the biggest challenges facing many cities and counties throughout the nation. Victoria's streets are no different from the streets in most U.S. cities. Many are in poor condition and need to be rebuilt, while others are in good condition, but if not maintained properly will continue to deteriorate to the point they must also be rebuilt. To improve the conditions of our residential and major thoroughfare streets, over \$28 million was invested in street repairs, marking a continuation of significant infrastructure upgrades. Projects included major reconstructions like the Ben Wilson Street Corridor and various utility and road maintenance projects.

Other Projects and Programs

- a. *OPEB (Other Post-Employment Benefits) Trust Project (\$200,000)* – in order to address the City's post-employment health care benefits liability, an OPEB Trust was established in fiscal year 2015. By creating an OPEB Trust Fund, the City is able to finance future OPEB cost/liabilities in large part from the investment earnings provided by the OPEB Trust Fund, i.e. the investment earning is expected to generate significant revenue to reduce the City's OPEB obligations.
- b. *De Leon Plaza Expansion*: The plaza was expanded and reopened with significant community engagement. It hosted numerous events, enhancing its role as a community hub and celebrating the city's bicentennial with the installation of a founders' statue.
- c. *Public Safety Headquarters*: Groundbreaking began for a new facility that will house the Victoria Police Department, Fire Department administration, and Municipal Court. The facility is designed to address the city's growing public safety needs with a scheduled completion of Summer 2025.

- d. Citywide Street LED Lighting Project (\$250,000) – this project consists of replacing High Pressure Sodium (HPS) light bulbs with more efficient LED fixtures on streetlights starting with Phase I on the South side of town. This project will take place over a five-year period with an annual cost of \$250,000. This is the fourth year of funding.
- e. Utility Projects (\$11.79 million) – projects include design for utility reconstruction, sewer line replacements, water line replacements, and SCADA System.
- f. Community and Recreation Enhancements: Progress was made on key park projects, including Riverside Park rejuvenation and the expansion of Ethel Lee Tracy and MLK parks. The city also invested in sports fields, trails, and facilities to improve recreational offerings.
- g. Community Development Block Grant (CDBG) Projects: Funding supported neighborhood improvements, park upgrades, and services like rental assistance, meals programs, and behavioral health interventions. These projects aim to uplift low- to moderate-income residents and enhance overall quality of life.
- h. Master Plan Updates: The city began implementing a master plan for the Victoria Community Center, including proposed renovations for expanded events and conference capabilities. These accomplishments highlight Victoria's commitment to growth, modernization, and community engagement in 2024. We look forward toward implementing the Fiscal Year 2025 budgetary priorities; and with Council's leadership, we will make sure we continue to move in the right direction for our community.
- i. A master plan sets guidelines for how the City will expand and develop its services and may be specific to a department, or it may represent a more narrowly focused topic. Master plans are created based on input from community members, and they are used to ensure that any changes and new initiatives reflect what residents want. The City has developed the following master plans:
 - *The Victoria Parks and Recreation Master Plan* was initiated in late 2020 to establish an updated vision for how the City's system of parks, recreation facilities and recreational programs would meet the evolving long-term needs of Victoria's current and future residents. Initiation of the Plan occurred in conjunction with other long-term planning initiatives commissioned by the City, and the resulting Plan document was drafted to replace the City's original 2012 parks and recreation master plan following consideration of public preferences identified during the planning process. The Victoria Parks and Recreation Master Plan is a blueprint for the maintenance and upkeep of all city parks and recreation facilities, identifies capital park improvement projects, guides the development of new parks and trails, and assists City staff in developing new programs and events. Whether you visit Victoria parks for relaxation, socializing, or play, the new parks and recreation plan will be our roadmap to provide "A Space for All of Us!"
 - *The Sports Facility Assessment* is a market feasibility report that analyzes City sports and recreation facilities and makes recommendations for the development of new facilities and improvements to existing facilities.
 - *The Community Center & Fairgrounds Master Plan* is proposing a renovation project up to \$35 million, which would improve the venue's capacity to host livestock shows, rodeos, concerts, recreational athletic events and larger conventions, as well as local events such as church festivals, weddings and quinceañeras. The Victoria City Council is asking voters to consider implementing a 5 percent vehicle rental tax and a 2 percent hotel occupancy tax, the maximum amount allowed for a Venue Tax under state law, to fund approximately \$11 million of the estimated \$35 million needed for the project. Election day is May 2025.
 - *The Library Master Plan* reflects the needs of the Victoria Public Library through 2040.
 - *The Facility Condition Assessment Usage Study and Master Plan* is a comprehensive study that will prioritize the needs of physical facilities, aid in the budgetary process, optimize existing space, and plan for future growth.

- *The Downtown Master Plan* is intended to provide an overall strategy and guidelines for what future development could look like in the area. This includes addressing the design of building form, streets, public spaces, and branding strategies. The ultimate goal of this Plan is to present an innovative, yet realistic vision and strategy for strengthening Downtown Victoria as an economic driver for the community.
- *The Victoria Thoroughfare Master Plan (TMP)* is a long-range planning document adopted by the Victoria City Council on June 15, 2022 for use in guiding the development of the community's transportation network. The purpose of the thoroughfare master plan is to guide the development of transportation infrastructure in a way that preserves right of way and improves connectivity and accommodates growth in Victoria.
- *The Active Transportation Master Plan (ATMP)* identifies a prioritized network of active transportation facilities, that, when implemented, will provide residents with the opportunity to safely walk and bike throughout Victoria.
- *The updated Storm Drainage Master Plan* will establish a guide to identify and address drainage issues in Victoria, including evaluation of infrastructure, and update the Drainage Criteria Manual to reflect current data and best practices. The Storm Drainage Plan will provide recommendations for drainage & stormwater improvements that will facilitate the City's growth capacity; enhance the City's infrastructure; evaluate and provide solutions to existing undersized drainage facilities; and evaluate and provide recommendations to improve outfalls, storm sewer, and open ditches.
- *Public Safety* – Public Safety is a top priority in our community. The City's Public Safety is made up of the Police Department, Fire Department and Municipal Court, with a combined funding of \$35.1 million. The Police and Fire Departments are the two largest departments in the City making up 56.4% of the General Fund.
- *Park and Recreational Services Improvement Programs* - The fiscal year 2025 budget includes \$3.94 million for various Park & Recreation programs; \$3.7 million budgeted within General Fund includes funding for parks ground maintenance, various recreational programs, vehicle/equipment replacement, and playground equipment for various parks; and Hotel Tax Fund includes \$90,000 for various sports tournament programs, \$114,000 for equipment for the Youth Sports Complex, and \$40,000 for the Bicentennial Celebration.
- *Hotel Occupancy Tax Program* - For fiscal year 2024-2025, City Council has approved \$135K of Hotel Tax funding to eligible agencies and organizations.
- *Library Programs* - The fiscal year 2025 budget includes \$2.59 million for personnel and various maintenance and program costs; the budget includes \$266K for capital expenditures, mainly for replacing the library's technology equipment, HVAC, and purchasing books/materials.
- *Code Enforcement Programs* - The fiscal year 2025 budget includes \$567,000 for various Code Enforcement Programs.
- *Community Appearance* - The Community Appearance division was reorganized into a new division within the Parks & Recreation Department, then transferred from General Fund to the Environmental Services Fund beginning fiscal year 2022. Budgeted at \$719,000 the division is dedicated to visually enhancing the overall landscape of our community with quality and attention. The goal with each task performed is to inspire others to be involved in the future beautification of our City.
- *Main Street Program* – During fiscal year 2020, the City of Victoria assumed management of the Victoria Texas Main Street Program. Through leadership and the use of the Main Street Program, the Victoria Main Street Program will ensure that downtown contributes to the community's overall quality of life by providing opportunities for economic growth as well as for entertainment and personal enjoyment. Fiscal year 2025 includes \$502,000 budgeted for the Main Street Program, including Christmas on the Square, lawn and landscaping maintenance and the Downtown Façade Grant program.

- *Bond Debt Program* - The fiscal year 2024 budget includes \$10.99 million in debt service payments (*General Governmental and Utility Revenue Bonds*), an increase of \$925,000. The City is calling in \$231,000 in outstanding principal payments as part of an effort to pay off debt sooner and increase interest savings. The fiscal year 2025 budget includes \$11.25 million in debt service payments (*General Governmental and Utility Revenue Bonds*), an increase of \$312,000. The City is calling in \$500,000 in outstanding principal payments as part of an effort to pay off debt sooner and increase interest savings.
- *Tax Rate* - The budget assumes a property tax rate of 47.07¢, which is 1.91¢ lower than prior year. The tax rate is allocated at 29.79¢ for General Fund maintenance and operating costs, a decrease of 0.16¢ and 17.28¢ for debt service payments, a decrease of 1.75¢. The State’s mandated No-New Revenue Tax Rate calculations produce a rate for fiscal year 2025 of 47.03¢ and a Voter-Approval Tax Rate of 47.07¢. The net property tax revenue decreased \$4,388, while implementing a tax rate less than the “Voter-Approval Tax Rate M&O”, per S.B.2.
- *Sales Tax* - The fiscal year 2025 sales tax revenue budget is \$19,000,00, an increase of \$700K or 3.83 percent compared to last year’s original budget. The increase in sales tax is anticipated due to inflation that has caused a permanent increase in the price of goods and services.
- *Fund Balance / Working Capital Balance Reserves* - The fiscal year 2025 General Fund budget assumes a minimum fund balance reserve at 25 percent (*three months of reserve fund balance*) of budgeted expenditures, same as prior fiscal year. The fiscal year 2025 minimum fund balance (25% of \$61,419,721 budgeted expenditures) is projected to be \$15,354,930, which is \$3,607,678 less than the projected year-end fund balance amount of \$18,962,608.

Capital Improvement Program

Routine Capital Expenditures

The Fiscal Year 2025 Budget includes \$4.47 million in capital expenditures, a decrease of 24.2 percent. The decrease is mainly due to a decrease in Utilities to fund building improvements and machinery & equipment replacement. The \$4.47 million capital expenditure budget will be funded with \$1.70 million of recurring revenue and \$2.77 million of one-time use of fund balance/working capital balance (\$1.53M General Fund; \$114K Motel Tax Fund; \$96K Public & Educational Government Television; \$120K Homeland Security Grant Fund; \$74K Economic Development; \$29K Library Grant Fund; \$5K GCRPC Recycling; \$373K Water/Wastewater Fund; \$63K 700 Main Center Fund; \$62K Community Center Fund; \$189K Environmental Services Fund; \$70K Riverside Golf Course Fund; \$8K Building & Equipment Services; and \$30K Information Technology Fund).

The following table recaps routine capital expenditures for fiscal year 2025, compared to fiscal year 2024.

<i>Type of Fund</i>	<i>FY 2024 Original Budget</i>	<i>FY 2025 Original Budget</i>	<i>Increase/ (Decrease)</i>	<i>% Change</i>
General Fund	\$1,265,917	\$2,048,705	\$782,788	61.84%
Special Revenue Funds	366,700	497,006	130,306	35.53%
Enterprise Funds	2,638,407	1,210,812	(1,427,595)	-54.11%
Internal Service Funds	1,625,354	714,400	(910,954)	-56.05%
Total	\$5,896,378	\$4,470,923	\$(1,425,455)	-24.18%

Non-Routine Capital Expenditures

As a city that was founded over 200 years ago, Victoria has an aging infrastructure in various stages of maintenance or disrepair. One of the major goals for the Council is to build value for its citizens by making significant improvements to the City's infrastructure.

The purpose of a Capital Improvement Program (CIP), non-routine capital expenditure, is to determine the priorities for capital expenditures and to coordinate the projects selected within a multi-year planning framework. The first objective of the CIP is to decide the most effective way to allocate our limited capital improvement resources to meet City goals. The CIP has a second benefit of coordinating capital improvement projects administered by different municipal departments.

The CIP is a plan that can be revised and amended in response to changing circumstances and funding availability. The City of Victoria is in the process of establishing a more comprehensive and proactive Capital Improvement Program, Policies and Procedures. All projects require final approval based on the City's Fiscal and Budgetary Policy and applicable administrative directives based on each individual project. This Budget is proactive in supporting the City's Capital Improvement Program (CIP). The fiscal year 2025 Budget includes \$40.8 million in "new" capital improvement projects. The table below recaps the non-routine capital expenditures for fiscal year 2025, compared to fiscal year 2024.

Fiscal year 2025 Capital Improvement Program is as follows:

	<i>FY 2024 Original Budget</i>	<i>FY 2025 Original Budget</i>	<i>Increase/ (Decrease)</i>	<i>% Change</i>
CIP 3037	\$83,240,638	\$26,695,516	\$(56,545,122)	-67.93%
CIP 3036	0	770,265	770,265	100.00%
Utilities 3044	2,596,655	2,021,500	(575,155)	-22.15%
Utilities 3046	11,747,899	11,298,500	(449,399)	-3.82%
Total	\$97,585,192	\$40,785,781	\$(56,799,411)	-58.20%

Financial Policies

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Fiscal and Budgetary Policies

The broad purpose of the Fiscal and Budgetary Policy is to enable the City to achieve and maintain a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, full disclosure, and communication.

Each year as part of the budget process, Fiscal and Budgetary Policies are reviewed. These policies serve as the framework for preparing the budget as well as for the financial management of the City. During the budget preparation process, these policies are reviewed with Council.

The strategic planning and budget processes are integrated to ensure that policy direction is implemented through the budget cycle. The development of the budget begins early in the calendar year with budget staff preparing salary and benefits information based on management's proposed pay policy for the upcoming budget year. The process continues through the spring and summer as departments prepare budget requests.

The Strategic Plan (Plan 2035), a Comprehensive Plan for Victoria, was adopted by City Council on April 5, 2016. The Plan is intended to guide future development, redevelopment and community enhancement efforts over the next 20 years. It serves as a framework for thoughtful community discussion on the real and perceived challenges facing Victoria, as well as the upcoming opportunities that will shape its future. Through long-range planning efforts, the community can accommodate its projected growth in a manner that preserves its history, culture and overall quality of life for current and future residents. The Plan focuses on five areas, each having its own policy guidance in order to plan effectively: Land Development; Mobility; Growth Capacity and Infrastructure; Economic Opportunity; and Recreation and Amenities.

Budgetary Management

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budgets approved by the Mayor and Council. Budgets for the General Fund, Debt Service Fund, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council during the fiscal year. Budget comparisons are presented in the accompanying financial statements for these funds with appropriated budgets. The level of budgetary control includes expenditures that cannot legally exceed the appropriated amount and is established by departments within an individual governmental fund and proprietary fund.

Budgetary control is maintained at the subfunction level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders that result in an overrun of subfunction balances are not released until additional appropriations are made available. Open encumbrances are reported in the financial statements as restricted, committed, or assigned for specific purposes at September 30, 2024.

According to the City Charter, "No funds of the City of Victoria shall be expended, nor shall any obligation for the expenditure of money be incurred, except in pursuance of the annual appropriation ordinance . . ."

Minimum Fund Balance

Sales tax rebate revenues can be volatile in any given year. Because of this, the General Fund's minimum fund balance level becomes an important issue. Beginning with fiscal year 2015, Council set the minimum fund balance reserve at 25% of budgeted expenditures, to create an adequate reserve to address future economic uncertainties.

The Enterprise Funds estimated ending working capital reserve balance is three months of total operating and debt expenses. The Internal Service Funds, which account for the financing of goods and services provided to other City departments on a cost-reimbursement basis, estimated ending working capital reserve balance is a minimum of one to two months of total operating expenses (*depending on the type of fund, some funds will have a higher reserve*), per City policy.

To augment the minimum fund balance reserve policy, the City has also created a Self-Finance/Stabilization Fund, with a current available balance of \$2,151,319. This fund supports the City's pay-as-you-go philosophy for one-time repairs, one-time maintenance, or other one-time programs/expenditures, and major capital projects to reduce or eliminate the use of long-term debt where possible. The funding sources are transfers from the City's funds using excess fund balance or working capital balance. This fund will also be used to offset any governmental fund balance deficits below the reserve policy for each fund. Appropriations from this fund will be made at the discretion of City Council and/or the City Manager during the budget process and fiscal year as needs arise.

Financial Fund Structure

The accounts of the City are by fund, each of which operates separately and independently of one another. The fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities/services or programs. The operations of each fund are accounted for with a separate set of self-balancing accounts that are comprised of assets, liabilities, fund equity, revenues and expenditures. The City, like other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The City's budgeted funds can be divided into two categories: *governmental funds* or *proprietary funds*; and, each fund is also identified as a "*major fund*" or "*non-major fund*". Major funds are any funds that have revenue, expenditures, assets, and/or liabilities that constitute more than 10 percent of the revenues, expenditures, assets and/or liabilities of the total fund category; or, *any fund the government feels is of considerable importance to financial statement readers may also be designated as a major fund.*

Other Post-Employment Benefits (OPEB)

To address the City's post-employment health care benefit liability, an OPEB Trust was established in fiscal year 2015. By creating an OPEB Trust Fund, the City can finance future OPEB cost/liabilities in large part from the investment earnings provided by the OPEB Trust Fund, i.e. the investment earning is expected to generate significant revenue to reduce the City's OPEB obligations.

Debt Management

The City of Victoria recognizes the primary purpose of capital facilities is to support provision of services to its residents. Using debt financing to meet the capital needs of the community must have the highest rate of return for a given investment purpose. The City will limit long-term debt to only those capital projects that cannot be financed from current revenues. In addition, the City will not use long-term debt to finance recurring maintenance and operating costs and issue debt longer than the estimated useful life of the capital project. The City will seek to minimize the maturity of long-term debt, qualified by the objectives of the long-term debt plan and the financial abilities of the City. The general policy of the City shall be to sell bonds using the competitive bidding process unless the nature of the issue warrants a negotiated bid. In situations where a competitive bidding process is not elected, the Chief Financial Officer will publicly present the reasons why, and the Chief Financial Officer will participate with the financial advisor in the selection of the underwriter or direct purchaser. Debt will be used in the future to address capital improvement needs but will be issued very conservatively. Keeping long-term debt service requirements down will enable the City to remain flexible with capital improvement program funding, while creating less burden on the City and its taxpayers.

Independent Audit

This report is prepared in compliance with the legal requirements imposed by Article V, Section 3(6) of the Charter of the City of Victoria, Texas, as amended. In addition to fulfilling this legal requirement, this report serves to fully disclose financial data and other statistical data on an annual basis to management, Mayor and Council, the public, investors, and other interested persons. The Victoria firm of Harrison, Waldrop & Uherek, L.L.P., was retained by the City to satisfy this requirement.

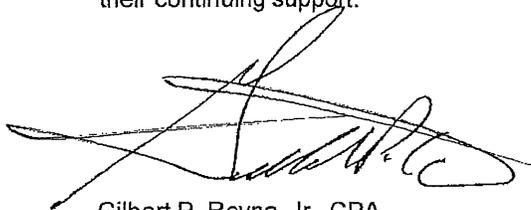
Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Victoria for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the fortieth consecutive year that the City of Victoria has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

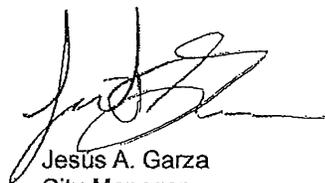
A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the annual comprehensive financial report is a joint effort of the City's Finance Department and the City's independent auditor, Harrison, Waldrop & Uherek, L.L.P. The successful and timely preparation of this report depends on the cooperation of these groups and upon the hard work of the entire staff of the Finance Department. Appreciation must also be expressed to the Mayor and Council for their continuing support.



Gilbert P. Reyna, Jr., CPA
Chief Financial Officer



Jesus A. Garza
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

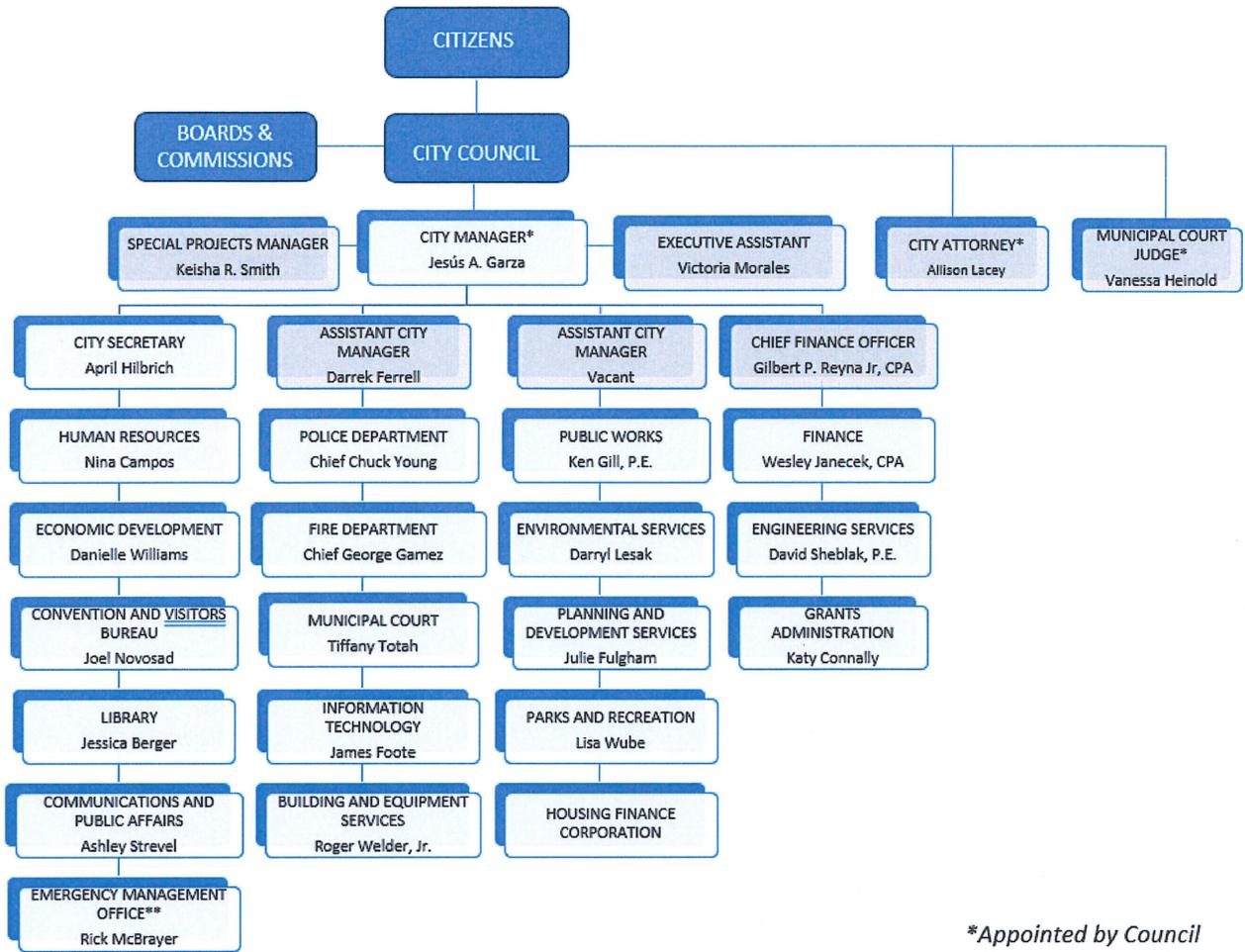
**City of Victoria
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



*Appointed by Council
 ** Joint City-County Office

PRINCIPAL CITY OFFICIALS

ELECTED OFFICIALS



<u>Name</u>	<u>Position</u>	<u>Years of Service</u>	<u>Term Expires</u>
<i>Front Row</i>			
Jan Scott	Council Member, District 4	8	May, 2027
Duane Crocker	Mayor	5	May, 2025
April Butler	Council Member, District 3	0	May, 2027
<i>Back Row</i>			
Rafael DeLaGarza, III	Council Member, District 1	8	May, 2027
Mark Loffgren	Council Member, Super District 6	5	May, 2025
Steven Kidder	Council Member, District 2	0	May, 2027
Dr. Andrew Young	Mayor Pro-Tem, District 5	11	May, 2025

EXECUTIVE LEADERSHIP

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>	
		<u>Current With City</u>	<u>Position</u>
Jesús A. Garza	City Manager	5	5
Vacant	Assistant City Manager	0	0
Darrek Ferrell	Assistant City Manager	4	4
Gilbert P. Reyna, Jr., CPA	Chief Financial Officer	29	29
Allison Lacey	City Attorney	8	2
David Sheblak, P.E.	City Engineer	0	0
Danielle Williams	Director of Economic Development	16	2
Nina Campos	Director of Human Resources	0	0
Wesley Janecek, C.P.A	Director of Finance	6	0
James Foote	Director of Information Technology	17	12
Julie Fulgham	Director of Development Services	10	6
Charles "Chuck" Young	Police Chief	3	1
George Gamez	Fire Chief	0	0
Lisa Wube	Director of Parks and Recreation	0	0
Jessica Berger	Director of Public Library	22	1
Ken Gill, P.E.	Director of Public Works	33	4
Darryl Lesak	Director of Environmental Services	16	12
Ashley Strevel	Director of Communications and Public Affairs	5	5
Joel Novosad	Director of Convention & Visitor's Bureau	12	5
Roger Welder	Director of Building & Equipment Services	7	5
April Hilbrich	City Secretary	16	7
Tiffany Totah	Municipal Court Administrator	12	7
Keisha Smith	Special Projects Manager	3	2
Victoria Rocha	Executive Assistant to the City Manager	3	2

FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Victoria, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City 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. The financial statements of the Sales Tax Development Corporation, Downtown Tax Increment Reinvestment Zone No. 1, and the Victoria Special Events Association, Inc. were not audited in accordance with *Government Auditing Standards*. 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 and to meet our 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 the 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS), 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's 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's internal control over financial reporting and compliance.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

April 21, 2025

The discussion and analysis of the City of Victoria's (the "City") financial performance provides an overall review of the City's financial activities for the year ended September 30, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

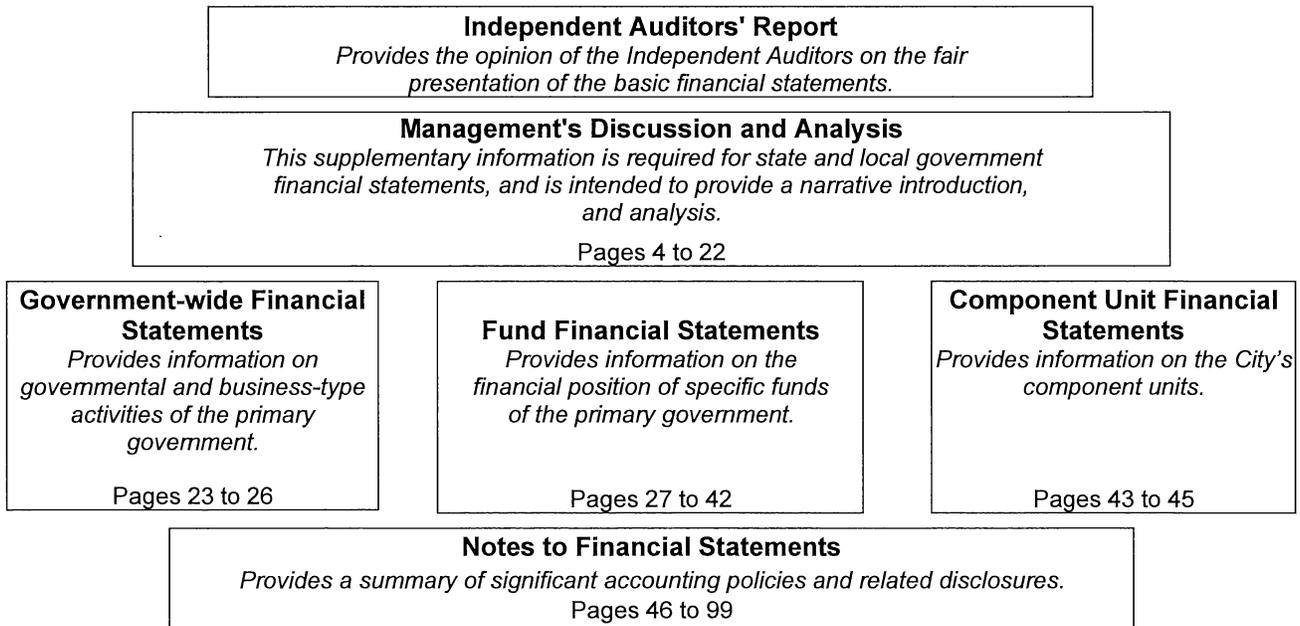
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2024, by \$286,754,464. Of this amount, \$42,616,151 of unrestricted net position is available to meet the City's ongoing obligations to citizens and creditors (see page 8 for further detail).
- During the year, the City's general revenues exceeded net expenses of the primary government by \$22,682,302. This represents a 9% increase in net position from the previous fiscal year.
- The total cost of all City activities was \$105,945,601 for the fiscal year. Net cost of all activities was \$42,437,503.
- At September 30, 2024, the City's governmental funds reported combined ending fund balances of \$93,465,091, an increase of \$50,677,940 (118%) in comparison with prior year. The unassigned fund balance is \$24,203,087 (see page 12 for further detail).
- At September 30, 2024, unassigned fund balance for the General Fund was \$24,292,308 or 45% of total General Fund expenditures.
- The City's outstanding long-term debt had a net increase of \$37,386,756. The main reasons for the net increase are the City paid \$11,495,000 in principal payments on bonded debt, City issued \$53,645,000 in certificates of obligation and the net pension liability balance decreased \$8,552,686 (see page 16 for further detail).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, 3) component unit financial statements, and 4) notes to financial statements. The report also contains other supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information



OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Government-wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

Statement of Net Position

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position can be found on pages 23 through 24.

Statement of Activities

The statement of activities presents information showing how the government's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event, giving rise to the change, occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected and earned, but unused vacation leave). The statement of activities can be found on pages 25 through 26.

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, development, building services, recreation, and interest on long-term debt. The business-type activities of the City include water/wastewater utilities, environmental service operations, and other (700 Main Center, Community Center, and Golf Course). The government-wide financial statements can be found immediately following the Management's Discussion and Analysis.

The government-wide financial statements include not only the City itself (known as the primary government) but also the component units of Sales Tax Development Corporation, Downtown TIRZ No.1, and Victoria Special Events Association, Inc. These component units are not included as part of the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet (pages 27 and 28) and the governmental fund statement of revenues, expenditures, and changes in fund balances (pages 30 and 31) provide reconciliations to facilitate this comparison between governmental funds and governmental activities (pages 29 and 32).

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Fund Financial Statements - (Continued)

Governmental Funds - (Continued)

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan Fund, Debt Service Fund, Capital Construction (3036), and Capital Construction (3037), which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual statements and schedules following the required supplementary information.

The City adopts annual appropriated budgets for its General Fund, Debt Service Fund, and Capital Project Funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance.

The basic governmental fund financial statements may be found immediately following the government-wide financial statements.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the fiscal activities relating to water/wastewater utilities, environmental service operations, and other enterprise activities (700 Main Center, Community Center, and Golf Course). Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building and equipment services, information technology services, radio systems services, purchasing services, safety management services, workers' compensation services, print shop services, and health plan services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water/wastewater utilities and environmental service operations, which are both considered to be major funds for the City, and other (700 Main Center, Community Center, and Golf Course).

The basic proprietary fund financial statements follow the governmental fund financial statements (pages 33 through 40).

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs/operations. The accounting used for fiduciary funds is similar to proprietary.

The basic fiduciary fund financial statements can be found on pages 41 and 42 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Discretely Presented Component Units

The City's three discretely presented component units shown in aggregate on the face of the government-wide financial statements have individual information presented in the form of combining statements immediately following the fund financial statements of the primary government. These statements can be found on pages 43 through 45 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46 through 99 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information is included which presents a budgetary comparison schedule for the City's General Fund, a schedule of changes in liability and related ratios for the TMRS Defined Benefit Pension Plan, a schedule of employer contributions for the TMRS Defined Benefit Pension Plan, a schedule of changes in Total OPEB liability and related ratios for the TMRS Supplemental Death Benefit Plan, a schedule of employer contributions for the TMRS Supplemental Death Benefit Plan, a schedule of changes in Net OPEB liability and related ratios for the Retiree Healthcare Plan, and a schedule of employer contributions for the Retiree Healthcare Plan. Required supplementary information can be found on pages 100 through 116 of this report.

The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 117 through 215 of this report.

Individual data for the component units that are reported as a governmental fund type (Sales Tax Development Corporation and Downtown TIRZ #1) is provided in the form of combining statements and follow the required supplementary information on pages 216 and 217 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$286,754,464 at the close of the fiscal year ended September 30, 2024.

At the end of fiscal year 2024, the City is able to report positive balances in all three categories of net position for the government as a whole.

City of Victoria, Texas

Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 121,880,695	\$ 70,262,252	\$ 37,833,266	\$ 47,302,583	\$ 159,713,961	\$ 117,564,835
Capital assets (net)	<u>192,381,145</u>	<u>171,124,828</u>	<u>133,615,571</u>	<u>126,466,355</u>	<u>325,996,716</u>	<u>297,591,183</u>
Total assets	<u>314,261,840</u>	<u>241,387,080</u>	<u>171,448,837</u>	<u>173,768,938</u>	<u>485,710,677</u>	<u>415,156,018</u>
Deferred outflows of resources	<u>13,811,704</u>	<u>20,803,695</u>	<u>2,759,388</u>	<u>3,593,834</u>	<u>16,571,092</u>	<u>24,397,529</u>
Long-term liabilities	135,655,615	94,807,102	57,124,999	60,586,756	192,780,614	155,393,858
Other liabilities	<u>15,294,236</u>	<u>14,289,621</u>	<u>3,757,224</u>	<u>3,600,510</u>	<u>19,051,460</u>	<u>17,890,131</u>
Total liabilities	<u>150,949,851</u>	<u>109,096,723</u>	<u>60,882,223</u>	<u>64,187,266</u>	<u>211,832,074</u>	<u>173,283,989</u>
Deferred inflows of resources	<u>2,452,460</u>	<u>1,606,575</u>	<u>1,242,771</u>	<u>590,821</u>	<u>3,695,231</u>	<u>2,197,396</u>
Net position:						
Net investment in capital assets	144,165,892	127,343,821	91,895,101	90,423,430	236,060,993	217,767,251
Restricted	8,077,320	8,562,280	-	-	8,077,320	8,562,280
Unrestricted	<u>22,428,021</u>	<u>15,581,376</u>	<u>20,188,130</u>	<u>22,161,255</u>	<u>42,616,151</u>	<u>37,742,631</u>
Total net position	<u>\$ 174,671,233</u>	<u>\$ 151,487,477</u>	<u>\$ 112,083,231</u>	<u>\$ 112,584,685</u>	<u>\$ 286,754,464</u>	<u>\$ 264,072,162</u>

The largest portion of the City's fiscal year 2024 net position (82% or \$236,060,993) consists of investment in capital assets (e.g., land, buildings, streets, and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has restricted net position of \$8,077,320 consisting of \$2,057,622 for debt service, \$3,828,496 for special programs related to recreation, \$1,133,049 for public safety programs, and \$1,058,153 for development within the City. The remaining balance of \$42,616,151 may be used to meet the government's ongoing obligations to citizens and creditors; overall, the City's net position increased by \$22,682,302, which consists of an increase of \$23,183,756 in governmental net position and a decrease of \$501,454 in business-type net position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

**City of Victoria, Texas
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program revenues:						
Charges for services	\$ 9,470,992	\$ 9,762,623	\$ 34,424,614	\$ 34,607,229	\$ 43,895,606	\$ 44,369,852
Operating grants and contributions	8,123,475	12,610,488	-	-	8,123,475	12,610,488
Capital grants and contributions	10,086,464	11,596,863	1,402,553	1,931,128	11,489,017	13,527,991
General revenues:						
Property taxes	30,163,352	28,708,867	-	-	30,163,352	28,708,867
Other taxes	27,789,332	28,348,041	-	-	27,789,332	28,348,041
Other	<u>5,215,899</u>	<u>3,410,001</u>	<u>1,951,222</u>	<u>1,658,820</u>	<u>7,166,121</u>	<u>5,068,821</u>
Total revenues	<u>90,849,514</u>	<u>94,436,883</u>	<u>37,778,389</u>	<u>38,197,177</u>	<u>128,627,903</u>	<u>132,634,060</u>
EXPENSES						
General government	7,568,874	10,188,588	-	-	7,568,874	10,188,588
Public safety	34,579,298	36,324,114	-	-	34,579,298	36,324,114
Development	18,616,041	20,473,744	-	-	18,616,041	20,473,744
Recreation	7,447,015	7,077,856	-	-	7,447,015	7,077,856
Interest on long-term debt	3,090,231	1,710,900	-	-	3,090,231	1,710,900
Water/wastewater	-	-	25,932,363	22,772,587	25,932,363	22,772,587
Environmental services	-	-	6,355,990	6,008,920	6,355,990	6,008,920
Other	-	-	<u>2,355,789</u>	<u>2,114,598</u>	<u>2,355,789</u>	<u>2,114,598</u>
Total expenses	<u>71,301,459</u>	<u>75,775,202</u>	<u>34,644,142</u>	<u>30,896,105</u>	<u>105,945,601</u>	<u>106,671,307</u>
Change in net position before transfers	19,548,055	18,661,681	3,134,247	7,301,072	22,682,302	25,962,753
Transfers	<u>3,635,701</u>	<u>2,970,821</u>	<u>(3,635,701)</u>	<u>(2,970,821)</u>	-	-
Change in net position	23,183,756	21,632,502	(501,454)	4,330,251	22,682,302	25,962,753
Net position - October 1	<u>151,487,477</u>	<u>129,854,975</u>	<u>112,584,685</u>	<u>108,254,434</u>	<u>264,072,162</u>	<u>238,109,409</u>
Net position - September 30	<u>\$ 174,671,233</u>	<u>\$ 151,487,477</u>	<u>\$ 112,083,231</u>	<u>\$ 112,584,685</u>	<u>\$ 286,754,464</u>	<u>\$ 264,072,162</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Governmental Activities

The increase in the governmental activities is mainly due to a \$4.5M decrease in overall expenses. Specifically, general government decreased \$2.6M, public safety decreased \$1.7M, development decreased \$1.8M, and interest on long-term debt increased \$1.4M. Explanations for the decrease in expenses include the following:

- 1) General government decreased due to less American Rescue Plan Act funds spent in FY24 compared to FY23. The remainder of the City's allocation was spent in the first quarter of FY25. In addition, pension and OPEB related activity decreased in FY24.
- 2) The decrease in public safety related to pension and OPEB related activity which decreased in FY24.
- 3) Development decreased due to pension and OPEB related activity, HOME program expenditures, and CIP related expenditures which decreased in FY24.
- 4) Interest on long-term debt increased due to the Series 2024 Certificates of Obligation which were issued in FY24 for \$54M.

City of Victoria, Texas
2024 Expenses and Program Revenues - Governmental Activities

<u>Functions/Programs</u>	<u>Expenses</u>	<u>% of Total</u>	<u>Revenues</u>	<u>% of Total</u>	<u>Net (Expense) Revenue</u>
General government	\$ 7,568,874	10.62%	\$ 6,683,374	24.14%	(\$ 885,500)
Public safety	34,579,298	48.50%	8,539,523	30.85%	(26,039,775)
Development	18,616,041	26.11%	11,653,647	42.10%	(6,962,394)
Recreation	7,447,015	10.44%	804,387	2.91%	(6,642,628)
Interest on long-term debt	3,090,231	4.33%	-	0.00%	(3,090,231)
	<u>\$ 71,301,459</u>		<u>\$ 27,680,931</u>		<u>(\$ 43,620,528)</u>

City of Victoria, Texas
Revenue by Source - Governmental Activities

<u>Description</u>	<u>Revenues</u>		<u>Revenues</u>	
	<u>2024</u>	<u>% of Total</u>	<u>2023</u>	<u>% of Total</u>
Charges for services	\$ 9,470,992	10.02%	\$ 9,991,030	10.26%
Operating grants and contributions	8,123,475	8.60%	13,003,590	13.35%
Capital grants and contributions	10,086,464	10.68%	10,975,354	11.27%
Property taxes	30,163,352	31.92%	28,708,867	29.47%
Sales taxes	19,948,312	21.11%	20,361,685	20.90%
Franchise taxes	5,756,651	6.09%	5,977,262	6.14%
Other taxes	2,084,369	2.21%	2,009,094	2.06%
Unrestricted investment earnings	5,120,557	5.42%	3,153,227	3.24%
Miscellaneous	95,342	0.10%	256,774	0.26%
Transfers	3,635,701	3.85%	2,970,821	3.05%
Total	<u>\$ 94,485,215</u>		<u>\$ 97,407,704</u>	

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Business-type Activities

Fiscal year 2024 business-type activities decreased the City's net position by \$501,454. The net position decrease is due to a decrease in capital grants and contributions of \$528K, an increase in investment earnings of \$272K, an increase in net transfers out by \$665K, an increase in Water/wastewater expenses of \$3.2M primarily in personnel costs (including pension and OPEB expense), and an increase in Environmental services operating expenses of \$347K.

**City of Victoria, Texas
2024 Expenses and Program Revenues - Business-type Activities**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>% of Total</u>	<u>Program Revenues</u>	<u>% of Total</u>	<u>Net (Expense) Revenue</u>
Water/wastewater	\$25,932,363	74.85%	\$27,846,667	77.72%	\$1,914,304
Environmental services	6,355,990	18.35%	6,182,020	17.26%	(173,970)
Other	<u>2,355,789</u>	6.80%	<u>1,798,480</u>	5.02%	<u>(557,309)</u>
	<u>\$34,644,142</u>		<u>\$35,827,167</u>		<u>\$1,183,025</u>

**City of Victoria, Texas
Revenue by Source - Business-type Activities**

<u>Description</u>	<u>Revenues</u> <u>2024</u>	<u>% of Total</u>	<u>Revenues</u> <u>2023</u>	<u>% of Total</u>
Charges for services	\$34,424,614	100.83%	\$34,607,229	98.24%
Capital grants and contributions	1,402,553	4.11%	1,931,128	5.48%
Unrestricted investment earnings	1,931,051	5.65%	1,658,820	4.71%
Miscellaneous	20,171	0.06%	-	0.00%
Transfers	(3,635,701)	(10.65%)	(2,970,821)	(8.43%)
Total	<u>\$34,142,688</u>		<u>\$35,226,356</u>	

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$93,465,091, an increase of \$50,677,940. The main reasons for the net increase in the City's combined governmental ending fund balances is due to the issuance of the 2024 Certificates of Obligation and the spending of funds received in prior fiscal years by the Capital Construction Funds in FY 2024.

The City's governmental funds combined fund balance of \$93,465,091 is mainly made up of the following funds:

1. The General Fund is the chief operating fund of the City. At the end of fiscal year 2024, unassigned fund balance of the General Fund was \$24,292,308 while total General Fund fund balance was \$24,776,192. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45% of the total General Fund expenditures, while total fund balance also represents 46% of that same amount.

The General Fund fund balance increased by \$1,516,631, which was mainly due to an increase in charges for services by \$1.3M and an increase in total expenditures by \$1.7M in comparison with the prior year. Revenues and other financing sources came in over budget by \$3.6M and expenditures and other financing uses were under budget by \$3.1M; the City had planned to draw down fund balance for one-time capital projects, but due to the increase in revenues and expenditures coming in under budget (personnel due to vacancies and transfers due to CIP projects), fund balance increased.

2. The Debt Service Fund is a debt service fund used to account for the General Obligation Bond and Certificate of Obligation Bond debt repayments and revenue collections. At the end of fiscal year 2024, fund balance of the Debt Service Fund was \$1,424,515. The main reason for the \$11,439 increase in the Debt Service Fund fund balance is due to an increase in delinquent property tax collections, penalty and interest collections, and interest income, which were \$84K, \$171K, and \$177K, respectively, over the budgeted amounts.
3. The Capital Construction Funds are capital project funds used to account for the acquisition or construction of City facilities, usually accounting for proceeds of bond issues and local sources. At the end of fiscal year 2024 the combined fund balances for the two major capital construction funds was \$58,677,619. The net increase in their fund balances from the prior year was \$47M and was mainly due to the issuance of the 2024 Certificates of Obligation of \$53,645,000 and encumbrances carried over from the prior fiscal year being paid out in the current fiscal year; these projects include the Public Safety Headquarters Project (\$35.9M), Tanglewood Street Reconstruction Project (\$7.1M), Bridle Ridge/Vista Del Sol Street Project (\$4.0M), and the FY2024 Mill and Overlay Project (\$620K).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS - (Continued)

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of proprietary funds at the end of the fiscal year amounted to:

<u>Fund</u>	<u>2024</u> <u>Unrestricted</u> <u>Net Position</u>	<u>2023</u> <u>Unrestricted</u> <u>Net Position</u>
Water and Wastewater	\$ 13,584,489	\$ 15,296,449
Environmental Services	4,577,494	4,982,731
Other	<u>2,026,147</u>	<u>1,882,075</u>
Total	<u>\$ 20,188,130</u>	<u>\$ 22,161,255</u>

Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

- Differences between the fiscal year 2024 General Fund original budget and fiscal year 2024 General Fund final amended budget for expenditures (including transfers) was \$1,014,051 which represents fiscal year 2023 carryover encumbrances of \$909K and budget amendments amounting to \$105K (election costs).
- The original fiscal year 2024 budget included approximately \$5.3M of "one-time" expenditures mainly consisting of capital acquisition and improvement projects.
- For fiscal year 2024, the General Fund revenues came in \$3,648,552 higher than the General Fund amended 2024 budget, primarily due to sales tax revenue coming in \$1.6M over budget and ambulance revenue coming in \$1.2M over budget.
- For fiscal year 2024, the General Fund actual expenditures, including encumbrances, came in approximately \$1,887,740 lower than the General Fund amended fiscal year 2024 budget or \$952,688 lower than the General Fund original 2024 budget. The variances are mainly the net result of personnel, maintenance, and capital coming in lower than expected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$325,996,716 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, office equipment, machinery and equipment, improvements other than buildings, streets and bridges, right-to-use lease assets, subscription assets, water and wastewater distribution system, and construction in progress. The total net increase in the City's investment in capital assets for the current fiscal year was \$28,043,776 or 9% (a \$20,894,560 or 12% increase for governmental activities and \$7,149,216 or 6% increase for business-type activities).

Major capital asset events during the current fiscal year included the following capital purchases, constructions, and deletions:

City of Victoria, Texas Capital Asset Investment Activity Schedule

Capital Asset Description	Additions Governmental Activities	Deletions Governmental Activities	Additions Business-type Activities	Deletions Business-type Activities	Net Total
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	2,347,787	539,555	754,899	21,312	2,541,819
Other structure improvements	13,033,800	268,570	3,292,359	-	16,057,589
Infrastructure - streets, drainage, traffic, and sidewalks, etc.	10,289,967	-	-	-	10,289,967
Construction in progress	26,816,091	20,099,911	14,046,567	6,836,431	13,926,316
Machinery, equipment, and vehicles	3,327,991	3,262,212	1,067,412	84,157	1,049,034
Right-to-Use lease assets	298,304	-	143,966	72,746	369,524
Subscription assets	-	-	-	-	-
Water and wastewater distribution system	-	-	<u>3,343,909</u>	-	<u>3,343,909</u>
Total	<u>\$ 56,113,940</u>	<u>\$ 24,170,248</u>	<u>\$ 22,649,112</u>	<u>\$ 7,014,646</u>	47,578,158
					FY 2024 depreciation and amortization expense (23,268,888)
					FY 2024 accumulated depreciation and amortization deletions 3,734,506
					Primary government beginning capital assets balance <u>297,952,940</u>
					Primary government ending capital assets balance <u>\$325,996,716</u>

CAPITAL ASSET AND DEBT ADMINISTRATION - (Continued)

Capital Assets - (Continued)

The following financial table represents the City's total capital assets as of September 30, 2024:

City of Victoria, Texas						
Capital Assets						
(Net of Depreciation and Amortization)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,120,362	\$ 5,120,362	\$ 5,569,177	\$ 5,569,177	\$ 10,689,539	\$ 10,689,539
Construction in progress	30,029,224	23,313,044	16,341,888	9,131,752	46,371,112	32,444,796
Machinery and equipment	10,353,440	10,676,237	1,897,666	1,215,692	12,251,106	11,891,929
Buildings	5,705,386	4,633,784	17,556,917	18,537,563	23,262,303	23,171,347
Improvements other than buildings	18,166,275	5,526,640	5,675,492	2,422,881	23,841,767	7,949,521
Infrastructure	121,835,391	120,906,464	160,095	182,005	121,995,486	121,088,469
Right-to-Use lease assets	899,750	948,297	575,882	606,892	1,475,632	1,555,189
Subscription assets	271,317	361,757	-	-	271,317	361,757
Water and wastewater distribution system	-	-	85,838,454	88,800,393	85,838,454	88,800,393
Total	<u>\$192,381,145</u>	<u>\$171,486,585</u>	<u>\$133,615,571</u>	<u>\$126,466,355</u>	<u>\$325,996,716</u>	<u>\$297,952,940</u>

Additional information on the City's capital assets can be found in Note 6 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION - (Continued)

Long-Term Debt

At the end of fiscal year 2024, the City had total bonded debt outstanding of \$121,905,000. Of this amount, \$82,945,000 comprises debt backed by the full faith and credit of the government and \$38,960,000 secured solely by specific revenue sources (i.e., revenue bonds). In addition, the City had outstanding \$1,712,408 in financed purchases, \$1,518,341 in right-to-use leases, \$279,900 in subscriptions, \$1,573,731 in compensated absences, \$8,557,810 in OPEB liability, \$39,911,144 in net pension liability, \$4,743,814 in estimated landfill closure and post-closure care cost; and \$12,578,466 in net bond premium as of September 30, 2024.

City of Victoria, Texas Outstanding Debt and Net Bond Premium

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 21,905,000	\$ 26,835,000	\$ -	\$ -	\$ 21,905,000	\$ 26,835,000
Certificates of obligation	61,040,000	10,655,000	-	-	61,040,000	10,655,000
Revenue bonds	-	-	38,960,000	42,265,000	38,960,000	42,265,000
Financed purchases	1,562,670	1,958,209	149,738	84,315	1,712,408	2,042,524
Right-to-Use leases	926,894	965,603	591,447	611,056	1,518,341	1,576,659
Subscriptions	279,900	-	-	-	279,900	-
Compensated absences	1,339,620	1,378,727	234,111	236,243	1,573,731	1,614,970
OPEB liability	7,056,770	8,148,165	1,501,040	1,393,011	8,557,810	9,541,176
Net pension liability	32,910,729	41,388,111	7,000,415	7,075,719	39,911,144	48,463,830
Estimated landfill closure and post-closure care cost	-	-	4,743,814	4,642,769	4,743,814	4,642,769
Net bond premium	<u>8,634,032</u>	<u>3,478,287</u>	<u>3,944,434</u>	<u>4,278,643</u>	<u>12,578,466</u>	<u>7,756,930</u>
Total	<u>\$ 135,655,615</u>	<u>\$ 94,807,102</u>	<u>\$ 57,124,999</u>	<u>\$ 60,586,756</u>	<u>\$ 192,780,614</u>	<u>\$ 155,393,858</u>

The City's debt had a net increase of \$37,386,756 or 24%. The key factors to this net increase are the following:

- Debt payments of \$4,930,000 in governmental activities bonds and \$3,305,000 in business-type activities bonds were made during fiscal year 2024,
- The City issued \$53,645,000 in certificates of obligation during fiscal year 2024,
- Net pension liability decreased by \$8,552,686,
- Total OPEB liability decreased by \$983,366 and,
- Bond premium had a net increase of \$4,821,536.

Additional information on the City's debt can be found in Note 12 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Texas Economy

The Texas economy grew slightly below trend through the first quarter of 2025. While job growth appears just off its long-term annual trend rate of about 2.1 percent, the Dallas Fed Texas Business Outlook Surveys (TBOS) point to slowing activity in both the services and manufacturing sectors.

Company outlooks have deteriorated, and uncertainty has spiked, with half of TBOS respondents expressing concern about softening demand and a potential recession.

Higher tariffs, which raise costs and damp demand, were cited by respondents. As the nation's leading trading state, Texas is highly exposed to tariffs. Declining net immigration will also slow growth, providing particular challenges for some industries.

Texas service sector revenue growth has trended lower since late 2024 and was zero in March, TBOS respondents said. Manufacturing sector activity has behaved similarly, although production grew slightly in March.

Texas employment growth, meanwhile, has averaged about 1.9 percent so far this year, approaching trend, after expanding just 1.5 percent in 2024.

Uncertainty, especially among Texas manufacturers, has notably increased, the Dallas Fed's TBOS found. The uncertainty index for both manufacturers and service sector companies jumped in March to levels not seen since late 2022, during the height of the pandemic.

Even before imposition of tariffs, business contacts noted they felt the effects of business condition uncertainty. In February, 38 percent of TBOS participants said they experienced or expected negative impacts from U.S. trade policy ambiguity and tariffs. The response was especially pronounced among manufacturers (44 percent). The most cited anticipated tariff impacts were higher costs or prices, lower demand and delayed investment.

Uncertainty about trade policy and the prospect of higher tariffs has partly led to dimming company outlooks. The outlooks deteriorated sharply in the service sector, declining to their lowest level since mid-2022. In manufacturing, the company outlook index retreated to an eight-month low in March.

Texas is the No. 1 trading state in the nation, with more than \$850 billion in total U.S. trade in 2024. The state accounts for 16 percent of the U.S. total.

Mexico is Texas' main destination for exports and the state's main import supplier. Texas trade with Mexico totaled \$281 billion in 2024.

A total 6.8 percent of Texas jobs depended on exports in 2022, according to the International Trade Administration. Moreover, using a state tariff database, the Trade Partnership Worldwide estimates a potential cost of \$47 billion to Texas firms from a 25 percent tariff on imports from Canada and Mexico and a 10 percent additional tariff (on top of existing levies) on imports from China.

Anticipated Texas gross domestic product (GDP) growth would decline by 1.5 percentage points because of the loss in purchasing power and reduced demand due to higher prices. The calculation assumes Texas imports from Mexico, Canada and China decline by 40 percent due to a 25 percent tariff on imports from Canada and Mexico and additional tariffs on imports from China. The result also assumes no import substitution from other states or countries.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - (Continued)

The estimate is consistent in terms of GDP loss with a recently published analysis from the Perryman Group. Texas GDP grows 3.2 percent on average, so a tariff policy as outlined here would reduce that to 1.7 percent. Lower output would also impact employment. Using Okun's Law—relating employment change to GDP—a 1.5 percentage point loss in Texas GDP, assuming a constant labor force, implies a loss of about 100,000 jobs. This is a static analysis and ignores medium- and long-run effects on investment and capital accumulation. Based on previous research for the U.S. in a global economy, this channel could increase projected losses.

Most likely, job declines will be concentrated in manufacturing in the interior of the state and along the Texas-Mexico border. Texas' top five traded products with Mexico are computer and electronic products, transportation equipment, petroleum and coal products, electrical equipment, appliances and components, and machinery. Together, they represent \$191 billion in total trade and 258,000 jobs that tariffs could potentially impact.

Stricter immigration policy could further affect Texas, given firms' reliance on migrants. The 2021–24 migration surge brought an estimated 5.5 million extra immigrants to the U.S., with an estimated 10 percent of them settling in Texas.

Consistent with this surge, the number of Texas firms that report dependence on hiring immigrant workers has increased. The share of Texas firms reporting in the TBOS special questions survey that they rely on hiring workers who moved to Texas from a different country increased to 25 percent in 2024 from 15 percent in 2023. The increase has been across all sectors, with about one-third of manufacturing respondents relying on immigrant workers.

Eighteen percent of firms surveyed expect changes to immigration policy to affect their ability to hire and retain workers this year. In response, many companies said they plan to increase worker utilization or cross-training (43 percent), implement labor-saving technology (40 percent) and increase outsourcing (35 percent).

The Dallas Fed's Texas Employment Forecast suggests employment will increase 1.9 percent in 2025.

Half of TBOS respondents, when asked to name their top three concerns over the next six months, cited "level of demand/potential recession," up from 34 percent in December 2024. The response was the most frequently mentioned, compared with the No. 2 concern, "domestic policy uncertainty," 44.6 percent, and No. 3, "input costs/inflation," 35.8 percent.

Going forward, Texas businesses may have to balance the potential positive effects of anticipated deregulation and potential tax cuts with the possible negative impact of more restrictive trade and immigration policy. One survey contact noted, "The uncertainty of how the new trade directives will affect the economy makes it hard to forecast the business environment."

Victoria Economy

The Victoria Region is amid a 'Golden Era' of economic development prospect activity resulting in announced projects representing over \$6.5 billion and the planned creation of over 1,200 new high-paying jobs. Additionally, potential future announcements are being considered that collectively represent over \$25 billion and 4,000 new high paying primary jobs.

Announced projects are in Ammonia, Hydrogen, Methanol, Battery Additives (EV Supply Chain), Heavy & Light Rare Earth Element Processing, Small Modular Nuclear Reactors, Metal Fabrication, Plastics, Assembly and Distribution. Pending projects include operations in Chemical Manufacturing, Ore Processing, Nuclear Energy, Metals Manufacturing and Industrial Development industry sectors.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - (Continued)

X-Energy and Dow SMRs Project – Dow and X-Energy announced in 2023 that Dow's Seadrift Campus has been selected as the location of a demonstration project for four 80 MW Small Modular Nuclear Reactors to replace aging co-generation facilities on the Dow Campus. The \$2.2 billion capital investment is being made in partnership with a grant from the US Department of Energy for a first of its kind demonstration project that can be replicated around the world. Permitting is being undertaken with cooperation by the Nuclear Regulatory Council (NRC) and global Nuclear Energy Agency (Paris). The project will create 120 new high paying jobs.

First Ammonia / Acme / European Energy – Three companies have selected the Port of Victoria for chemical projects to leverage new federal legislation providing for 45v tax credits, a growing global market for sustainable chemicals, and decreases in production worldwide due to geopolitical conflicts. The three announcements amount to over \$3 billion in planned investments and 350 new high paying jobs. The products being developed will be Green Ammonia, Green Hydrogen and E-Methanol.

Lynas Rare Earths – Lynas purchased property from Dow's Seadrift Campus in 2023 to develop a heavy and light Rare Earth Element processing facility. The \$600 million investment is a partnership with the US Department of Defense to secure a vital supply chain to the US economy. The project will create 120 new high paying jobs and has the potential to spin additional industry sectors including magnet manufacturing.

Green Energy Origin (GEO) – GEO is working on Phase 1 of a multi-phased battery additives manufacturing facility at the Port of Victoria to supply the electric vehicle supply chain and EV manufacturers in Texas. The entire project has the potential to create 450 high paying jobs and represents an investment of \$400 million.

Amazon – Amazon announced development of a new 60,000 sf last mile distribution center in Victoria in 2025 along US Hwy 59, future I-69. The facility is nearing completion and plans to open by the end of the year.

VEDC Regional Partnership believes the multitude of factors that have resulted in the Region's 'Golden Era' of economic development can be described as five concurrent windows of opportunity. The factors driving industry to locate within or consider our region include (1) a changing US foreign trade policy, (2) new tax credits for sustainable chemical production that elevate the Texas Gulf Coast as the most cost effective location in the world for their development, (3) energy demands due to growth and development in Texas, (4) new technologies, and (5) investments by one of our largest primary employers.

There is no other area of the state with available land to support new industrial developments and expansions of existing facilities with interstate highways, three class one railroads, a commercial airport, and access to an uncongested deep-water port and shallow-draft barge ports. These factors have quietly supported the area manufacturers and service companies for decades and the secret is out. Business and industrial developments that are primary job creators are often results of transactions in a global market and our area of the State is receiving more attention than ever before. The most critical asset for success, however, is human capital. An educated, prepared workforce is key to success.

The multitude of projects seeking a home in our region significantly and positively affect the economic trajectory of the Region. Our response to the momentum of these times will exponentially change future generations much like DuPont, Dow, and Alcoa did more than 70 years ago. The new projects that have selected our Region are on a scale few communities nationwide have experienced. We could not be prouder and more excited for the benefits these investments will result in. The success VEDC and our collective partners have in securing these investments can and will lead to increased growth and momentum supporting additional economic development goals. The future of the Victoria Region is as bright as it ever has been.

The Lone Tree Industrial Park was purchased by the Victoria Sales Tax Development Corporation (VSTDC) in phases between 2002 and 2011. It is currently the home to Caterpillar, Federal Express, VictTec, and the Victoria College Emerging Technology Center and Industrial Training Center.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - (Continued)

VSTDC is selling the last 7 acres remaining in the Park to Zephyros Manufacturing that plans to construct a \$40 Million facility and hire 52 new employees. Victoria has seen 4 suppliers locate in and around Victoria in the last 2 years that will create 92 new primary jobs and represent investments of over \$92 million. There is significant momentum around the Caterpillar Supplier Recruitment Strategy. Victoria has hosted Caterpillar's Annual Supplier Summit for 3 years in a row, where approximately 250 business representatives from around the world visit the community and Caterpillar facility in an effort to recruit their operations to the area.

The Port of Victoria is a vital economic engine serving the Victoria region. Building on the MOU signed in 2021 between the Port Commissioners and the governing officials of Victoria County, the City of Victoria, the Victoria Sales Tax Development Corporation (VSTDC), and the Victoria Regional Airport demonstrating their cooperation in strengthening economic growth and community development, \$6M was pledged by the City of Victoria Sales Tax Development Corporation and Victoria County to partially fund a \$27M Class 1 duly served rail loop to the newly branded Texas Logistics Center at the Port of Victoria. The Texas Logistics Center, announced in the Spring of 2022, is the 2,200 acre greenfield site served with utilities, direct barge canal access, a fleeting area, heavy haul road and the planned rail loop. In September, the Texas Department of Transportation announced an additional \$20.35M to fully fund the rail project.

Centerline Technologies opened their new offices in Victoria and recently acquired Flasher Equipment Company. The \$1M capital investment has created 45 new local jobs and deploy highway striping teams throughout the state from Victoria.

In March, City and County leadership reached an agreement with Halliburton to maintain their operations in Victoria. The Company is one of the largest employers and industrial taxpayers in the City of Victoria. Halliburton also supports Victoria's local hotels when they routinely house employees that are dispatched to the region from around the state for extended stays.

VEDC has officially grown to serve both Victoria and regional partners in economic development programming. The City of Edna, Calhoun County, the City of Port Lavaca, the Calhoun County Port Authority, The City of Goliad have joined the City of Victoria, Victoria County and the Victoria County Navigation District as public sector partners in VEDC.

Victoria's unemployment rate for January 2025 was 4.1 percent, compared to the U.S. 4.0 percent rate and Texas 4.1 percent rate; and is 0.1 percent lower than a year ago.

The total building permit value (i.e. new construction for commercial, multi-family units and single-family units) increased by 55.6 percent or \$32M, comparing September 2024 to September 2023 values; the increase is due to commercial permit activity. As of September 2024, total commercial permit value was \$77.3M, an increase of 101.6 percent or \$39.0M from last year's values.

Water Supply

To ensure Victoria's economy continues to grow and remain strong, Victoria has an aggressive policy to ensure it has an adequate water supply for its current and future customers. The City uses surface water from the Guadalupe River as its primary source of potable water. The City has a permit issued by the Texas Commission on Environmental Quality that allows the City to withdraw up to 20,000 acre/feet per year from the Guadalupe River. This equates to approximately two times the City's average annual pumping rate. Additionally, the City has approximately four months of surface water and shallow alluvial groundwater supply stored in a system of off-channel reservoirs. This water source provides a back-up supply to the City's primary Guadalupe River water source. All this water is treated at the City's 25.2M gallon per day surface water treatment plant.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - (Continued)

As an emergency supply, the City also maintains 9 of its original 15 water wells that can supply ground water from the Gulf Coast Aquifer. The aquifer is within the corporate limits of the City and varies in thickness from approximately 400 feet to approximately 900 feet. Another option available to the City is a contractual arrangement with the Guadalupe-Blanco River Authority, which allows access to a five-year rolling annual average of 1,240 acre/feet of surface water stored in Canyon Reservoir, with no more than 3,600 acre/feet to be used in any given year.

Over the last several fiscal years, the City has purchased a total of 7,006.7-acre feet/year of additional water rights, which has added to the City's water supply options and allows for improved flexibility.

In 2017, the City, in conjunction with the Victoria County Groundwater Conservation District, was approved for a grant by the Texas Water Development Board for an Aquifer Storage and Recovery Demonstration Project. This project consists of replacing the pumping equipment of Well #19 and retrofitting it into a full-scale ASR well. After completion of the construction, potable water will be stored in the Gulf Coast Aquifer for approximately 7 months and will then be withdrawn over a period of 4 months with level and water quality data being recorded throughout the entire process. If successful, this project will add 2 MGD of additional capacity to the City's water supply. Additional wells can then be added incrementally in the future to expand the City's water supply and defer the capital expenditure required to expand the Surface Water Treatment Plant. The City will continue to explore other possibilities for additional future water supplies for its citizens.

Other Economic Factors

- The City of Victoria, with a population of about 65,377, is located 30 miles inland from the Gulf Coast and roughly equidistant from Corpus Christi, Texas; San Antonio, Texas; and Houston, Texas, which are all approximately 130 miles away. While the most important opportunities remain in the petrochemical industry and the manufacturing and industrial sectors, Victoria's economy has become a regional center for retail trade and health care. The City acts as a draw for a seven-county area with a population of nearly 200,000. Over the past ten years (2014 thru 2024), the City's population has grown approximately 0.6 percent. The population is projected to grow by 3 percent over the next five years.
- As of the first five months of fiscal year 2025, actual sales tax revenues are exceeding the fiscal year 2024 budget by \$1,491,000. The City expects sales tax revenue collections to continue coming in over budget but less than prior year actuals.
- Property taxes (i.e., ad valorem taxes) are based on the value of total appraised, assessed taxable property in the City. The property tax levy includes the taxable value of new improvements and property annexed since January 1, 2024. The fiscal year 2024-2025 total appraised value of all property in the City of Victoria, as rendered by the Victoria Central Appraisal District and adjusted for frozen taxable appraised values, is \$6,445,551,503, an increase of 5.5% or \$341 million from last year's tax roll (adjusted for frozen taxable appraised values) of \$6,191,361,001.
- The ad valorem tax rate for fiscal year 2024 was set at 47.07¢, a decrease of 1.91¢ from last year's tax rate. The tax rate is allocated at 29.79¢ for General Fund maintenance and operating costs (a decrease of 0.16¢), and 17.28¢ for Debt Service Fund (a decrease of 1.75¢).
- The General Fund unassigned fund balance, at September 30, 2024, came in \$9,584,287 above the fiscal year 2024 minimum required unassigned fund balance of \$15,191,906, including carryover encumbrances. The City has a policy of maintaining a minimum unassigned fund balance of 25% of total expenditures, in a given budget year. The excess unassigned fund balance will be used on one-time/non-reoccurring expenditures, capital improvement projects, or at Council's discretion.
- The fiscal year 2025 budget includes \$4,842,949 of General Fund one-time expenditures and \$7,185,950 of Water and Wastewater Fund one-time expenses.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - (Continued)

- In FY 2018, the City completed a water / wastewater rate study. After reviewing the outcome and on the recommendation of consultants, the City moved from a seven-tier variable rate table to a four-tier variable rate table. In conjunction with the rate study, the City prepares a financial model forecasting revenues, expected infrastructure needs and other expected expenses. The model is prepared based upon assumptions regarding customer growth, five years Capital Improvement Program, increases in operating cost, debt-coverage-ratio requirements, and debt service requirements. The model serves as a planning tool to forecast the ability to pay cash for operational needs, future debt service, or finance various infrastructure needs, as well as to establish water and wastewater rate increases. The City is planning to update this study in FY 2026/FY 2027.
- The water and sewer customer base has been relatively stable over the past ten fiscal years with an average annual growth rate of 0.11 percent and 0.28 percent, respectively. The City did not raise its water and sewer rates but changed the variable rate schedule in FY 2019 from a seven-tier table to a four-tier table in order to ensure the City keeps pace with the needs of its water and wastewater operations and infrastructure. As for future trends, the City is expecting the same weather conditions (mild to hot) it experienced in FY 2024 to continue in the next two fiscal years with a relatively flat increase in its customer base, anywhere from 0.5 to 1 percent.
- The City's Capital Improvement Program Projects through FY 2026 consist of approximately \$165,080,894: in progress - FY 2024 - \$91,626,797, FY 2025 - \$40,515,516, and FY 2026 - \$32,938,581 (more detailed information on this subject can be found in the City's FY2024-2026 Capital Improvement Program document).

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Office of the Chief Financial Officer, 105 West Juan Linn, Victoria, Texas 77901.

Basic Financial Statements

CITY OF VICTORIA, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 35,580,453	\$ 8,810,122	\$ 44,390,575	\$ 5,807,169
Investments	74,832,792	14,662,811	89,495,603	13,690,237
Receivables (net)	10,266,077	2,641,386	12,907,463	794,358
Internal balances	84,727	(84,727)	-	-
Due from primary government	-	-	-	170,559
Due from component unit	500,000	90,000	590,000	-
Inventory	561,967	401,682	963,649	-
Returned checks	26,679	1,490	28,169	-
Restricted assets				
Cash and cash equivalents	28,000	9,088,736	9,116,736	-
Investments	-	2,221,766	2,221,766	-
Total current assets	121,880,695	37,833,266	159,713,961	20,462,323
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated or amortized	35,149,586	21,911,065	57,060,651	3,940,843
Buildings, improvements, and equipment (net)	156,060,492	111,128,624	267,189,116	934,975
Right-to-Use lease assets (net)	899,750	575,882	1,475,632	-
Subscription assets (net)	271,317	-	271,317	-
Net capital assets	192,381,145	133,615,571	325,996,716	4,875,818
Total noncurrent assets	192,381,145	133,615,571	325,996,716	4,875,818
Total assets	314,261,840	171,448,837	485,710,677	25,338,141
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	1,429,409	447,995	1,877,404	-
Deferred outflow related to pension	10,635,547	1,904,710	12,540,257	-
Deferred outflow related to OPEB	1,746,748	406,683	2,153,431	-
Total deferred outflows of resources	13,811,704	2,759,388	16,571,092	-

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 9,180,928	\$ 1,022,362	\$ 10,203,290	\$ 514,575
Accounts payable (payable from restricted assets)	-	1,597,825	1,597,825	-
Accrued expenses	2,897,394	370,112	3,267,506	-
Due to other governments	71,707	44,062	115,769	-
Due to primary government	-	-	-	590,000
Due to component unit	84,949	85,610	170,559	-
Customer deposits	-	61,422	61,422	-
Claims payable	531,715	-	531,715	-
Unearned revenue	2,008,884	-	2,008,884	-
Accrued compensated absences	49,708	8,687	58,395	-
Accrued interest payable	518,659	575,831	1,094,490	-
Current portion of long-term obligations	7,284,078	3,636,605	10,920,683	-
Total current liabilities	22,628,022	7,402,516	30,030,538	1,104,575
Noncurrent liabilities				
Noncurrent portion of long-term obligations	87,064,418	40,009,014	127,073,432	-
Accrued compensated absences	1,289,912	225,424	1,515,336	-
Net pension liability	32,910,729	7,000,415	39,911,144	-
OPEB liability	7,056,770	1,501,040	8,557,810	-
Estimated landfill closure and postclosure care cost	-	4,743,814	4,743,814	-
Total noncurrent liabilities	128,321,829	53,479,707	181,801,536	-
Total liabilities	150,949,851	60,882,223	211,832,074	1,104,575
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pension	684,652	847,984	1,532,636	-
Deferred inflow related to OPEB	1,767,808	394,787	2,162,595	-
Total deferred inflows of resources	2,452,460	1,242,771	3,695,231	-
NET POSITION				
Net investment in capital assets	144,165,892	91,895,101	236,060,993	4,875,818
Restricted for:				
Debt service	2,057,622	-	2,057,622	-
Public safety	1,133,049	-	1,133,049	-
Development	1,058,153	-	1,058,153	-
Recreation	3,828,496	-	3,828,496	-
Unrestricted	22,428,021	20,188,130	42,616,151	19,357,748
Total net position	\$ 174,671,233	\$ 112,083,231	\$ 286,754,464	\$ 24,233,566

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 7,568,874	\$ 2,100,365	\$ 4,583,009	\$ -
Public safety	34,579,298	6,894,121	1,645,402	-
Development	18,616,041	-	1,567,183	10,086,464
Recreation	7,447,015	476,506	327,881	-
Interest on long-term debt	3,090,231	-	-	-
Total governmental activities	<u>71,301,459</u>	<u>9,470,992</u>	<u>8,123,475</u>	<u>10,086,464</u>
Business-type activities				
Water/wastewater	25,932,363	26,444,114	-	1,402,553
Environmental services	6,355,990	6,182,020	-	-
Community Center	857,319	223,305	-	-
700 Main Center	176,903	151,077	-	-
Golf Course	1,321,567	1,424,098	-	-
Total business-type activities	<u>34,644,142</u>	<u>34,424,614</u>	<u>-</u>	<u>1,402,553</u>
Total primary government	<u>\$ 105,945,601</u>	<u>\$ 43,895,606</u>	<u>\$ 8,123,475</u>	<u>\$ 11,489,017</u>
Component Units	<u>\$ 15,525,489</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales taxes

Franchise taxes

Other taxes

Unrestricted investment earnings net of change
in fair value of investments

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (885,500)	\$ -	\$ (885,500)	\$ -
(26,039,775)	-	(26,039,775)	-
(6,962,394)	-	(6,962,394)	-
(6,642,628)	-	(6,642,628)	-
(3,090,231)	-	(3,090,231)	-
<u>(43,620,528)</u>	<u>-</u>	<u>(43,620,528)</u>	<u>-</u>
-	1,914,304	1,914,304	-
-	(173,970)	(173,970)	-
-	(634,014)	(634,014)	-
-	(25,826)	(25,826)	-
-	102,531	102,531	-
<u>-</u>	<u>1,183,025</u>	<u>1,183,025</u>	<u>-</u>
<u>(43,620,528)</u>	<u>1,183,025</u>	<u>(42,437,503)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,501,489)</u>
19,584,568	-	19,584,568	-
10,578,784	-	10,578,784	-
19,948,312	-	19,948,312	10,007,650
5,756,651	-	5,756,651	-
2,084,369	-	2,084,369	-
5,120,557	1,931,051	7,051,608	1,154,403
95,342	20,171	115,513	213,019
<u>3,635,701</u>	<u>(3,635,701)</u>	<u>-</u>	<u>-</u>
<u>66,804,284</u>	<u>(1,684,479)</u>	<u>65,119,805</u>	<u>11,375,072</u>
23,183,756	(501,454)	22,682,302	(4,126,417)
<u>151,487,477</u>	<u>112,584,685</u>	<u>264,072,162</u>	<u>28,359,983</u>
<u>\$ 174,671,233</u>	<u>\$ 112,083,231</u>	<u>\$ 286,754,464</u>	<u>\$ 24,233,566</u>

CITY OF VICTORIA, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Construction Fund (3036)</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,619,202	\$ 1,424,515	\$ 4,296,761
Investments	20,788,024	-	-
Receivables (net)	7,649,751	1,148,248	31,075
Due from other funds	1,128,064	-	-
Due from component unit	-	-	-
Inventory	483,884	-	-
Returned checks	26,679	-	-
Total assets	<u>\$ 33,695,604</u>	<u>\$ 2,572,763</u>	<u>\$ 4,327,836</u>
LIABILITIES			
Accounts payable	\$ 949,840	\$ -	\$ -
Accrued expenditures	2,782,363	-	-
Accrued compensated absences	7,844	-	-
Due to other governments	71,707	-	-
Due to other funds	2,435	-	3,678,104
Due to component unit	-	-	-
Unearned revenue	9,540	-	-
Total liabilities	<u>3,823,729</u>	<u>-</u>	<u>3,678,104</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	5,095,683	1,148,248	-
Total deferred inflows of resources	<u>5,095,683</u>	<u>1,148,248</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
Inventory	483,884	-	-
Restricted	-	1,424,515	649,732
Committed	-	-	-
Unassigned	24,292,308	-	-
Total fund balances	<u>24,776,192</u>	<u>1,424,515</u>	<u>649,732</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 33,695,604</u>	<u>\$ 2,572,763</u>	<u>\$ 4,327,836</u>

The accompanying notes are an integral part of this statement.

<u>Capital Construction Fund (3037)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,990,273	\$ 7,052,440	\$ 28,383,191
52,372,393	608,446	73,768,863
-	1,307,473	10,136,547
3,500,000	2,685,555	7,313,619
-	500,000	500,000
-	-	483,884
-	-	26,679
<u>\$ 67,862,666</u>	<u>\$ 12,153,914</u>	<u>\$ 120,612,783</u>
\$ 7,262,168	\$ 653,346	\$ 8,865,354
-	33,242	2,815,605
-	-	7,844
-	-	71,707
2,487,662	568,379	6,736,580
84,949	-	84,949
-	1,999,344	2,008,884
<u>9,834,779</u>	<u>3,254,311</u>	<u>20,590,923</u>
-	312,838	6,556,769
-	312,838	6,556,769
-	-	483,884
58,027,887	6,524,667	66,626,801
-	2,151,319	2,151,319
-	(89,221)	24,203,087
<u>58,027,887</u>	<u>8,586,765</u>	<u>93,465,091</u>
<u>\$ 67,862,666</u>	<u>\$ 12,153,914</u>	<u>\$ 120,612,783</u>

CITY OF VICTORIA, TEXAS**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION
OF GOVERNMENTAL ACTIVITIES**

September 30, 2024

Total governmental fund balances		\$ 93,465,091
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Internal service funds are used by the City to charge the costs of certain activities, such as insurance and vehicle and equipment services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		11,305,822
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are "unavailable" in the funds.		2,925,275
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in fund balance.		3,631,494
Capital and subscription assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental assets at year-end consist of:		
Governmental capital and subscription assets costs	\$ 454,772,261	
Accumulated depreciation/amortization of governmental assets	<u>(268,635,780)</u>	186,136,481
Deferred outflows of resources are not reported in the governmental funds:		
Deferred amount on refunding	1,429,409	
Deferred outflow related to pension	10,635,547	
Deferred outflow related to OPEB	<u>1,746,748</u>	13,811,704
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds and certificates payable	(82,945,000)	
Financed purchases payable	(550,021)	
Premiums on bonds payable	(8,634,032)	
Subscription liability	(279,900)	
Accrued interest on long-term debt	(515,141)	
Compensated absences	(1,260,581)	
Net pension liability	(32,910,729)	
OPEB liability	<u>(7,056,770)</u>	(134,152,174)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred inflow related to pension	(684,652)	
Deferred inflow related to OPEB	<u>(1,767,808)</u>	<u>(2,452,460)</u>
Net position of governmental activities		<u>\$ 174,671,233</u>

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS*STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**GOVERNMENTAL FUNDS**For the year ended September 30, 2024*

	General	Debt Service	Capital Construction Fund (3036)
REVENUES			
Taxes	\$ 45,003,671	\$ 10,623,325	\$ -
Licenses and permits	1,140,644	-	-
Intergovernmental	2,800,682	-	520,589
Charges for services	4,452,935	-	-
Fines and forfeitures	629,407	-	-
Investment earnings net of change in fair value of investments	1,475,013	326,530	232,940
Miscellaneous	304,753	-	-
Total revenues	<u>55,807,105</u>	<u>10,949,855</u>	<u>753,529</u>
EXPENDITURES			
Current			
General government	6,030,968	-	-
Public safety	33,789,967	-	-
Development	8,091,012	-	69,766
Recreation	5,503,439	-	-
Capital outlay	-	-	9,947
Debt service			
Principal retirement	-	8,190,000	-
Interest and fiscal charges	-	2,736,622	-
Paying agents' fees, issue costs, and arbitrage rebate premiums	-	11,794	-
Total expenditures	<u>53,415,386</u>	<u>10,938,416</u>	<u>79,713</u>
Excess (deficiency) of revenues over expenditures	2,391,719	11,439	673,816
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Premium on debt issued	-	-	-
Transfers in	3,387,284	-	-
Transfers out	(4,262,372)	-	(4,075,309)
Total other financing sources (uses)	<u>(875,088)</u>	<u>-</u>	<u>(4,075,309)</u>
Change in fund balances	1,516,631	11,439	(3,401,493)
Fund balances at beginning of year	<u>23,259,561</u>	<u>1,413,076</u>	<u>4,051,225</u>
Fund balances at end of year	<u>\$ 24,776,192</u>	<u>\$ 1,424,515</u>	<u>\$ 649,732</u>

The accompanying notes are an integral part of this statement.

Capital Construction Fund (3037)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,953,600	\$ 57,580,596
-	-	1,140,644
-	6,461,375	9,782,646
-	-	4,452,935
-	198,984	828,391
2,307,391	436,044	4,777,918
5,452,330	1,865,879	7,622,962
<u>7,759,721</u>	<u>10,915,882</u>	<u>86,186,092</u>
-	1,176,610	7,207,578
-	1,961,240	35,751,207
101,177	910,611	9,172,566
-	2,239,882	7,743,321
26,504,008	581,710	27,095,665
-	-	8,190,000
-	-	2,736,622
495,964	-	507,758
<u>27,101,149</u>	<u>6,870,053</u>	<u>98,404,717</u>
(19,341,428)	4,045,829	(12,218,625)
53,645,000	-	53,645,000
5,852,102	-	5,852,102
10,462,616	2,786,892	16,636,792
-	(4,899,648)	(13,237,329)
<u>69,959,718</u>	<u>(2,112,756)</u>	<u>62,896,565</u>
50,618,290	1,933,073	50,677,940
7,409,597	6,653,692	42,787,151
<u>\$ 58,027,887</u>	<u>\$ 8,586,765</u>	<u>\$ 93,465,091</u>

CITY OF VICTORIA, 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 **\$ 50,677,940**

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

Internal service funds are used by the City to charge the costs of certain activities, such as insurance and vehicle and equipment services, to individual funds. The net activity of the internal service funds are reported with governmental activities. 693,914

Capital outlays and subscriptions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense.

Increase in capital assets	\$ 29,160,572	
Depreciation and amortization expense	<u>(12,220,883)</u>	16,939,689

The net effect of various transactions involving capital assets (i.e., transfers, contributions, adjustments and dispositions) is to increase (decrease) net position. 4,117,000

Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Bonds and certificates at par value	(53,645,000)	
(Premium) discount	<u>(5,852,102)</u>	(59,497,102)

Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:

Bond principal retirement	8,190,000	
Financed purchase principal retirement	<u>147,015</u>	8,337,015

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Similarly, other revenues are not currently available at year end and are not reported as revenue in the governmental funds.

Property taxes	638,721	
Other revenues	<u>(906,939)</u>	(268,218)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences	47,996	
Increase in accrued interest	(291,734)	
Decrease in loss on bond refunding	(261,118)	
Decrease in bond premium	696,357	
Net pension costs	1,341,320	
Net OPEB costs	<u>650,697</u>	<u>2,183,518</u>

Change in net position of governmental activities **\$ 23,183,756**

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Water and Wastewater	Environmental Services	Other Enterprise Funds		
ASSETS					
Current assets					
Cash and cash equivalents	\$ 5,822,322	\$ 1,365,931	\$ 1,621,869	\$ 8,810,122	\$ 7,197,262
Investments	8,109,589	6,553,222	-	14,662,811	1,063,929
Receivables (net)	2,247,578	322,536	71,272	2,641,386	129,530
Due from other funds	-	-	16,867	16,867	176,783
Due from component unit	-	90,000	-	90,000	-
Inventory	373,255	-	28,427	401,682	78,083
Returned checks	-	-	1,490	1,490	-
Restricted assets					
Cash and cash equivalents	7,738,371	845,872	504,493	9,088,736	28,000
Investments	-	2,221,766	-	2,221,766	-
Total current assets	24,291,115	11,399,327	2,244,418	37,934,860	8,673,587
Noncurrent assets					
Capital assets					
Land and other assets not being depreciated	19,532,834	834,981	1,543,250	21,911,065	173,175
Buildings, improvements, and equipment (net)	107,137,770	1,503,082	2,487,772	111,128,624	5,171,739
Right-to-Use lease assets (net)	-	-	575,882	575,882	899,750
Total noncurrent assets	126,670,604	2,338,063	4,606,904	133,615,571	6,244,664
Total assets	150,961,719	13,737,390	6,851,322	171,550,431	14,918,251
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	447,995	-	-	447,995	-
Deferred outflow related to pension	1,377,210	527,500	-	1,904,710	-
Deferred outflow related to OPEB	320,793	85,890	-	406,683	-
Total deferred outflows of resources	2,145,998	613,390	-	2,759,388	-

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Water and Wastewater	Environmental Services	Other Enterprise Funds		
LIABILITIES					
Current liabilities					
Accounts payable	\$ 793,252	\$ 123,708	\$ 105,402	\$ 1,022,362	\$ 315,574
Accounts payable (payable from restricted assets)	1,597,825	-	-	1,597,825	-
Accrued expenses	248,085	79,461	42,566	370,112	81,789
Accrued compensated absences	6,366	1,986	335	8,687	2,641
Due to other governments	-	44,062	-	44,062	-
Due to other funds	35,609	45,838	20,147	101,594	669,095
Due to component unit	52,116	33,494	-	85,610	-
Customer deposits	-	-	61,422	61,422	-
Claims payable	-	-	-	-	531,715
Accrued interest payable	573,600	-	2,231	575,831	3,518
Current portion of revenue bonds	3,435,000	-	-	3,435,000	-
Current portion of right-to-use lease liability	-	-	165,944	165,944	332,703
Current portion of financed purchases	-	-	35,661	35,661	247,370
Total current liabilities	6,741,853	328,549	433,708	7,504,110	2,184,405
Noncurrent liabilities					
Revenue bonds (net of unamortized deferred amounts)	39,469,434	-	-	39,469,434	-
Right-to-use lease liability	-	-	425,503	425,503	594,191
Financed purchases	-	-	114,077	114,077	765,279
Accrued compensated absences	165,207	51,549	8,668	225,424	68,554
Net pension liability	5,324,147	1,676,268	-	7,000,415	-
OPEB liability	1,141,612	359,428	-	1,501,040	-
Estimated landfill closure and postclosure care cost	-	4,743,814	-	4,743,814	-
Total noncurrent liabilities	46,100,400	6,831,059	548,248	53,479,707	1,428,024
Total liabilities	52,842,253	7,159,608	981,956	60,983,817	3,612,429
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to pension	652,498	195,486	-	847,984	-
Deferred inflow related to OPEB	314,658	80,129	-	394,787	-
Total deferred inflows of resources	967,156	275,615	-	1,242,771	-
NET POSITION					
Net investment in capital assets	85,713,819	2,338,063	3,843,219	91,895,101	4,305,121
Unrestricted net position	13,584,489	4,577,494	2,026,147	20,188,130	7,000,701
Total net position	\$ 99,298,308	\$ 6,915,557	\$ 5,869,366	\$ 112,083,231	\$ 11,305,822

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the year ended September 30, 2024

	Business-type Activities		
	Water and Wastewater	Environmental Services	Other Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 26,308,929	\$ 5,005,235	\$ 1,792,604
Miscellaneous	135,185	1,176,785	5,876
Total operating revenues	<u>26,444,114</u>	<u>6,182,020</u>	<u>1,798,480</u>
OPERATING EXPENSES			
Personnel	7,144,486	2,347,784	1,010,389
Materials and supplies	2,132,219	339,924	274,380
Maintenance	1,963,685	2,513	99,506
Heat, lights and power	1,294,855	17,189	180,778
Reinsurance premiums	-	-	-
Miscellaneous services	1,993,061	1,936,562	123,306
Contractual services	1,772,109	269,937	53,629
Computer services	217,911	91,120	25,899
Court costs, judgments and damages	-	-	-
Claims expense	-	-	-
OPEB trust expense	-	-	-
HSA expense	-	-	-
Life insurance expense	-	-	-
Wellness program	-	-	-
Tipping fees	-	1,047,967	-
Landfill closure and postclosure care cost	-	132,220	-
Depreciation and amortization	7,938,897	170,774	547,273
Total operating expenses	<u>24,457,223</u>	<u>6,355,990</u>	<u>2,315,160</u>
Operating income (loss) before nonoperating revenues (expenses), contributions and transfers	1,986,891	(173,970)	(516,680)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings net of change in fair value of investments	1,303,932	564,323	62,796
Interest and fiscal charges	(1,475,140)	-	(40,629)
Gain (loss) on disposition of capital assets	17,465	254	2,452
Net nonoperating revenues (expenses)	<u>(153,743)</u>	<u>564,577</u>	<u>24,619</u>
Income before contributions and transfers	1,833,148	390,607	(492,061)
Contributions and transfers			
Capital contributions	1,402,553	-	-
Transfers in	-	-	450,000
Transfers out	(3,096,604)	(927,167)	(61,930)
Total contributions and transfers	<u>(1,694,051)</u>	<u>(927,167)</u>	<u>388,070</u>
Change in net position	139,097	(536,560)	(103,991)
Total net position at beginning of year	<u>99,159,211</u>	<u>7,452,117</u>	<u>5,973,357</u>
Total net position at end of year	<u>\$ 99,298,308</u>	<u>\$ 6,915,557</u>	<u>\$ 5,869,366</u>

The accompanying notes are an integral part of this statement.

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 33,106,768	\$ 18,608,557
1,317,846	53,613
<u>34,424,614</u>	<u>18,662,170</u>
10,502,659	1,990,270
2,746,523	1,418,835
2,065,704	2,420,634
1,492,822	119,115
-	1,798,054
4,052,929	689,183
2,095,675	1,982,198
334,930	109,625
-	11,614
-	5,213,621
-	200,000
-	96,500
-	27,569
-	66,106
1,047,967	-
132,220	-
8,656,944	2,391,061
<u>33,128,373</u>	<u>18,534,385</u>
1,296,241	127,785
1,931,051	342,639
(1,515,769)	(43,107)
20,171	30,359
<u>435,453</u>	<u>329,891</u>
1,731,694	457,676
1,402,553	-
450,000	236,238
(4,085,701)	-
<u>(2,233,148)</u>	<u>236,238</u>
(501,454)	693,914
<u>112,584,685</u>	<u>10,611,908</u>
<u>\$ 112,083,231</u>	<u>\$ 11,305,822</u>

CITY OF VICTORIA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-type Activities		
	Water and Wastewater	Environmental Services	Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers/other funds	\$ 26,735,567	\$ 6,212,557	\$ 1,801,586
Cash paid to suppliers for goods and services	(9,999,595)	(3,801,081)	(768,512)
Cash paid to employees for services	(5,047,854)	(1,905,707)	(1,004,810)
Net cash provided (used) by operating activities	<u>11,688,118</u>	<u>505,769</u>	<u>28,264</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in customer deposits	-	-	434
Borrowings from (to) other funds	17,614	-	4,151
Borrowings from (to) component unit	-	9,362	-
Transfers in from other funds	-	-	450,000
Transfers out to other funds	(3,096,604)	(927,167)	(61,930)
Net cash provided (used) by noncapital financing activities	<u>(3,078,990)</u>	<u>(917,805)</u>	<u>392,655</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(15,643,494)	(39,454)	(111,103)
Proceeds from sale of capital assets	17,465	-	4,170
Principal paid on long-term debt	(3,305,000)	-	(189,825)
Interest and debt costs paid	(1,785,195)	-	(40,676)
Net cash provided (used) by capital and related financing activities	<u>(20,716,224)</u>	<u>(39,454)</u>	<u>(337,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investments	6,328,654	8,656,192	-
Purchase of investments	(7,356,946)	(8,454,711)	-
Investment income	1,197,163	335,964	62,796
Net cash provided (used) by investing activities	<u>168,871</u>	<u>537,445</u>	<u>62,796</u>
Net increase (decrease) in cash and cash equivalents	(11,938,225)	85,955	146,281
Cash and cash equivalents at beginning of year	<u>25,498,918</u>	<u>2,125,848</u>	<u>1,980,081</u>
Cash and cash equivalents at end of year	<u>\$ 13,560,693</u>	<u>\$ 2,211,803</u>	<u>\$ 2,126,362</u>

The accompanying notes are an integral part of this statement.

<u>Total</u>	Governmental Activities Internal Service Funds
\$ 34,749,710	\$ 18,936,773
(14,569,188)	(14,132,243)
<u>(7,958,371)</u>	<u>(1,964,843)</u>
12,222,151	2,839,687
434	-
21,765	-
9,362	-
450,000	236,238
<u>(4,085,701)</u>	<u>-</u>
(3,604,140)	236,238
(15,794,051)	(2,012,880)
21,635	30,750
(3,494,825)	(585,538)
<u>(1,825,871)</u>	<u>(43,187)</u>
(21,093,112)	(2,610,855)
14,984,846	3,538,431
(15,811,657)	(2,081,373)
1,595,923	360,083
<u>769,112</u>	<u>1,817,141</u>
(11,705,989)	2,282,211
<u>29,604,847</u>	<u>4,943,051</u>
<u>\$ 17,898,858</u>	<u>\$ 7,225,262</u>

(continued)

CITY OF VICTORIA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-type Activities		
	Water and Wastewater	Environmental Services	Other Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,986,891	\$ (173,970)	\$ (516,680)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	7,938,897	170,774	547,273
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	281,828	7,273	-
(Increase) decrease in other receivables	9,625	23,264	3,106
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in inventory	61,285	-	369
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in deferred outflows related to pension/OPEB	615,009	156,216	-
Increase (decrease) in accounts payable	344,907	(65,128)	(11,383)
Increase (decrease) in accrued expenses	39,789	11,188	7,596
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences	(7,053)	6,938	(2,017)
Increase (decrease) in due to other governments	-	434	-
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in net pension liability	(128,034)	52,730	-
Increase (decrease) in OPEB liability	68,230	39,799	-
Increase (decrease) in landfill closure and postclosure care cost	-	101,045	-
Increase (decrease) in deferred inflows related to pension/OPEB	476,744	175,206	-
Total adjustments	<u>9,701,227</u>	<u>679,739</u>	<u>544,944</u>
Net cash provided (used) by operating activities	<u>\$ 11,688,118</u>	<u>\$ 505,769</u>	<u>\$ 28,264</u>
Reconciliation of cash and cash equivalents			
Cash and cash equivalents - Unrestricted	\$ 5,822,322	\$ 1,365,931	\$ 1,621,869
Cash and cash equivalents - Restricted	7,738,371	845,872	504,493
Total	<u>\$ 13,560,693</u>	<u>\$ 2,211,803</u>	<u>\$ 2,126,362</u>
Noncash capital and related financing activities			
Assets acquired from financed purchases	\$ -	\$ -	\$ 96,473
Assets acquired from initiation of Right-to-Use lease	-	-	143,966
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,439</u>

The accompanying notes are an integral part of this statement.

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 1,296,241	\$ 127,785
8,656,944	2,391,061
289,101	-
35,995	51,096
-	3,136
61,654	59,229
-	212,486
771,225	-
268,396	(7,088)
58,573	14,922
-	11,021
(2,132)	10,505
434	-
-	(34,466)
(75,304)	-
108,029	-
101,045	-
651,950	-
<u>10,925,910</u>	<u>2,711,902</u>
<u>\$ 12,222,151</u>	<u>\$ 2,839,687</u>
\$ 8,810,122	\$ 7,197,262
<u>9,088,736</u>	<u>28,000</u>
<u>\$ 17,898,858</u>	<u>\$ 7,225,262</u>
\$ 96,473	\$ -
<u>143,966</u>	<u>298,304</u>
<u>\$ 240,439</u>	<u>\$ 298,304</u>

(concluded)

CITY OF VICTORIA, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
September 30, 2024

	<u>Retiree Health Care Plan Trust</u>
ASSETS	
Cash and cash equivalents	\$ 34,660
Investments	
Mutual funds - equity	2,306,893
Mutual funds - fixed income	1,449,974
Accrued income	<u>87</u>
Total assets	<u>3,791,614</u>
LIABILITIES	<u>-</u>
NET POSITION	
Restricted for OPEB	<u>\$ 3,791,614</u>

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****FIDUCIARY FUND***For the year ended September 30, 2024*

	<u>Retiree Health Care Plan Trust</u>
ADDITIONS	
Miscellaneous	
Employer contributions	\$ 844,149
Investment income	
Net appreciation (depreciation) in fair value of investments	379,373
Dividends	100,420
Interest	<u>1,832</u>
Total additions	<u>1,325,774</u>
DEDUCTIONS	
Benefit payments	844,149
OPEB Plan administrative expense	15,340
Other	<u>1,651</u>
Total deductions	<u>861,140</u>
Changes in net position	464,634
Net position - beginning	<u>3,326,980</u>
Net position - ending	<u>\$ 3,791,614</u>

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS
STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2024

	Sales Tax Development Corporation	Downtown Tax Increment Reinvestment Zone No. 1	Victoria Special Events Assoc., Inc.	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,727,526	\$ 78,643	\$ 1,000	\$ 5,807,169
Investments	13,690,237	-	-	13,690,237
Receivables (net)	779,358	15,000	-	794,358
Due from primary government	170,559	-	-	170,559
Total current assets	<u>20,367,680</u>	<u>93,643</u>	<u>1,000</u>	<u>20,462,323</u>
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	3,940,843	-	-	3,940,843
Buildings, improvements, and equipment (net)	934,975	-	-	934,975
Total noncurrent assets	<u>4,875,818</u>	<u>-</u>	<u>-</u>	<u>4,875,818</u>
Total assets	<u>25,243,498</u>	<u>93,643</u>	<u>1,000</u>	<u>25,338,141</u>
LIABILITIES				
Current liabilities				
Accounts payable	514,575	-	-	514,575
Due to primary government	590,000	-	-	590,000
Total liabilities	<u>1,104,575</u>	<u>-</u>	<u>-</u>	<u>1,104,575</u>
NET POSITION				
Net investment in capital assets	4,875,818	-	-	4,875,818
Unrestricted	19,263,105	93,643	1,000	19,357,748
Total net position	<u>\$ 24,138,923</u>	<u>\$ 93,643</u>	<u>\$ 1,000</u>	<u>\$ 24,233,566</u>

The accompanying notes are an integral part of this statement.

CITY OF VICTORIA, TEXAS
STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended September 30, 2024

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units				
Sales Tax Development Corporation	\$ 15,499,542	\$ -	\$ -	\$ -
Downtown TIRZ No. 1	1,947	-	-	-
Victoria Special Events Assoc., Inc.	24,000	24,000	-	-
Total component units	\$ 15,525,489	\$ 24,000	\$ -	\$ -

General revenues:
Taxes:
Sales taxes
Unrestricted investment earnings net of change
in fair value of investments
Miscellaneous
Total general revenues
Change in net position
Net position - beginning
Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue
and Changes
in Net Position

Component Units			
Sales Tax Development Corporation	Downtown Tax Increment Reinvestment Zone No. 1	Victoria Special Events Assoc., Inc.	Total
\$ (15,499,542)	\$ -	\$ -	\$ (15,499,542)
-	(1,947)	-	(1,947)
-	-	-	-
<u>(15,499,542)</u>	<u>(1,947)</u>	<u>-</u>	<u>(15,501,489)</u>
10,007,650	-	-	10,007,650
1,153,796	607	-	1,154,403
136,905	76,114	-	213,019
<u>11,298,351</u>	<u>76,721</u>	<u>-</u>	<u>11,375,072</u>
(4,201,191)	74,774	-	(4,126,417)
<u>28,340,114</u>	<u>18,869</u>	<u>1,000</u>	<u>28,359,983</u>
<u>\$ 24,138,923</u>	<u>\$ 93,643</u>	<u>\$ 1,000</u>	<u>\$ 24,233,566</u>

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Victoria (the "City"), operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning, water and sewer, and general administrative services.

A. Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

The component units discussed in this note are included in the City's financial statements because of the significance of their financial relationships with the City.

Excluded from the reporting entity:

Victoria Independent School District - Provides educational services to the residents of the City. The Independent School District's board members are elected by the residents of the City and County of Victoria; in addition, Victoria Independent School District provides its own source of financing.

Advisory Boards and Commissions - The City Council uses an extensive network of advisory boards and commissions in order to ensure public input to the City's decision-making process. These boards and commissions are: Board of Adjustments and Appeals, Board of Health, Library Board, Food Establishment Appeals Board, Housing Authority, Parks and Recreation Commission, Planning Commission, Building and Standards Commission, Victoria Central Appraisal District, Golden Crescent Regional Planning Commission, Victoria Economic Development Corporation, Victoria Metropolitan Planning Organization, Victoria Development Commission, Victoria Health Facilities Development Corporation, Health Authority for Victoria County Public Health Department, Tourism Advisory Board, and Victoria Public Facility Corporation Board. The advisory boards and commissions are appointed, partially or entirely, by the City Council; however, these boards and commissions do not perform any financial activity.

Included in the reporting entity:

The component units column in the financial statements includes the financial data from three component units. These component units are reported in a separate column to emphasize that they are legally separate from the City. The component unit column is made of the following:

1. The Sales Tax Development Corporation was created for the purpose of aiding, assisting and acting on behalf of the City in undertaking and completing projects to acquire and improve drainage, water and sewage, streets and roads, parks and recreational facilities, and public safety facilities. All powers of the Corporation are vested in the Board of Directors consisting of three members of the City Council and four individuals appointed by the City Council. The Board of Directors operates at the direction of the City Council. The City is able to impose its will on the Corporation by approving its annual budgets and bonded debt issuance. This entity is reported as a governmental fund type.

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

A. Reporting Entity - (Continued)

2. The Reinvestment Zone Number One, Victoria Texas (TIRZ #1) was created in December 2021, under the authority of the Tax Increment Financing Act, as codified as Chapter 311 of the Texas Tax Code. TIRZ #1 is a financing and management tool for the City that allows future ad valorem tax revenue to be set aside to be spent within the geographic boundaries of the TIRZ #1 which is a 210.9 acre area located within the City's downtown. The participants include the Victoria County Navigation District, Victoria Junior College District and the City at 100% of incremental value. The Board of Directors consists of seven individuals with one slot assigned for each partner and the City appointing any remaining Board members. The City Council has the authority to approve or disapprove TIRZ #1 projects. This entity is reported as a governmental fund type.
3. The Victoria Special Events Association, Inc. was created in May 1998, to operate and maintain the softball recreational complex owned by the City of Victoria. The Corporation raises and holds economic resources for the direct benefit of the City. The management of the Corporation is vested in the Board of Directors consisting of three City of Victoria employees. The Board of Directors operates at the direction of the City Council and the City Council approves the Corporation's annual budgets. The Victoria Special Events Association, Inc. operates as a proprietary fund type.

These component units are discretely presented in the financial statements. Complete financial statements of the individual component units can be obtained from the City's Finance Department, 700 Main Center, Suite 100, Victoria, Texas 77901.

In accordance with GAAP, the City's financial statements also include the following entity in the financial statements as a blended component unit.

1. The Victoria Housing Finance Corporation was established in 1979, pursuant to the Texas Housing Finance Corporations Act as a separate not-for-profit entity for the exclusive purpose of benefitting and accomplishing public purposes of, and on behalf of, the City. It is authorized to issue debt/bonds for the purpose of supporting affordable single-family home mortgages, and issue private activity bonds to provide financing for multifamily housing projects for low and moderate income owners. It can serve as a general partner in multifamily housing projects. The City Council constitutes the Board of Directors.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units.

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, discretely presented component units, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A 120-day availability period is used for recognition of all other Governmental Fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, fines, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for general government debt principal and interest.

The Capital Project Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities or other capital assets. Capital Project Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The Capital Project Funds, Capital Construction Fund (3036) and Capital Construction Fund (3037) are reported as major funds as of September 30, 2024.

The City reports the following major proprietary funds:

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Water and Wastewater Fund, an enterprise fund, accounts for the activities of the City related to its sewage treatment plant and the water distribution system.

The Environmental Services Fund, an enterprise fund, accounts for the operation of the City's garbage collection and landfill.

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

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

Additionally, the City reports the following fund types:

The Special Revenue Funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains eight Internal Service Funds: Building and Equipment Services, Information Technology, Radio Systems, Purchasing, Safety Management, Workers' Compensation, Print Shop, and Employee Health Plan.

The proprietary funds are accounted for on a flow of *economic resources measurement focus* and utilize the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used between various City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The Water and Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

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

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. No funds may be expended or encumbered which will exceed appropriations; however, the City Manager is authorized to transfer budgeted amounts within any department or agency. Any revisions that alter the total expenditures of any department or agency must be approved by the City Council. There were supplemental appropriations made during the year.
5. Budgets for the General, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council during the fiscal year. Budget comparisons are presented in the accompanying financial statements for these funds with appropriated budgets.
6. The Debt Service Fund is budgeted by debt service issues.
7. The Capital Project Funds are budgeted on a project basis. Annually the City Council budgets only those portions of projects that have not been previously appropriated, along with new appropriations for new projects.
8. All appropriations lapse at year-end except for that portion related to encumbered amounts.

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

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. The outstanding encumbrances for the governmental funds as of September 30, 2024 are \$52,752,044.

F. Leases

City as Lessee

With the exception of short-term leases, when the City is a lessee in noncancellable lease arrangements the City recognizes a right-to-use lease liability (lease liability) and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value that would be material to the government-wide financial statements. For leases not meeting these criteria, lease payments are recognized as outflows of resources based on the payment provisions of the contract. See Note 12 for details of the City's leasing arrangements as lessee.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

F. Leases - (Continued)

City as Lessor

With the exception of short-term leases and certain regulated leases, when the City is a lessor in noncancellable lease arrangements the City recognizes a right-to-use lease receivable (lease receivable) and a deferred inflow of resources in the government-wide and governmental fund financial statements. The City recognizes lease receivables with an initial, individual value that would be material to the governmental financial statements. The City does not recognize any such leases as of September 30, 2024. For leases not meeting these criteria, lease revenues are recognized as inflows of resources based on the payment provisions of the contract.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

G. Deposits and Investments

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.

The City Council has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the City are in compliance with the City Council's investment policies.

Investments for the City, as well as the component units, are recorded at amortized cost, which as of September 30, 2024, approximates fair value. Because the fair value of the City's investments did not materially differ from cost, no adjustments were made to the City's reporting amounts. See Note 3 for further discussion.

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

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes. The allowance on the unpaid property taxes is equal to 5% of the outstanding property taxes and the allowance on the penalties and interest is equal to 50% of the assessed amount.

I. Inventory and Prepaid Items

Inventory of the General Fund and the Water and Wastewater Fund consists of supplies held for the City's use and are carried at cost. Inventory in the Internal Service Funds is held for resale and is reported at lower of cost or market, which is determined by using a monthly moving average. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are reported as prepaid items in the fund financial statements and in the government-wide statements and recorded when purchased rather than when consumed.

J. Restricted Assets

The City has interest and sinking accounts in the Water and Wastewater Fund that are used to segregate resources accumulated for debt service payments. The City also has set aside resources in the Environmental Services Fund to pay for closure and post-closure care costs and to fund a new facility, and in the Community Center Fund to fund any future improvements to the Community Center facility. The restricted cash in the Workers' Compensation Fund represents those funds held by a third party administrator for future claims.

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

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage systems, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest is capitalized on capital assets of business-type activities when acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred during the period of construction until completion of the project with interest earned on invested proceeds over the same period.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	40
Water and wastewater distribution system	40
Streets and bridges - parking lots	10
Sidewalks	10
Machinery and equipment	2-20
Office equipment and fixtures	2-10

Subscription assets are initially recognized at the present value of subscription payments expected to be made during the subscription term, plus any payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All compensated absence pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**M. Long-Term Obligations**

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund 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 on the statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs and deferred losses on refunding as expenditures 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.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between actuarial assumptions used and actual experience for determination of pension or OPEB liability – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. This year, the City has the following items that qualify for reporting in this category.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension or OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

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

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/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. Information regarding the City's pension liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company (GRS), in compliance with GASB No. 68.

P. Supplemental Death Benefit (OPEB)

For purposes of measuring the total OPEB liability for the supplemental death benefit plan, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB 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. Information regarding the City's OPEB liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company (GRS), in compliance with GASB No. 75.

Q. Fund Balance Policies

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid items) because they are either not in spendable form, or legally or contractually required to be maintained in-tact;
- 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 a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include non-spendable resources and amounts that are restricted, committed, assigned, or any combination of those classifications. In addition, the General Fund may also include an unassigned amount.

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

Q. Fund Balance Policies - (Continued)

Commitments will only be used for specific purposes pursuant to a formal action (ordinance) of the City Council. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A two-thirds majority vote is required to approve a commitment and a two-thirds majority vote is required to remove a commitment.

The City Council delegates the responsibility to assign funds not to exceed \$50,000 to the City Manager or their designee to be used for specific purposes. City Council shall have the authority to assign any amount of funds to be used for specific purposes pursuant to the City's fund balance policy. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The assignments may occur subsequent to fiscal year-end.

Encumbered amounts of otherwise unassigned resources will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54. Encumbrances of already restricted, committed, or assigned resources are not reported in the governmental financial statements.

R. Net Position Flow Assumptions

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

S. Minimum Fund Balance Policy

The City will maintain a minimum unassigned fund balance in its General Fund of 25 percent of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. When fund balance falls below the 25 percent range, the City will replenish shortages/deficiencies. Should unassigned fund balance of the General Fund ever exceed the maximum 25 percent range, the City will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

T. Stabilization Arrangement

On October 6, 2020, the Council adopted a Ordinance No. 2020-193 establishing a Self Finance/Stabilization Fund by transferring excess fund balance or working capital balance from various City's funds. The Fund is to be maintained to provide for emergencies, contingencies, revenue shortfalls, or budgetary imbalances that may occur from time to time. Appropriations from the Fund will be made at the discretion of City Council and the City Manager during the budget process and fiscal year end as needs arise. The Stabilization Fund is reported as a nonmajor special revenue fund and the fund balance is reported as committed at fiscal year-end. The balance as of September 30, 2024 was \$2,151,319.

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

U. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with GAAP requires the City to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Compliance

Budgetary compliance is monitored at the departmental level in the General Fund and at the fund level in the Debt Service Fund and the Capital Project Funds. There were several situations of expenditures exceeding the amount appropriated during the fiscal year 2023-2024.

<u>Fund/Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
General Fund			
City manager and council	\$ 1,178,925	\$ 1,197,452	\$ 18,527
Fire	15,654,755	16,314,153	659,398

These over expenditures were funded by available fund balance in the General Fund.

Deficit Fund Equity

As of September 30, 2024, the CDBG Hazard Mitigation Fund and the CDBG-MIT Grant Fund (both nonmajor special revenue funds) had deficit fund equity balances of \$38,364 and \$50,857, respectively. The fund deficits are the result of unavailable revenue at September 30, 2024 and will be eliminated upon receipt of the reimbursements in the upcoming year.

NOTE 3: DEPOSITS AND INVESTMENTSDeposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. All deposits of the Reporting Entity that exceeded the federal depository insurance coverage level of \$250,000 per account were covered by collateral by the Federal Reserve Bank in the City's name under a tri-party collateral agreement between Wells Fargo Bank, N.A. and The Bank of New York Mellon. The fair value of the collateral held at the Federal Reserve Bank in the City's name at fiscal year-end was \$8,047,667.

At September 30, 2024, the carrying amount of the City's deposits was \$7,198,699 and the respective bank balances totaled \$6,143,892. The City's cash on hand totaled \$5,200.

Investments

The City may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or otherwise secured; and certain repurchase agreements. For additional information see the City of Victoria investment policy at www.victoriatx.gov.

The Reporting Entity categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2024, the City has certificates of deposit and municipal bonds valued using quoted prices for similar assets in active markets (Level 2 inputs).

NOTE 3: DEPOSITS AND INVESTMENTSInvestments - (Continued)

As of September 30, 2024, the Reporting Entity had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>	<u>Portfolio %age</u>
Public Funds Investment Pool				
LOGIC	\$ 29,749,413	46	AAAm	19%
Texas CLASS	17,231,449	36	AAAm	11%
Texas Fixed Income Trust (FIT)	11,535,620	60	AAAf/S1	7%
Texas TERM	76,493,220	43	AAAf	49%
Texas DAILY	17,378,766	36	AAAmmf	11%
TexPool Prime	<u>5,079,718</u>	39	AAAm	3%
	<u>\$ 157,468,186</u>			

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool uses amortized cost and the remaining investment pools use the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pools is the State of Texas. The investment pools transact at a net asset value of \$1.00 per share and are classified as cash and cash equivalents for reporting purposes.

Interest Rate Risk

In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments to less than one year from the time of purchase. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two years from the date of purchase.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the City's policy to limit its investments to those with ratings of not less than A or its equivalent.

Concentration of Credit Risk

The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity or specific user. At year-end, the City was not exposed to concentration of credit risk.

NOTE 3: DEPOSITS AND INVESTMENTSInvestments - (Continued)*Custodial Credit Risk - Investments*

For an investment, 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 investment policy requires that securities be held in the name of the City or held on behalf of the City and that all securities are purchased using the delivery versus payment method. As of September 30, 2024, and for the year then ended, the City was not exposed to any custodial credit risk.

Deposits and Investments - Retiree Health Care Plan Trust Fund

The deposits and investments of the Retiree Health Care (OPEB) Plan Trust Fund ("Trust Fund") are maintained separately from the City's cash and investments, and are subject to a separate investment policy. Accordingly, the required disclosures for these deposits and investments are presented separately. The Trust Fund's cash equivalents reported in the Statement of Fiduciary Net Position is composed entirely of short-term investments in a money market fund.

The OPEB Plan's Committee has the responsibility and authority to oversee the investment portfolio. PFM Asset Management, LLC is contracted to manage the Trust Fund's assets. All investment decisions are subject to Texas law and the investment policy established by the OPEB Plan's Committee. The mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>	<u>Portfolio %age</u>
Mutual Funds - Equity	\$ 2,306,893	N/A	N/A	61%
Mutual Funds - Fixed Income	<u>1,449,974</u>	N/A	N/A	39%
	<u>\$ 3,756,867</u>			

NOTE 4: RECEIVABLES

Receivables are aggregated into a single accounts receivable (net of an allowance for estimated uncollectible accounts) line on the financial statements. Receivables at September 30, 2024 consist of the following:

Governmental activities

	General	Debt Service	Capital Construction (3036)	Nonmajor Governmental	Total	Internal Service
Gross receivables:						
Accounts	\$ -	\$ -	\$ -	\$ 410,639	\$ 410,639	\$ -
Ad valorem taxes	2,162,033	1,397,024	-	-	3,559,057	-
Franchise taxes	584,192	-	-	-	584,192	-
Sales taxes	1,558,715	-	-	-	1,558,715	-
Weedy lots	4,144,352	-	-	-	4,144,352	-
Ambulance	3,156,289	-	-	-	3,156,289	-
Fines	1,767,403	-	-	-	1,767,403	-
Interest	-	-	-	-	-	-
Grants	-	-	31,075	761,354	792,429	-
Other	595,250	-	-	135,480	730,730	148,793
Total gross receivables	13,968,234	1,397,024	31,075	1,307,473	16,703,806	148,793
Less: allowances	6,318,483	248,776	-	-	6,567,259	19,263
Total net receivables	<u>\$ 7,649,751</u>	<u>\$ 1,148,248</u>	<u>\$ 31,075</u>	<u>\$ 1,307,473</u>	<u>\$ 10,136,547</u>	<u>\$ 129,530</u>

Business-type activities

	Water and Wastewater	Environmental Services	Other Enterprise	Total
Gross receivables:				
Accounts	\$ 2,182,375	\$ 283,772	\$ 70,628	\$ 2,536,775
Other	65,203	38,764	644	104,611
Total gross receivables	2,247,578	322,536	71,272	2,641,386
Less: allowances	-	-	-	-
Total net receivables	<u>\$ 2,247,578</u>	<u>\$ 322,536</u>	<u>\$ 71,272</u>	<u>\$ 2,641,386</u>

NOTE 4: RECEIVABLES - (Continued)

Discretely Presented Component Units

	Sales Tax Development Corporation	Downtown Tax Increment Reinvestment Zone No. 1	Total
Gross receivables:			
Sales taxes	\$ 779,358	\$ -	\$ 779,358
Other	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total gross receivables	779,358	15,000	794,358
Less: allowances	<u>-</u>	<u>-</u>	<u>-</u>
Total net receivables	<u>\$ 779,358</u>	<u>\$ 15,000</u>	<u>\$ 794,358</u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by the following January 31, which comprises the collection dates for the current tax roll. The Victoria County Tax Assessor bills, collects, and remits daily all ad valorem taxes.

The City is permitted by a local charter to levy taxes up to \$2.00 per \$100 of assessed valuation. The combined tax rate for the year ended September 30, 2024, was \$0.4898 per \$100, which means that the City has a tax margin of \$1.5102 per \$100 and could raise up to \$74,650,263 on \$4,943,071,324 before the limit is reached.

The City's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
General Fund			
Ad valorem taxes receivable	\$ 1,777,027	\$ -	\$ 1,777,027
Weedy lots	598,524	-	598,524
Ambulance	2,034,031	-	2,034,031
Fines	686,101	-	686,101
Grants and contributions	-	9,540	9,540
Debt Service Fund			
Ad valorem taxes receivable	1,148,248	-	1,148,248
Nonmajor Funds			
Grants and contributions	<u>312,838</u>	<u>1,999,344</u>	<u>2,312,182</u>
	<u>\$ 6,556,769</u>	<u>\$ 2,008,884</u>	<u>\$ 8,565,653</u>

NOTE 5: JOINT VENTURE

The South Texas Zoo is a cooperative effort funded by the City of Victoria's General Fund and the South Texas Zoological Society. The South Texas Zoological Society operates and maintains the South Texas Zoo located in the City-owned Riverside Park. The City does not appoint any of the directors of the Society. As of the last financial statement, September 30, 2024, total assets were \$561,525, total liabilities were \$17,148, total fund net position was \$544,376, total support and revenues were \$1,205,596 and total expenses were \$851,666. Excess revenue over expenses resulted in a net income of \$353,930. The amount contributed by the City for years ended September 30, 2024 and 2023, was \$100,000 and \$100,000, respectively. Complete audited financial statements for the South Texas Zoo may be obtained at 110 Memorial Drive, Victoria, Texas 77901.

NOTE 6: CAPITAL ASSETS

The City's capital asset activity for the year ended September 30, 2024, was as follows:

Primary Government:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,120,362	\$ -	\$ -	\$ 5,120,362
Construction in progress	<u>23,313,044</u>	<u>26,816,091</u>	<u>20,099,911</u>	<u>30,029,224</u>
Total capital assets not being depreciated	<u>28,433,406</u>	<u>26,816,091</u>	<u>20,099,911</u>	<u>35,149,586</u>
Capital assets, being depreciated				
Machinery and equipment	64,128,610	3,327,991	3,262,212	64,194,389
Buildings	20,562,277	2,347,787	539,555	22,370,509
Improvements other than buildings	12,018,710	13,033,800	268,570	24,783,940
Infrastructure	<u>331,710,423</u>	<u>10,289,967</u>	<u>-</u>	<u>342,000,390</u>
Total capital assets being depreciated	<u>428,420,020</u>	<u>28,999,545</u>	<u>4,070,337</u>	<u>453,349,228</u>
Right-to-Use lease assets, being amortized				
Machinery and equipment	<u>1,325,120</u>	<u>298,304</u>	<u>-</u>	<u>1,623,424</u>
Total right-to-use lease assets being amortized	<u>1,325,120</u>	<u>298,304</u>	<u>-</u>	<u>1,623,424</u>
Subscription assets, being amortized	<u>452,197</u>	<u>-</u>	<u>-</u>	<u>452,197</u>
Less accumulated depreciation and amortization for				
Capital assets, being depreciated				
Machinery and equipment	53,281,798	3,791,352	3,232,201	53,840,949
Buildings	15,876,996	903,402	115,275	16,665,123
Improvements other than buildings	6,416,733	416,268	215,336	6,617,665
Infrastructure	<u>211,101,368</u>	<u>9,063,631</u>	<u>-</u>	<u>220,164,999</u>
Right-to-Use lease assets, being amortized				
Machinery and equipment	376,823	346,851	-	723,674
Subscription assets, being amortized	<u>90,440</u>	<u>90,440</u>	<u>-</u>	<u>180,880</u>
Total accumulated depreciation and amortization	<u>287,144,158</u>	<u>14,611,944</u>	<u>3,562,812</u>	<u>298,193,290</u>
Total capital assets being depreciated and lease/subscription assets being amortized, net	<u>143,053,179</u>	<u>14,685,905</u>	<u>507,525</u>	<u>157,231,559</u>
Governmental activities capital assets, net	<u>\$ 171,486,585</u>	<u>\$41,501,996</u>	<u>\$20,607,436</u>	<u>\$ 192,381,145</u>

NOTE 6: CAPITAL ASSETS - (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 5,569,177	\$ -	\$ -	\$ 5,569,177
Construction in progress	<u>9,131,752</u>	<u>14,046,567</u>	<u>6,836,431</u>	<u>16,341,888</u>
Total capital assets not being depreciated	<u>14,700,929</u>	<u>14,046,567</u>	<u>6,836,431</u>	<u>21,911,065</u>
Capital assets, being depreciated				
Machinery and equipment	8,373,246	1,067,412	84,157	9,356,501
Buildings	50,610,811	754,899	21,312	51,344,398
Improvements other than buildings	4,357,503	3,292,359	-	7,649,862
Infrastructure	1,793,382	-	-	1,793,382
Water and wastewater distribution system	<u>217,365,517</u>	<u>3,343,909</u>	<u>-</u>	<u>220,709,426</u>
Total capital assets being depreciated	<u>282,500,459</u>	<u>8,458,579</u>	<u>105,469</u>	<u>290,853,569</u>
Right-to-Use lease assets, being amortized				
Machinery and equipment	<u>765,128</u>	<u>143,966</u>	<u>72,746</u>	<u>836,348</u>
Total right-to-use lease assets being amortized	<u>765,128</u>	<u>143,966</u>	<u>72,746</u>	<u>836,348</u>
Less accumulated depreciation and amortization for				
Capital assets, being depreciated				
Machinery and equipment	7,157,554	385,438	84,157	7,458,835
Buildings	32,073,248	1,733,824	19,591	33,787,481
Improvements other than buildings	1,934,622	39,748	-	1,974,370
Infrastructure	1,611,377	21,910	-	1,633,287
Water and wastewater distribution system	<u>128,565,124</u>	<u>6,305,848</u>	<u>-</u>	<u>134,870,972</u>
Right-to-Use lease assets, being amortized				
Machinery and equipment	<u>158,236</u>	<u>170,176</u>	<u>67,946</u>	<u>260,466</u>
Total accumulated depreciation and amortization	<u>171,500,161</u>	<u>8,656,944</u>	<u>171,694</u>	<u>179,985,411</u>
Total capital assets being depreciated and right-to-use lease assets being amortized, net	<u>111,765,426</u>	<u>(54,399)</u>	<u>6,521</u>	<u>111,704,506</u>
Business-type activities capital assets, net	<u>\$ 126,466,355</u>	<u>\$ 13,992,168</u>	<u>\$ 6,842,952</u>	<u>\$ 133,615,571</u>

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities

General government	\$ 62,214
Public safety	1,630,447
Development	9,876,259
Recreation	651,963
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,391,061</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 14,611,944</u>

Business-type activities

Water/wastewater	\$ 7,938,897
Environmental services	170,774
Other	547,273
Total depreciation and amortization expense - business-type activities	<u>\$ 8,656,944</u>

NOTE 6: CAPITAL ASSETS - (Continued)**Discretely Presented Component Units:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Sales Tax Development Corporation				
Capital assets, not being depreciated				
Land	\$ 3,928,244	\$ -	\$ -	\$ 3,928,244
Construction in progress	<u>1,275,531</u>	<u>3,361,202</u>	<u>4,624,134</u>	<u>12,599</u>
Total capital assets not being depreciated	<u>5,203,775</u>	<u>3,361,202</u>	<u>4,624,134</u>	<u>3,940,843</u>
Capital assets, being depreciated				
Improvements other than buildings	9,913,733	-	-	9,913,733
Infrastructure	<u>1,714,085</u>	<u>-</u>	<u>-</u>	<u>1,714,085</u>
Total capital assets being depreciated	<u>11,627,818</u>	<u>-</u>	<u>-</u>	<u>11,627,818</u>
Less accumulated depreciation for				
Improvements other than buildings	<u>10,606,509</u>	<u>86,334</u>	<u>-</u>	<u>10,692,843</u>
Total accumulated depreciation	<u>10,606,509</u>	<u>86,334</u>	<u>-</u>	<u>10,692,843</u>
Total capital assets being depreciated, net	<u>1,021,309</u>	<u>(86,334)</u>	<u>-</u>	<u>934,975</u>
Sales Tax Development Corporation capital assets, net	<u>6,225,084</u>	<u>3,274,868</u>	<u>4,624,134</u>	<u>4,875,818</u>
Victoria Special Events Assoc., Inc.				
Capital assets, being depreciated				
Machinery and equipment	10,449	-	-	10,449
Improvements other than buildings	<u>461,588</u>	<u>-</u>	<u>-</u>	<u>461,588</u>
Total capital assets being depreciated	<u>472,037</u>	<u>-</u>	<u>-</u>	<u>472,037</u>
Less accumulated depreciation for				
Machinery and equipment	10,449	-	-	10,449
Improvements other than buildings	<u>461,588</u>	<u>-</u>	<u>-</u>	<u>461,588</u>
Total accumulated depreciation	<u>472,037</u>	<u>-</u>	<u>-</u>	<u>472,037</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Victoria Special Events Assoc., Inc. capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Discretely presented component units capital assets, net	<u>\$ 6,225,084</u>	<u>\$ 3,274,868</u>	<u>\$ 4,624,134</u>	<u>\$ 4,875,818</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the 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 the 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 (ACFR) that can be obtained at www.tmr.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. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member 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 of the City for plan year 2024 were as follows:

Employee deposit rate	6.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	Last adopted 1993 - Auto Readoption - 100% - Transfers
COLA (for retirees)	Last adopted 1993 - Auto Readoption - 70%
Military service credit	Yes, adopted 11-1984
Restricted prior service credit	Yes, adopted 1-1992
Buy back last adopted	8-1982

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	551
Inactive employees entitled to but not yet receiving benefits	502
Active employees	<u>581</u>
	<u>1,634</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

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 were required to contribute 6.00% of their annual gross earnings during the fiscal year, unchanged from the prior year. The contribution rates for the City were 16.11% and 17.27% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$6,017,334, 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 were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees 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 Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 through December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)**Net Pension Liability - (Continued)*****Actuarial Assumptions - (Continued)***

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

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

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

Net Pension Liability - (Continued)

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 employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 231,640,785	\$ 183,176,955	\$ 48,463,830
Changes for the year:			
Service cost	4,931,104	-	4,931,104
Interest	15,394,307	-	15,394,307
Changes of benefit terms	-	-	-
Difference between expected and actual experience	2,343,263	-	2,343,263
Change of assumptions	(2,238,919)	-	(2,238,919)
Contributions - Employer	-	5,798,543	(5,798,543)
Contributions - Employee	-	2,159,608	(2,159,608)
Net investment income	-	21,160,107	(21,160,107)
Benefit payments, including refunds of employee contributions	(12,085,053)	(12,085,053)	-
Administrative expense	-	(134,874)	134,874
Other changes	-	(943)	943
Net changes	<u>8,344,702</u>	<u>16,897,388</u>	<u>(8,552,686)</u>
Balance at 12/31/2023	<u>\$ 239,985,487</u>	<u>\$ 200,074,343</u>	<u>\$ 39,911,144</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1.0% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1.0% Increase in Discount Rate (7.75%)
City's Net Pension Liability:	\$73,011,059	\$39,911,144	\$12,868,526

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

Net Pension Liability - (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

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

For the year ended September 30, 2024 the City recognized pension expense of \$5,966,672.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,868,982	\$ -
Changes in actuarial assumptions	-	1,532,636
Difference between projected and actual investment earnings	5,190,796	-
Contributions subsequent to the measurement date	4,480,479	-
Total	\$ 12,540,257	\$ 1,532,636

\$4,480,479 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, 2025. 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:	Pension Expense Amount
2024	\$ 2,451,581
2025	1,880,659
2026	3,954,032
2027	(1,759,130)
2028	-
Thereafter	-
Total	\$ 6,527,142

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB)Plan Description and Benefits Provided

TMRS administers an optional death benefit plan known as 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. The SDBF had 823 participating cities on December 31, 2023.

Benefits payable from 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 employee'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 considered an other post-employment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded, single-employer OPEB plan (i.e. no assets are accumulated).

Membership

At the December 31, 2023 valuation and measurement date, the following is the number of members in the plan:

Inactive employees currently receiving benefits	430
Inactive employees entitled to but not yet receiving benefits	149
Active employees	<u>581</u>
Total	<u>1,160</u>

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 funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retired term life insurance during employees' entire careers. Therefore, there are no assets that are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The SDBF is considered an unfunded OPEB plan and benefit payments made by the City are treated as being equal to the City's yearly contribution for retirees.

The City's contribution rates for the program are as follows:

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution (Rate)
2020	0.19%	0.07%
2021	0.30%	0.22%
2022	0.30%	0.22%
2023	0.43%	0.26%
2024	0.42%	0.26%

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB) - (Continued)

Total OPEB Liability

The City's total OPEB liability and the OPEB expense is recognized on the City's financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Inflation	2.5%
Salary increases	3.6% to 11.85 % including inflation
Discount rate	3.77%*
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements 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.

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB) - (Continued)

Total OPEB Liability - (Continued)

Changes in Total OPEB Liability

The following details the changes in the Total OPEB liability:

Balance at 12/31/22	\$ 2,228,715
Changes for the year:	
Service cost	50,391
Interest	89,388
Change of benefit terms	-
Difference between expected and actual experience	11,619
Change of assumptions	119,706
Benefit payments	<u>(93,583)</u>
Net changes	<u>177,521</u>
Balance at 12/31/23	<u>\$ 2,406,236</u>

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:

	1.0% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1.0% Increase in Discount Rate (4.77%)
City's Total OPEB Liability:	\$2,859,836	\$2,406,236	\$2,052,538

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$62,978.

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	\$ 8,984	\$ 28,643
Changes in actuarial assumptions	197,700	623,284
Contributions subsequent to the measurement date	67,454	-
Total	\$ 274,138	\$ 651,927

\$67,454 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 OPEB liability for the year ending September 30, 2025.

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB) - (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - (Continued)

Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding City contributions subsequent to the measurement date) are as follows:

Year ended December 31:	OPEB Expense Amount
2024	\$ (138,167)
2025	(203,744)
2026	(115,537)
2027	12,205
2028	-
Thereafter	-
Total	\$ (445,243)

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB)

Plan Description and Funding Policy

In addition to providing pension benefits, the City provides its retirees with post-employment health care benefits through a single-employer post-employment healthcare plan (the "plan"). Management of the plan is vested in the City of Victoria OPEB Advisory Board (the "Board"), which consists of four members - the City's Chief Financial Officer, Assistant Finance Director, and two City department directors. The City's Chief Financial Officer has the authority to recommend amendments to benefit terms to be voted on by the City Council.

In order for a City employee to be eligible for this benefit, he or she needs 20 years of service, attained the age of 60 with five years of service, or otherwise be eligible to retire under TMRS and receive a monthly TMRS annuity. The City elected to cap their contribution to the plan for existing retirees and long service employees and will no longer contribute to the cost for lesser service employees. Thus, the grandfathered group who will receive a City contribution is closed and, consequently, the liability will dwindle to zero.

Monthly premiums paid by retirees vary depending on date of retirement, longevity, age, type of plan chosen and Medicare coverage. Retirees, retired as of 12/31/08 (not yet age 65) with 30 years or more of service and with Medicare coverage, pay a monthly health premium of HDHP1-\$81.18 or HDHP2-\$73.29, without Medicare, HDHP1-\$162.36 or HDHP2-\$146.58; with 20 to 29 years of service and with Medicare coverage pay a monthly health premium of HDHP1-\$162.36 or HDHP2-\$146.58, without Medicare, HDHP1-\$324.72 or HDHP2-\$293.15.

Retirees, retired after 1/01/09 (not yet age 65) with 20 years or more of service and with Medicare coverage, pay a monthly health premium of HDHP1-\$133.90 or HDHP2-\$94.44, without Medicare, HDHP1-\$267.80 or HDHP2-\$188.88; with 10 to 19 years of service and with Medicare coverage pay a monthly health premium of HDHP1-\$201.90 or HDHP2-\$162.44, without Medicare, HDHP1-\$403.80 or HDHP2-\$324.88; with less than 10 years of service and with Medicare coverage pay a monthly health premium of HDHP1-\$235.90 or HDHP2-\$196.44, without Medicare HDHP1-\$471.80 or HDHP2-\$392.88.

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)

Plan Description and Funding Policy - (Continued)

Retirees, over age 65, were placed in a Retiree Exchange System and a Health Reimbursement Account for eligible retirees was established in fiscal year 2014. The premiums for each person are dependent on age, gender, and type of plan elected.

The retiree's dependents are allowed to participate in the plan; however, it is up to the retiree to pay for their dependent's health insurance premiums.

The City is under no obligation, statutory or otherwise, to pay any portion of the cost of post-employment benefits to any retirees. Allocation of City funds to pay other post-employment benefits is determined on an annual basis by the City Council as part of the budget process.

Other post-employment benefits are expensed and funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as a payroll expense/expenditure in an operating fund with corresponding revenue in the Employee Health Plan Fund.

At the December 31, 2023 valuation date, the following represents the participants in the plan:

Retirees and beneficiaries	153
Inactive , nonretired members	-
Active members	<u>568</u>
Total	<u>721</u>

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)Investments

The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board (1) to invest assets of the plan in a manner consistent with the following standards: (a) all transactions undertaken must be for the sole interest of plan beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments; (2) to provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the plan; (3) to enhance the value of plan assets in real terms over the long-term, to minimize principal fluctuations over the time horizon of five years or longer; and (4) to achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the performance expectations included in the plan's investment policy. In order to meet the plan's investment objectives and the best balance between risk and return for optimal diversification, the Board has adopted the following asset allocation policy:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>
Domestic Equity	39%	19%-59%
International Equity	21%	1%-41%
Other Growth Assets	0%	0%-20%
Fixed Income	40%	20%-60%
Other Income Assets	0%	0%-20%
Real Return Assets	0%	0%-20%
Cash Equivalents	<u>0%</u>	0%-20%
Total	<u>100%</u>	

There were no changes in the plan's investment policy during this reporting period. Fair value of the investments was determined by using the market approach and level one inputs were obtained to determine fair value under this approach. The internal rate of return on the plan investments was 12.59%. As of September 30, 2024, the plan had investments in one domestic equity mutual fund, one international equity mutual funds, and three fixed income mutual funds that exceeded 5% of the plan's fiduciary net position.

Net OPEB Liability*Actuarial Methods and Assumptions*

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. The actuarial methods and assumptions used in the December 31, 2023 valuation were as follows.

Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	6.50% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)

Net OPEB Liability - (Continued)

Actuarial Methods and Assumptions - (Continued)

Demographic Assumptions	Based on the 2023 experience study conducted for the TMRS.
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Healthcare Cost Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years. City subsidies are not expected to increase in the future.
Participation Rates	It was assumed that retirees would choose to receive retiree health care benefits through the City of Victoria according to the schedule below:

Service with Victoria as of 1/1/2009	Pre-65 Election Percentage
<10	15%
10-19	50%
20+	75%

Since retirees must be on the City's plan upon attainment of age 65 in order to be eligible for City contributions to a Retiree Reimbursement Account (RRA), the rates above were multiplied by 120% at ages 63 and 64 for those eligible for RRA contributions. In addition, it was assumed that 100% of employees retiring after the age of 65, who are eligible to receive a RRA contribution from the City, would participate.

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)

Net OPEB Liability - (Continued)

Changes in Net OPEB Liability

The following details the changes in the Net OPEB liability:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 10,639,441	\$ 3,326,980	\$ 7,312,461
Changes for the year:			
Service cost	121,396	-	121,396
Interest	668,074	-	668,074
Difference between expected and actual experience	(864,209)	-	(864,209)
Change of assumptions	222,635	-	222,635
Employer contributions	-	844,149	(844,149)
Net investment income	-	481,625	(481,625)
Benefit payments	(844,149)	(844,149)	-
Administrative expense	-	(15,340)	15,340
Other changes	-	(1,651)	1,651
Net changes	<u>(696,253)</u>	<u>464,634</u>	<u>(1,160,887)</u>
Balance at 12/31/2023	<u>\$ 9,943,188</u>	<u>\$ 3,791,614</u>	<u>\$ 6,151,574</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the City, calculated using the discount rate of 6.5%, 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 (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1.0% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1.0% Increase in Discount Rate (7.5%)
City's Net OPEB Liability:	\$6,878,131	\$6,151,574	\$5,504,950

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Net OPEB Liability of the City, calculated using the trend rate, 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 or 1-percentage-point higher than the current rate:

	1.0% Decrease in Trend Rate	Trend Rate	1.0% Increase in Trend Rate
City's Net OPEB Liability:	\$5,880,982	\$6,151,574	\$6,462,718

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$394,535.

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	\$ 552,826	\$ 1,505,547
Changes in actuarial assumptions	288,666	5,121
Differences between projected and actual investments	177,936	-
Contributions subsequent to the measurement date	859,865	-
Total	\$ 1,879,293	\$ 1,510,668

\$859,865 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 OPEB liability for the year ending September 30, 2025. Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding City contributions subsequent to the measurement date) are as follows:

Year ended September 30:	OPEB Expense Amount
2025	\$ (142,538)
2026	(84,937)
2027	49,025
2028	(63,030)
2029	(143,846)
Thereafter	(105,914)
Total	\$ (491,240)

Summary of OPEB Accounts

Plan	OPEB Liability (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense (Reduction)
TMRS Supplemental Death Benefit	\$ 2,406,236	\$ 274,138	\$ 651,927	\$ 62,978
Retiree Health Benefit	6,151,574	1,879,293	1,510,668	394,535
Totals	\$ 8,557,810	\$ 2,153,431	\$ 2,162,595	\$ 457,513

NOTE 10: SELF-INSURANCE

The City maintains a self-insurance internal service fund designed to pay comprehensive health benefits incurred by its participants. The fund assumed all risk up to \$175,000 of claims per participant annually; after this a reinsurance policy pays any remaining claims for the remainder of the year. The reinsurance premiums were \$809,825 and \$677,131 for the fiscal years ended September 30, 2024 and 2023, respectively. Premiums are charged to the individual funds based on a predetermined cost per employee and dependent. These amounts are recorded as operating revenue in the internal service fund and as operating expenditures/expenses in the respective funds. Any claims that have been incurred, but not reported, as of the balance sheet date are shown as current liabilities in the internal service fund and have been charged as an operating expense for that period. This amount was determined by an actuary through the City's health plan administrator. During the fiscal years ended September 30, 2024 and 2023, the City paid health claims of \$4,846,459 and \$5,543,164. The fund incurred a net income for the year of \$805,887 compared to a net income of \$475,850 for the prior year.

Settlements of claims did not exceed insurance coverage for any of the past three fiscal years.

	Beginning Liability	Current Year Claims and Changes In Estimates	Claim Payments	Ending Liability
Fiscal Year 2019	\$ 670,621	\$ 6,726,041	\$ 6,976,408	\$ 420,254
Fiscal Year 2020	420,254	5,552,868	5,484,937	488,185
Fiscal Year 2021	488,185	4,516,995	4,679,176	326,004
Fiscal Year 2022	326,004	4,126,070	4,133,109	318,965
Fiscal Year 2023	318,965	5,543,164	5,460,178	401,951
Fiscal Year 2024	401,951	4,846,459	4,899,013	349,397

The City established an internal service fund called Workers' Compensation Fund in the fiscal year 1989-1990 to account for and finance its uninsured risk of loss. Under this program the Workers' Compensation Fund provides coverage for up to a maximum of \$350,000 for each workers' compensation claim. Any excess over the maximum self-insured amount would be covered by the City's workers' compensation insurance.

All funds of the City participate in the program and make payments to the Workers' Compensation Fund based on actuarial estimates of the amount needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

The claim liability of \$182,318 and \$164,230, for the fiscal years 2023-2024 and 2022-2023, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As a result of this, the Workers' Compensation Fund incurred a net loss of \$150,632 in fiscal year 2024 compared to a net loss of \$57,114 in fiscal year 2023. Settlements of claims did not exceed insurance coverage for any of the past three fiscal years.

NOTE 10: SELF-INSURANCE - (Continued)

	<u>Beginning Liability</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
Fiscal Year 2019	\$ 144,790	\$ 332,589	\$ 234,515	\$ 242,864
Fiscal Year 2020	242,864	142,934	175,690	210,108
Fiscal Year 2021	210,108	336,840	237,724	309,224
Fiscal Year 2022	309,224	24,615	237,465	96,374
Fiscal Year 2023	96,374	272,923	205,067	164,230
Fiscal Year 2024	164,230	367,162	349,074	182,318

The City was insured in the area of general liability, police liability, and public officials liability for the fiscal year ending September 30, 1988. On September 26, 1988, by Council resolution, the City decided to purchase insurance coverage for all risk areas; and created an internal service fund, the Safety Management Fund, to account for liability and casualty insurance premiums as well as for any claim payments made in areas of self-insurance. Under this program, the City is insured up to a combined single limit that ranges from \$5,000,000 to \$1,000,000 with various deductible amounts. For the fiscal years 2024 and 2023, total contributions from the various City funds totaled \$1,202,001 and \$875,900, respectively. During the fiscal years 2024 and 2023, the City paid \$988,229 and \$798,263 in reinsurance premiums and \$11,614 and \$45,748 in legal fees and claims. In addition to this, the fund incurred a net income of \$17,452, compared to a net loss of \$117,971 for the prior year. Full insurance coverage was in effect for the year ended September 30, 2024. Settlements of claims did not exceed insurance coverage for any of the past three fiscal years.

The City purchases commercial insurance coverage for fleet liability, contractors' equipment, comprehensive property damage, comprehensive general liability, police professional liability, public official errors and omissions, electronic data processing physical damage, employee benefits liability, radio towers, boilers and machinery, and employee dishonesty coverage. There have been no significant reductions in insurance coverage during the fiscal year 2024. Settlements of claims did not exceed insurance coverage for any of the past three fiscal years.

NOTE 11: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Effective January, 1997, the assets were transferred to trusts for the exclusive benefit of the participants and their beneficiaries.

NOTE 12: LONG-TERM DEBT**A. Changes In Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds and certificates payable					
Certificates of obligation	\$ 10,655,000	\$ 53,645,000	\$ 3,260,000	\$ 61,040,000	\$ 2,775,000
General obligation bonds	26,835,000	-	4,930,000	21,905,000	3,700,000
Less deferred amounts:					
Issuance premiums	<u>3,478,287</u>	<u>5,852,102</u>	<u>696,357</u>	<u>8,634,032</u>	<u>-</u>
Net bonds and certificates payable	40,968,287	59,497,102	8,886,357	91,579,032	6,475,000
Direct borrowings					
Financed purchases	1,958,209	-	395,539	1,562,670	396,218
Right-to-Use leases	965,603	298,304	337,013	926,894	332,703
Subscriptions	362,740	-	82,840	279,900	80,157
Net pension liability	41,388,111	-	8,477,382	32,910,729	-
OPEB liability	8,148,165	80,860	1,172,255	7,056,770	-
Compensated absences	<u>1,378,727</u>	<u>1,798,996</u>	<u>1,838,103</u>	<u>1,339,620</u>	<u>49,708</u>
Total governmental activity					
long-term liabilities	<u>\$ 95,169,842</u>	<u>\$ 61,675,262</u>	<u>\$ 21,189,489</u>	<u>\$ 135,655,615</u>	<u>\$ 7,333,786</u>
Business-type activities					
Bonds payable					
Revenue bonds	\$ 42,265,000	\$ -	\$ 3,305,000	\$ 38,960,000	\$ 3,435,000
Less deferred amounts:					
Issuance premiums	<u>4,278,643</u>	<u>-</u>	<u>334,209</u>	<u>3,944,434</u>	<u>-</u>
Net bonds payable	46,543,643	-	3,639,209	42,904,434	3,435,000
Direct borrowings					
Financed purchases	84,315	96,473	31,050	149,738	35,661
Right-to-Use leases	611,056	143,966	163,575	591,447	165,944
Estimated landfill closure and postclosure care cost	4,642,769	101,045	-	4,743,814	-
Net pension liability	7,075,719	-	75,304	7,000,415	-
OPEB liability	1,393,011	108,029	-	1,501,040	-
Compensated absences	<u>236,243</u>	<u>366,033</u>	<u>368,165</u>	<u>234,111</u>	<u>8,687</u>
Total business-type activity					
long-term liabilities	<u>\$ 60,586,756</u>	<u>\$ 815,546</u>	<u>\$ 4,277,303</u>	<u>\$ 57,124,999</u>	<u>\$ 3,645,292</u>

Internal service funds predominantly serve the governmental funds. Accordingly, the long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At year-end, \$71,195 of internal service funds' compensated absences, \$926,894 of right-to-use lease liabilities, and \$1,012,649 of financed purchases are included in the above amounts. Also, for the governmental activities, compensated absences and other post-employment benefits are generally liquidated by the General Fund.

NOTE 12: LONG-TERM DEBT**A. Changes In Long-term Liabilities - (Continued)**

The estimated amount of OPEB liability due within one year for the Supplemental Death Benefit Plan (OPEB) which is a postemployment defined benefit plan that is not administered through a trust is reported as \$0. The amount was determined to be insignificant to the City's September 30, 2024 financial statements so the entire OPEB liability is reported as a noncurrent liability on the Statement of Net Position.

B. General Obligation Certificates and Bonds

Bonds and certificates payable at September 30, 2024, are comprised of the following individual issues:

\$3,810,000 2012 Certificates of Obligation due in annual installments ranging from \$145,000 to \$250,000 through August 15, 2032; interest varying between 2.00% and 3.75%.	\$ 1,305,000
\$9,075,000 2013A General Obligation Refunding Bonds due in annual installments ranging from \$170,000 to \$1,000,000 through August 15, 2026; interest varying between 2.00% and 3.00%.	1,000,000
\$5,945,000 2014 Certificates of Obligation due in annual installments ranging from \$235,000 to \$400,000 through August 15, 2034; interest varying between 2.00% and 4.00%.	3,370,000
\$11,770,000 2015 General Obligation Refunding Bonds due in annual installments ranging from \$90,000 to \$1,480,000 through August 15, 2027; interest varying between 2.00% and 4.00%.	3,675,000
\$2,445,000 2015 Certificates of Obligation due in annual installments ranging from \$85,000 to \$170,000 through August 15, 2035; interest varying between 3.00% and 5.00%.	1,570,000
\$21,880,000 2017 General Obligation Refunding Bonds due in annual installments ranging from \$840,000 to \$2,280,000 through August 15, 2030; interest varying between 4.00% and 5.00%.	12,355,000
\$1,960,000 2019 Certificates of Obligation due in annual installments ranging from \$75,000 to \$125,000 through August 15, 2039; interest varying between 2.50% and 4.00%.	1,570,000
\$5,750,000 2019 General Obligation Refunding Bonds due in annual installments ranging from \$420,000 to \$675,000 through August 15, 2033; interest varying between 4.14% and 5.27%.	4,875,000
\$2,265,000 2023 Certificates of Obligation due in annual installments ranging from \$70,000 to \$165,000 through August 15, 2042; interest varying between 4.00% and 5.00%.	2,070,000
\$53,645,000 2024 Certificates of Obligation due in annual installments ranging from \$2,315,000 to \$3,425,000 through August 15, 2043; interest varying between 4.00% and 5.00%.	<u>51,155,000</u>
Total General Obligation Certificates and Bonds	<u>\$ 82,945,000</u>

NOTE 12: LONG-TERM DEBT - (Continued)

B. General Obligation Certificates and Bonds - (Continued)

The City generally issues general obligation certificates and bonds to provide funds for the construction of improvements to various City infrastructures and for the payment of related contractual obligations for professional services.

Annual debt service requirements to maturity for certificates of obligation and general obligation bonds are as follows:

Year Ending September 30	Governmental Activities						Combined Total
	Certificates of Obligation			General Obligation Bonds			
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 2,775,000	\$ 2,888,382	\$ 5,663,382	\$ 3,700,000	\$ 906,350	\$ 4,606,350	\$ 10,269,732
2026	2,935,000	2,758,982	5,693,982	4,870,000	735,550	5,605,550	11,299,532
2027	3,070,000	2,621,658	5,691,658	3,290,000	526,850	3,816,850	9,508,508
2028	3,210,000	2,480,696	5,690,696	2,645,000	377,850	3,022,850	8,713,546
2029	3,360,000	2,333,696	5,693,696	2,750,000	266,800	3,016,800	8,710,496
2030-2034	18,245,000	9,243,162	27,488,162	4,650,000	271,650	4,921,650	32,409,812
2035-2039	14,230,000	5,242,026	19,472,026	-	-	-	19,472,026
2040-2043	13,215,000	1,533,450	14,748,450	-	-	-	14,748,450
Total	<u>\$ 61,040,000</u>	<u>\$ 29,102,052</u>	<u>\$ 90,142,052</u>	<u>\$ 21,905,000</u>	<u>\$ 3,085,050</u>	<u>\$ 24,990,050</u>	<u>\$ 115,132,102</u>

NOTE 12: LONG-TERM DEBT - (Continued)

C. Revenue Bonds

Revenue bonds payable are comprised of the following individual issues:

\$19,425,000 2014 Utility System Revenue Bonds, Series 2014 due in annual installments ranging from \$625,000 to \$1,430,000 through December 1, 2034; interest varying between 2.00% and 5.00%.	\$ 865,000
\$4,620,000 2015 Utility System Revenue Refunding Bonds, Series 2015 due in annual installments ranging from \$50,000 to \$750,000 through December 1, 2027; interest varying between 3.00% and 4.00%.	1,485,000
\$9,150,000 2016 Utility System Revenue Refunding Bonds, Series 2016 due in annual installments ranging from \$80,000 to \$2,285,000 through December 1, 2027; interest varying between 2.00% and 4.00%.	2,985,000
\$16,760,000 2017 Utility System Revenue Refunding Bonds, Series 2017 due in annual installments ranging from \$235,000 to \$1,665,000 through December 1, 2034; interest varying between 4.00% and 5.00%.	14,325,000
\$4,025,000 2021 Utility System Revenue Refunding Bonds, Series 2021 due in annual installments ranging from \$190,000 to \$640,000 through December 1, 2031; interest varying between 2.00% and 3.00%.	2,870,000
\$5,520,000 2022 Utility System Revenue Bonds, Series 2022 due in annual installments ranging from \$175,000 to \$385,000 through December 1, 2041; interest varying between 3.00% and 5.00%.	5,165,000
\$11,615,000 2023 Utility System Revenue Bonds, Series 2023 due in annual installments ranging from \$350,000 to \$385,000 through December 1, 2042; interest varying between 4.00% and 5.00%.	<u>11,265,000</u>
Total Revenue Bonds	<u>\$ 38,960,000</u>

NOTE 12: LONG-TERM DEBT - (Continued)

C. Revenue Bonds - (Continued)

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2025	\$ 3,435,000	\$ 1,646,350	\$ 5,081,350
2026	3,590,000	1,494,350	5,084,350
2027	3,750,000	1,335,750	5,085,750
2028	3,445,000	1,178,700	4,623,700
2029	2,390,000	1,044,950	3,434,950
2030-2034	11,600,000	3,489,175	15,089,175
2035-2039	6,365,000	1,403,850	7,768,850
2040-2043	4,385,000	318,625	4,703,625
Total	<u>\$ 38,960,000</u>	<u>\$ 11,911,750</u>	<u>\$ 50,871,750</u>

The revenue bond debt agreements contain certain requirements regarding the establishment and funding of an interest and sinking fund which is required to be funded only after net revenues for any fiscal year are less than 1.35 times the average annual debt service requirements of all outstanding parity obligations. In addition, the agreements provide that the City maintain a coverage ratio of at least 1.25 times the average annual debt service or 1.10 times the maximum annual debt service.

The City has pledged future water customer revenues, net of specified operating expenses to repay \$39 million in utility system revenue bonds issued. Proceeds from the bonds provided financing for improvements to the City's utility system. The bonds are payable from Water and Wastewater Fund net revenues and are payable through 2043. Average annual principal and interest payments on the bonds (\$2,677,461) are expected to require approximately 24 percent of net revenues. Principal and interest paid for the current year and total net revenues were \$5,084,400 and \$11,229,720, respectively. The total principal and interest remaining to be paid on the bonds is \$50,871,750.

The revenue bond debt agreements contain certain requirements regarding the establishment and funding of a debt service fund and a reserve fund. The City complied in all respects as of September 30, 2024.

NOTE 12: LONG-TERM DEBT - (Continued)

D. Financed Purchases

Financed purchases payable (direct borrowings) at September 30, 2024, are comprised of the following leases:

Financed purchase agreement on copier for the Print Shop. The original amount of the financed purchase, entered into in 2022, was \$54,064. The financed purchase is payable in monthly installments of \$1,502 and bears interest at a rate of 0.00%.	\$ 9,011
Financed purchase agreement on a utility vehicle for the Golf Course. The original amount of the financed purchase, entered into in 2021, was \$9,074. The financed purchase is payable in monthly installments of \$210 and bears interest at a rate of 4.305%.	2,467
Financed purchase agreement on defibrillators for the Fire Department. The original amount of the financed purchase, entered into in 2022, was \$291,991. The financed purchase is payable in annual installments of \$43,097 and bears interest at a rate of 4.26%.	80,998
Financed purchase agreement on a utility vehicles for the Golf Course. The original amount of the financed purchase, entered into in 2023, was \$9,074. The financed purchase is payable in monthly installments of \$508 and bears interest at a rate of 6.95%.	19,675
Financed purchase agreement on a tractor and backhoe for the Golf Course. The original amount of the financed purchase, entered into in 2023, was \$58,026. The financed purchase is payable in monthly installments of \$1,141 and bears interest at a rate of 6.95%.	44,206
Financed purchase agreement on defibrillators for the Fire Department. The original amount of the financed purchase, entered into in 2023, was \$578,013. The financed purchase is payable in annual installments of \$131,546 and bears interest at a rate of 4.764%.	469,024
Financed purchase agreement on street sweepers for the Public Works Department. The original amount of the financed purchase, entered into in 2023, was \$676,194. The financed purchase is payable in annual installments of \$63,083 and bears interest at a rate of 4.75%.	449,988
Financed purchase agreement on pumper/brush truck for the Fire Department. The original amount of the financed purchase, entered into in 2022, was \$936,011. The financed purchase is payable in annual installments of \$146,745 and bears interest at a rate of 2.38%.	553,649

NOTE 12: LONG-TERM DEBT - (Continued)

D. Financed Purchases - (Continued)

Financed purchase agreement on mowing equipment for the Golf Course. The original amount of the financed purchase, entered into in 2024, was \$96,473. The financed purchase is payable in monthly installments of \$1,960 and bears interest at a rate of 6.957%.

\$ 83,390

\$ 1,712,408

Annual requirements to maturity for the financed purchases are as follows:

Year Ending September 30	Governmental Activities			Business-type Activities			Combined Total
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 396,218	\$ 60,346	\$ 456,564	\$ 35,661	\$ 9,026	\$ 44,687	\$ 501,251
2026	402,272	45,299	447,571	36,521	6,783	43,304	490,875
2027	374,838	29,618	404,456	39,143	4,161	43,304	447,760
2028	389,342	15,114	404,456	36,464	1,386	37,850	442,306
2029	-	-	-	1,949	11	1,960	1,960
Total	<u>\$ 1,562,670</u>	<u>\$ 150,377</u>	<u>\$ 1,713,047</u>	<u>\$ 149,738</u>	<u>\$ 21,367</u>	<u>\$ 171,105</u>	<u>\$ 1,884,152</u>

E. Right-to-Use Leases

Right-to-Use leases payable at September 30, 2024, are comprised of the following leases:

Multiple lease agreements under a master lease agreement for various vehicles. The lease liabilities are recorded in the Building and Equipment Services Internal Service Fund. The leases are payable in fixed monthly installments over terms of either 48 or 60 months.

\$ 591,447

Lease agreement for an LED system. The lease liability is recorded in the Radio Systems Internal Service Fund. The lease is payable in fixed monthly installments over 60 months.

13,483

Multiple lease agreements for various golf equipment for the Golf Course. The lease liabilities are recorded in the Golf Course Enterprise Fund. The leases are payable in fixed monthly installments over terms ranging from 48 to 60 months.

913,411

\$ 1,518,341

NOTE 12: LONG-TERM DEBT - (Continued)

E. Right-to-Use Leases - (Continued)

Annual requirements to maturity for the right-to-use lease liabilities are as follows:

Year Ending September 30	Governmental Activities			Business-type Activities			Combined Total
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 332,703	\$ 35,147	\$ 367,850	\$ 165,944	\$ 23,406	\$ 189,350	\$ 557,200
2026	290,430	21,051	311,481	157,500	16,075	173,575	485,056
2027	199,740	9,419	209,159	153,831	9,025	162,856	372,015
2028	78,278	2,680	80,958	114,172	2,558	116,730	197,688
2029	25,743	475	26,218	-	-	-	26,218
Total	<u>\$ 926,894</u>	<u>\$ 68,772</u>	<u>\$ 995,666</u>	<u>\$ 591,447</u>	<u>\$ 51,064</u>	<u>\$ 642,511</u>	<u>\$ 1,638,177</u>

F. Subscription Liabilities

The City recognizes subscription liabilities for its payment obligations under subscription-based information technology arrangements (SBITAs), which convey to the City the right to use another party's information technology software. The City's SBITAs include cloud-based services and are recorded in the General Fund. The present value of future minimum subscription payments as of September 30, 2024, is recorded as a subscription liability in the government-wide financial statements.

Outflows of resources from SBITAs which are included in the measurement of the subscription liability balance as of September 30, 2024 were comprised of \$82,841 of principal and \$9,181 of interest.

Principal and interest requirements to maturity as of September 30, 2024, are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 80,157	\$ 6,608	\$ 86,765
2026	95,794	3,583	99,377
2027	103,949	278	104,227
Total	<u>\$ 279,900</u>	<u>\$ 10,469</u>	<u>\$ 290,369</u>

G. Rebatable Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The rebatable arbitrage liability is \$0 at September 30, 2024.

NOTE 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivables and Payables

At times during the fiscal year the various funds of the City were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund. Interfund receivable and payable balances as of September 30, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 565,941
	Other	562,123
Capital Construction (3037)	Capital Construction (3036)	3,500,000
Nonmajor Governmental	General	1,459
	Capital Construction (3036)	178,104
	Capital Construction (3037)	2,487,662
	Other	18,330
Nonmajor Business-type	General	976
	Other	15,891
Internal Service	Water and Wastewater	35,609
	Environmental Services	45,838
	Nonmajor Business-type	20,147
	Nonmajor Governmental	2,438
	Other	72,751
		<u>\$ 7,507,269</u>

NOTE 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - (Continued)

B. Interfund Transfers

Each year various funds of the City transfer funds to other funds. The most significant of these are the planned transfers from the City’s enterprise funds to specified governmental funds. These transfers are intended to provide the necessary resources to meet the operating and debt service obligations of the receiving funds. During the current fiscal year, transfers between funds consisted of the following:

Transfers Out	Transfers In					Total
	General	Capital Construction (3037)	Nonmajor Govt.	Nonmajor Bus.-type	Other	
General	\$ -	\$ 3,634,263	\$ 628,109	\$ -	\$ -	\$ 4,262,372
Capital Const. (3036)	-	3,528,205	389,104	-	158,000	4,075,309
Nonmajor Govt.	36,287	3,300,148	1,103,679	450,000	9,534	4,899,648
Water and Wwater	2,703,900	-	334,000	-	58,704	3,096,604
Environmental Svcs.	587,167	-	332,000	-	8,000	927,167
Nonmajor Bus.-type	59,930	-	-	-	2,000	61,930
	<u>\$ 3,387,284</u>	<u>\$ 10,462,616</u>	<u>\$ 2,786,892</u>	<u>\$ 450,000</u>	<u>\$ 236,238</u>	<u>\$ 17,323,030</u>

The City’s budget also includes various fund transfers to support capital projects and operational needs. The General Fund transferred \$4,262,372 primarily for capital projects in the City’s Capital Improvement Plan, with additional transfers to the Stabilization Fund, Emergency Operations Fund, and local grant matches. Capital Construction (3036) transferred \$4,075,309, mostly for capital projects, plus contributions to the OPEB Trust and a local grant match for the Duck Pond Project. Nonmajor Governmental Funds moved \$1,874,428, including transfers for capital projects, local grant matches, and contributions from the Hotel Tax Fund to the CVB and Community Center Funds, as well as the OPEB Trust. Also, the American Rescue Plan (a nonmajor governmental fund) allocated \$3,025,220, mainly for capital projects, with some funds covering department needs using unrestricted investment income. In addition to the transfer of funds from the City’s enterprise funds to specified governmental funds, \$42,000 was also transferred to the OPEB Trust.

NOTE 14: RELATED PARTY TRANSACTIONS

During fiscal year 2024, the Sales Tax Development Corporation, a discretely presented component unit of the City paid \$6,906,999 towards the Riverside Park Dog Park, Public Safety Headquarters Project, Mill & Overlay Project, Vine Street Water Line Project, Rosenquest Sewer Line Extension, Ethel Lee Tracy Splashpad Repairs and Bathroom, Pleasant Green Reconstruction, and Anthony Road Sanitary Sewer Line Project.

NOTE 15: PRIOR YEAR DEFEASANCE OF DEBT

In prior years the City defeased certain general obligation bonds and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the bonds are not included in the City’s financial statements. At September 30, 2024, \$19,825,000 of bonds outstanding is considered defeased.

NOTE 16: COMMITMENTS AND CONTINGENCIES**Grant Programs**

The City participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2024, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Litigation

Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position.

Chapter 380 Sales Tax Rebate Agreement

The City entered into a sales tax rebate agreement with the Victoria Mall (the "Mall") in November 2022. The rebate is contingent upon the Mall meeting an investment threshold on the site of \$5 million and will be calculated based on 50% of the City's portion of sales tax collections generated by businesses at the Victoria Mall campus. The maximum amount of the rebate is \$500,000 to be paid out over a five year period. As of September 30, 2024, the Mall has not met its investment threshold to trigger the sales tax rebate. The payment of the rebate will come from the Victoria Sales Tax Development Corporation.

NOTE 17: CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the useful life of the landfill. The estimated remaining useful life of the entire landfill at September 30, 2024, is 19 years.

As of September 30, 2024, the City is in compliance with state and federal laws and regulations concerning "financial assurances". The City currently has a contract with Republic Waste Services of Texas, Ltd., which is currently operating the landfill for the City. As per the contract agreement, Republic Waste Services of Texas, Ltd. "will be responsible for completing, at its cost, closure and post-closure of any area of the landfill in which new waste disposal cells are constructed by operator and which is filled to the final grades authorized in the permit by operator during the operating term." The City will be responsible for prior existing cells, and has established a closure/post-closure fund to accommodate those future liabilities. The total permitted landfill acres is 135.6. The landfill acres allocation for closure and post-closure liability responsibility is as follows:

- City of Victoria - 72.7 acres:
 - 46.6 acres (100%) was "capped" (final cover) in fiscal year 2015:
 - Closure cost liability, as of September 30, 2024: \$0
 - Post-closure liability, as of September 30, 2024: \$1,712,459
 - 26.1 acres (50%) has approximately 7 years useful life left.
 - Closure cost liability, as of September 30, 2024: \$1,939,587
 - Post-closure liability, as of September 30, 2024: \$1,091,768
- Republic Waste Services of Texas, Ltd. - 62.9 acres, responsible for closure and post-closure cost.

The City's estimated liability for landfill closure and post-closure care costs has a balance of \$4,743,814, \$4,642,769, and \$4,541,724 as of September 30, 2024, 2023, and 2022 respectively, determined by calculating the lapsed portion of the landfill's life. In fiscal year 2015, the City capped 46.6 acres at a cost of \$3.2 million. It is estimated that an additional \$101k will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the City's landfill acres is expected to be filled to capacity. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Beginning in November 2024, 379.6 acres will be the total permitted landfill acres which is an additional 244 acres.

NOTE 18: FUND BALANCES

The following is a detail of the governmental fund balances as of September 30, 2024:

	<u>Governmental Fund Balances</u>				<u>Total</u>
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	
General					
Inventory	\$ 483,884	\$ -	\$ -	\$ -	\$ 483,884
Unassigned	-	-	-	24,292,308	24,292,308
Debt Service					
Retirement of long-term debt	-	1,424,515	-	-	1,424,515
Capital Construction (3036)					
Various capital projects	-	649,732	-	-	649,732
Capital Construction (3037)					
Various capital projects	-	58,027,887	-	-	58,027,887
Nonmajor Governmental					
General government	-	817,807	-	-	817,807
Arts, tourism and conventions	-	3,384,334	-	-	3,384,334
Police department	-	348,928	-	-	348,928
Fire department	-	83,341	-	-	83,341
Emergency management	-	16,551	-	-	16,551
Municipal court security and technology	-	371,391	-	-	371,391
City parks	-	444,162	-	-	444,162
Development	-	1,058,153	-	-	1,058,153
Special projects	-	-	2,151,319	-	2,151,319
Unassigned	-	-	-	(89,221)	(89,221)
	<u>\$ 483,884</u>	<u>\$ 66,626,801</u>	<u>\$ 2,151,319</u>	<u>\$ 24,203,087</u>	<u>\$ 93,465,091</u>

NOTE 19: TAX ABATEMENTS

In June 1990, the Victoria City Council approved Resolution No. 90-73R, as required by Chapter 312 of the Texas Tax Code, to strengthen minimum guidelines and criteria governing tax abatement agreements in the City. The City has an ad valorem tax abatement program that abates property taxes on new value created as a result of the proposed project, with possible abatements available from the City, Victoria County, and as applicable, other taxing jurisdictions. Tax abatement guidelines were renewed in 2021. Tax abatements benefit the City as the abatements are temporary, and result in investment in the City that would otherwise not occur.

To be eligible to receive a tax abatement the guidelines stipulate that the company must add, at minimum, a value of \$500,000 to the tax rolls, with the exact abatement percentage determined by a tiered structure related to the cumulative value of improvements and personal property. The City's maximum abatement duration is 10 years with abatement percentages ranging from 40% to 100%. To receive their abatement each year, companies must submit compliance documentation to the City as outlined in their respective tax abatement agreements. Compliance criteria may typically include, but are not limited to, the following requirements: minimum employee count, minimum average annual salary, minimum real, personal, and / or inventory value on tax roll, construction material / improvement receipts, minimum taxable sales, occupancy / lease requirements, and LEED certifications.

Additionally, each company is required to submit their tax abatement application to the Victoria Central Appraisal District ("VCAD") by April 30th of each year to receive their abatement. The VCAD will apply the abatement after confirming with the City that no deductions need to occur, which would only happen if a company did not meet a certain requirement of their tax abatement agreement. Each agreement outlines how deductions will be calculated if the noncompliance does not automatically result in a default for that year. The City typically includes a recapture clause in tax abatement agreements that requires the company to return all property taxes abated under the agreement with interest and penalties to the City should the City have to terminate the agreement due to noncompliance issues. The City's Legal Department performs an annual assessment of the compliance performance for companies receiving tax abatements.

Currently, the City has 3 active tax abatement agreements under contract for tax year 2023. These companies comprise \$205.8 million in real and personal property values. They also provide \$4.1 million in property and inventory values not subject to tax abatement. In tax year 2023, the City abated \$39.9 million in improvements and personal property value, and the revenue received for real and personal property from these companies was \$379,360 for tax year 2023.

NOTE 20: IMPLEMENTATION OF NEW STANDARD

GASB Statement No. 100 (GASB 100), *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62* - was adopted for the fiscal year ended September 30, 2024. The primary objective of GASB 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. As of September 30, 2024, the City's financial statements were not affected by the implementation of GASB 100.

NOTE 21: SIGNIFICANT FORTHCOMING STANDARDS

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet in the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2024, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* - The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

NOTE 22: SUBSEQUENT EVENTS

During fiscal year 2025, the City entered into a financed purchase agreement with Government Capital Corporation in the amount of \$900,942 for a pumper truck. The financed purchase is payable in annual installments of \$157,050 beginning December 2025 and bears interest at a rate of 5.397%.

Required Supplementary Information

CITY OF VICTORIA, TEXAS

MAJOR GOVERNMENTAL FUNDS - GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024			Variance Positive (Negative)	2023 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes	\$ 43,900,673	\$ 43,900,673	\$ 45,003,671	\$ 1,102,998	\$ 45,139,651
Licenses and permits	986,290	986,290	1,140,644	154,354	1,080,175
Intergovernmental	2,836,240	2,777,240	2,800,682	23,442	2,644,181
Charges for services	3,071,900	3,130,900	4,452,935	1,322,035	3,106,323
Fines and forfeitures	599,650	599,650	629,407	29,757	585,266
Investment earnings net of change in fair value of investments	500,000	500,000	1,475,013	975,013	1,114,478
Miscellaneous	212,100	263,800	304,753	40,953	373,093
Total revenues	<u>52,106,853</u>	<u>52,158,553</u>	<u>55,807,105</u>	<u>3,648,552</u>	<u>54,043,167</u>
EXPENDITURES					
General government	6,068,043	6,182,335	6,030,968	151,367	5,724,258
Public safety	33,481,590	33,635,148	33,789,967	(154,819)	32,473,259
Development	8,706,143	9,282,566	8,091,012	1,191,554	7,968,942
Recreation	5,988,759	6,079,537	5,503,439	576,098	5,571,809
Total expenditures	<u>54,244,535</u>	<u>55,179,586</u>	<u>53,415,386</u>	<u>1,764,200</u>	<u>51,738,268</u>
Excess (deficiency) of revenues over expenditures	(2,137,682)	(3,021,033)	2,391,719	5,412,752	2,304,899
OTHER FINANCING SOURCES (USES)					
Financed purchase issued	-	-	-	-	578,013
Transfers in	3,402,697	3,402,697	3,387,284	(15,413)	4,564,054
Transfers out	(5,509,035)	(5,588,035)	(4,262,372)	1,325,663	(4,986,944)
Total other financing sources (uses)	<u>(2,106,338)</u>	<u>(2,185,338)</u>	<u>(875,088)</u>	<u>1,310,250</u>	<u>155,123</u>
Change in fund balance	(4,244,020)	(5,206,371)	1,516,631	6,723,002	2,460,022
Fund balance at beginning of year,	<u>23,259,561</u>	<u>23,259,561</u>	<u>23,259,561</u>	<u>-</u>	<u>20,799,539</u>
Fund balance at end of year	<u>\$ 19,015,541</u>	<u>\$ 18,053,190</u>	<u>\$ 24,776,192</u>	<u>\$ 6,723,002</u>	<u>\$ 23,259,561</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF VICTORIA, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM - PENSION

Last ten years

	Measurement Year		
	2014	2015	2016
Total Pension Liability			
Service cost	\$ 3,340,351	\$ 3,904,588	\$ 4,135,668
Interest (on the total pension liability)	11,630,300	12,002,074	12,066,856
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,479,799)	(631,245)	600,195
Change of assumptions	-	283,542	-
Benefit payments, including refunds of employee contributions	<u>(8,631,810)</u>	<u>(8,292,008)</u>	<u>(8,436,906)</u>
Net Change in Total Pension Liability	4,859,042	7,266,951	8,365,813
Total Pension Liability - Beginning	<u>168,792,867</u>	<u>173,651,909</u>	<u>180,918,860</u>
Total Pension Liability - Ending (a)	<u>\$ 173,651,909</u>	<u>\$ 180,918,860</u>	<u>\$ 189,284,673</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 4,771,378	\$ 5,127,357	\$ 5,031,579
Contributions - Employee	1,621,816	1,772,128	1,809,920
Net investment income	7,626,946	204,564	9,279,365
Benefit payments, including refunds of employee contributions	(8,631,810)	(8,292,008)	(8,436,906)
Administrative expense	(79,635)	(124,601)	(104,808)
Other	<u>(6,547)</u>	<u>(6,154)</u>	<u>(5,648)</u>
Net Change in Plan Fiduciary Net Position	5,302,148	(1,318,714)	7,573,502
Plan Fiduciary Net Position - Beginning	<u>133,334,163</u>	<u>138,636,311</u>	<u>137,317,597</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 138,636,311</u>	<u>\$ 137,317,597</u>	<u>\$ 144,891,099</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 35,015,598</u>	<u>\$ 43,601,263</u>	<u>\$ 44,393,574</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.84%	75.90%	76.55%
Covered Employee Payroll	\$ 27,030,262	\$ 29,535,465	\$ 30,165,336
Net Pension Liability as a Percentage of Covered Employee Payroll	129.54%	147.62%	147.17%

The accompanying notes to required supplementary information are an integral part of this schedule.

Measurement Year						
2017	2018	2019	2020	2021	2022	2024
\$ 4,100,496	\$ 4,150,267	\$ 4,210,086	\$ 4,408,740	\$ 4,585,667	\$ 4,540,765	\$ 4,931,104
12,600,532	13,054,511	13,346,677	13,729,057	14,100,643	14,757,322	15,394,307
-	-	-	-	-	-	-
(325,250)	(2,541,589)	(1,623,832)	(1,527,546)	3,000,834	2,217,361	2,343,263
-	-	471,557	-	-	-	(2,238,919)
<u>(9,320,736)</u>	<u>(10,029,363)</u>	<u>(10,700,070)</u>	<u>(10,977,791)</u>	<u>(11,409,672)</u>	<u>(12,462,554)</u>	<u>(12,085,053)</u>
7,055,042	4,633,826	5,704,418	5,632,460	10,277,472	9,052,894	8,344,702
<u>189,284,673</u>	<u>196,339,715</u>	<u>200,973,541</u>	<u>206,677,959</u>	<u>212,310,419</u>	<u>222,587,891</u>	<u>231,640,785</u>
<u>\$ 196,339,715</u>	<u>\$ 200,973,541</u>	<u>\$ 206,677,959</u>	<u>\$ 212,310,419</u>	<u>\$ 222,587,891</u>	<u>\$ 231,640,785</u>	<u>\$ 239,985,487</u>
\$ 4,928,367	\$ 5,010,611	\$ 5,131,905	\$ 5,260,786	\$ 5,466,619	\$ 5,199,373	\$ 5,798,543
1,793,220	1,817,635	1,856,026	1,936,489	2,009,788	1,985,757	2,159,608
20,080,623	(4,859,666)	23,813,296	13,203,652	23,890,909	(14,818,613)	21,160,107
(9,320,736)	(10,029,363)	(10,700,070)	(10,977,791)	(11,409,672)	(12,462,554)	(12,085,053)
(104,070)	(93,938)	(134,617)	(85,496)	(110,626)	(128,385)	(134,874)
<u>(5,275)</u>	<u>(4,907)</u>	<u>(4,045)</u>	<u>(3,336)</u>	<u>758</u>	<u>153,202</u>	<u>(943)</u>
17,372,129	(8,159,628)	19,962,495	9,334,304	19,847,776	(20,071,220)	16,897,388
<u>144,891,099</u>	<u>162,263,228</u>	<u>154,103,600</u>	<u>174,066,095</u>	<u>183,400,399</u>	<u>203,248,175</u>	<u>183,176,955</u>
<u>\$ 162,263,228</u>	<u>\$ 154,103,600</u>	<u>\$ 174,066,095</u>	<u>\$ 183,400,399</u>	<u>\$ 203,248,175</u>	<u>\$ 183,176,955</u>	<u>\$ 200,074,343</u>
<u>\$ 34,076,487</u>	<u>\$ 46,869,941</u>	<u>\$ 32,611,864</u>	<u>\$ 28,910,020</u>	<u>\$ 19,339,716</u>	<u>\$ 48,463,830</u>	<u>\$ 39,911,144</u>
82.64%	76.68%	84.22%	86.38%	91.31%	79.08%	83.37%
\$ 29,887,001	\$ 30,293,918	\$ 30,933,773	\$ 32,274,814	\$ 33,496,469	\$ 33,095,956	\$ 35,993,459
114.02%	154.72%	105.42%	89.57%	57.74%	146.43%	110.88%

CITY OF VICTORIA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM - PENSION
Last ten fiscal years

	Fiscal Year		
	2015	2016	2017
Actuarially Determined Contribution	\$ 4,874,372	\$ 5,052,004	\$ 4,959,283
Contribution in relation to the actuarially determined contribution	<u>(4,926,182)</u>	<u>(5,106,741)</u>	<u>(5,011,087)</u>
Contribution deficiency (excess)	<u>\$ (51,810)</u>	<u>\$ (54,737)</u>	<u>\$ (51,804)</u>
Covered employee payroll	\$ 27,967,308	\$ 29,953,292	\$ 29,977,506
Contributions as a percentage of covered employee payroll	17.61%	17.05%	16.72%

The accompanying notes to required supplementary information are an integral part of this schedule.

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ 4,967,335	\$ 5,128,686	\$ 5,107,288	\$ 5,477,304	\$ 5,526,626	\$ 5,496,814	\$ 6,017,334
<u>(5,020,606)</u>	<u>(5,187,133)</u>	<u>(5,166,531)</u>	<u>(5,567,409)</u>	<u>(5,631,048)</u>	<u>(5,634,151)</u>	<u>(6,167,318)</u>
<u>\$ (53,271)</u>	<u>\$ (58,447)</u>	<u>\$ (59,243)</u>	<u>\$ (90,105)</u>	<u>\$ (104,422)</u>	<u>\$ (137,337)</u>	<u>\$ (149,984)</u>
\$ 30,057,425	\$ 30,940,128	\$ 31,180,817	\$ 33,573,739	\$ 34,807,311	\$ 34,315,719	\$ 35,483,467
16.70%	16.77%	16.57%	16.58%	16.18%	16.42%	17.38%

CITY OF VICTORIA, TEXAS

*SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT
Last ten years*

	Measurement Year		
	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 50,808	\$ 60,588	\$ 52,587
Interest (on the total OPEB liability)	73,051	73,337	83,828
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	89,898	(177,564)
Change of assumptions	173,869	(154,486)	416,038
Benefit payments	<u>(17,932)</u>	<u>(21,206)</u>	<u>(21,654)</u>
Net Change in Total OPEB Liability	279,796	48,131	353,235
Total OPEB Liability - Beginning	<u>1,916,118</u>	<u>2,195,914</u>	<u>2,244,045</u>
Total OPEB Liability - Ending	<u><u>\$ 2,195,914</u></u>	<u><u>\$ 2,244,045</u></u>	<u><u>\$ 2,597,280</u></u>
Covered Employee Payroll	\$ 29,887,001	\$ 30,293,918	\$ 30,933,773
Total OPEB Liability as a Percentage of Covered Employee Payroll	7.35%	7.41%	8.40%

NOTE: Information for the prior three years was not readily available. The City will compile the respective information over the next three years as provided by TMRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

Measurement Year			
2020	2021	2022	2023
\$ 77,460	\$ 100,489	\$ 102,597	\$ 50,391
72,180	62,212	60,425	89,388
-	-	-	-
(43,056)	(19,030)	(25,975)	11,619
415,927	101,885	(1,104,584)	119,706
<u>(22,592)</u>	<u>(73,692)</u>	<u>(72,811)</u>	<u>(93,583)</u>
499,919	171,864	(1,040,348)	177,521
<u>2,597,280</u>	<u>3,097,199</u>	<u>3,269,063</u>	<u>2,228,715</u>
<u>\$ 3,097,199</u>	<u>\$ 3,269,063</u>	<u>\$ 2,228,715</u>	<u>\$ 2,406,236</u>
\$ 32,274,814	\$ 33,496,469	\$ 33,095,956	\$ 35,993,459
9.60%	9.76%	6.73%	6.69%

CITY OF VICTORIA, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT

Last ten fiscal years

	Fiscal Year		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 20,208	\$ 21,658	\$ 21,827
Contribution in relation to the actuarially determined contribution	<u>(20,208)</u>	<u>(21,658)</u>	<u>(21,827)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 30,057,425	\$ 30,940,128	\$ 31,180,817
Contributions as a percentage of covered employee payroll	0.0672%	0.0700%	0.0700%

NOTE: Information for the prior three years was not readily available. The City will compile the respective information over the next three years.

The accompanying notes to required supplementary information are an integral part of this schedule.

Fiscal Year			
2021	2022	2023	2024
\$ 59,386	\$ 76,576	\$ 86,076	\$ 92,257
<u>(59,386)</u>	<u>(76,576)</u>	<u>(86,076)</u>	<u>(92,257)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 33,573,739	\$ 34,807,311	\$ 34,315,719	\$ 35,483,467
0.1769%	0.2200%	0.2508%	0.2600%

CITY OF VICTORIA, TEXAS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

RETIREE HEALTHCARE

Last ten years

	Measurement Year		
	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 124,247	\$ 127,975	\$ 120,216
Interest (on the total OPEB liability)	769,282	766,878	751,286
Difference between expected and actual experience	-	(34,004)	(863,361)
Change of assumptions	-	-	(16,625)
Benefit payments	<u>(858,080)</u>	<u>(1,006,672)</u>	<u>(1,187,013)</u>
Net Change in Total OPEB Liability	35,449	(145,823)	(1,195,497)
Total OPEB Liability - Beginning	<u>12,202,018</u>	<u>12,237,467</u>	<u>12,091,644</u>
Total OPEB Liability - Ending (a)	<u>\$ 12,237,467</u>	<u>\$ 12,091,644</u>	<u>\$ 10,896,147</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 1,000,080	\$ 1,064,672	\$ 1,387,013
OPEB plan net investment income	234,929	(99,554)	391,205
Benefit payments	(858,080)	(1,006,672)	(1,187,013)
OPEB plan administrative expense	(8,160)	(8,579)	(9,544)
Other	<u>-</u>	<u>(903)</u>	<u>(1,201)</u>
Net Change in Plan Fiduciary Net Position	368,769	(51,036)	580,460
Plan Fiduciary Net Position - Beginning	<u>1,476,529</u>	<u>1,845,298</u>	<u>1,794,262</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,845,298</u>	<u>\$ 1,794,262</u>	<u>\$ 2,374,722</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 10,392,169</u>	<u>\$ 10,297,382</u>	<u>\$ 8,521,425</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	15.08%	14.84%	21.79%
Covered Payroll	\$ 30,181,968	\$ 30,702,381	\$ 31,242,478
Net OPEB Liability as a Percentage of Covered Payroll	34.43%	33.54%	27.28%

NOTE: Information for the prior three years was not readily available. The City will compile the respective information over the next three years as provided by actuaries on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

Measurement Year			
2020	2021	2022	2023
\$ 92,605	\$ 85,602	\$ 125,403	\$ 121,396
672,383	632,762	698,743	668,074
(292,558)	956,182	(504,339)	(864,209)
-	168,585	-	222,635
<u>(1,196,197)</u>	<u>(960,760)</u>	<u>(735,117)</u>	<u>(844,149)</u>
(723,767)	882,371	(415,310)	(696,253)
<u>10,896,147</u>	<u>10,172,380</u>	<u>11,054,751</u>	<u>10,639,441</u>
<u>\$ 10,172,380</u>	<u>\$ 11,054,751</u>	<u>\$ 10,639,441</u>	<u>\$ 9,943,188</u>
\$ 1,396,197	\$ 1,160,760	\$ 1,135,117	\$ 844,149
430,797	392,811	(625,064)	481,625
(1,196,197)	(960,760)	(735,117)	(844,149)
(11,303)	(14,712)	(14,444)	(15,340)
<u>(2,083)</u>	<u>(1,621)</u>	<u>(2,123)</u>	<u>(1,651)</u>
617,411	576,478	(241,631)	464,634
<u>2,374,722</u>	<u>2,992,133</u>	<u>3,568,611</u>	<u>3,326,980</u>
<u>\$ 2,992,133</u>	<u>\$ 3,568,611</u>	<u>\$ 3,326,980</u>	<u>\$ 3,791,614</u>
<u>\$ 7,180,247</u>	<u>\$ 7,486,140</u>	<u>\$ 7,312,461</u>	<u>\$ 6,151,574</u>
29.41%	32.28%	31.27%	38.13%
\$ 32,784,223	\$ 34,311,990	\$ 33,714,715	\$ 36,607,680
21.90%	21.82%	21.69%	16.80%

CITY OF VICTORIA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREE HEALTHCARE
Last ten fiscal years

	Fiscal Year		
	2018	2019	2020
Actuarially Determined Contribution	\$ 1,050,147	\$ 1,054,239	\$ 1,058,453
Contribution in relation to the actuarially determined contribution	<u>(1,192,162)</u>	<u>(1,440,166)</u>	<u>(1,272,852)</u>
Contribution deficiency (excess)	<u>\$ (142,015)</u>	<u>\$ (385,927)</u>	<u>\$ (214,399)</u>
Covered payroll	\$ 30,414,370	\$ 31,269,773	\$ 31,749,423
Contributions as a percentage of covered payroll	3.9197%	4.6056%	4.0091%

NOTE: Information for the prior three years was not readily available. The City will compile the respective information over the next three years as provided by actuaries.

The accompanying notes to required supplementary information are an integral part of this schedule.

Fiscal Year			
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 890,640	\$ 894,322	\$ 898,115	\$ 882,758
<u>(1,331,993)</u>	<u>(805,911)</u>	<u>(1,170,152)</u>	<u>(1,050,717)</u>
<u>\$ (441,353)</u>	<u>\$ 88,411</u>	<u>\$ (272,037)</u>	<u>\$ (167,959)</u>
\$ 34,421,447	\$ 34,113,003	\$ 34,492,918	\$ 36,145,646
3.8697%	2.3625%	3.3924%	2.9069%

CITY OF VICTORIA, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2024

NOTE 1: BUDGETARY INFORMATION

The City annually adopts budgets that are prepared using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

NOTE 2: BUDGETARY LEGAL COMPLIANCE

Budgetary compliance is monitored at the departmental level in the General Fund. There were several situations of expenditures exceeding the amounts appropriated during the fiscal year 2023-2024.

<u>Fund/Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
General Fund			
City manager and council	\$ 1,178,925	\$ 1,197,452	\$ 18,527
Fire	15,654,755	16,314,153	659,398

These over expenditures were funded by available fund balance in the General Fund.

NOTE 3: DEFINED BENEFIT PENSION PLAN

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

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

Other Information

There were no benefit changes during the year.

NOTE 4: SUPPLEMENTAL DEATH BENEFIT PLAN - OPEB

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

There were no changes in plan provisions during the year.

Changes in Assumptions

- Discount rate decreased from 4.05% to 3.77%.

NOTE 5: RETIREE HEALTH BENEFIT PLAN - OPEB

Valuation Date

The actuarially determined contribution for fiscal year ending September 30, 2024 was developed in the December 31, 2021 valuation.

Methods and Assumptions

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Closed, 14 years as of FYE24
Asset Valuation	Fair Value
Investment Rate of Return	6.50%, net of investment expenses, including inflation
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for TMRS.
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Healthcare Cost Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years. City subsidies are not expected to increase in the future.
Participation Rates	It was assumed that retirees would choose to receive retiree health care benefits through the City of Victoria according to the schedule below:

NOTE 5: RETIREE HEALTH BENEFIT PLAN - OPEB - (Continued)

Methods and Assumptions - (Continued)

Service with Victoria as of 1/1/2009	Pre-65 Election Percentage
<10	15%
10-19	50%
20+	70%

Since retirees must be on the City's plan upon attainment of age 65 in order to be eligible for City contributions to a Retiree Reimbursement Account (RRA), the rates above were multiplied by 120% at ages 63 and 64 for those eligible for RRA contributions. In addition, it was assumed that 100% of employees retiring after the age of 65, who are eligible to receive a RRA contribution from the City, would participate.

Other Information

The demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study and the health care trend rates were updated to reflect the plan's anticipated experience.

Combining and Individual Fund Statements and Schedules

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, private purpose trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The City's Special Revenue Funds consist of the following:

Stabilization - Used to account for funds received from other City funds using excess fund balance or working capital balance. Appropriations from this fund will be made at the discretion of City Council during the budget process and during the fiscal year as needs arise on one-time programs/expenditures and major capital projects to reduce the use of long-term debt where possible.

GCRAC EMS/Trauma System Grant - Used to account for funds received to purchase additional supplies and equipment for local fire and EMS services. It also includes funds for EMS recruitment and retention under Senate Bill 8.

GCRPC Grant - Used to account for funds received from the Golden Crescent Regional Planning Commission ("GCRPC") to be used for 911 Center facilities and personnel and solid waste projects.

Police Grants - Used to account for funds received from the Texas Department of Transportation for the Selective Traffic Enforcement Program and funds received from the Victoria 100 Club and the disbursement of such on public safety equipment, etc.

Bicentennial - Used to account for funds received for the DeLeon statue and other Bicentennial programs.

Library Grants - Used to account for funds received from the Texas State Library and Archives Commission (TSLAC), including the TSLAC CARES Grant Program which funds the expansion of digital access in areas of Texas where such access is lacking, including the purchase of internet-enabled devices and provisions for technical support services in response to the disruption of schooling and other community services during the COVID-19 emergency, and fund efforts that prevent, prepare for, and respond to situations arising from the COVID-19 emergency. Other local funds and donations specifically for the library are also accounted for in this fund.

LEOSE Training Grant - Used to account for funds received to provide for the continuing education of persons licensed under Chapter 1701, Occupations Code, or to provide the necessary training, as determined by the agency head, to full-time, fully paid law enforcement support personnel.

Auto Theft Grant - Used to account for the funding of salaries, fringe benefits, overtime, in-state travel, supplies and equipment for law enforcement officers in order to help reduce automobile theft.

TCEQ Grant - Used to account for funds received in order for the City to conduct air quality planning activities within the City/County of Victoria. This includes the identifying, inventorying, and monitoring of current air pollution levels; the modeling of future air pollution levels; and the identification and quantitation of potential pollution reduction through voluntary controls.

MPO Grant - Used to account for funds received to provide continuing education for the City staff, administrative expense, and other expenditures relating to metropolitan planning.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

Motel Tax - State legislation allows Texas cities to impose a maximum of seven percent room charge tax on hotels and motels operating within their city limits. This tax is used to promote the arts, tourism and conventions. The City currently imposes a seven percent tax. In fiscal year 2024, \$2,242,304 was budgeted as follows: for payroll and professional services \$147,125; for Community Center operations not to exceed \$450,000; to the Convention and Visitors Bureau, funding not to exceed \$650,000; to the Main Street Program, funding not to exceed \$292,679; for construction and other structures not to exceed \$170,500; and for other programs and various outside agencies, not to exceed \$532,000.

Forfeiture Fund - Used to account for receipt and disbursement of monies awarded to the City by the court system. Money and property confiscated in drug-related cases are the sources of these funds. Both federal and state courts have programs in place. The monies, by law and court order, must be spent on certain activities within the Police Department.

Justice Assistance Grant - Used to account for the proceeds of the Justice Assistance Grant and the disbursement of such on public safety equipment.

Environmental Services Grant - Used to account for funds received to be used for various programs which educate students and the public and provide curricular experiences that give rise to lifelong learning, citizenship and environmental stewardship, which enhance the livability of Victoria by beautification through a sense of pride and ownership.

Gulf Bend Mental Health Task Force - Used to account for funds from the Gulf Bend Center, the local mental health authority appointed by the Texas Department of State Health Services under Texas statutes, to reimburse the City for the services of a mental health peace officer. The City was invited to assist in the founding of a multi-agency task force to more effectively serve individuals who are experiencing mental health crises.

Parks Grant - Used to account for funds received through grants, local proceeds and donations specifically for use for programs, projects and improvements to the City's parks and recreational facilities.

Fire Academy - Used to account for funds received to support the fire academy. The Victoria Fire Department (VFD) offers a basic firefighter academy that combines online coursework with hands-on training days. The 20-week VFD Fire Academy includes 468 hours of training with 100 firefighting skills to master. It is the goal of the VFD Fire Academy to prepare graduates with the skills needed to complete written testing from the State over basic fire suppression, a certifiable status with the Texas Commission on Fire Protection. The program provides an intensive physical training aspect to ensure students are well prepared for the firefighting profession. By the end of the program, students will have the necessary skills, training, discipline, knowledge and confidence to enter the workforce when hired by a Fire Department and face the challenges of a career in firefighting. The City of Victoria Fire Department provides coordinators to oversee the operations of the program, while members of the Fire Department serve as instructors.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

Municipal Court Special Revenue - Used to account for funds generated from Municipal Court fees. The Local Consolidated Fee that is collected may only be used for the purposes provided by Local Government Code 134.151(a): Municipal Court Building Security Fund may only be used for security purposes; Local Truancy Prevention and Diversion Fund may only be used to finance expenses relating to the position of juvenile case manager; Municipal Court Technology Fund may only be used to finance technological enhancements; Municipal Jury Fund may only be used to fund juror reimbursements and otherwise finance jury services. Also accounted for in this fund is the Child Safety Fine; a fine collected on all Rules of the Road violations occurring within an active school zone and may be used for programs designed to enhance child safety, health, or nutrition or for programs designed to enhance public safety and security. In addition, Victoria County has elected to collect an optional child safety fee for registering a vehicle in the county. A portion of this fee is sent to the City of Victoria for use under the same guidelines as the Child Safety Fine.

COPS (Community Oriented Policing Services) Grant - Used to account for funds received from the U.S. Department of Justice to provide funds to law enforcement agencies to hire career law enforcement officers for the advancement of public safety through an increase in their community policing capacity and crime prevention efforts.

Fire Department Grants - Used to account for funds received through grants, local proceeds and donations specifically to use for programs and equipment for the Fire Department.

Public, Educational, and Governmental (PEG) Fund - Used to account for one percent cable franchise fee, which is dedicated to capital assets associated to the operation of a public, educational and government television channel.

Community Development Block Grant - Used to account for the proceeds of federal block grants and the disbursements of such on community development and housing needs. Funds may be used only as designated in grant applications and according to federal block grant guidelines.

CDBG Hazard Mitigation - Used to account for funds awarded by the CDBG-DR Program to provide a buyout program for up to 30 residential dwellings affected by Hurricane Harvey. Also, the fund will account for the replacement of flood gates, construction of stormwater pumping stations with generators, pump station force main, storm sewer main, pump station discharge, and complete associated appurtenances.

Homeland Security Grant - Used to support the implementation of Homeland Security strategies to address the identified planning, organization, equipment, training and exercise needs for acts of terrorism and other catastrophic events. Funds have recently been used to purchase portable radios as well as supplies and equipment to prevent, prepare for, and answer to the pandemic of the coronavirus.

Police Department Grants - Used to account for funds received through grants, local proceeds and donations specifically to use for programs and equipment for the Police Department.

CDBG Mitigation (MIT) Grant - Used to account for funds awarded by the CDBG-MIT Program to build and implement structural and non-structural projects, programs, and partnerships that reduce the risks and impacts of future natural disasters.

Opioid Abatement Grant - Used to account for funds received from the State of Texas through statewide opioid settlement agreements and disbursements for opioid remediation strategies.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

American Rescue Plan - Used to account for monies received through the American Rescue Plan Act of 2021 (ARPA). ARPA is a \$1.9 trillion economic stimulus bill passed by the 117th U.S. Congress and signed into law by the president on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. The City was allocated \$14,508,296 to be paid out over two years. Funds can be used to support public health; address negative economic impacts caused by the public health emergency; replace lost revenue; provide premium pay for essential workers; and invest in water, sewer, and broadband infrastructure. Used to account for funds received from the State of Texas through statewide opioid settlement agreements and disbursements for opioid remediation strategies.

Economic Development- Used to account for funds received from hotel occupancy tax and the Victoria Sales Tax Development Corporation to help retain, attract, and expand the business community and overall enhance the quality of life in Victoria.

Emergency Management - Used to account for funds received from the County of Victoria and the State of Texas for Emergency Management operations.

Convention and Visitors Bureau - Funded through proceeds from the Motel Tax Fund, the primary purpose of the Convention and Visitors Bureau is to promote tourism and the convention and hotel industry through advertising and promotional programs to attract tourists and conventions to the municipality or its vicinity; and conduct activities designed to enhance the City's desirability as a visitor destination.

Victoria Housing Finance Corporation - Used to account for funds received to facilitate the purpose of the Corporation which is to facilitate financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City at prices they can afford.

CITY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2024

	<u>Stabilization</u>	<u>GCRAC EMS/Trauma System Grant</u>	<u>GCRPC Grant</u>	<u>Police Grants</u>	<u>Library Grants</u>
ASSETS					
Cash and cash equivalents	\$ 1,597,617	\$ 5,766	\$ -	\$ -	\$ 26,242
Investments	553,702	-	-	-	-
Receivables (net)					
Other	-	-	7,168	15,963	674
Due from other funds	-	-	-	-	-
Due from component unit	-	-	-	-	-
Total assets	<u>\$ 2,151,319</u>	<u>\$ 5,766</u>	<u>\$ 7,168</u>	<u>\$ 15,963</u>	<u>\$ 26,916</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,500
Accrued expenditures	-	-	-	-	-
Due to other funds	-	-	7,168	12,871	-
Unearned revenue	-	5,766	-	3,092	25,416
Total liabilities	<u>-</u>	<u>5,766</u>	<u>7,168</u>	<u>15,963</u>	<u>26,916</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted					
General government	-	-	-	-	-
Arts, tourism and conventions	-	-	-	-	-
Public safety	-	-	-	-	-
Municipal court	-	-	-	-	-
Development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Committed	2,151,319	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>2,151,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,151,319</u>	<u>\$ 5,766</u>	<u>\$ 7,168</u>	<u>\$ 15,963</u>	<u>\$ 26,916</u>

<u>LEOSE Training Grant</u>	<u>Auto Theft Grant</u>	<u>MPO Grant</u>	<u>Motel Tax</u>	<u>Forfeiture</u>	<u>Gulf Bend Mental Health Task Force</u>	<u>Parks Grant</u>
\$ 32,744	\$ -	\$ -	\$ 1,778,952	\$ 350,728	\$ -	\$ 445,774
-	-	-	-	-	-	-
-	99,167	247,322	410,639	-	30,996	-
-	-	-	-	-	1,459	-
-	-	-	-	-	-	-
<u>\$ 32,744</u>	<u>\$ 99,167</u>	<u>\$ 247,322</u>	<u>\$ 2,189,591</u>	<u>\$ 350,728</u>	<u>\$ 32,455</u>	<u>\$ 445,774</u>
\$ -	\$ -	\$ 24,024	\$ 70,820	\$ 8,699	\$ -	\$ 1,612
-	-	-	-	-	-	-
-	66,620	223,298	2,438	-	32,455	-
<u>32,744</u>	<u>32,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>32,744</u>	<u>99,167</u>	<u>247,322</u>	<u>73,258</u>	<u>8,699</u>	<u>32,455</u>	<u>1,612</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,116,333	-	-	-
-	-	-	-	342,029	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	444,162
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,116,333	342,029	-	444,162
<u>\$ 32,744</u>	<u>\$ 99,167</u>	<u>\$ 247,322</u>	<u>\$ 2,189,591</u>	<u>\$ 350,728</u>	<u>\$ 32,455</u>	<u>\$ 445,774</u>

(continued)

CITY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2024

	<u>Fire Academy</u>	<u>Municipal Court Special Revenue</u>	<u>Fire Department Grants</u>	<u>Public, Educational, and Governmental (PEG) Fund</u>	<u>Community Development Block Grant</u>
ASSETS					
Cash and cash equivalents	\$ 76,376	\$ 392,167	\$ 11,571	\$ 1,141,799	\$ -
Investments	-	-	-	-	-
Receivables					
Other	9,200	8,058	42	23,754	33,871
Due from other funds	-	-	-	-	-
Due from component unit	-	-	-	-	-
Total assets	<u>\$ 85,576</u>	<u>\$ 400,225</u>	<u>\$ 11,613</u>	<u>\$ 1,165,553</u>	<u>\$ 33,871</u>
LIABILITIES					
Accounts payable	\$ 2,235	\$ 28,834	\$ -	\$ 430	\$ 22,383
Accrued expenditures	-	-	-	-	-
Due to other funds	-	-	-	-	11,488
Unearned revenue	-	-	11,613	-	-
Total liabilities	<u>2,235</u>	<u>28,834</u>	<u>11,613</u>	<u>430</u>	<u>33,871</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted					
General government	-	-	-	-	-
Arts, tourism and conventions	-	-	-	1,165,123	-
Public safety	83,341	-	-	-	-
Municipal court	-	371,391	-	-	-
Development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>83,341</u>	<u>371,391</u>	<u>-</u>	<u>1,165,123</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 85,576</u>	<u>\$ 400,225</u>	<u>\$ 11,613</u>	<u>\$ 1,165,553</u>	<u>\$ 33,871</u>

<u>CDBG Hazard Mitigation</u>	<u>Homeland Security Grant</u>	<u>Police Department Grants</u>	<u>CDBG-MIT Grant</u>	<u>Opioid Abatement Grant</u>	<u>American Rescue Plan</u>	<u>Economic Development</u>
\$ -	\$ -	\$ 6,899	\$ -	\$ 31,723	\$ 137,689	\$ 22,607
-	-	-	-	-	54,744	-
261,981	13,313	-	50,857	-	-	93,371
178,104	-	-	-	-	2,487,662	499
-	-	-	-	-	-	-
<u>\$ 440,085</u>	<u>\$ 13,313</u>	<u>\$ 6,899</u>	<u>\$ 50,857</u>	<u>\$ 31,723</u>	<u>\$ 2,680,095</u>	<u>\$ 116,477</u>
\$ 78,597	\$ -	\$ -	\$ -	\$ -	\$ 28,778	\$ 7,423
-	-	-	-	-	-	16,901
137,871	13,313	-	50,857	-	-	-
-	-	-	-	31,723	1,833,510	-
<u>216,468</u>	<u>13,313</u>	<u>-</u>	<u>50,857</u>	<u>31,723</u>	<u>1,862,288</u>	<u>24,324</u>
<u>261,981</u>	<u>-</u>	<u>-</u>	<u>50,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>261,981</u>	<u>-</u>	<u>-</u>	<u>50,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	817,807	-
-	-	-	-	-	-	-
-	-	6,899	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	92,153
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(38,364)	-	-	(50,857)	-	-	-
<u>(38,364)</u>	<u>-</u>	<u>6,899</u>	<u>(50,857)</u>	<u>-</u>	<u>817,807</u>	<u>92,153</u>
<u>\$ 440,085</u>	<u>\$ 13,313</u>	<u>\$ 6,899</u>	<u>\$ 50,857</u>	<u>\$ 31,723</u>	<u>\$ 2,680,095</u>	<u>\$ 116,477</u>

(continued)

CITY OF VICTORIA, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET**

September 30, 2024

	Emergency Management	Convention and Visitors Bureau	Victoria Housing Finance Corporation	Total
ASSETS				
Cash and cash equivalents	\$ 246,655	\$ 243,916	\$ 470,064	\$ 7,052,440
Investments	-	-	-	608,446
Receivables				
Other	-	1,097	-	1,307,473
Due from other funds	-	17,831	-	2,685,555
Due from component unit	-	-	500,000	500,000
Total assets	<u>\$ 246,655</u>	<u>\$ 262,844</u>	<u>\$ 970,064</u>	<u>\$ 12,153,914</u>
LIABILITIES				
Accounts payable	\$ 230,104	\$ 143,625	\$ -	\$ 653,346
Accrued expenditures	-	16,341	-	33,242
Due to other funds	-	-	10,000	568,379
Unearned revenue	-	-	-	1,999,344
Total liabilities	<u>230,104</u>	<u>159,966</u>	<u>10,000</u>	<u>3,254,311</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	312,838
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,838</u>
FUND BALANCES				
Restricted				
General government	-	-	-	817,807
Arts, tourism and conventions	-	102,878	-	3,384,334
Public safety	16,551	-	-	448,820
Municipal court	-	-	-	371,391
Development	-	-	960,064	1,058,153
Parks and recreation	-	-	-	444,162
Committed	-	-	-	2,151,319
Unassigned	-	-	-	(89,221)
Total fund balances	<u>16,551</u>	<u>102,878</u>	<u>960,064</u>	<u>8,586,765</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 246,655</u>	<u>\$ 262,844</u>	<u>\$ 970,064</u>	<u>\$ 12,153,914</u>

(concluded)

CITY OF VICTORIA, TEXAS

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

For the year ended September 30, 2024

	Stabilization	GCRAC EMS/Trauma System Grant	GCRPC Grant	Police Grants	Bicentennial
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	7,168	30,112	-
Fines and forfeitures	-	-	-	-	-
Investment income	102,781	-	182	-	-
Miscellaneous	-	37,783	-	-	71,000
Total revenues	<u>102,781</u>	<u>37,783</u>	<u>7,350</u>	<u>30,112</u>	<u>71,000</u>
EXPENDITURES					
Current					
General government	-	-	-	-	10,000
Public safety	-	37,783	7,168	33,892	-
Development	-	-	-	-	-
Recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>37,783</u>	<u>7,168</u>	<u>33,892</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures	102,781	-	182	(3,780)	61,000
OTHER FINANCING SOURCES (USES)					
Transfers in	1,000,000	-	-	3,780	-
Transfers out	-	-	(182)	-	(61,000)
Total other financing sources (uses)	<u>1,000,000</u>	<u>-</u>	<u>(182)</u>	<u>3,780</u>	<u>(61,000)</u>
Change in fund balances	1,102,781	-	-	-	-
Fund balance at beginning of year	<u>1,048,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,151,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Library Grants	LEOSE Training Grant	Auto Theft Grant	TCEQ Grant	MPO Grant	Motel Tax	Forfeiture	Justice Assistance Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,953,600	\$ -	\$ -
44,407	7,041	296,283	3,615	296,614	-	-	-
-	-	-	-	-	-	64,452	-
-	-	-	-	-	116,314	13,074	-
31,474	-	3,867	-	-	187,926	-	-
<u>75,881</u>	<u>7,041</u>	<u>300,150</u>	<u>3,615</u>	<u>296,614</u>	<u>2,257,840</u>	<u>77,526</u>	<u>-</u>
-	-	-	3,615	-	-	-	-
-	7,041	361,742	-	-	-	101,355	15,199
-	-	-	-	296,614	-	-	-
75,881	-	-	-	-	860,891	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>75,881</u>	<u>7,041</u>	<u>361,742</u>	<u>3,615</u>	<u>296,614</u>	<u>860,891</u>	<u>101,355</u>	<u>15,199</u>
-	-	(61,592)	-	-	1,396,949	(23,829)	(15,199)
-	-	61,592	-	-	-	-	15,199
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,492,679)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>61,592</u>	<u>-</u>	<u>-</u>	<u>(1,492,679)</u>	<u>-</u>	<u>15,199</u>
-	-	-	-	-	(95,730)	(23,829)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,212,063</u>	<u>365,858</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,116,333</u>	<u>\$ 342,029</u>	<u>\$ -</u>

(continued)

CITY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE

For the year ended September 30, 2024

	Environmental Services Grant	Gulf Bend Mental Health Task Force	Parks Grant	Fire Academy	Municipal Court Special Revenue	COPS Grant
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	52,125
Fines and forfeitures	-	-	-	-	134,532	-
Investment income	-	-	7,962	-	-	-
Miscellaneous	25,314	158,857	164,211	65,250	7,741	-
Total revenues	<u>25,314</u>	<u>158,857</u>	<u>172,173</u>	<u>65,250</u>	<u>142,273</u>	<u>52,125</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	154,178	-	85,884	93,087	52,125
Development	25,314	-	-	-	-	-
Recreation	-	-	68,555	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>25,314</u>	<u>154,178</u>	<u>68,555</u>	<u>85,884</u>	<u>93,087</u>	<u>52,125</u>
Excess (deficiency) of revenues over expenditures	-	4,679	103,618	(20,634)	49,186	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	272,000	-	-	-
Transfers out	-	(4,679)	(159,888)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(4,679)</u>	<u>112,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	-	-	215,730	(20,634)	49,186	-
Fund balance at beginning of year	5,936	-	228,432	103,975	322,205	-
Fund balance at end of year	<u>\$ 5,936</u>	<u>\$ -</u>	<u>\$ 444,162</u>	<u>\$ 83,341</u>	<u>\$ 371,391</u>	<u>\$ -</u>

Fire Department Grants	Public, Educational, and Governmental (PEG) Fund	Community Development Block Grant	CDBG Hazard Mitigation	Homeland Security Grant	Police Department Grants	CDBG-MIT Grant	American Rescue Plan
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	601,981	796,616	460,499	-	-	3,864,914
-	-	-	-	-	-	-	-
-	45,584	-	-	-	-	-	131,050
<u>12,448</u>	<u>102,499</u>	<u>-</u>	<u>258</u>	<u>-</u>	<u>11,514</u>	<u>-</u>	<u>-</u>
<u>12,448</u>	<u>148,083</u>	<u>601,981</u>	<u>796,874</u>	<u>460,499</u>	<u>11,514</u>	<u>-</u>	<u>3,995,964</u>
-	38,833	601,981	-	-	-	-	522,181
12,448	-	-	211,236	474,037	11,608	50,857	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	524,865	-	-	-	56,845
<u>12,448</u>	<u>38,833</u>	<u>601,981</u>	<u>736,101</u>	<u>474,037</u>	<u>11,608</u>	<u>50,857</u>	<u>579,026</u>
-	109,250	-	60,773	(13,538)	(94)	(50,857)	3,416,938
-	-	-	178,104	13,538	-	-	-
-	-	-	(154,000)	-	-	-	(3,025,220)
-	-	-	24,104	13,538	-	-	(3,025,220)
-	109,250	-	84,877	-	(94)	(50,857)	391,718
-	1,055,873	-	(123,241)	-	6,993	-	426,089
<u>\$ -</u>	<u>\$ 1,165,123</u>	<u>\$ -</u>	<u>\$ (38,364)</u>	<u>\$ -</u>	<u>\$ 6,899</u>	<u>\$ (50,857)</u>	<u>\$ 817,807</u>

(continued)

CITY OF VICTORIA, TEXAS

*NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE*

For the year ended September 30, 2024

	Economic Development	Emergency Management	Convention and Visitors Bureau	Victoria Housing Finance Corporation	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,953,600
Intergovernmental	-	-	-	-	6,461,375
Fines and forfeitures	-	-	-	-	198,984
Investment income	-	-	22	19,075	436,044
Miscellaneous	<u>312,887</u>	<u>-</u>	<u>7,350</u>	<u>665,500</u>	<u>1,865,879</u>
Total revenues	<u>312,887</u>	<u>-</u>	<u>7,372</u>	<u>684,575</u>	<u>10,915,882</u>
EXPENDITURES					
Current					
General government	-	-	-	-	1,176,610
Public safety	-	251,600	-	-	1,961,240
Development	572,891	-	-	15,792	910,611
Recreation	-	-	1,234,555	-	2,239,882
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>581,710</u>
Total expenditures	<u>572,891</u>	<u>251,600</u>	<u>1,234,555</u>	<u>15,792</u>	<u>6,870,053</u>
Excess (deficiency) of revenues over expenditures	(260,004)	(251,600)	(1,227,183)	668,783	4,045,829
OTHER FINANCING SOURCES (USES)					
Transfers in	292,679	200,000	750,000	-	2,786,892
Transfers out	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(4,899,648)</u>
Total other financing sources (uses)	<u>292,679</u>	<u>200,000</u>	<u>748,000</u>	<u>-</u>	<u>(2,112,756)</u>
Change in fund balances	32,675	(51,600)	(479,183)	668,783	1,933,073
Fund balance at beginning of year	<u>59,478</u>	<u>68,151</u>	<u>582,061</u>	<u>291,281</u>	<u>6,653,692</u>
Fund balance at end of year	<u>\$ 92,153</u>	<u>\$ 16,551</u>	<u>\$ 102,878</u>	<u>\$ 960,064</u>	<u>\$ 8,586,765</u>

(concluded)

GENERAL FUND

The General Fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF VICTORIA, TEXAS
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 3,619,202	\$ 8,611,901
Investments	20,788,024	14,196,357
Receivables (net)		
Ad valorem taxes (prior years)	1,777,027	1,318,415
Franchise taxes	584,192	809,588
Sales taxes	1,558,715	1,760,143
Ambulance	2,034,031	2,673,369
Fines	686,101	625,581
Other	1,009,685	1,105,944
Due from other funds	1,128,064	874,996
Inventory	483,884	255,532
Returned checks	26,679	26,595
Prepaid items	-	149,766
Total assets	<u>\$ 33,695,604</u>	<u>\$ 32,408,187</u>
LIABILITIES		
Accounts payable	\$ 949,840	\$ 906,217
Accrued expenditures	2,782,363	2,447,123
Accrued compensated absences	7,844	9,459
Due to other governments	71,707	49,421
Due to other funds	2,435	532,434
Due to component unit	-	17,967
Unearned revenue	9,540	5,236
Total liabilities	<u>3,823,729</u>	<u>3,967,857</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>5,095,683</u>	<u>5,180,769</u>
Total deferred inflows of resources	<u>5,095,683</u>	<u>5,180,769</u>
FUND BALANCES		
Nonspendable		
Inventory	483,884	255,532
Prepaid items	-	149,766
Unassigned	<u>24,292,308</u>	<u>22,854,263</u>
Total fund balances	<u>24,776,192</u>	<u>23,259,561</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 33,695,604</u>	<u>\$ 32,408,187</u>

CITY OF VICTORIA, TEXAS**MAJOR GOVERNMENTAL FUNDS - GENERAL FUND****SCHEDULE OF REVENUES****BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024			2023 Actual
	Final Budget	Actual	Variance Positive (Negative)	
Taxes				
Ad valorem taxes	\$ 19,535,073	\$ 19,171,881	\$ (363,192)	\$ 18,556,330
Penalty and interest	124,000	16,964	(107,036)	126,881
Franchise tax	5,856,600	5,756,651	(99,949)	5,977,262
Sales tax	18,300,000	19,948,312	1,648,312	20,361,685
Other	85,000	109,863	24,863	117,493
Total taxes	43,900,673	45,003,671	1,102,998	45,139,651
Licenses and permits				
Building	350,000	401,942	51,942	359,595
Electrical	60,000	89,021	29,021	89,216
Mechanical	55,000	82,172	27,172	67,604
Liquor	280,000	309,207	29,207	295,302
Plumbing	50,000	69,779	19,779	61,865
Vital statistics	150,000	143,033	(6,967)	132,336
Miscellaneous	41,290	45,490	4,200	74,257
Total licenses and permits	986,290	1,140,644	154,354	1,080,175
Intergovernmental	2,777,240	2,800,682	23,442	2,644,181
Charges for services				
Ambulance	2,800,000	4,030,949	1,230,949	2,678,351
Victoria Public Library	35,000	45,748	10,748	45,232
Parks and recreation	141,325	126,617	(14,708)	80,629
Miscellaneous	154,575	249,621	95,046	302,111
Total charges for services	3,130,900	4,452,935	1,322,036	3,106,323
Fines and forfeitures				
Court costs	45,000	61,949	16,949	42,352
Criminal and traffic court	554,500	567,358	12,858	542,914
Parking violations	150	100	(50)	-
Total fines and forfeitures	599,650	629,407	29,757	585,266
Investment income				
Investment earnings net of change in fair value of investments	500,000	1,475,013	975,013	1,114,478
Miscellaneous				
Rents	2,000	2,025	25	3,234
Salvage and asset sales	50,000	22,214	(27,786)	64,053
Contributions and miscellaneous	211,800	280,514	68,714	305,806
Total miscellaneous	263,800	304,753	40,953	373,093
Total revenues	\$ 52,158,553	\$ 55,807,105	\$ 3,648,552	\$ 54,043,167

CITY OF VICTORIA, TEXAS*MAJOR GOVERNMENTAL FUNDS - GENERAL FUND**SCHEDULE OF EXPENDITURES**BUDGET (GAAP BASIS) AND ACTUAL**For the year ended September 30, 2024**With comparative totals for the year ended September 30, 2023*

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
General government				
City manager and council				
Personnel	\$ 1,089,109	\$ 1,117,396	\$ (28,287)	\$ 1,123,454
Maintenance and operations	89,816	80,056	9,760	91,278
Total city manager and council	1,178,925	1,197,452	(18,527)	1,214,732
Finance				
Personnel	592,099	580,708	11,391	547,769
Maintenance and operations	148,240	132,717	15,523	148,696
Capital outlay	4,000	3,905	95	-
Total finance	744,339	717,330	27,009	696,465
Legal				
Personnel	454,487	480,688	(26,201)	472,377
Maintenance and operations	120,309	101,275	19,034	74,943
Capital outlay	19,503	1,607	17,896	18,500
Total legal	594,299	583,570	10,729	565,820
Human resources				
Personnel	434,815	397,736	37,079	445,817
Maintenance and operations	171,682	157,432	14,250	148,054
Capital outlay	16,150	14,033	2,117	73,056
Total human resources	622,647	569,201	53,446	666,927
City secretary				
Personnel	269,548	266,299	3,249	270,051
Maintenance and operations	235,522	219,758	15,764	77,363
Capital outlay	4,200	3,905	295	10,189
Total city secretary	509,270	489,962	19,308	357,603
Public information office				
Personnel	525,050	516,792	8,258	521,322
Maintenance and operations	156,458	144,180	12,278	130,910
Total public information office	681,508	660,972	20,536	652,232

(continued)

CITY OF VICTORIA, TEXAS**MAJOR GOVERNMENTAL FUNDS - GENERAL FUND****SCHEDULE OF EXPENDITURES****BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
General government - (continued)				
Non-departmental				
Personnel	\$ 2,497	\$ -	\$ 2,497	\$ 25,629
Maintenance and operations	1,848,850	1,812,481	36,369	1,544,850
Total non-departmental	1,851,347	1,812,481	38,866	1,570,479
Total general government	6,182,335	6,030,968	151,367	5,724,258
Public safety				
Police				
Personnel	13,951,586	13,811,573	140,013	13,523,056
Maintenance and operations	3,289,107	2,956,211	332,896	2,730,035
Capital outlay	224,791	214,204	10,587	187,990
Total police	17,465,484	16,981,988	483,496	16,441,081
Fire				
Personnel	11,974,697	12,590,481	(615,784)	11,916,936
Maintenance and operations	3,066,191	3,472,962	(406,771)	2,794,169
Capital outlay	292,480	250,710	41,770	820,744
Debt service	321,387	-	321,387	43,097
Total fire	15,654,755	16,314,153	(659,398)	15,574,946
Municipal court				
Personnel	382,339	373,153	9,186	342,703
Maintenance and operations	125,371	113,889	11,482	111,440
Capital outlay	7,200	6,784	416	3,089
Total municipal court	514,910	493,826	21,084	457,232
Total public safety	33,635,148	33,789,967	(154,819)	32,473,259

(continued)

CITY OF VICTORIA, TEXAS

MAJOR GOVERNMENTAL FUNDS - GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
Development				
Development svcs. administration				
Personnel	\$ 209,687	\$ 202,220	\$ 7,467	\$ 212,006
Maintenance and operations	15,250	6,953	8,297	6,308
Total development svcs. administration	224,937	209,173	15,764	218,314
Planning services				
Personnel	211,524	206,211	5,313	185,387
Maintenance and operations	70,472	62,079	8,393	102,437
Total planning services	281,996	268,290	13,706	287,824
Development center/inspections				
Personnel	761,983	753,499	8,484	753,095
Maintenance and operations	209,531	185,388	24,143	188,935
Capital outlay	3,600	3,440	160	-
Total development center/inspections	975,114	942,327	32,787	942,030
Code enforcement				
Personnel	313,796	301,244	12,552	293,955
Maintenance and operations	242,977	155,869	87,108	221,904
Capital outlay	3,000	-	3,000	2,356
Total code enforcement	559,773	457,113	102,660	518,215
Geographic information system (GIS)				
Personnel	309,629	288,204	21,425	322,033
Maintenance and operations	43,067	34,180	8,887	107,183
Capital outlay	10,500	10,483	17	-
Total geographic information system	363,196	332,867	30,329	429,216
Engineering				
Personnel	646,678	645,708	970	605,711
Maintenance and operations	142,986	132,398	10,588	134,474
Capital outlay	18,933	9,394	9,539	9,858
Total engineering	808,597	787,500	21,097	750,043

(continued)

CITY OF VICTORIA, TEXAS

MAJOR GOVERNMENTAL FUNDS - GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
Development - (continued)				
Streets and drainage				
Personnel	\$ 1,662,363	\$ 1,352,406	\$ 309,957	\$ 1,443,780
Maintenance and operations	1,589,829	1,497,866	91,963	1,473,847
Capital outlay	<u>11,684</u>	<u>9,934</u>	<u>1,750</u>	<u>44,967</u>
Total streets and drainage	<u>3,263,875</u>	<u>2,860,206</u>	<u>403,669</u>	<u>2,962,594</u>
Traffic control				
Personnel	535,197	512,317	22,880	332,540
Maintenance and operations	2,247,153	1,699,602	547,551	1,507,454
Capital outlay	<u>22,727</u>	<u>21,617</u>	<u>1,110</u>	<u>20,712</u>
Total traffic control	<u>2,805,078</u>	<u>2,233,536</u>	<u>571,542</u>	<u>1,860,706</u>
Total development	<u>9,282,566</u>	<u>8,091,012</u>	<u>1,191,554</u>	<u>7,968,942</u>
Recreation				
Parks and recreation				
Personnel	1,942,231	1,666,221	276,010	1,610,936
Maintenance and operations	1,184,615	1,153,124	31,491	1,223,010
Capital outlay	<u>494,698</u>	<u>313,973</u>	<u>180,725</u>	<u>473,603</u>
Total parks and recreation	<u>3,621,544</u>	<u>3,133,318</u>	<u>488,226</u>	<u>3,307,549</u>
Library				
Personnel	1,445,131	1,389,730	55,401	1,341,172
Maintenance and operations	750,541	736,910	13,631	717,071
Capital outlay	<u>262,321</u>	<u>243,481</u>	<u>18,840</u>	<u>206,017</u>
Total library	<u>2,457,993</u>	<u>2,370,121</u>	<u>87,872</u>	<u>2,264,260</u>
Total recreation	<u>6,079,537</u>	<u>5,503,439</u>	<u>576,098</u>	<u>5,571,809</u>
Total expenditures	<u>\$ 55,179,586</u>	<u>\$ 53,415,386</u>	<u>\$ 1,764,200</u>	<u>\$ 51,738,268</u>

(concluded)

DEBT SERVICE FUND

To account for the receipt and disbursement of funds utilized for the retirement of general obligation debt of the City, including general obligation bonds and certificates of obligation. The Debt Service Fund is comprised of the following debt service issues:

2012 General Obligation Refunding Issue - To accumulate monies for payment of the 2012 advance refunding issue of \$3,910,000 2.00% - 2.25% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2023. Property tax is levied to finance debt service. The \$3,910,000 from the proceeds was deposited into an escrow account to pay off the maturities of the 2003 Certificates of Obligations as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

2012 Certificates of Obligation Issue - To accumulate monies for payment of the 2012 \$3,810,000 2.00% - 3.75% Certificates of Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2032. Property tax is levied to finance debt service. Proceeds will be used (1) to construct, improve and repair City streets and sidewalks, together with landscape, drainage, utility line replacement, traffic and street signalization and lighting improvements, and (2) to pay costs of issuance of the Certificates.

2013A General Obligation Refunding Issue - To accumulate monies for payment of the 2013A advance refunding issue of \$9,075,000 2.00% - 3.00% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2026. Property tax is levied to finance debt service. The \$9,075,000 from the proceeds was deposited into an escrow account to pay off \$8,635,000 of the maturities of the 2005 Certificates of Obligations as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

2013B General Obligation Refunding Issue - To accumulate monies for payment of the 2013B advance refunding issue of \$15,940,000 0.40% - 3.00% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2023. Property tax is levied to finance debt service. The \$15,940,000 from the proceeds was deposited into an escrow account to pay off \$6,300,000 of the maturities of the 2004 General Obligation Refunding Bonds and \$9,470,000 of the maturities of the 2005 General Obligation Refunding Bonds as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

2014 Certificates of Obligation Issue - To accumulate monies for payment of the 2014 \$5,945,000 2.00% - 4.00% Certificates of Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2034. Property tax is levied to finance debt service. Proceeds will be used (1) to construct, improve and repair City streets and sidewalks, together with landscape, drainage, utility line replacement, traffic and street signalization and lighting improvements, and (2) to pay costs of issuance of the Certificates.

2015 General Obligation Refunding Issue - To accumulate monies for payment of the 2015 advance refunding issue of \$11,770,000 2.00% - 4.00% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2027. Property tax is levied to finance debt service. The \$11,770,000 from the proceeds was deposited into an escrow account to pay off \$5,620,000 of the maturities of the 2006 Certificates of Obligations as they become due and \$6,270,000 of the maturities of the 2007 Certificates of Obligations as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

DEBT SERVICE FUND - (Continued)

2015 Certificates of Obligation Issue - To accumulate monies for payment of the 2015 \$2,445,000 3.00% - 5.00% Certificates of Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2035. Property tax is levied to finance debt service. Proceeds will be used (1) to construct, improve and repair City streets and sidewalks, together with landscape, drainage, utility line replacement, traffic and street signalization and lighting improvements, and (2) to pay costs of issuance of the Certificates.

2017 General Obligation Refunding Issue - To accumulate monies for payment of the 2017 advance refunding issue of \$21,880,000 4.00% - 5.00% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2030. Property tax is levied to finance debt service. The \$21,880,000 from the proceeds was deposited into an escrow account to pay off \$23,005,000 of the maturities of the 2009B Certificates of Obligations as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

2019 Certificates of Obligation Issue - To accumulate monies for payment of the 2019 \$1,960,000 3.00% - 4.00% Certificates of Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2039. Property tax is levied to finance debt service. Proceeds will be used (1) to construct, improve and repair City streets and sidewalks, together with landscape, drainage, utility line replacement, traffic and street signalization and lighting improvements, and (2) to pay costs of issuance of the Certificates.

2019 General Obligation Refunding Issue - To accumulate monies for payment of the 2019 advance refunding issue of \$5,750,000 3.00% - 5.00% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2033. Property tax is levied to finance debt service. The \$6,434,290 of the proceeds was deposited into an escrow account to pay off \$5,860,000 of the maturities of the 2013 Certificates of Obligations as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

2020 General Obligation Refunding Issue - To accumulate monies for payment of the 2020 advance refunding issue of \$3,690,000 1.09% Refunding General Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2023. Property tax is levied to finance debt service. The \$3,642,270 of the proceeds was deposited into an escrow account to pay off \$3,635,000 of the maturities of the 2010 General Obligation Refunding Bonds as they become due. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt.

2023 Certificates of Obligation Issue - To accumulate monies for payment of the 2023 \$2,265,000 4.00% - 5.00% Certificates of Obligation Bonds which are serial bonds due in annual installments of various amounts plus interest until maturity in 2042. Property tax is levied to finance debt service. Proceeds will be used (1) to reconstruct and extend City residential streets, and (2) to pay costs of issuance of the Certificates.

CITY OF VICTORIA, TEXAS**MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUND****BALANCE SHEET**

September 30, 2024

With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,424,515	\$ 1,413,076
Receivables (net)		
Ad valorem taxes (prior years)	<u>1,148,248</u>	<u>875,428</u>
Total assets	<u>\$ 2,572,763</u>	<u>\$ 2,288,504</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>1,148,248</u>	<u>875,428</u>
Total deferred inflows of resources	<u>1,148,248</u>	<u>875,428</u>
FUND BALANCE		
Restricted	<u>1,424,515</u>	<u>1,413,076</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,572,763</u>	<u>\$ 2,288,504</u>

CITY OF VICTORIA, TEXAS

MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024			2023 Actual
	Final Budget	Actual	Variance Positive (Negative)	
REVENUES				
Taxes				
Ad valorem - current				
2012 Issues	\$ 231,083	\$ 226,666	\$ (4,417)	\$ 621,644
2013 Issues	948,747	934,998	(13,749)	2,246,914
2014 Issue	388,254	381,487	(6,767)	399,512
2015 Issues	1,618,274	1,591,724	(26,550)	1,673,998
2017 Issue	2,219,569	2,182,674	(36,895)	2,165,132
2019 Issues	718,450	706,308	(12,142)	750,316
2020 Issue	-	-	-	1,215,069
2023 Issue	158,812	155,833	(2,979)	671,380
2024 Issue	3,789,442	3,726,838	(62,604)	-
Redeem Issue	216,498	212,500	(3,998)	-
Ad valorem - delinquent	150,000	233,722	83,722	217,839
Penalty and interest	100,000	270,575	170,575	123,023
Investment income - interest	150,000	326,530	176,530	251,931
Total revenues	10,689,129	10,949,855	260,726	10,336,758
EXPENDITURES				
Debt service				
Principal retirement				
2012 Issues	195,000	195,000	-	575,000
2013 Issues	1,410,000	1,410,000	-	2,665,000
2014 Issue	310,000	310,000	-	270,000
2015 Issues	1,475,000	1,475,000	-	1,430,000
2017 Issue	1,730,000	1,730,000	-	1,520,000
2019 Issues	510,000	510,000	-	495,000
2020 Issue	-	-	-	1,240,000
2023 Issue	70,000	70,000	-	125,000
2024 Issue	2,490,000	2,490,000	-	-
Interest				
2012 Issues	51,562	51,562	-	65,925
2013 Issues	69,363	69,363	-	144,750
2014 Issue	134,012	134,012	-	142,362
2015 Issues	251,676	251,676	-	296,775
2017 Issue	638,250	638,250	-	714,250
2019 Issues	256,576	256,576	-	279,725
2020 Issue	-	-	-	13,403
2023 Issue	99,450	99,450	-	47,859
2024 Issue	1,235,733	1,235,733	-	-
Paying agents' fees and issue costs	6,500	7,900	(1,400)	4,200
Arbitrage rebate premiums	5,500	3,894	1,606	1,050
Total expenditures	10,938,622	10,938,416	206	10,030,299

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
Excess (deficiency) of revenues over expenditures	\$ (249,493)	\$ 11,439	\$ 260,932	\$ 306,459
OTHER FINANCING SOURCES (USES)	-	-	-	-
Change in fund balance	(249,493)	11,439	260,932	306,459
Fund balance at beginning of year	<u>1,413,076</u>	<u>1,413,076</u>	-	<u>1,106,617</u>
Fund balance at end of year	<u>\$ 1,163,583</u>	<u>\$ 1,424,515</u>	<u>\$ 260,932</u>	<u>\$ 1,413,076</u>

CAPITAL PROJECT FUNDS

CITY OF VICTORIA, TEXAS*MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS**CAPITAL CONSTRUCTION FUND (3036)**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**For the year ended September 30, 2024**With comparative totals for the year ended September 30, 2023*

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 292,182	\$ 520,589	\$ 228,407	\$ 685,284
Investment income				
Interest	<u>17,000</u>	<u>232,940</u>	<u>215,940</u>	<u>248,904</u>
Total revenues	<u>309,182</u>	<u>753,529</u>	<u>444,347</u>	<u>934,188</u>
EXPENDITURES				
Current				
Development	330,000	69,766	260,234	135,877
Capital outlay	<u>-</u>	<u>9,947</u>	<u>(9,947)</u>	<u>1,328,398</u>
Total expenditures	<u>330,000</u>	<u>79,713</u>	<u>250,287</u>	<u>1,464,275</u>
Excess (deficiency) of revenues over expenditures	(20,818)	673,816	694,634	(530,087)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	72,465
Transfers out	<u>(3,658,000)</u>	<u>(4,075,309)</u>	<u>(417,309)</u>	<u>(1,772,760)</u>
Total other financing sources (uses)	<u>(3,658,000)</u>	<u>(4,075,309)</u>	<u>(417,309)</u>	<u>(1,700,295)</u>
Change in fund balance	(3,678,818)	(3,401,493)	277,325	(2,230,382)
Fund balance at beginning of year	<u>4,051,225</u>	<u>4,051,225</u>	<u>-</u>	<u>6,281,607</u>
Fund balance at end of year	<u>\$ 372,407</u>	<u>\$ 649,732</u>	<u>\$ 277,325</u>	<u>\$ 4,051,225</u>

CITY OF VICTORIA, TEXAS

MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS

CAPITAL CONSTRUCTION FUND (3037)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024		Variance Positive (Negative)	2023 Actual
	Final Budget	Actual		
REVENUES				
Investment income				
Interest	\$ 135,000	\$ 2,307,391	\$ 2,172,391	\$ 740,490
Miscellaneous	5,829,355	5,452,330	(377,025)	6,466,614
Total revenues	<u>5,964,355</u>	<u>7,759,721</u>	<u>1,795,366</u>	<u>7,207,104</u>
EXPENDITURES				
Current				
Development	-	101,177	(101,177)	498,986
Capital outlay	83,240,638	26,504,008	56,736,630	19,816,837
Debt service				
Debt issuance costs	-	495,964	(495,964)	74,211
Total expenditures	<u>83,240,638</u>	<u>27,101,149</u>	<u>56,139,489</u>	<u>20,390,034</u>
Excess (deficiency) of revenues over expenditures	(77,276,283)	(19,341,428)	57,934,855	(13,182,930)
OTHER FINANCING SOURCES (USES)				
Debt issued	58,865,187	53,645,000	(5,220,187)	2,265,000
Premium on debt issued	-	5,852,102	5,852,102	171,165
Transfers in	18,411,096	10,462,616	(7,948,480)	7,521,393
Transfers out	-	-	-	(1,250,063)
Total other financing sources (uses)	<u>77,276,283</u>	<u>69,959,718</u>	<u>(7,316,565)</u>	<u>8,707,495</u>
Change in fund balance	-	50,618,290	50,618,290	(4,475,435)
Fund balance at beginning of year	<u>7,409,597</u>	<u>7,409,597</u>	<u>-</u>	<u>11,885,032</u>
Fund balance at end of year	<u>\$ 7,409,597</u>	<u>\$ 58,027,887</u>	<u>\$ 50,618,290</u>	<u>\$ 7,409,597</u>

NONMAJOR ENTERPRISE FUNDS

The City maintains five Enterprise Funds: Water and Wastewater, Community Center, 700 Main Center, Environmental Services, and Golf Course. The purpose of these funds is to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City is that the costs (expenses, including depreciation) of providing the services to the general public on a continuing basis be financed or recovered primarily through user charges. Services accounted for in Enterprise Funds are tangible, and therefore it is possible to determine the extent to which they benefit individual service consumers. In addition, Enterprise Funds provide separate accountability for their own debt and debt requirements. The Water and Wastewater and Environmental Services are major funds.

Community Center Fund - This Enterprise Fund was established to account for all transactions generated by operations of the City Community Center. Revenues include usage fees and an annual allocation of motel tax. Expenses include all maintenance and operations costs of the Community Center complex.

700 Main Center Fund - The 700 Main Center Fund was created to account for the revenues and expenses of a large office complex, operated by the City as an enterprise. The building was purchased and renovated by the City primarily to be used as a business incubator center. It is currently leasing space to several City departments.

Riverside Park Golf Course Fund - The Riverside Park Golf Course Fund was established in 2017 to account for all transactions generated by operations of the Riverside Park Golf Course. Prior to this, the course was operated for more than 60 years by the Victoria Park Improvement Association, who terminated their Municipal Golf Course Lease Contract effective June 30, 2017.

CITY OF VICTORIA, TEXAS
ALL NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2024

	Community Center	700 Main Center	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 419,171	\$ 204,412	\$ 998,286	\$ 1,621,869
Receivables (net)	644	-	70,628	71,272
Due from other funds	-	-	16,867	16,867
Inventory	-	-	28,427	28,427
Returned checks	1,490	-	-	1,490
Restricted assets				
Cash and cash equivalents	504,493	-	-	504,493
Total current assets	<u>925,798</u>	<u>204,412</u>	<u>1,114,208</u>	<u>2,244,418</u>
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	175,160	224,598	1,143,492	1,543,250
Buildings, improvements, and equipment (net)	1,600,742	597,025	290,005	2,487,772
Right-to-Use lease assets (net)	-	-	575,882	575,882
Total noncurrent assets	<u>1,775,902</u>	<u>821,623</u>	<u>2,009,379</u>	<u>4,606,904</u>
Total assets	<u>2,701,700</u>	<u>1,026,035</u>	<u>3,123,587</u>	<u>6,851,322</u>
LIABILITIES				
Current liabilities				
Accounts payable	25,296	11,374	68,732	105,402
Accrued expenses	10,369	-	32,197	42,566
Accrued compensated absences	108	-	227	335
Due to other funds	20,147	-	-	20,147
Customer deposits	61,422	-	-	61,422
Accrued interest payable	-	-	2,231	2,231
Current portion on right-to-use lease liability	-	-	165,944	165,944
Current portion of financed purchases	-	-	35,661	35,661
Total current liabilities	<u>117,342</u>	<u>11,374</u>	<u>304,992</u>	<u>433,708</u>
Noncurrent liabilities				
Accrued compensated absences	2,781	-	5,887	8,668
Right-to-use lease liability	-	-	425,503	425,503
Financed purchases	-	-	114,077	114,077
Total noncurrent liabilities	<u>2,781</u>	<u>-</u>	<u>545,467</u>	<u>548,248</u>
Total liabilities	<u>120,123</u>	<u>11,374</u>	<u>850,459</u>	<u>981,956</u>
NET POSITION				
Net investment in capital assets	1,775,902	821,623	1,245,694	3,843,219
Unrestricted net position	805,675	193,038	1,027,434	2,026,147
Total net position	<u>\$ 2,581,577</u>	<u>\$ 1,014,661</u>	<u>\$ 2,273,128</u>	<u>\$ 5,869,366</u>

CITY OF VICTORIA, TEXAS

ALL NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

	Community Center	700 Main Center	Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 222,319	\$ 151,077	\$ 1,419,208	\$ 1,792,604
Miscellaneous	986	-	4,890	5,876
Total operating revenues	<u>223,305</u>	<u>151,077</u>	<u>1,424,098</u>	<u>1,798,480</u>
OPERATING EXPENSES				
Personnel	355,949	-	654,440	1,010,389
Materials and supplies	33,901	257	240,222	274,380
Maintenance	38,279	19,842	41,385	99,506
Heat, lights and power	83,943	49,988	46,847	180,778
Miscellaneous services	48,686	25,157	49,463	123,306
Contractual services	32,965	-	20,664	53,629
Computer services	25,899	-	-	25,899
Depreciation and amortization	237,697	81,659	227,917	547,273
Total operating expenses	<u>857,319</u>	<u>176,903</u>	<u>1,280,938</u>	<u>2,315,160</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	(634,014)	(25,826)	143,160	(516,680)
NONOPERATING REVENUES (EXPENSES)				
Investment income	38,123	-	24,673	62,796
Interest and fiscal charges	-	-	(40,629)	(40,629)
Gain (loss) on disposition of capital assets	4,170	(1,718)	-	2,452
Net nonoperating revenues (expenses)	<u>42,293</u>	<u>(1,718)</u>	<u>(15,956)</u>	<u>24,619</u>
Income before transfers	(591,721)	(27,544)	127,204	(492,061)
Transfers				
Transfers in	450,000	-	-	450,000
Transfers out	(21,800)	(15,130)	(25,000)	(61,930)
Total transfers	<u>428,200</u>	<u>(15,130)</u>	<u>(25,000)</u>	<u>388,070</u>
Change in net position	(163,521)	(42,674)	102,204	(103,991)
Total net position at beginning of year	<u>2,745,098</u>	<u>1,057,335</u>	<u>2,170,924</u>	<u>5,973,357</u>
Total net position at end of year	<u>\$ 2,581,577</u>	<u>\$ 1,014,661</u>	<u>\$ 2,273,128</u>	<u>\$ 5,869,366</u>

CITY OF VICTORIA, TEXAS

ALL NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

	Community Center	700 Main Center	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 223,305	\$ 151,077	\$ 1,427,204	\$ 1,801,586
Cash paid to suppliers for goods and services	(268,739)	(92,361)	(407,412)	(768,512)
Cash paid to employees for services	(356,356)	-	(648,454)	(1,004,810)
Net cash provided (used) by operating activities	<u>(401,790)</u>	<u>58,716</u>	<u>371,338</u>	<u>28,264</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (decrease) in customer deposits	434	-	-	434
Borrowings from (to) other funds	6,625	-	(2,474)	4,151
Transfers in from other funds	450,000	-	-	450,000
Transfers out to other funds	(21,800)	(15,130)	(25,000)	(61,930)
Net cash provided (used) by noncapital financing activities	<u>435,259</u>	<u>(15,130)</u>	<u>(27,474)</u>	<u>392,655</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(83,445)	(2,801)	(24,857)	(111,103)
Proceeds from sale of capital assets	4,170	-	-	4,170
Principal paid on long-term debt	-	-	(189,825)	(189,825)
Interest and debt costs paid	-	-	(40,676)	(40,676)
Net cash provided (used) by capital and related financing activities	<u>(79,275)</u>	<u>(2,801)</u>	<u>(255,358)</u>	<u>(337,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>38,123</u>	<u>-</u>	<u>24,673</u>	<u>62,796</u>
Net cash provided (used) by investing activities	<u>38,123</u>	<u>-</u>	<u>24,673</u>	<u>62,796</u>
Net increase (decrease) in cash and cash equivalents	(7,683)	40,785	113,179	146,281
Cash and cash equivalents at beginning of year	<u>931,347</u>	<u>163,627</u>	<u>885,107</u>	<u>1,980,081</u>
Cash and cash equivalents at end of year	<u>\$ 923,664</u>	<u>\$ 204,412</u>	<u>\$ 998,286</u>	<u>\$ 2,126,362</u>

CITY OF VICTORIA, TEXAS

ALL NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

	Community Center	700 Main Center	Golf Course	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (634,014)	\$ (25,826)	\$ 143,160	\$ (516,680)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation and amortization	237,697	81,659	227,917	547,273
Changes in assets and liabilities				
(Increase) decrease in receivables	-	-	3,106	3,106
(Increase) decrease in inventory	-	-	369	369
Increase (decrease) in accounts payable	(5,066)	2,883	(9,200)	(11,383)
Increase (decrease) in accrued expenses	215	-	7,381	7,596
Increase (decrease) in compensated absences	(622)	-	(1,395)	(2,017)
Total adjustments	<u>232,224</u>	<u>84,542</u>	<u>228,178</u>	<u>544,944</u>
Net cash provided (used) by operating activities	<u>\$ (401,790)</u>	<u>\$ 58,716</u>	<u>\$ 371,338</u>	<u>\$ 28,264</u>
Reconciliation of cash and cash equivalents				
Unrestricted				
Cash and cash equivalents	\$ 419,171	\$ 204,412	\$ 998,286	\$ 1,621,869
Restricted				
Cash and cash equivalents	<u>504,493</u>	<u>-</u>	<u>-</u>	<u>504,493</u>
Total	<u>\$ 923,664</u>	<u>\$ 204,412</u>	<u>\$ 998,286</u>	<u>\$ 2,126,362</u>
Noncash capital and related financing activities				
Assets acquired from financed purchases	\$ -	\$ -	\$ 96,473	\$ 96,473
Assets acquired from initiation of Right-to-Use lease	<u>-</u>	<u>-</u>	<u>143,966</u>	<u>143,966</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,439</u>	<u>\$ 240,439</u>

WATER AND WASTEWATER FUND

CITY OF VICTORIA, TEXAS
MAJOR ENTERPRISE FUND
WATER AND WASTEWATER FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,822,322	\$ 8,676,410
Investments	8,109,589	5,661,604
Receivables (net)		
Accounts	2,182,375	2,464,203
Other	65,203	74,828
Due from other funds	-	17,614
Inventory	373,255	434,540
Restricted assets		
Cash and cash equivalents	<u>7,738,371</u>	<u>16,822,508</u>
 Total current assets	 <u>24,291,115</u>	 <u>34,151,707</u>
Noncurrent assets		
Capital assets		
Buildings	40,724,028	40,072,031
Water and wastewater distribution system	220,709,426	217,365,517
Improvements other than buildings	5,913,553	2,621,194
Machinery and equipment	<u>6,380,957</u>	<u>5,531,592</u>
Total capital assets	273,727,964	265,590,334
Less accumulated depreciation	<u>166,590,194</u>	<u>158,702,716</u>
Subtotal	107,137,770	106,887,618
Land and water rights	3,190,946	3,190,946
Construction in progress	<u>16,341,888</u>	<u>9,131,752</u>
Net capital assets	<u>126,670,604</u>	<u>119,210,316</u>
 Total noncurrent assets	 <u>126,670,604</u>	 <u>119,210,316</u>
 Total assets	 <u>150,961,719</u>	 <u>153,362,023</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	447,995	511,216
Deferred outflow related to pension	1,377,210	1,982,384
Deferred outflow related to OPEB	<u>320,793</u>	<u>330,628</u>
 Total deferred outflows of resources	 <u>2,145,998</u>	 <u>2,824,228</u>

CITY OF VICTORIA, TEXAS
MAJOR ENTERPRISE FUND
WATER AND WASTEWATER FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 793,252	\$ 485,445
Accounts payable (payable from restricted assets)	1,597,825	1,721,711
Accrued expenses	248,085	208,296
Accrued compensated absences	6,366	7,692
Due to other funds	35,609	215,656
Due to component unit	52,116	45,021
Accrued interest payable	573,600	612,667
Current portion of waterworks and sewer system revenue bonds	<u>3,435,000</u>	<u>3,305,000</u>
Total current liabilities	<u>6,741,853</u>	<u>6,601,488</u>
Noncurrent liabilities		
Waterworks and sewer system revenue bonds (net of unamortized deferred amounts)	39,469,434	43,238,643
Net pension liability	5,324,147	5,452,181
OPEB liability	1,141,612	1,073,382
Accrued compensated absences	<u>165,207</u>	<u>170,934</u>
Total noncurrent liabilities	<u>46,100,400</u>	<u>49,935,140</u>
Total liabilities	<u>52,842,253</u>	<u>56,536,628</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pension	652,498	212,571
Deferred inflow related to OPEB	<u>314,658</u>	<u>277,841</u>
Total deferred inflows of resources	<u>967,156</u>	<u>490,412</u>
NET POSITION		
Net investment in capital assets	85,713,819	83,862,762
Unrestricted	<u>13,584,489</u>	<u>15,296,449</u>
Total net position	<u>\$ 99,298,308</u>	<u>\$ 99,159,211</u>

CITY OF VICTORIA, TEXAS**MAJOR ENTERPRISE FUND****WATER AND WASTEWATER FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Water sales	\$ 13,662,092	\$ 13,971,022
Sewer service	12,481,736	12,407,342
Tap and connection fees	165,101	185,879
Miscellaneous	<u>135,185</u>	<u>48,893</u>
Total operating revenues	<u>26,444,114</u>	<u>26,613,136</u>
OPERATING EXPENSES		
Personnel	6,112,539	5,732,045
Pension and OPEB expense	1,031,947	(491,950)
Materials and supplies	2,132,219	2,134,329
Maintenance	1,963,685	972,291
Heat, lights, and power	1,294,855	1,017,580
Miscellaneous services	1,993,061	1,906,514
Contractual services	1,772,109	880,304
Computer services	217,911	207,142
Depreciation and amortization	<u>7,938,897</u>	<u>8,866,118</u>
Total operating expenses	<u>24,457,223</u>	<u>21,224,373</u>
Operating income (loss) before nonoperating revenues (expenses) and contributions and transfers	1,986,891	5,388,763
NONOPERATING REVENUES (EXPENSES)		
Investment income	1,303,932	1,133,231
Interest and fiscal charges	(1,475,140)	(1,526,119)
Gain (loss) on disposition of capital assets	<u>17,465</u>	<u>(22,095)</u>
Net nonoperating revenues (expenses)	<u>(153,743)</u>	<u>(414,983)</u>
Income before contributions and transfers	1,833,148	4,973,780
Contributions and transfers		
Capital contributions	1,402,553	1,931,128
Transfers in	-	245,832
Transfers out	<u>(3,096,604)</u>	<u>(2,784,556)</u>
Total contributions and transfers	<u>(1,694,051)</u>	<u>(607,596)</u>
Change in net position	139,097	4,366,184
Net position at beginning of year	<u>99,159,211</u>	<u>94,793,027</u>
Total net position at end of year	<u>\$ 99,298,308</u>	<u>\$ 99,159,211</u>

CITY OF VICTORIA, TEXAS**MAJOR ENTERPRISE FUND****WATER AND WASTEWATER FUND****STATEMENT OF CASH FLOWS**

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 26,735,567	\$ 26,509,824
Cash paid to suppliers for goods and services	(9,999,595)	(7,647,688)
Cash paid to employees for services	<u>(5,047,854)</u>	<u>(5,679,800)</u>
Net cash provided (used) by operating activities	<u>11,688,118</u>	<u>13,182,336</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Borrowings from (to) other funds	17,614	-
Transfers in from other funds	-	245,832
Transfers out to other funds	<u>(3,096,604)</u>	<u>(2,784,556)</u>
Total operating expenses	<u>(3,078,990)</u>	<u>(2,538,724)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(15,643,494)	(6,628,369)
Proceeds from sale of capital assets	17,465	36,822
Proceeds from issue of revenue bonds	-	12,342,507
Principal paid on revenue bonds	(3,305,000)	(4,755,000)
Interest paid on revenue bonds	<u>(1,785,195)</u>	<u>(1,722,350)</u>
Net cash provided (used) by capital and related financing activities	<u>(20,716,224)</u>	<u>(726,390)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	6,328,654	3,500,000
Purchase of investments	(7,356,946)	(7,565,702)
Investment income	<u>1,197,163</u>	<u>1,038,786</u>
Net cash provided (used) by investing activities	<u>168,871</u>	<u>(3,026,916)</u>
Net increase (decrease) in cash and cash equivalents	(11,938,225)	6,890,306
Cash and cash equivalents at beginning of year	<u>25,498,918</u>	<u>18,608,612</u>
Cash and cash equivalents at end of year	<u>\$ 13,560,693</u>	<u>\$ 25,498,918</u>

CITY OF VICTORIA, TEXAS

MAJOR ENTERPRISE FUND

WATER AND WASTEWATER FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,986,891	\$ 5,388,763
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	7,938,897	8,866,118
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	281,828	(124,440)
(Increase) decrease in other receivables	9,625	21,128
(Increase) decrease in inventory	61,285	(222,784)
(Increase) decrease in deferred outflows related to pension/OPEB	615,009	(1,083,042)
Increase (decrease) in accounts payable	344,907	(306,744)
Increase (decrease) in accrued expenses	39,789	4,813
Increase (decrease) in compensated absences	(7,053)	47,432
Increase (decrease) in net pension liability	(128,034)	2,750,423
Increase (decrease) in OPEB liability	68,230	(429,120)
Increase (decrease) in deferred inflows related to pension/OPEB	<u>476,744</u>	<u>(1,730,211)</u>
Total adjustments	<u>9,701,227</u>	<u>7,793,573</u>
Net cash provided (used) by operating activities	<u>\$ 11,688,118</u>	<u>\$ 13,182,336</u>

COMMUNITY CENTER FUND

CITY OF VICTORIA, TEXAS
NONMAJOR ENTERPRISE FUND
COMMUNITY CENTER FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 419,171	\$ 454,712
Receivables (net)		
Other	644	644
Returned checks	1,490	1,490
Restricted assets		
Cash and cash equivalents	<u>504,493</u>	<u>476,635</u>
Total current assets	<u>925,798</u>	<u>933,481</u>
Noncurrent assets		
Capital assets		
Buildings	5,944,215	5,901,870
Infrastructure	288,581	288,581
Machinery and equipment	<u>396,389</u>	<u>397,542</u>
Total capital assets	6,629,185	6,587,993
Less accumulated depreciation	<u>5,028,443</u>	<u>4,832,999</u>
Subtotal	1,600,742	1,754,994
Land	<u>175,160</u>	<u>175,160</u>
Net capital assets	<u>1,775,902</u>	<u>1,930,154</u>
Total noncurrent assets	<u>1,775,902</u>	<u>1,930,154</u>
Total assets	<u>2,701,700</u>	<u>2,863,635</u>
LIABILITIES		
Current liabilities		
Accounts payable	25,296	30,362
Accrued expenses	10,369	10,154
Accrued compensated absences	108	151
Due to other funds	20,147	13,522
Customer deposits	<u>61,422</u>	<u>60,988</u>
Total current liabilities	<u>117,342</u>	<u>115,177</u>
Noncurrent liabilities		
Accrued compensated absences	<u>2,781</u>	<u>3,360</u>
Total liabilities	<u>120,123</u>	<u>118,537</u>
NET POSITION		
Net investment in capital assets	1,775,902	1,930,154
Unrestricted	<u>805,675</u>	<u>814,944</u>
Total net position	<u>\$ 2,581,577</u>	<u>\$ 2,745,098</u>

CITY OF VICTORIA, TEXAS

NONMAJOR ENTERPRISE FUND

COMMUNITY CENTER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Rental fees	\$ 222,319	\$ 254,454
Miscellaneous	986	5,369
Total operating revenues	<u>223,305</u>	<u>259,823</u>
OPERATING EXPENSES		
Personnel	355,949	306,249
Materials and supplies	33,901	26,436
Maintenance	38,279	3,051
Heat, lights, and power	83,943	69,367
Miscellaneous services	48,686	84,199
Contractual services	32,965	30,023
Computer services	25,899	24,619
Depreciation and amortization	<u>237,697</u>	<u>248,994</u>
Total operating expenses	<u>857,319</u>	<u>792,938</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	(634,014)	(533,115)
NONOPERATING REVENUES (EXPENSES)		
Investment income	38,123	32,573
Gain (loss) on disposition of capital assets	<u>4,170</u>	<u>(1,031)</u>
Net nonoperating revenues (expenses)	<u>42,293</u>	<u>31,542</u>
Income (loss) before transfers	(591,721)	(501,573)
Transfers		
Transfers in	450,000	450,000
Transfers out	<u>(21,800)</u>	<u>(21,800)</u>
Total transfers	<u>428,200</u>	<u>428,200</u>
Change in net position	(163,521)	(73,373)
Total net position at beginning of year	<u>2,745,098</u>	<u>2,818,471</u>
Total net position at end of year	<u>\$ 2,581,577</u>	<u>\$ 2,745,098</u>

CITY OF VICTORIA, TEXAS

NONMAJOR ENTERPRISE FUND

COMMUNITY CENTER FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 223,305	\$ 261,981
Cash paid to suppliers for goods and services	(268,739)	(234,002)
Cash paid to employees for services	(356,356)	(306,445)
Net cash provided (used) by operating activities	<u>(401,790)</u>	<u>(278,466)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in customer deposits	434	6,163
Borrowings from (to) other funds	6,625	619
Transfers in from other funds	450,000	450,000
Transfers out to other funds	(21,800)	(21,800)
Net cash provided (used) by noncapital financing activities	<u>435,259</u>	<u>434,982</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(83,445)	(254,208)
Proceeds from sale of capital assets	4,170	-
Net cash provided (used) by capital and related financing activities	<u>(79,275)</u>	<u>(254,208)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	38,123	32,573
Net cash provided (used) by investing activities	<u>38,123</u>	<u>32,573</u>
Net increase (decrease) in cash and cash equivalents	(7,683)	(65,119)
Cash and cash equivalents at beginning of year	931,347	996,466
Cash and cash equivalents at end of year	<u>\$ 923,664</u>	<u>\$ 931,347</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (634,014)	\$ (533,115)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	237,697	248,994
Changes in assets and liabilities		
(Increase) decrease in receivables	-	11
(Increase) decrease in returned checks	-	2,147
Increase (decrease) in accounts payable	(5,066)	3,693
Increase (decrease) in accrued expenses	215	(2,420)
Increase (decrease) in compensated absences	(622)	2,224
Total adjustments	<u>232,224</u>	<u>254,649</u>
Net cash provided (used) by operating activities	<u>\$ (401,790)</u>	<u>\$ (278,466)</u>

700 MAIN CENTER FUND

CITY OF VICTORIA, TEXAS
NONMAJOR ENTERPRISE FUND
700 MAIN CENTER FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 204,412	\$ 163,627
Total current assets	<u>204,412</u>	<u>163,627</u>
Noncurrent assets		
Capital assets		
Buildings	2,864,378	2,868,307
Improvements other than buildings	78,216	78,216
Machinery and equipment	<u>30,024</u>	<u>30,229</u>
Total capital assets	2,972,618	2,976,752
Less accumulated depreciation	<u>2,375,593</u>	<u>2,299,151</u>
Subtotal	597,025	677,601
Land	<u>224,598</u>	<u>224,598</u>
Net capital assets	<u>821,623</u>	<u>902,199</u>
Total assets	<u>1,026,035</u>	<u>1,065,826</u>
LIABILITIES		
Current liabilities		
Accounts payable	<u>11,374</u>	<u>8,491</u>
NET POSITION		
Net investment in capital assets	821,623	902,199
Unrestricted	<u>193,038</u>	<u>155,136</u>
Total net position	<u>\$ 1,014,661</u>	<u>\$ 1,057,335</u>

CITY OF VICTORIA, TEXAS

NONMAJOR ENTERPRISE FUND

700 MAIN CENTER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Rental fees	\$ 151,077	\$ 151,077
OPERATING EXPENSES		
Materials and supplies	257	-
Maintenance	19,842	-
Heat, lights, and power	49,988	42,713
Miscellaneous services	25,157	35,028
Depreciation and amortization	<u>81,659</u>	<u>84,602</u>
Total operating expenses	<u>176,903</u>	<u>162,343</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	(25,826)	(11,266)
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on disposition of capital assets	<u>(1,718)</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>(1,718)</u>	<u>-</u>
Income (loss) before transfers	(27,544)	(11,266)
Transfers		
Transfers out	<u>(15,130)</u>	<u>(15,130)</u>
Total transfers	<u>(15,130)</u>	<u>(15,130)</u>
Change in net position	(42,674)	(26,396)
Total net position at beginning of year	<u>1,057,335</u>	<u>1,083,731</u>
Total net position at end of year	<u>\$ 1,014,661</u>	<u>\$ 1,057,335</u>

CITY OF VICTORIA, TEXAS
NONMAJOR ENTERPRISE FUND
700 MAIN CENTER FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2024
With comparative totals for the year ended September 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 151,077	\$ 151,077
Cash paid to suppliers for goods and services	(92,361)	(77,481)
Net cash provided (used) by operating activities	<u>58,716</u>	<u>73,596</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(15,130)	(15,130)
Net cash provided (used) by noncapital financing activities	<u>(15,130)</u>	<u>(15,130)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,801)	(21,600)
Net cash provided (used) by capital and related financing activities	<u>(2,801)</u>	<u>(21,600)</u>
Net increase (decrease) in cash and cash equivalents	40,785	36,866
Cash and cash equivalents at beginning of year	163,627	126,761
Cash and cash equivalents at end of year	<u>\$ 204,412</u>	<u>\$ 163,627</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (25,826)	\$ (11,266)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	81,659	84,602
Changes in assets and liabilities		
Increase (decrease) in accounts payable	2,883	260
Total adjustments	<u>84,542</u>	<u>84,862</u>
Net cash provided (used) by operating activities	<u>\$ 58,716</u>	<u>\$ 73,596</u>

ENVIRONMENTAL SERVICES FUND

CITY OF VICTORIA, TEXAS
MAJOR ENTERPRISE FUND
ENVIRONMENTAL SERVICES FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,365,931	\$ 782,327
Investments	6,553,222	7,243,461
Receivables (net)		
Accounts	283,772	291,045
Other	38,764	62,028
Due from component unit	90,000	80,000
Restricted assets		
Cash and cash equivalents	845,872	1,343,521
Investments	2,221,766	1,524,392
Total current assets	<u>11,399,327</u>	<u>11,326,774</u>
Noncurrent assets		
Capital assets		
Buildings	1,445,781	1,445,781
Infrastructure	1,504,801	1,504,801
Improvements other than buildings	1,345,400	1,345,400
Machinery and equipment	1,888,415	1,848,961
Total capital assets	6,184,397	6,144,943
Less accumulated depreciation	4,681,315	4,510,538
Subtotal	1,503,082	1,634,405
Land	834,981	834,981
Net capital assets	<u>2,338,063</u>	<u>2,469,386</u>
Total noncurrent assets	<u>2,338,063</u>	<u>2,469,386</u>
Total assets	<u>13,737,390</u>	<u>13,796,160</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pension	527,500	685,549
Deferred outflow related to OPEB	85,890	84,057
Total deferred outflows of resources	<u>613,390</u>	<u>769,606</u>

CITY OF VICTORIA, TEXAS
MAJOR ENTERPRISE FUND
ENVIRONMENTAL SERVICES FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	2024	2023
LIABILITIES		
Current liabilities		
Accounts payable	\$ 123,708	\$ 188,836
Accrued expenses	79,461	68,273
Accrued compensated absences	1,986	2,007
Due to other governments	44,062	43,628
Due to other funds	45,838	45,858
Due to component unit	33,494	34,112
Total current liabilities	<u>328,549</u>	<u>382,714</u>
Noncurrent liabilities		
Accrued compensated absences	51,549	44,590
Net pension liability	1,676,268	1,623,538
OPEB liability	359,428	319,629
Estimated landfill closure and postclosure care cost	4,743,814	4,642,769
Total noncurrent liabilities	<u>6,831,059</u>	<u>6,630,526</u>
Total liabilities	<u>7,159,608</u>	<u>7,013,240</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pension	195,486	32,675
Deferred inflow related to OPEB	80,129	67,734
Total deferred inflows of resources	<u>275,615</u>	<u>100,409</u>
NET POSITION		
Net investment in capital assets	2,338,063	2,469,386
Unrestricted	4,577,494	4,982,731
Total net position	<u>\$ 6,915,557</u>	<u>\$ 7,452,117</u>

CITY OF VICTORIA, TEXAS**MAJOR ENTERPRISE FUND****ENVIRONMENTAL SERVICES FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Garbage fees	\$ 3,520,055	\$ 3,503,949
Other garbage fees	1,485,180	1,478,691
Miscellaneous	<u>1,176,785</u>	<u>1,196,779</u>
Total operating revenues	<u>6,182,020</u>	<u>6,179,419</u>
OPERATING EXPENSES		
Personnel	2,347,784	1,942,468
Materials and supplies	339,924	388,943
Maintenance	2,513	1,653
Heat, lights, and power	17,189	15,171
Miscellaneous services	1,105,160	1,170,289
Capital replacement charges	831,402	739,487
Contractual services	269,937	240,162
Computer services	91,120	86,618
Tipping fees	1,047,967	1,022,371
Landfill closure and postclosure care cost	132,220	237,085
Depreciation and amortization	<u>170,774</u>	<u>164,673</u>
Total operating expenses	<u>6,355,990</u>	<u>6,008,920</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	(173,970)	170,499
NONOPERATING REVENUES (EXPENSES)		
Investment income	564,323	493,016
Gain (loss) on disposition of capital assets	<u>254</u>	<u>35</u>
Net nonoperating revenues (expenses)	<u>564,577</u>	<u>493,051</u>
Income before transfers	390,607	663,550
Transfers		
Transfers out	<u>(927,167)</u>	<u>(845,167)</u>
Total transfers	<u>(927,167)</u>	<u>(845,167)</u>
Change in net position	(536,560)	(181,617)
Net position at beginning of year	<u>7,452,117</u>	<u>7,633,734</u>
Total net position at end of year	<u>\$ 6,915,557</u>	<u>\$ 7,452,117</u>

CITY OF VICTORIA, TEXAS

MAJOR ENTERPRISE FUND

ENVIRONMENTAL SERVICES FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 6,212,557	\$ 6,140,975
Cash paid to suppliers for goods and services	(3,801,081)	(3,864,580)
Cash paid to employees for services	<u>(1,905,707)</u>	<u>(1,834,298)</u>
Net cash provided (used) by operating activities	<u>505,769</u>	<u>442,097</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Borrowings from (to) other funds	-	(8,437)
Borrowings from (to) component unit	9,362	(14,372)
Transfers out to other funds	<u>(927,167)</u>	<u>(845,167)</u>
Net cash provided (used) by noncapital financing activities	<u>(917,805)</u>	<u>(867,976)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	<u>(39,454)</u>	<u>(202,366)</u>
Net cash provided (used) by capital and related financing activities	<u>(39,454)</u>	<u>(202,366)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	8,656,192	8,000,000
Purchase of investments	(8,454,711)	(9,656,192)
Investment income	<u>335,964</u>	<u>394,557</u>
Net cash provided (used) by investing activities	<u>537,445</u>	<u>(1,261,635)</u>
Net increase (decrease) in cash and cash equivalents	85,955	(1,889,880)
Cash and cash equivalents at beginning of year	<u>2,125,848</u>	<u>4,015,728</u>
Cash and cash equivalents at end of year	<u>\$ 2,211,803</u>	<u>\$ 2,125,848</u>

CITY OF VICTORIA, TEXAS

MAJOR ENTERPRISE FUND

ENVIRONMENTAL SERVICES FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (173,970)	\$ 170,499
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	170,774	164,673
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources		
(Increase) decrease in accounts receivable	7,273	(7,434)
(Increase) decrease in other receivables	23,264	(31,010)
(Increase) decrease in deferred outflows related to pension/OPEB	156,216	(485,229)
Increase (decrease) in accounts payable	(65,128)	(67,476)
Increase (decrease) in due to other governments	434	3,630
Increase (decrease) in accrued expenses	11,188	6,447
Increase (decrease) in compensated absences	6,938	13,310
Increase (decrease) in net pension liability	52,730	998,865
Increase (decrease) in OPEB liability	39,799	(27,764)
Increase (decrease) in landfill closure and postclosure care cost	101,045	101,045
Increase (decrease) in deferred inflows related to pension/OPEB	<u>175,206</u>	<u>(397,459)</u>
Total adjustments	<u>679,739</u>	<u>271,598</u>
Net cash provided (used) by operating activities	<u>\$ 505,769</u>	<u>\$ 442,097</u>

GOLF COURSE FUND

CITY OF VICTORIA, TEXAS
NONMAJOR ENTERPRISE FUND
GOLF COURSE FUND
BALANCE SHEET
September 30, 2024
With comparative totals for the year ended September 30, 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 998,286	\$ 885,107
Receivables (net)	70,628	73,734
Due from other funds	16,867	14,393
Inventory	28,427	28,796
Total current assets	<u>1,114,208</u>	<u>1,002,030</u>
Noncurrent assets		
Capital assets		
Buildings	365,996	322,821
Improvements other than buildings	312,693	312,693
Machinery and equipment	660,716	564,921
	<u>1,339,405</u>	<u>1,200,435</u>
Less accumulated depreciation	1,049,400	996,519
Net depreciable capital assets	<u>290,005</u>	<u>203,916</u>
Right-to-Use lease assets		
Machinery and equipment	836,348	765,128
Less accumulated amortization	260,466	158,236
Net amortizable capital assets	<u>575,882</u>	<u>606,892</u>
Land	1,143,492	1,143,492
Total noncurrent assets	<u>2,009,379</u>	<u>1,954,300</u>
Total assets	<u>3,123,587</u>	<u>2,956,330</u>
LIABILITIES		
Current liabilities		
Accounts payable	68,732	55,432
Accrued expenses	32,197	24,816
Accrued compensated absences	227	324
Accrued interest payable	2,231	2,278
Current portion of right-to-use lease liability	165,944	134,919
Current portion of financed purchases	35,661	17,087
Total current liabilities	<u>304,992</u>	<u>234,856</u>
Noncurrent liabilities		
Right-to-use lease liability	425,503	476,137
Financed purchases	114,077	67,228
Accrued compensated absences	5,887	7,185
Total noncurrent liabilities	<u>545,467</u>	<u>550,550</u>
Total liabilities	<u>850,459</u>	<u>785,406</u>
NET POSITION		
Net investment in capital assets	1,245,694	1,258,929
Unrestricted	1,027,434	911,995
Total net position	<u>\$ 2,273,128</u>	<u>\$ 2,170,924</u>

CITY OF VICTORIA, TEXAS

NONMAJOR ENTERPRISE FUND

GOLF COURSE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Golf course sales	\$ 303,692	\$ 281,811
Fees and memberships	1,115,516	1,115,834
Miscellaneous	<u>4,890</u>	<u>6,094</u>
Total operating revenues	<u>1,424,098</u>	<u>1,403,739</u>
OPERATING EXPENSES		
Personnel	654,440	620,651
Materials and supplies	240,222	237,940
Maintenance	41,385	71,628
Heat, lights, and power	46,847	35,451
Miscellaneous services	49,463	45,512
Contractual services	20,664	11,770
Depreciation and amortization	<u>227,917</u>	<u>122,225</u>
Total operating expenses	<u>1,280,938</u>	<u>1,145,177</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	143,160	258,562
NONOPERATING REVENUES (EXPENSES)		
Investment income	24,673	-
Interest and fiscal charges	<u>(40,629)</u>	<u>(13,109)</u>
Net nonoperating revenues (expenses)	<u>(15,956)</u>	<u>(13,109)</u>
Income before transfers	127,204	245,453
Transfers		
Transfers out	<u>(25,000)</u>	<u>-</u>
Total transfers	<u>(25,000)</u>	<u>-</u>
Change in net position	102,204	245,453
Total net position at beginning of year	<u>2,170,924</u>	<u>1,925,471</u>
Total net position at end of year	<u>\$ 2,273,128</u>	<u>\$ 2,170,924</u>

CITY OF VICTORIA, TEXAS
NONMAJOR ENTERPRISE FUND
GOLF COURSE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2024
With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,427,204	\$ 1,390,749
Cash paid to suppliers for goods and services	(407,412)	(383,219)
Cash paid to employees for services	<u>(648,454)</u>	<u>(618,307)</u>
Net cash provided (used) by operating activities	<u>371,338</u>	<u>389,223</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Borrowings from (to) other funds	(2,474)	(20,817)
Transfers out to other funds	<u>(25,000)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(27,474)</u>	<u>(20,817)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(24,857)	(100,279)
Principal paid on long-term debt	(189,825)	(107,833)
Interest and debt costs paid	<u>(40,676)</u>	<u>(11,590)</u>
Net cash provided (used) by capital and related financing activities	<u>(255,358)</u>	<u>(219,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>24,673</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>24,673</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	113,179	148,704
Cash and cash equivalents at beginning of year	<u>885,107</u>	<u>736,403</u>
Cash and cash equivalents at end of year	<u>\$ 998,286</u>	<u>\$ 885,107</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 143,160	\$ 258,562
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	227,917	122,225
Changes in assets and liabilities		
(Increase) decrease in other receivables	3,106	(12,990)
(Increase) decrease in prepaid items	-	1,753
(Increase) decrease in inventory	369	(10,178)
Increase (decrease) in accounts payable	(9,200)	27,507
Increase (decrease) in accrued expenses	7,381	(5,165)
Increase (decrease) in accrued compensated absences	<u>(1,395)</u>	<u>7,509</u>
Total adjustments	<u>228,178</u>	<u>130,661</u>
Net cash provided (used) by operating activities	<u>\$ 371,338</u>	<u>\$ 389,223</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing of goods or services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. The City maintains eight Internal Service Funds: Building and Equipment Services, Information Technology, Radio Systems, Purchasing, Safety Management, Workers' Compensation, Print Shop, and Employee Health Plan.

Building and Equipment Services Fund - This fund is to account for the cost of operating a central maintenance facility for all City-owned automotive equipment, maintain equipment that the fund does not own, i.e., non-automotive equipment owned by other City departments and automotive equipment owned by outside agencies, perform maintenance on City facilities, and maintain a high standard of cleanliness in all work and public areas of City buildings. Prior to fiscal year 2021, building services and custodial services were part of General Fund.

Information Technology Fund - This fund has one operating department whose responsibility is to provide centralized electronic data processing services to all City departments. The services include system design and programming. This department was set up as a separate fund so that its total costs could be apportioned to the many user departments from several funds.

Radio Systems Fund - This fund is responsible for accounting for the cost of operating a central maintenance facility for all City-owned communications and emergency equipment.

Purchasing Fund - The purpose of this fund is to account for the costs of operating a central purchasing department and a central warehouse. The actual cost of goods is billed to user departments along with an added purchasing overhead charge to defray operating expenses, thereby making the department a self-supporting entity.

Safety Management Fund - This fund was set up to account for all risk type expenses and revenues. Insurance premiums, deductible expenses, non-insured claims and costs are all recorded in this fund, as well as prorated contributions from all operating funds.

Workers' Compensation Fund - The City established an Internal Service Fund called Workers' Compensation Fund in the fiscal year 1990 to account for and finance its uninsured risk of loss. Under this program the Workers' Compensation Fund provides coverage for up to a maximum of \$350,000 for each workers' compensation claim. Any excess over the maximum self-insured amount would be covered by the City's compensation insurance.

Print Shop Fund - The purpose of this fund is to account for the cost of operating a central print shop for City as well as County of Victoria departments. The department provides central reproduction services to City and County departments on a billable basis. This department also processes incoming and outgoing mail and maintains inventory for office supplies to be used by City and County departments.

Employee Health Plan Fund - The Employee Health Plan Fund was created to provide accounting for transactions of a self-insured health insurance plan for City employees, employee dependents, and retirees. The City pays a portion of the premium for City employees and retirees, and employees pay the premium if they wish to cover dependents. Payments by the various City funds, employees, and retirees (for retiree dependent coverage) are revenues of the fund. Payments are made from the fund to a third party administrator for services, to an insurance company for specific stop loss insurance and life insurance, and to providers of medical services.

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2024

	<u>Building and Equipment Svcs.</u>	<u>Information Technology</u>	<u>Radio Systems</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 217,604	\$ 535,968	\$ 115,219
Investments	-	-	-
Receivables (net)			
Other	49,400	1	6,776
Due from other funds	40,143	10,041	-
Inventory	46,010	-	-
Restricted assets			
Cash and cash equivalents	-	-	-
Total current assets	<u>353,157</u>	<u>546,010</u>	<u>121,995</u>
Noncurrent assets			
Capital assets			
Land and other assets not being depreciated or amortized	134,007	-	39,168
Buildings, improvements, and equipment (net of depreciation)	4,874,154	182,449	26,330
Right-to-Use lease assets			
Machinery and equipment (net of amortization)	886,993	-	12,757
Net capital assets	<u>5,895,154</u>	<u>182,449</u>	<u>78,255</u>
Total noncurrent assets	<u>5,895,154</u>	<u>182,449</u>	<u>78,255</u>
Total assets	<u>6,248,311</u>	<u>728,459</u>	<u>200,250</u>
LIABILITIES			
Current liabilities			
Accounts payable	249,018	23,046	1,300
Accrued expenses	29,121	36,522	-
Due to other funds	-	-	4,224
Accrued compensated absences	880	1,252	-
Claims payable	-	-	-
Accrued interest payable	3,473	-	45
Current portion of right-to-use lease liability	324,721	-	7,982
Current portion of financed purchases	238,359	-	-
Total current liabilities	<u>845,572</u>	<u>60,820</u>	<u>13,551</u>
Noncurrent liabilities			
Accrued compensated absences	22,832	32,494	-
Right-to-use lease liability	588,690	-	5,501
Financed purchases	765,279	-	-
Total noncurrent liabilities	<u>1,376,801</u>	<u>32,494</u>	<u>5,501</u>
Total liabilities	<u>2,222,373</u>	<u>93,314</u>	<u>19,052</u>
NET POSITION			
Net investment in capital assets	3,978,105	182,449	64,772
Unrestricted	47,833	452,696	116,426
Total net position	<u>\$ 4,025,938</u>	<u>\$ 635,145</u>	<u>\$ 181,198</u>

<u>Purchasing</u>	<u>Safety Management</u>	<u>Workers' Compensation</u>	<u>Print Shop</u>	<u>Employee Health Plan</u>	<u>Total</u>
\$ 168,887	\$ 64,017	\$ 212,284	\$ 18,654	\$ 5,864,629	\$ 7,197,262
-	-	-	-	1,063,929	1,063,929
-	7,250	-	525	65,578	129,530
-	4,207	-	-	122,392	176,783
17,683	-	-	14,390	-	78,083
-	-	28,000	-	-	28,000
<u>186,570</u>	<u>75,474</u>	<u>240,284</u>	<u>33,569</u>	<u>7,116,528</u>	<u>8,673,587</u>
-	-	-	-	-	173,175
24,213	56	-	64,537	-	5,171,739
-	-	-	-	-	899,750
<u>24,213</u>	<u>56</u>	<u>-</u>	<u>64,537</u>	<u>-</u>	<u>6,244,664</u>
<u>24,213</u>	<u>56</u>	<u>-</u>	<u>64,537</u>	<u>-</u>	<u>6,244,664</u>
<u>210,783</u>	<u>75,530</u>	<u>240,284</u>	<u>98,106</u>	<u>7,116,528</u>	<u>14,918,251</u>
3,997	5,109	-	5,479	27,625	315,574
10,534	5,612	-	-	-	81,789
13,086	-	-	1,051	650,734	669,095
419	90	-	-	-	2,641
-	-	182,318	-	349,397	531,715
-	-	-	-	-	3,518
-	-	-	-	-	332,703
-	-	-	9,011	-	247,370
<u>28,036</u>	<u>10,811</u>	<u>182,318</u>	<u>15,541</u>	<u>1,027,756</u>	<u>2,184,405</u>
10,885	2,343	-	-	-	68,554
-	-	-	-	-	594,191
-	-	-	-	-	765,279
<u>10,885</u>	<u>2,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,428,024</u>
<u>38,921</u>	<u>13,154</u>	<u>182,318</u>	<u>15,541</u>	<u>1,027,756</u>	<u>3,612,429</u>
24,213	56	-	55,526	-	4,305,121
147,649	62,320	57,966	27,039	6,088,772	7,000,701
<u>\$ 171,862</u>	<u>\$ 62,376</u>	<u>\$ 57,966</u>	<u>\$ 82,565</u>	<u>\$ 6,088,772</u>	<u>\$ 11,305,822</u>

CITY OF VICTORIA, TEXAS*INTERNAL SERVICE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**For the year ended September 30, 2024*

	<u>Building and Equipment Svcs.</u>	<u>Information Technology</u>	<u>Radio Systems</u>
OPERATING REVENUES			
Charges for services	\$ 7,559,307	\$ 2,022,673	\$ 418,531
Miscellaneous	<u>4,058</u>	<u>5,419</u>	<u>-</u>
Total operating revenues	<u>7,563,365</u>	<u>2,028,092</u>	<u>418,531</u>
OPERATING EXPENSES			
Personnel	768,757	837,823	9,412
Materials and supplies	1,403,359	9,957	247
Maintenance	1,038,624	913,366	426,195
Heat, lights, and power	116,998	-	-
Reinsurance premiums	-	-	-
Miscellaneous services	501,549	117,596	12,667
Contractual services	1,227,967	218,712	270
Computer services	48,460	-	10,954
Court costs, judgments, and damages	-	-	-
Claims expense	-	-	-
OPEB trust expense	-	-	-
HSA expense	-	-	-
Life insurance expense	-	-	-
Wellness program	-	-	-
Depreciation and amortization	<u>2,225,740</u>	<u>127,656</u>	<u>18,303</u>
Total operating expenses	<u>7,331,454</u>	<u>2,225,110</u>	<u>478,048</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	231,911	(197,018)	(59,517)
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	8,667	6,555
Interest and fiscal charges	(42,426)	-	(681)
Gain (loss) on disposition of capital assets	<u>30,598</u>	<u>(341)</u>	<u>(26)</u>
Net nonoperating revenues (expenses)	<u>(11,828)</u>	<u>8,326</u>	<u>5,848</u>
Income (loss) before transfers	220,083	(188,692)	(53,669)
Transfers			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	220,083	(188,692)	(53,669)
Total net position at beginning of year	<u>3,805,855</u>	<u>823,837</u>	<u>234,867</u>
Total net position at end of year	<u>\$ 4,025,938</u>	<u>\$ 635,145</u>	<u>\$ 181,198</u>

<u>Purchasing</u>	<u>Safety Management</u>	<u>Workers' Compensation</u>	<u>Print Shop</u>	<u>Employee Health Plan</u>	<u>Total</u>
\$ 266,542	\$ 1,202,001	\$ 203,949	\$ 65,617	\$ 6,869,937	\$ 18,608,557
36,883	7,250	-	-	3	53,613
<u>303,425</u>	<u>1,209,251</u>	<u>203,949</u>	<u>65,617</u>	<u>6,869,940</u>	<u>18,662,170</u>
246,459	121,755	-	6,064	-	1,990,270
3,387	346	-	1,539	-	1,418,835
3,450	25,856	-	13,143	-	2,420,634
2,117	-	-	-	-	119,115
-	988,229	-	-	809,825	1,798,054
20,779	21,865	-	14,727	-	689,183
-	11,969	-	-	523,280	1,982,198
28,303	10,954	-	10,954	-	109,625
-	11,614	-	-	-	11,614
-	-	367,162	-	4,846,459	5,213,621
-	-	-	-	200,000	200,000
-	-	-	-	96,500	96,500
-	-	-	-	27,569	27,569
-	-	-	-	66,106	66,106
3,699	281	-	15,382	-	2,391,061
<u>308,194</u>	<u>1,192,869</u>	<u>367,162</u>	<u>61,809</u>	<u>6,569,739</u>	<u>18,534,385</u>
(4,769)	16,382	(163,213)	3,808	300,201	127,785
8,080	1,070	12,581	-	305,686	342,639
-	-	-	-	-	(43,107)
(24)	-	-	152	-	30,359
<u>8,056</u>	<u>1,070</u>	<u>12,581</u>	<u>152</u>	<u>305,686</u>	<u>329,891</u>
3,287	17,452	(150,632)	3,960	605,887	457,676
7,534	-	-	28,704	200,000	236,238
7,534	-	-	28,704	200,000	236,238
10,821	17,452	(150,632)	32,664	805,887	693,914
<u>161,041</u>	<u>44,924</u>	<u>208,598</u>	<u>49,901</u>	<u>5,282,885</u>	<u>10,611,908</u>
\$ 171,862	\$ 62,376	\$ 57,966	\$ 82,565	\$ 6,088,772	\$ 11,305,822

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended September 30, 2024

	Building and Equipment Svcs.	Information Technology	Radio Systems
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from other funds	\$ 7,582,471	\$ 2,015,345	\$ 432,684
Cash paid to suppliers for goods and services	(4,325,250)	(1,256,173)	(451,142)
Cash paid to employees for services	(761,103)	(825,050)	(9,412)
Net cash provided (used) by operating activities	<u>2,496,118</u>	<u>(65,878)</u>	<u>(27,870)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,949,114)	(7,472)	(10,232)
Proceeds from sale of capital assets	30,598	-	-
Principal paid on long-term debt	(559,847)	-	(7,670)
Interest and debt costs paid	(42,480)	-	(707)
Net cash provided (used) by capital and related financing activities	<u>(2,520,843)</u>	<u>(7,472)</u>	<u>(18,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	-	-	-
Purchase of investments	-	-	-
Investment income	-	8,667	6,555
Net cash provided (used) by investing activities	<u>-</u>	<u>8,667</u>	<u>6,555</u>
Net increase (decrease) in cash and cash equivalents	(24,725)	(64,683)	(39,924)
Cash and cash equivalents at beginning of year	<u>242,329</u>	<u>600,651</u>	<u>155,143</u>
Cash and cash equivalents at end of year	<u>\$ 217,604</u>	<u>\$ 535,968</u>	<u>\$ 115,219</u>

<u>Purchasing</u>	<u>Safety Management</u>	<u>Workers' Compensation</u>	<u>Print Shop</u>	<u>Employee Health Plan</u>	<u>Total</u>
\$ 305,322	\$ 1,208,183	\$ 203,949	\$ 68,242	\$ 7,120,578	\$ 18,936,774
(56,798)	(1,064,266)	(349,074)	(34,873)	(6,594,668)	(14,132,244)
<u>(242,261)</u>	<u>(120,953)</u>	<u>-</u>	<u>(6,064)</u>	<u>-</u>	<u>(1,964,843)</u>
<u>6,263</u>	<u>22,964</u>	<u>(145,125)</u>	<u>27,305</u>	<u>525,910</u>	<u>2,839,687</u>
<u>7,534</u>	<u>-</u>	<u>-</u>	<u>28,704</u>	<u>200,000</u>	<u>236,238</u>
<u>7,534</u>	<u>-</u>	<u>-</u>	<u>28,704</u>	<u>200,000</u>	<u>236,238</u>
(4,402)	-	-	(41,660)	-	(2,012,880)
-	-	-	152	-	30,750
-	-	-	(18,021)	-	(585,538)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,187)</u>
<u>(4,402)</u>	<u>-</u>	<u>-</u>	<u>(59,529)</u>	<u>-</u>	<u>(2,610,855)</u>
-	-	-	-	3,538,431	3,538,431
-	-	-	-	(2,081,373)	(2,081,373)
<u>8,080</u>	<u>1,070</u>	<u>12,581</u>	<u>-</u>	<u>323,130</u>	<u>360,083</u>
<u>8,080</u>	<u>1,070</u>	<u>12,581</u>	<u>-</u>	<u>1,780,188</u>	<u>1,817,141</u>
17,475	24,034	(132,544)	(3,520)	2,506,098	2,282,211
<u>151,412</u>	<u>39,983</u>	<u>372,828</u>	<u>22,174</u>	<u>3,358,531</u>	<u>4,943,051</u>
<u>\$ 168,887</u>	<u>\$ 64,017</u>	<u>\$ 240,284</u>	<u>\$ 18,654</u>	<u>\$ 5,864,629</u>	<u>\$ 7,225,262</u>

(continued)

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended September 30, 2024

	<u>Building and Equipment Svcs.</u>	<u>Information Technology</u>	<u>Radio Systems</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 231,911	\$ (197,018)	\$ (59,517)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	2,225,740	127,656	18,303
Changes in assets and liabilities			
(Increase) decrease in other receivables	17,770	5	14,153
(Increase) decrease in due from other funds	1,336	(10,041)	-
(Increase) decrease in inventory	52,884	-	-
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	(41,177)	3,458	(809)
Increase (decrease) in accrued expenses	2,245	9,646	-
Increase (decrease) in due to other funds	-	(2,711)	-
Increase (decrease) in compensated absences	5,409	3,127	-
Increase (decrease) in claims payable	-	-	-
Total adjustments	<u>2,264,207</u>	<u>131,140</u>	<u>31,647</u>
Net cash provided (used) by operating activities	<u>\$ 2,496,118</u>	<u>\$ (65,878)</u>	<u>\$ (27,870)</u>
Reconciliation of cash and cash equivalents			
Unrestricted			
Cash and cash equivalents	\$ 217,604	\$ 535,968	\$ 115,219
Restricted			
Cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 217,604</u>	<u>\$ 535,968</u>	<u>\$ 115,219</u>
Noncash capital and related financing activities			
Assets acquired from initiation of			
Right-to-Use lease	<u>\$ 298,304</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 298,304</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Purchasing</u>	<u>Safety Management</u>	<u>Workers' Compensation</u>	<u>Print Shop</u>	<u>Employee Health Plan</u>	<u>Total</u>
\$ (4,769)	\$ 16,382	\$ (163,213)	\$ 3,808	\$ 300,201	\$ 127,785
3,699	281	-	15,382	-	2,391,061
24	(1,113)	-	1,574	18,683	51,096
-	45	-	-	98,754	90,094
2,518	-	-	3,827	-	59,229
-	3,136	-	-	-	3,136
(1,280)	3,431	-	1,663	27,625	(7,089)
2,316	715	-	-	-	14,922
1,873	-	-	1,051	133,201	133,414
1,882	87	-	-	-	10,505
-	-	18,088	-	(52,554)	(34,466)
<u>11,032</u>	<u>6,582</u>	<u>18,088</u>	<u>23,497</u>	<u>225,709</u>	<u>2,711,902</u>
<u>\$ 6,263</u>	<u>\$ 22,964</u>	<u>\$ (145,125)</u>	<u>\$ 27,305</u>	<u>\$ 525,910</u>	<u>\$ 2,839,687</u>
\$ 168,887	\$ 64,017	\$ 212,284	\$ 18,654	\$ 5,864,629	\$ 7,197,262
-	-	28,000	-	-	28,000
<u>\$ 168,887</u>	<u>\$ 64,017</u>	<u>\$ 240,284</u>	<u>\$ 18,654</u>	<u>\$ 5,864,629</u>	<u>\$ 7,225,262</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,304</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,304</u>

(concluded)

BUILDING AND EQUIPMENT SERVICES FUND

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUND
BUILDING AND EQUIPMENT SERVICES FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 217,604	\$ 242,329
Receivables		
Other	49,400	67,170
Due from other funds	40,143	41,479
Inventory	<u>46,010</u>	<u>98,894</u>
Total current assets	<u>353,157</u>	<u>449,872</u>
Noncurrent assets		
Capital assets		
Buildings	425,194	425,876
Infrastructure	93,179	93,179
Improvements other than buildings	10,659	10,659
Machinery and equipment	<u>26,482,656</u>	<u>26,363,102</u>
	27,011,688	26,892,816
Less accumulated depreciation	<u>22,137,534</u>	<u>22,081,233</u>
Net depreciable capital assets	<u>4,874,154</u>	<u>4,811,583</u>
Right-to-Use lease assets		
Machinery and equipment	1,587,703	1,289,399
Less accumulated amortization	<u>700,710</u>	<u>361,514</u>
Net amortizable capital assets	<u>886,993</u>	<u>927,885</u>
Land	<u>134,007</u>	<u>134,007</u>
Net capital assets	<u>5,895,154</u>	<u>5,873,475</u>
Total noncurrent assets	<u>5,895,154</u>	<u>5,873,475</u>
Total assets	<u>6,248,311</u>	<u>6,323,347</u>
LIABILITIES		
Current liabilities		
Accounts payable	249,018	290,195
Accrued expenses	29,121	26,876
Accrued interest payable	3,473	3,527
Accrued compensated absences	880	789
Current portion of right-to-use lease liability	324,721	295,412
Current portion of financed purchases	<u>238,359</u>	<u>230,503</u>
Total current liabilities	<u>845,572</u>	<u>847,302</u>
Noncurrent liabilities		
Accrued compensated absences	22,832	17,514
Right-to-use lease liability	588,690	649,038
Financed purchases	<u>765,279</u>	<u>1,003,638</u>
Total noncurrent liabilities	<u>1,376,801</u>	<u>1,670,190</u>
Total liabilities	<u>2,222,373</u>	<u>2,517,492</u>
NET POSITION		
Net investment in capital assets	3,978,105	3,694,884
Unrestricted	<u>47,833</u>	<u>110,971</u>
Total net position	<u>\$ 4,025,938</u>	<u>\$ 3,805,855</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

BUILDING AND EQUIPMENT SERVICES FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 7,559,307	\$ 7,299,413
Miscellaneous	<u>4,058</u>	<u>45</u>
Total operating revenues	<u>7,563,365</u>	<u>7,299,458</u>
OPERATING EXPENSES		
Personnel	768,757	722,420
Materials and supplies	1,403,359	1,594,548
Maintenance	1,038,624	912,195
Heat, lights, and power	116,998	100,898
Miscellaneous services	501,549	704,800
Contractual services	1,227,967	1,225,781
Computer services	48,460	46,065
Depreciation and amortization	<u>2,225,740</u>	<u>2,510,018</u>
Total operating expenses	<u>7,331,454</u>	<u>7,816,725</u>
Operating income (loss) before nonoperating revenues (expenses)	231,911	(517,267)
NONOPERATING REVENUES (EXPENSES)		
Interest and fiscal charges	(42,426)	(56,690)
Gain (loss) on disposition of capital assets	<u>30,598</u>	<u>(156,630)</u>
Net nonoperating revenues (expenses)	<u>(11,828)</u>	<u>(213,320)</u>
Change in net position	220,083	(730,587)
Total net position at beginning of year	<u>3,805,855</u>	<u>4,536,442</u>
Total net position at end of year	<u>\$ 4,025,938</u>	<u>\$ 3,805,855</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

BUILDING AND EQUIPMENT SERVICES FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 7,582,471	\$ 7,533,034
Cash paid to suppliers for goods and services	(4,325,250)	(5,016,788)
Cash paid to employees for services	(761,103)	(711,104)
Net cash provided (used) by operating activities	<u>2,496,118</u>	<u>1,805,142</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,949,114)	(1,394,886)
Proceeds from sale of capital assets	30,598	3,925
Principal paid on long-term debt	(559,847)	(494,908)
Interest and debt costs paid	(42,480)	(54,377)
Net cash provided (used) by capital and related financing activities	<u>(2,520,843)</u>	<u>(1,940,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(24,725)	(135,104)
Cash and cash equivalents at beginning of year	<u>242,329</u>	<u>377,433</u>
Cash and cash equivalents at end of year	<u>\$ 217,604</u>	<u>\$ 242,329</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 231,911	\$ (517,267)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	2,225,740	2,510,018
Changes in assets and liabilities		
(Increase) decrease in other receivables	17,770	254,396
(Increase) decrease in due from other funds	1,336	(20,820)
(Increase) decrease in inventory	52,884	(22,574)
Increase (decrease) in accounts payable	(41,177)	(409,927)
Increase (decrease) in accrued expenses	2,245	2,543
Increase (decrease) in compensated absences	5,409	8,773
Total adjustments	<u>2,264,207</u>	<u>2,322,409</u>
Net cash provided (used) by operating activities	<u>\$ 2,496,118</u>	<u>\$ 1,805,142</u>

INFORMATION TECHNOLOGY FUND

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUND
INFORMATION TECHNOLOGY FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 535,968	\$ 600,651
Receivables		
Other	1	6
Due from other funds	<u>10,041</u>	<u>-</u>
Total current assets	<u>546,010</u>	<u>600,657</u>
Noncurrent assets		
Capital assets		
Machinery and equipment	<u>3,027,500</u>	<u>3,021,122</u>
Total capital assets	<u>3,027,500</u>	<u>3,021,122</u>
Less accumulated depreciation	<u>2,845,051</u>	<u>2,718,148</u>
Net capital assets	<u>182,449</u>	<u>302,974</u>
Total assets	<u>728,459</u>	<u>903,631</u>
LIABILITIES		
Current liabilities		
Accounts payable	23,046	19,588
Accrued expenses	36,522	26,876
Due to other funds	-	2,711
Accrued compensated absences	<u>1,252</u>	<u>1,320</u>
Total current liabilities	<u>60,820</u>	<u>50,495</u>
Noncurrent liabilities		
Accrued compensated absences	<u>32,494</u>	<u>29,299</u>
Total noncurrent liabilities	<u>32,494</u>	<u>29,299</u>
Total liabilities	<u>93,314</u>	<u>79,794</u>
NET POSITION		
Net investment in capital assets	182,449	302,974
Unrestricted	<u>452,696</u>	<u>520,863</u>
Total net position	<u>\$ 635,145</u>	<u>\$ 823,837</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

INFORMATION TECHNOLOGY FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 2,022,673	\$ 1,923,453
Miscellaneous	<u>5,419</u>	<u>1,327</u>
Total operating revenues	<u>2,028,092</u>	<u>1,924,780</u>
OPERATING EXPENSES		
Personnel	837,823	741,225
Materials and supplies	9,957	9,687
Maintenance	913,366	876,053
Miscellaneous services	117,596	108,040
Contractual services	218,712	34,793
Depreciation and amortization	<u>127,656</u>	<u>147,746</u>
Total operating expenses	<u>2,225,110</u>	<u>1,917,544</u>
Operating income (loss) before nonoperating revenues (expenses)	(197,018)	7,236
NONOPERATING REVENUES (EXPENSES)		
Investment income	8,667	11,994
Gain (loss) on disposition of capital assets	<u>(341)</u>	<u>119</u>
Net nonoperating revenues (expenses)	<u>8,326</u>	<u>12,113</u>
Change in net position	(188,692)	19,349
Total net position at beginning of year	<u>823,837</u>	<u>804,488</u>
Total net position at end of year	<u>\$ 635,145</u>	<u>\$ 823,837</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

INFORMATION TECHNOLOGY FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 2,015,345	\$ 1,900,482
Cash paid to suppliers for goods and services	(1,256,173)	(1,061,812)
Cash paid to employees for services	(825,050)	(734,304)
Net cash provided (used) by operating activities	<u>(65,878)</u>	<u>104,366</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(7,472)	(160,132)
Proceeds from sale of capital assets	-	119
Net cash provided (used) by capital and related financing activities	<u>(7,472)</u>	<u>(160,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	8,667	11,994
Net cash provided (used) by investing activities	<u>8,667</u>	<u>11,994</u>
Net increase (decrease) in cash and cash equivalents	(64,683)	(43,653)
Cash and cash equivalents at beginning of year	600,651	644,304
Cash and cash equivalents at end of year	<u>\$ 535,968</u>	<u>\$ 600,651</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (197,018)	\$ 7,236
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	127,656	147,746
Changes in assets and liabilities		
(Increase) decrease in other receivables	5	(4)
(Increase) decrease in due from other funds	(10,041)	-
Increase (decrease) in accounts payable	3,458	(33,239)
Increase (decrease) in accrued expenses	9,646	821
Increase (decrease) in due to other funds	(2,711)	(24,294)
Increase (decrease) in compensated absences	3,127	6,100
Total adjustments	<u>131,140</u>	<u>97,130</u>
Net cash provided (used) by operating activities	<u>\$ (65,878)</u>	<u>\$ 104,366</u>

RADIO SYSTEMS FUND

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

RADIO SYSTEMS FUND

BALANCE SHEET

September 30, 2024

With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 115,219	\$ 155,143
Receivables		
Other	<u>6,776</u>	<u>20,929</u>
Total current assets	<u>121,995</u>	<u>176,072</u>
Noncurrent assets		
Capital assets		
Buildings	39,364	29,130
Infrastructure	2,501	2,501
Machinery and equipment	<u>3,639,689</u>	<u>3,653,778</u>
	3,681,554	3,685,409
Less accumulated depreciation	<u>3,655,224</u>	<u>3,658,637</u>
Net depreciable capital assets	<u>26,330</u>	<u>26,772</u>
Right-to-Use lease assets		
Machinery and equipment	35,721	35,721
Less accumulated amortization	<u>22,964</u>	<u>15,309</u>
Net amortizable capital assets	<u>12,757</u>	<u>20,412</u>
Land	<u>39,168</u>	<u>39,168</u>
Net capital assets	<u>78,255</u>	<u>86,352</u>
Total noncurrent assets	<u>78,255</u>	<u>86,352</u>
Total assets	<u>200,250</u>	<u>262,424</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,300	2,109
Due to other funds	4,224	4,224
Accrued interest payable	45	71
Current portion of right-to-use lease liability	<u>7,982</u>	<u>7,669</u>
Total current liabilities	<u>13,551</u>	<u>14,073</u>
Noncurrent liabilities		
Right-to-use lease liability	<u>5,501</u>	<u>13,484</u>
Total noncurrent liabilities	<u>5,501</u>	<u>13,484</u>
Total liabilities	<u>19,052</u>	<u>27,557</u>
NET POSITION		
Net investment in capital assets	64,772	65,199
Unrestricted	<u>116,426</u>	<u>169,668</u>
Total net position	<u>\$ 181,198</u>	<u>\$ 234,867</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

RADIO SYSTEMS FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 418,531	\$ 443,078
Total operating revenues	<u>418,531</u>	<u>443,078</u>
OPERATING EXPENSES		
Personnel	9,412	9,412
Materials and supplies	247	4
Maintenance	426,195	423,598
Miscellaneous services	12,667	16,501
Contractual services	270	330
Computer services	10,954	10,413
Depreciation and amortization	<u>18,303</u>	<u>18,656</u>
Total operating expenses	<u>478,048</u>	<u>478,914</u>
Operating income (loss) before nonoperating revenues (expenses)	(59,517)	(35,836)
NONOPERATING REVENUES (EXPENSES)		
Investment income	6,555	7,894
Interest and fiscal charges	(681)	(982)
Gain (loss) on disposition of capital assets	<u>(26)</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>5,848</u>	<u>6,912</u>
Change in net position	(53,669)	(28,924)
Total net position at beginning of year	<u>234,867</u>	<u>263,791</u>
Total net position at end of year	<u>\$ 181,198</u>	<u>\$ 234,867</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

RADIO SYSTEMS FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 432,684	\$ 442,502
Cash paid to suppliers for goods and services	(451,142)	(450,321)
Cash paid to employees for services	(9,412)	(9,412)
Net cash provided (used) by operating activities	<u>(27,870)</u>	<u>(17,231)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(10,232)	-
Principal paid on long-term debt	(7,670)	(7,369)
Interest and debt costs paid	(707)	(1,641)
Net cash provided (used) by capital and related financing activities	<u>(18,609)</u>	<u>(9,010)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	6,555	7,894
Net cash provided (used) by investing activities	<u>6,555</u>	<u>7,894</u>
Net increase (decrease) in cash and cash equivalents	(39,924)	(18,347)
Cash and cash equivalents at beginning of year	155,143	173,490
Cash and cash equivalents at end of year	<u>\$ 115,219</u>	<u>\$ 155,143</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (59,517)	\$ (35,836)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	18,303	18,656
Changes in assets and liabilities		
(Increase) decrease in other receivables	14,153	(3,123)
Increase (decrease) in accounts payable	(809)	525
Increase (decrease) in due to other funds	-	2,547
Total adjustments	<u>31,647</u>	<u>18,605</u>
Net cash provided (used) by operating activities	<u>\$ (27,870)</u>	<u>\$ (17,231)</u>

PURCHASING FUND

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

PURCHASING FUND

BALANCE SHEET

September 30, 2024

With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 168,887	\$ 151,412
Receivables		
Other	-	24
Inventory	<u>17,683</u>	<u>20,201</u>
Total current assets	<u>186,570</u>	<u>171,637</u>
Noncurrent assets		
Capital assets		
Buildings	147,110	147,110
Infrastructure	7,827	7,827
Improvements other than buildings	5,840	5,840
Machinery and equipment	<u>22,775</u>	<u>20,886</u>
Total capital assets	183,552	181,663
Less accumulated depreciation	<u>159,339</u>	<u>158,129</u>
Net capital assets	<u>24,213</u>	<u>23,534</u>
Total assets	<u>210,783</u>	<u>195,171</u>
LIABILITIES		
Current liabilities		
Accounts payable	3,997	5,277
Accrued expenses	10,534	8,218
Due to other funds	13,086	11,213
Accrued compensated absences	<u>419</u>	<u>406</u>
Total current liabilities	<u>28,036</u>	<u>25,114</u>
Noncurrent liabilities		
Accrued compensated absences	<u>10,885</u>	<u>9,016</u>
Total noncurrent liabilities	<u>10,885</u>	<u>9,016</u>
Total liabilities	<u>38,921</u>	<u>34,130</u>
NET POSITION		
Net investment in capital assets	24,213	23,534
Unrestricted	<u>147,649</u>	<u>137,507</u>
Total net position	<u>\$ 171,862</u>	<u>\$ 161,041</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

PURCHASING FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 266,542	\$ 266,544
Miscellaneous	<u>36,883</u>	<u>26,521</u>
Total operating revenues	<u>303,425</u>	<u>293,065</u>
OPERATING EXPENSES		
Personnel	246,459	234,595
Materials and supplies	3,387	3,701
Maintenance	3,450	2,200
Heat, lights, and power	2,117	6,991
Miscellaneous services	20,779	29,536
Contractual services	-	1,800
Computer services	28,303	26,904
Depreciation and amortization	<u>3,699</u>	<u>3,500</u>
Total operating expenses	<u>308,194</u>	<u>309,227</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	(4,769)	(16,162)
NONOPERATING REVENUES (EXPENSES)		
Investment income	8,080	10,443
Gain (loss) on disposition of capital assets	<u>(24)</u>	<u>(72)</u>
Net nonoperating revenues (expenses)	<u>8,056</u>	<u>10,371</u>
Income (loss) before transfers	3,287	(5,791)
Transfers		
Transfers in	<u>7,534</u>	<u>-</u>
Total transfers	<u>7,534</u>	<u>-</u>
Change in net position	10,821	(5,791)
Total net position at beginning of year	<u>161,041</u>	<u>166,832</u>
Total net position at end of year	<u>\$ 171,862</u>	<u>\$ 161,041</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

PURCHASING FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 305,322	\$ 288,513
Cash paid to suppliers for goods and services	(56,798)	(60,273)
Cash paid to employees for services	(242,261)	(231,352)
Net cash provided (used) by operating activities	<u>6,263</u>	<u>(3,112)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	<u>7,534</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>7,534</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	<u>(4,402)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(4,402)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>8,080</u>	<u>10,443</u>
Net cash provided (used) by investing activities	<u>8,080</u>	<u>10,443</u>
Net increase (decrease) in cash and cash equivalents	17,475	7,331
Cash and cash equivalents at beginning of year	<u>151,412</u>	<u>144,081</u>
Cash and cash equivalents at end of year	<u>\$ 168,887</u>	<u>\$ 151,412</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (4,769)	\$ (16,162)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	3,699	3,500
Changes in assets and liabilities		
(Increase) decrease in other receivables	24	25
(Increase) decrease in inventory	2,518	14,143
Increase (decrease) in accounts payable	(1,280)	(3,284)
Increase (decrease) in accrued expenses	2,316	240
Increase (decrease) in due to other funds	1,873	(4,577)
Increase (decrease) in compensated absences	1,882	3,003
Total adjustments	<u>11,032</u>	<u>13,050</u>
Net cash provided (used) by operating activities	<u>\$ 6,263</u>	<u>\$ (3,112)</u>

SAFETY MANAGEMENT FUND

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

SAFETY MANAGEMENT FUND

BALANCE SHEET

September 30, 2024

With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 64,017	\$ 39,983
Receivables		
Other	7,250	6,137
Due from other funds	4,207	4,252
Prepaid items	<u>-</u>	<u>3,136</u>
Total current assets	<u>75,474</u>	<u>53,508</u>
Noncurrent assets		
Capital assets		
Buildings	973	973
Machinery and equipment	<u>3,287</u>	<u>3,287</u>
Total capital assets	4,260	4,260
Less accumulated depreciation	<u>4,204</u>	<u>3,923</u>
Net capital assets	<u>56</u>	<u>337</u>
Total assets	<u>75,530</u>	<u>53,845</u>
LIABILITIES		
Current liabilities		
Accounts payable	5,109	1,678
Accrued expenses	5,612	4,897
Accrued compensated absences	<u>90</u>	<u>101</u>
Total current liabilities	<u>10,811</u>	<u>6,676</u>
Noncurrent liabilities		
Accrued compensated absences	<u>2,343</u>	<u>2,245</u>
Total noncurrent liabilities	<u>2,343</u>	<u>2,245</u>
Total liabilities	<u>13,154</u>	<u>8,921</u>
NET POSITION		
Net investment in capital assets	56	337
Unrestricted	<u>62,320</u>	<u>44,587</u>
Total net position	<u>\$ 62,376</u>	<u>\$ 44,924</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

SAFETY MANAGEMENT FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 1,202,001	\$ 875,900
Miscellaneous	<u>7,250</u>	<u>6,137</u>
Total operating revenues	<u>1,209,251</u>	<u>882,037</u>
OPERATING EXPENSES		
Personnel	121,755	122,466
Materials and supplies	346	780
Maintenance	25,856	-
Reinsurance premiums	988,229	798,263
Miscellaneous services	21,865	21,305
Contractual services	11,969	13,939
Computer services	10,954	10,413
Court costs, judgments, and damages	11,614	45,748
Depreciation and amortization	<u>281</u>	<u>439</u>
Total operating expenses	<u>1,192,869</u>	<u>1,013,353</u>
Operating income (loss) before nonoperating revenues (expenses)	16,382	(131,316)
NONOPERATING REVENUES (EXPENSES)		
Investment income	1,070	6,745
Gain (loss) on disposition of capital assets	<u>-</u>	<u>6,600</u>
Net nonoperating revenues (expenses)	<u>1,070</u>	<u>13,345</u>
Change in net position	17,452	(117,971)
Total net position at beginning of year	<u>44,924</u>	<u>162,895</u>
Total net position at end of year	<u>\$ 62,376</u>	<u>\$ 44,924</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

SAFETY MANAGEMENT FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 1,208,183	\$ 879,547
Cash paid to suppliers for goods and services	(1,064,266)	(894,183)
Cash paid to employees for services	(120,953)	(120,113)
Net cash provided (used) by operating activities	<u>22,964</u>	<u>(134,749)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	-	6,600
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>6,600</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,070	6,745
Net cash provided (used) by investing activities	<u>1,070</u>	<u>6,745</u>
Net increase (decrease) in cash and cash equivalents	24,034	(121,404)
Cash and cash equivalents at beginning of year	39,983	161,387
Cash and cash equivalents at end of year	<u>\$ 64,017</u>	<u>\$ 39,983</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 16,382	\$ (131,316)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	281	439
Changes in assets and liabilities		
(Increase) decrease in other receivables	(1,113)	(1,162)
(Increase) decrease in due from other funds	45	(1,328)
(Increase) decrease in prepaid items	3,136	(3,136)
Increase (decrease) in accounts payable	3,431	(599)
Increase (decrease) in accrued expenses	715	2,353
Increase (decrease) in compensated absences	87	-
Total adjustments	<u>6,582</u>	<u>(3,433)</u>
Net cash provided (used) by operating activities	<u>\$ 22,964</u>	<u>\$ (134,749)</u>

WORKERS' COMPENSATION FUND

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUND
WORKERS' COMPENSATION FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 212,284	\$ 337,828
Restricted assets		
Cash and cash equivalents	<u>28,000</u>	<u>35,000</u>
Total assets	<u>240,284</u>	<u>372,828</u>
LIABILITIES		
Current liabilities		
Claims payable	<u>182,318</u>	<u>164,230</u>
Total liabilities	<u>182,318</u>	<u>164,230</u>
NET POSITION		
Unrestricted	<u>57,966</u>	<u>208,598</u>
Total net position	<u>\$ 57,966</u>	<u>\$ 208,598</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

WORKERS' COMPENSATION FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 203,949	\$ 205,000
Total operating revenues	<u>203,949</u>	<u>205,000</u>
OPERATING EXPENSES		
Claims expense	<u>367,162</u>	<u>272,923</u>
Total operating expenses	<u>367,162</u>	<u>272,923</u>
Operating income (loss) before nonoperating revenues (expenses)	(163,213)	(67,923)
NONOPERATING REVENUES (EXPENSES)		
Investment income	<u>12,581</u>	<u>10,809</u>
Net nonoperating revenues (expenses)	<u>12,581</u>	<u>10,809</u>
Change in net position	(150,632)	(57,114)
Total net position at beginning of year	<u>208,598</u>	<u>265,712</u>
Total net position at end of year	<u>\$ 57,966</u>	<u>\$ 208,598</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

WORKERS' COMPENSATION FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 203,949	\$ 205,000
Cash paid to suppliers for goods and services	<u>(349,074)</u>	<u>(205,067)</u>
Net cash provided (used) by operating activities	<u>(145,125)</u>	<u>(67)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>12,581</u>	<u>10,809</u>
Net cash provided (used) by investing activities	<u>12,581</u>	<u>10,809</u>
Net increase (decrease) in cash and cash equivalents	(132,544)	10,742
Cash and cash equivalents at beginning of year	<u>372,828</u>	<u>362,086</u>
Cash and cash equivalents at end of year	<u><u>\$ 240,284</u></u>	<u><u>\$ 372,828</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (163,213)	\$ (67,923)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Changes in assets and liabilities		
Increase (decrease) in claims payable	<u>18,088</u>	<u>67,856</u>
Total adjustments	<u>18,088</u>	<u>67,856</u>
Net cash provided (used) by operating activities	<u><u>\$ (145,125)</u></u>	<u><u>\$ (67)</u></u>

PRINT SHOP FUND

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUND
PRINT SHOP FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 18,654	\$ 22,174
Receivables		
Other	525	2,099
Inventory	<u>14,390</u>	<u>18,217</u>
Total current assets	<u>33,569</u>	<u>42,490</u>
Noncurrent assets		
Capital assets		
Machinery and equipment	97,017	112,375
Less accumulated depreciation	<u>32,480</u>	<u>74,116</u>
Net capital assets	<u>64,537</u>	<u>38,259</u>
Total assets	<u>98,106</u>	<u>80,749</u>
LIABILITIES		
Current liabilities		
Accounts payable	5,479	3,816
Due to other funds	1,051	-
Current portion of financed purchase	<u>9,011</u>	<u>18,021</u>
Total current liabilities	<u>15,541</u>	<u>21,837</u>
Noncurrent liabilities		
Financed purchase	<u>-</u>	<u>9,011</u>
Total noncurrent liabilities	<u>-</u>	<u>9,011</u>
Total liabilities	<u>15,541</u>	<u>30,848</u>
NET POSITION		
Net investment in capital assets	55,526	11,227
Unrestricted	<u>27,039</u>	<u>38,674</u>
Total net position	<u>\$ 82,565</u>	<u>\$ 49,901</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

PRINT SHOP FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 65,617	\$ 64,978
Total operating revenues	<u>65,617</u>	<u>64,978</u>
OPERATING EXPENSES		
Personnel	6,064	6,064
Materials and supplies	1,539	5
Maintenance	13,143	17,701
Miscellaneous services	14,727	14,727
Computer services	10,954	10,413
Depreciation and amortization	<u>15,382</u>	<u>9,209</u>
Total operating expenses	<u>61,809</u>	<u>58,119</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	3,808	6,859
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on disposition of capital assets	<u>152</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>152</u>	<u>-</u>
Income (loss) before transfers	3,960	6,859
Transfers		
Transfers in	<u>28,704</u>	<u>-</u>
Total transfers	<u>28,704</u>	<u>-</u>
Change in net position	32,664	6,859
Total net position at beginning of year	<u>49,901</u>	<u>43,042</u>
Total net position at end of year	<u>\$ 82,565</u>	<u>\$ 49,901</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

PRINT SHOP FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 68,242	\$ 62,032
Cash paid to suppliers for goods and services	(34,873)	(45,194)
Cash paid to employees for services	(6,064)	(6,064)
Net cash provided (used) by operating activities	<u>27,305</u>	<u>10,774</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	28,704	-
Net cash provided (used) by noncapital financing activities	<u>28,704</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(41,660)	-
Proceeds from sale of capital assets	152	-
Principal paid on long-term debt	(18,021)	(18,021)
Net cash provided (used) by capital and related financing activities	<u>(59,529)</u>	<u>(18,021)</u>
Net increase (decrease) in cash and cash equivalents	(3,520)	(7,247)
Cash and cash equivalents at beginning of year	22,174	29,421
Cash and cash equivalents at end of year	<u>\$ 18,654</u>	<u>\$ 22,174</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 3,808	\$ 6,859
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	15,382	9,209
Changes in assets and liabilities		
(Increase) decrease in other receivables	1,574	2,067
(Increase) decrease in inventory	3,827	(2,114)
Increase (decrease) in accounts payable	1,663	(234)
Increase (decrease) in due to other funds	1,051	(5,013)
Total adjustments	<u>23,497</u>	<u>3,915</u>
Net cash provided (used) by operating activities	<u>\$ 27,305</u>	<u>\$ 10,774</u>

EMPLOYEE HEALTH PLAN FUND

CITY OF VICTORIA, TEXAS
INTERNAL SERVICE FUND
EMPLOYEE HEALTH PLAN FUND
BALANCE SHEET
September 30, 2024
With comparative totals for September 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,864,629	\$ 3,358,531
Investments	1,063,929	2,538,431
Receivables		
Other	65,578	84,261
Due from other funds	<u>122,392</u>	<u>221,146</u>
Total assets	<u>7,116,528</u>	<u>6,202,369</u>
LIABILITIES		
Current liabilities		
Accounts payable	27,625	-
Due to other funds	650,734	517,533
Claims payable	<u>349,397</u>	<u>401,951</u>
Total liabilities	<u>1,027,756</u>	<u>919,484</u>
NET POSITION		
Unrestricted	<u>6,088,772</u>	<u>5,282,885</u>
Total net position	<u>\$ 6,088,772</u>	<u>\$ 5,282,885</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

EMPLOYEE HEALTH PLAN FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the year ended September 30, 2024

With comparative totals for year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for services	\$ 6,869,937	\$ 6,996,777
Miscellaneous	<u>3</u>	<u>109,598</u>
Total operating revenues	<u>6,869,940</u>	<u>7,106,375</u>
OPERATING EXPENSES		
Reinsurance premiums	809,825	677,131
Contractual services	523,280	507,352
Claims expense	4,846,459	5,543,164
OPEB trust expense	200,000	200,000
HSA expense	96,500	-
Life insurance expense	27,569	28,657
Wellness program	<u>66,106</u>	<u>71,983</u>
Total operating expenses	<u>6,569,739</u>	<u>7,028,287</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	300,201	78,088
NONOPERATING REVENUES (EXPENSES)		
Investment income	<u>305,686</u>	<u>197,762</u>
Net nonoperating revenues (expenses)	<u>305,686</u>	<u>197,762</u>
Income (loss) before transfers	605,887	275,850
Transfers		
Transfers in	<u>200,000</u>	<u>200,000</u>
Change in net position	805,887	475,850
Total net position at beginning of year	<u>5,282,885</u>	<u>4,807,035</u>
Total net position at end of year	<u>\$ 6,088,772</u>	<u>\$ 5,282,885</u>

CITY OF VICTORIA, TEXAS

INTERNAL SERVICE FUND

EMPLOYEE HEALTH PLAN FUND

STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

With comparative totals for the year ended September 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from other funds	\$ 7,120,578	\$ 7,718,529
Cash paid to suppliers for goods and services	<u>(6,594,668)</u>	<u>(6,920,442)</u>
Net cash provided (used) by operating activities	<u>525,910</u>	<u>798,087</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	<u>200,000</u>	<u>200,000</u>
Net cash provided (used) by noncapital financing activities	<u>200,000</u>	<u>200,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	3,538,431	1,500,000
Purchase of investments	(2,081,373)	(2,499,515)
Investment income	<u>323,130</u>	<u>171,076</u>
Net cash provided (used) by investing activities	<u>1,780,188</u>	<u>(828,439)</u>
Net increase (decrease) in cash and cash equivalents	2,506,098	169,648
Cash and cash equivalents at beginning of year	<u>3,358,531</u>	<u>3,188,883</u>
Cash and cash equivalents at end of year	<u>\$ 5,864,629</u>	<u>\$ 3,358,531</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 300,201	\$ 78,088
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Changes in assets and liabilities		
(Increase) decrease in other receivables	18,683	(60,110)
(Increase) decrease in due from other funds	98,754	375,877
(Increase) decrease in prepaid items	-	27,308
Increase (decrease) in accounts payable	27,625	(2,449)
Increase (decrease) in due to other funds	133,201	296,387
Increase (decrease) in claims payable	<u>(52,554)</u>	<u>82,986</u>
Total adjustments	<u>225,709</u>	<u>719,999</u>
Net cash provided (used) by operating activities	<u>\$ 525,910</u>	<u>\$ 798,087</u>

CITY OF VICTORIA, TEXAS
DISCRETELY PRESENTED COMPONENT UNITS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	<u>Sales Tax Development Corporation</u>	<u>Downtown Tax Increment Reinvestment Zone No. 1</u>	<u>Total Governmental Component Units</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,727,526	\$ 78,643	\$ 5,806,169
Investments	13,690,237	-	13,690,237
Receivables (net)			
Sales taxes	779,358	-	779,358
Other	-	15,000	15,000
Due from primary government	<u>170,559</u>	<u>-</u>	<u>170,559</u>
Total assets	<u>\$ 20,367,680</u>	<u>\$ 93,643</u>	<u>\$ 20,461,323</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 514,575	\$ -	\$ 514,575
Due to primary government	<u>590,000</u>	<u>-</u>	<u>590,000</u>
Total liabilities	<u>1,104,575</u>	<u>-</u>	<u>1,104,575</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Unrestricted	<u>19,263,105</u>	<u>93,643</u>	<u>19,356,748</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 20,367,680</u>	<u>\$ 93,643</u>	<u>\$ 20,461,323</u>
Reconciliation from fund balance to net position			
Fund balance	\$ 19,263,105	\$ 93,643	\$ 19,356,748
Plus capital assets	<u>4,875,818</u>	<u>-</u>	<u>4,875,818</u>
NET POSITION	<u>\$ 24,138,923</u>	<u>\$ 93,643</u>	<u>\$ 24,232,566</u>

CITY OF VICTORIA, TEXAS

DISCRETELY PRESENTED COMPONENT UNITS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
 For the year ended September 30, 2024

	Sales Tax Development Corporation	Downtown Tax Increment Reinvestment Zone No. 1	Total Governmental Component Units
REVENUES			
Taxes	\$ 10,007,650	\$ -	\$ 10,007,650
Investment income	1,153,796	607	1,154,403
Miscellaneous	136,905	76,114	213,019
Total revenues	<u>11,298,351</u>	<u>76,721</u>	<u>11,375,072</u>
EXPENDITURES			
Current			
General government	1,591,792	-	1,591,792
Development	8,496,430	1,947	8,498,377
Recreation	700,851	-	700,851
Capital outlay	3,361,203	-	3,361,203
Total expenditures	<u>14,150,276</u>	<u>1,947</u>	<u>14,152,223</u>
Excess (deficiency) of revenues over expenditures	(2,851,925)	74,774	(2,777,151)
OTHER FINANCING SOURCES (USES)			
	-	-	-
Change in fund balance	(2,851,925)	74,774	(2,777,151)
Fund balance at beginning of year	<u>22,115,030</u>	<u>18,869</u>	<u>22,133,899</u>
Fund balance at end of year	<u>\$ 19,263,105</u>	<u>\$ 93,643</u>	<u>\$ 19,356,748</u>
Reconciliation from change in fund balance to change in net position			
Change in fund balance	\$ (2,851,925)	\$ 74,774	\$ (2,777,151)
Plus (less) change in capital assets	<u>(1,349,266)</u>	<u>-</u>	<u>(1,349,266)</u>
CHANGE IN NET POSITION	<u>\$ (4,201,191)</u>	<u>\$ 74,774</u>	<u>\$ (4,126,417)</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.....	219
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes and water and sewer revenues.....	233
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	245
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments	254
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs	256

CITY OF VICTORIA, TEXAS**NET POSITION BY COMPONENT (1)***Last ten fiscal years*

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 83,609,268	\$ 84,007,457	\$ 79,038,575	\$ 78,478,161
Restricted	3,547,378	2,985,524	3,666,390	4,998,958
Unrestricted	<u>(794,827)</u>	<u>(2,351,962)</u>	<u>(6,865,394)</u>	<u>(13,550,477)</u>
Total governmental activities net position	<u>\$ 86,361,819</u>	<u>\$ 84,641,019</u>	<u>\$ 75,839,571</u>	<u>\$ 69,926,642</u>
Business-type activities				
Net investment in capital assets	\$ 65,123,880	\$ 71,351,401	\$ 79,039,267	\$ 82,376,715
Unrestricted	<u>9,021,633</u>	<u>9,468,882</u>	<u>12,827,560</u>	<u>15,963,499</u>
Total business-type activities net position	<u>\$ 74,145,513</u>	<u>\$ 80,820,283</u>	<u>\$ 91,866,827</u>	<u>\$ 98,340,214</u>
Primary Government				
Net investment in capital assets	\$ 148,733,148	\$ 155,358,858	\$ 158,077,842	\$ 160,854,876
Restricted	3,547,378	2,985,524	3,666,390	4,998,958
Unrestricted	<u>8,226,806</u>	<u>7,116,920</u>	<u>5,962,166</u>	<u>2,413,022</u>
Total primary government activities net position	<u>\$ 160,507,332</u>	<u>\$ 165,461,302</u>	<u>\$ 167,706,398</u>	<u>\$ 168,266,856</u>

(1) Accrual basis of accounting

NOTES: The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 82,634,844	\$ 88,120,181	\$ 95,978,039	\$ 102,097,409	\$ 127,343,821	\$ 144,165,892
16,382,796	8,627,999	7,303,573	7,161,050	8,562,280	8,077,320
<u>(11,963,961)</u>	<u>(2,441,929)</u>	<u>6,785,078</u>	<u>20,596,516</u>	<u>15,581,376</u>	<u>22,428,021</u>
<u>\$ 87,053,679</u>	<u>\$ 94,306,251</u>	<u>\$ 110,066,690</u>	<u>\$ 129,854,975</u>	<u>\$ 151,487,477</u>	<u>\$ 174,671,233</u>
\$ 90,394,244	\$ 90,964,296	\$ 90,327,019	\$ 90,560,879	\$ 90,423,430	\$ 91,895,101
12,458,409	11,126,273	13,976,562	17,693,555	22,161,255	20,188,130
<u>\$ 102,852,653</u>	<u>\$ 102,090,569</u>	<u>\$ 104,303,581</u>	<u>\$ 108,254,434</u>	<u>\$ 112,584,685</u>	<u>\$ 112,083,231</u>
\$ 173,029,088	\$ 179,084,477	\$ 186,305,058	\$ 192,658,288	\$ 217,767,251	\$ 236,060,993
16,382,796	8,627,999	7,303,573	7,161,050	8,562,280	8,077,320
494,448	8,684,344	20,761,640	38,290,071	37,742,631	42,616,151
<u>\$ 189,906,332</u>	<u>\$ 196,396,820</u>	<u>\$ 214,370,271</u>	<u>\$ 238,109,409</u>	<u>\$ 264,072,162</u>	<u>\$ 286,754,464</u>

CITY OF VICTORIA, TEXAS
CHANGES IN NET POSITION (1)
Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
General government	\$ 5,630,383	\$ 5,702,892	\$ 5,632,467	\$ 4,812,954
Public safety	27,620,120	29,460,858	35,228,278	38,271,170
Development	19,636,633	20,668,698	20,187,191	18,376,562
Building services	673,904	707,411	727,816	624,243
Recreation	7,611,173	8,463,045	7,765,906	6,763,442
Interest on long-term debt	4,402,538	4,042,068	3,751,404	3,045,618
Total expenses	<u>65,574,751</u>	<u>69,044,972</u>	<u>73,293,062</u>	<u>71,893,989</u>
Program revenues				
Charges for services				
General government	1,979,444	1,923,867	1,968,473	2,449,863
Public safety	5,075,992	4,990,585	4,960,530	5,359,693
Development	-	-	-	-
Recreation	515,531	526,245	378,505	440,168
Operating grants and contributions	3,961,463	4,066,404	6,829,229	10,042,225
Capital grants and contributions	407,335	4,711,910	437,611	2,562,205
Total program revenues	<u>11,939,765</u>	<u>16,219,011</u>	<u>14,574,348</u>	<u>20,854,154</u>
Total governmental activities net program (expense) revenue	(53,634,986)	(52,825,961)	(58,718,714)	(51,039,835)
General revenues and other changes in net position				
Taxes				
Property taxes	23,339,865	23,811,469	24,399,108	24,869,711
Sales taxes	17,937,136	16,555,680	14,710,140	16,879,223
Franchise taxes	5,410,432	5,175,796	5,467,551	6,064,289
Other taxes	1,933,140	1,460,082	1,618,032	2,050,204
Unrestricted investment earnings	115,633	219,846	340,450	588,901
Miscellaneous	972,716	1,124,591	1,046,988	2,683,043
Transfers	2,694,491	2,757,697	2,334,997	2,699,588
Total general revenues and other changes in net position	<u>52,403,413</u>	<u>51,105,161</u>	<u>49,917,266</u>	<u>55,834,959</u>
Total governmental activities change in net position	<u>\$ (1,231,573)</u>	<u>\$ (1,720,800)</u>	<u>\$ (8,801,448)</u>	<u>\$ 4,795,124</u>

(1) Accrual basis of accounting

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 5,073,976	\$ 4,935,675	\$ 7,179,180	\$ 7,848,396	\$ 10,188,588	\$ 7,568,874
33,066,249	29,227,156	32,643,567	30,846,792	36,324,114	34,579,298
19,554,498	17,366,704	15,165,253	17,366,423	20,473,744	18,616,041
681,464	565,689	-	-	-	-
6,968,869	6,376,828	5,985,618	6,585,244	7,077,856	7,447,015
2,862,536	2,670,591	2,071,171	1,850,886	1,710,900	3,090,231
<u>68,207,592</u>	<u>61,142,643</u>	<u>63,044,789</u>	<u>64,497,741</u>	<u>75,775,202</u>	<u>71,301,459</u>
1,895,259	1,769,093	2,015,738	2,447,726	2,156,065	2,100,365
5,066,704	5,521,700	5,969,046	5,720,556	7,327,855	6,894,121
-	-	367,000	80,000	-	-
386,484	255,333	286,639	253,594	278,703	476,506
12,634,326	7,344,600	8,045,958	5,055,707	12,610,488	8,123,475
10,355,581	62,500	7,357,339	11,980,487	11,596,863	10,086,464
<u>30,338,354</u>	<u>14,953,226</u>	<u>24,041,720</u>	<u>25,538,070</u>	<u>33,969,974</u>	<u>27,680,931</u>
(37,869,238)	(46,189,417)	(39,003,069)	(38,959,671)	(41,805,228)	(43,620,528)
24,583,509	24,642,379	25,846,497	27,007,985	28,708,867	30,163,352
17,111,735	16,337,766	17,744,035	19,291,123	20,361,685	19,948,312
5,881,880	5,652,152	5,602,297	5,761,674	5,977,262	5,756,651
2,045,859	1,653,719	1,950,803	2,027,447	2,009,094	2,084,369
1,049,927	669,969	42,091	477,201	3,153,227	5,120,557
849,700	292,637	967,254	766,529	256,774	95,342
3,473,665	3,303,044	2,610,531	3,415,997	2,970,821	3,635,701
<u>54,996,275</u>	<u>52,551,666</u>	<u>54,763,508</u>	<u>58,747,956</u>	<u>63,437,730</u>	<u>66,804,284</u>
<u>\$ 17,127,037</u>	<u>\$ 6,362,249</u>	<u>\$ 15,760,439</u>	<u>\$ 19,788,285</u>	<u>\$ 21,632,502</u>	<u>\$ 23,183,756</u>

(continued)

CITY OF VICTORIA, TEXAS
CHANGES IN NET POSITION (1)
Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
Business-type activities				
Expenses				
Water/wastewater	\$ 20,960,979	\$ 20,894,040	\$ 20,860,229	\$ 19,229,647
Environmental services	3,743,052	5,376,450	4,003,842	4,476,014
Other	1,000,683	945,557	1,146,250	1,823,340
Total expenses	<u>25,704,714</u>	<u>27,216,047</u>	<u>26,010,321</u>	<u>25,529,001</u>
Program revenues				
Charges for services				
Water/wastewater	26,180,265	25,893,148	25,630,998	25,941,351
Environmental services	5,096,308	5,354,136	5,520,698	5,504,057
Other	365,058	408,127	418,957	1,185,929
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,630,985	4,741,062	7,592,120	3,433,015
Total program revenues	<u>33,272,616</u>	<u>36,396,473</u>	<u>39,162,773</u>	<u>36,064,352</u>
Total business-type activities net program (expense) revenue	7,567,902	9,180,426	13,152,452	10,535,351
General revenues and other changes in net position				
Unrestricted investment earnings	78,774	114,836	229,089	295,333
Miscellaneous	-	137,205	-	366,382
Transfers	(2,694,491)	(2,757,697)	(2,334,997)	(2,699,588)
Total general revenues and other changes in net position	<u>(2,615,717)</u>	<u>(2,505,656)</u>	<u>(2,105,908)</u>	<u>(2,037,873)</u>
Total business-type activities change in net position	<u>\$ 4,952,185</u>	<u>\$ 6,674,770</u>	<u>\$ 11,046,544</u>	<u>\$ 8,497,478</u>
Total primary government change in net position	<u>\$ 3,720,612</u>	<u>\$ 4,953,970</u>	<u>\$ 2,245,096</u>	<u>\$ 13,292,602</u>

(1) Accrual basis of accounting

NOTES: The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 22,292,402	\$ 24,268,652	\$ 22,226,051	\$ 20,915,429	\$ 22,772,587	\$ 25,932,363
4,557,172	4,967,876	4,585,211	4,512,471	6,008,920	6,355,990
1,943,918	1,970,956	2,043,201	2,181,599	2,114,598	2,355,789
<u>28,793,492</u>	<u>31,207,484</u>	<u>28,854,463</u>	<u>27,609,499</u>	<u>30,896,105</u>	<u>34,644,142</u>
26,363,786	26,344,859	26,209,348	27,051,814	26,613,136	26,444,114
5,638,828	5,550,497	5,719,278	6,070,752	6,179,454	6,182,020
1,313,869	1,320,692	1,535,298	1,632,159	1,814,639	1,798,480
73,931	-	184,000	-	-	-
2,884,235	200,000	-	-	1,931,128	1,402,553
<u>36,274,649</u>	<u>33,416,048</u>	<u>33,647,924</u>	<u>34,754,725</u>	<u>36,538,357</u>	<u>35,827,167</u>
7,481,157	2,208,564	4,793,461	7,145,226	5,642,252	1,183,025
391,750	248,041	21,876	215,075	1,658,820	1,931,051
113,197	84,355	8,206	6,549	-	20,171
<u>(3,473,665)</u>	<u>(3,303,044)</u>	<u>(2,610,531)</u>	<u>(3,415,997)</u>	<u>(2,970,821)</u>	<u>(3,635,701)</u>
<u>(2,968,718)</u>	<u>(2,970,648)</u>	<u>(2,580,449)</u>	<u>(3,194,373)</u>	<u>(1,312,001)</u>	<u>(1,684,479)</u>
\$ <u>4,512,439</u>	\$ <u>(762,084)</u>	\$ <u>2,213,012</u>	\$ <u>3,950,853</u>	\$ <u>4,330,251</u>	\$ <u>(501,454)</u>
\$ <u>21,639,476</u>	\$ <u>5,600,165</u>	\$ <u>17,973,451</u>	\$ <u>23,739,138</u>	\$ <u>25,962,753</u>	\$ <u>22,682,302</u>

(concluded)

CITY OF VICTORIA, TEXAS

PROGRAM REVENUES BY FUNCTION/PROGRAM (1)

Last ten fiscal years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
General government	\$ 3,205,473	\$ 3,469,295	\$ 3,169,811	\$ 3,159,712
Public safety				
Police	1,675,433	1,635,613	1,444,494	1,463,912
Fire	1,500,000	3,409,358	1,585,000	1,732,125
Ambulance	2,081,337	1,924,875	2,537,593	2,469,653
Other	214,987	151,495	2,849,624	6,751,443
Development	2,681,860	5,010,613	2,544,567	4,283,121
Recreation				
Parks	93,088	84,456	76,762	594,452
Library	83,410	103,093	91,657	70,360
Other	404,177	430,213	274,840	329,376
Subtotal governmental activities	<u>11,939,765</u>	<u>16,219,011</u>	<u>14,574,348</u>	<u>20,854,154</u>
Business-type activities				
Water/wastewater	27,964,535	30,634,210	32,079,626	29,374,366
Environmental services	5,124,448	5,354,136	5,520,698	5,504,057
Community center	211,541	256,542	263,440	288,857
700 main center	153,517	151,585	151,437	151,730
Golf course	-	-	1,147,572	745,342
Subtotal business-type activities	<u>33,454,041</u>	<u>36,396,473</u>	<u>39,162,773</u>	<u>36,064,352</u>
Total primary government	<u>\$ 45,393,806</u>	<u>\$ 52,615,484</u>	<u>\$ 53,737,121</u>	<u>\$ 56,918,506</u>

(1) Accrual basis of accounting

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 2,445,907	\$ 2,557,246	\$ 7,151,783	\$ 5,029,190	\$ 5,919,150	\$ 6,683,374
1,305,519	900,168	508,364	472,524	258,851	573,402
1,867,458	1,998,758	2,030,856	2,308,761	2,202,087	2,439,509
2,169,884	2,714,537	3,003,750	2,724,383	2,678,351	4,030,949
(10,419)	4,388,721	2,351,558	1,645,875	9,139,290	1,495,663
22,125,063	2,128,463	8,683,785	12,942,506	12,857,186	11,653,647
236,430	131,404	160,185	185,855	718,732	335,201
56,491	39,449	24,985	102,634	115,876	148,418
142,021	94,480	126,454	126,342	80,451	320,768
<u>30,338,354</u>	<u>14,953,226</u>	<u>24,041,720</u>	<u>25,538,070</u>	<u>33,969,974</u>	<u>27,680,931</u>
29,321,952	26,544,859	26,359,348	27,051,814	28,544,264	27,846,667
5,638,828	5,550,497	5,727,278	6,070,752	6,179,454	6,182,020
271,719	103,451	177,463	216,978	259,823	223,305
151,455	151,511	151,352	132,913	151,077	151,077
890,695	1,065,730	1,232,483	1,282,268	1,403,739	1,424,098
<u>36,274,649</u>	<u>33,416,048</u>	<u>33,647,924</u>	<u>34,754,725</u>	<u>36,538,357</u>	<u>35,827,167</u>
<u>\$ 66,613,003</u>	<u>\$ 48,369,274</u>	<u>\$ 57,689,644</u>	<u>\$ 60,292,795</u>	<u>\$ 70,508,331</u>	<u>\$ 63,508,098</u>

CITY OF VICTORIA, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable				
Inventory	\$ 271,491	\$ 245,932	\$ 406,945	\$ 430,111
Prepaid items	-	-	-	-
Unassigned	<u>17,600,324</u>	<u>16,536,169</u>	<u>16,017,590</u>	<u>20,448,095</u>
Total general fund	<u>\$ 17,871,815</u>	<u>\$ 16,782,101</u>	<u>\$ 16,424,535</u>	<u>\$ 20,878,206</u>
All Other Governmental Funds				
Restricted				
Retirement of long-term debt	\$ 1,102,779	\$ 1,093,523	\$ 1,146,765	\$ 1,138,153
Various capital projects	12,456,055	8,306,325	3,829,436	3,315,322
General government	-	-	-	-
Development	-	-	-	-
City parks	25,614	-	-	-
Arts, tourism and conventions	1,804,432	1,124,613	1,392,546	2,116,452
Public safety	207,063	239,608	290,386	312,294
Municipal court	96,496	89,620	83,640	77,126
Committed - special projects	-	-	-	-
Unassigned	-	-	<u>(1,628,821)</u>	<u>(280,773)</u>
Total all other governmental funds	<u>\$ 15,692,439</u>	<u>\$ 10,853,689</u>	<u>\$ 5,113,952</u>	<u>\$ 6,678,574</u>

(1) Modified accrual basis of accounting

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 454,055	\$ 414,641	\$ 332,095	\$ 348,541	\$ 255,532	\$ 483,884
-	-	-	-	149,766	-
19,733,591	19,713,811	23,252,323	20,950,998	22,854,263	24,292,308
<u>\$ 20,187,646</u>	<u>\$ 20,128,452</u>	<u>\$ 23,584,418</u>	<u>\$ 21,299,539</u>	<u>\$ 23,259,561</u>	<u>\$ 24,776,192</u>
\$ 1,196,519	\$ 1,140,781	\$ 1,048,730	\$ 1,106,617	\$ 1,413,076	\$ 1,424,515
16,146,187	10,638,178	7,601,927	18,166,639	11,460,822	58,677,619
-	-	1,517	-	426,089	817,807
-	-	233,985	298,458	356,695	1,058,153
-	-	38,374	267,183	228,432	444,162
2,636,569	3,264,524	4,390,055	3,975,254	3,849,997	3,384,334
670,583	676,260	378,747	455,623	544,977	448,820
68,900	106,553	190,325	285,946	322,205	371,391
-	-	-	-	1,048,538	2,151,319
(123,247)	(474,152)	(589,531)	(211,683)	(123,241)	(89,221)
<u>\$ 20,595,511</u>	<u>\$ 15,352,144</u>	<u>\$ 13,294,129</u>	<u>\$ 24,344,037</u>	<u>\$ 19,527,590</u>	<u>\$ 68,688,899</u>

CITY OF VICTORIA, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 48,542,609	\$ 46,935,424	\$ 46,180,387	\$ 49,832,219
Licenses and permits	959,596	993,929	962,162	1,569,257
Intergovernmental	5,607,497	5,884,971	6,715,742	12,768,065
Charges for services	2,259,027	2,310,974	2,858,658	2,814,566
Fines and forfeitures	1,432,225	1,382,718	1,310,473	1,151,330
Investment earnings net of change in fair value of investments	95,883	193,779	301,599	539,947
Miscellaneous	1,107,333	3,951,250	1,863,789	3,260,642
Total revenues	<u>60,004,170</u>	<u>61,653,045</u>	<u>60,192,810</u>	<u>71,936,026</u>
Expenditures				
Current				
General government	4,565,527	4,978,458	4,539,491	4,066,845
Public safety	27,001,802	27,679,581	30,569,480	35,206,421
Development	8,058,818	9,469,796	7,812,905	6,616,191
Building services	621,326	675,935	612,441	534,738
Recreation	7,147,774	7,855,287	7,114,163	5,990,263
Capital outlay	6,397,159	11,042,655	6,770,342	5,070,953
Debt service				
Principal retirement	7,505,000	7,020,000	7,285,000	8,070,000
Interest and fiscal charges	3,993,868	3,908,294	3,709,168	2,853,773
Paying agents' fees and issue costs	316,999	91,745	12,120	286,440
Total expenditures	<u>65,608,273</u>	<u>72,721,751</u>	<u>68,425,110</u>	<u>68,695,624</u>
Excess (deficiency) of revenues over expenditures	(5,604,103)	(11,068,706)	(8,232,300)	3,240,402
Other financing sources (uses)				
Debt issued	17,715,000	2,445,000	-	21,880,000
Premium on issuance of bonds	1,400,250	137,545	-	3,261,804
Payment to escrow	(12,812,888)	-	-	(24,863,501)
Sale of capital assets	-	-	-	-
Transfers in	11,012,236	8,654,033	8,991,599	8,714,852
Transfers out	(8,317,745)	(6,096,336)	(6,856,602)	(6,215,264)
Total other financing sources (uses)	<u>8,996,853</u>	<u>5,140,242</u>	<u>2,134,997</u>	<u>2,777,891</u>
Change in fund balances	<u>\$ 3,392,750</u>	<u>\$ (5,928,464)</u>	<u>\$ (6,097,303)</u>	<u>\$ 6,018,293</u>
Debt service as a percentage of noncapital expenditures	<u>20.46%</u>	<u>18.42%</u>	<u>18.05%</u>	<u>17.34%</u>

(1) Modified accrual basis of accounting

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 50,276,779	\$ 48,859,441	\$ 51,565,754	\$ 54,367,516	\$ 57,087,869	\$ 57,580,596
1,054,913	903,703	1,093,992	1,124,895	1,080,175	1,140,644
15,194,658	5,878,679	12,119,961	8,458,902	14,610,517	9,782,646
2,523,737	2,788,246	3,089,554	3,149,540	3,106,323	4,452,935
1,006,535	771,491	795,777	792,932	811,285	828,391
997,669	641,185	39,330	438,830	2,907,580	4,777,918
11,382,448	1,572,172	1,766,227	12,238,056	7,655,852	7,622,962
<u>82,436,739</u>	<u>61,414,917</u>	<u>70,470,595</u>	<u>80,570,671</u>	<u>87,259,601</u>	<u>86,186,092</u>
4,151,807	4,641,059	6,991,891	7,407,167	9,335,693	7,207,578
31,749,967	30,608,851	34,557,402	33,523,307	38,614,700	35,751,207
7,804,797	9,504,129	8,896,581	9,327,182	10,154,698	9,172,566
630,312	553,205	-	-	-	-
6,926,732	6,422,781	6,228,270	6,555,019	6,891,249	7,743,321
10,557,087	6,586,524	5,647,647	9,002,138	21,300,175	27,095,665
7,770,000	10,090,000	7,245,000	7,960,000	8,320,000	8,190,000
2,933,928	2,541,862	2,161,158	1,918,514	1,705,049	2,736,622
9,510	247,906	4,600	12,455	79,461	507,758
<u>72,534,140</u>	<u>71,196,317</u>	<u>71,732,549</u>	<u>75,705,782</u>	<u>96,401,025</u>	<u>98,404,717</u>
9,902,599	(9,781,400)	(1,261,954)	4,864,889	(9,141,424)	(12,218,625)
1,479,113	11,400,000	-	291,991	2,843,013	53,645,000
-	930,355	-	-	171,165	5,852,102
-	(10,076,560)	-	-	-	-
-	-	-	842,152	-	-
8,109,346	10,162,482	10,303,161	13,316,931	13,525,882	16,636,792
<u>(6,264,681)</u>	<u>(7,937,438)</u>	<u>(7,892,630)</u>	<u>(10,550,934)</u>	<u>(10,755,061)</u>	<u>(13,237,329)</u>
<u>3,323,778</u>	<u>4,478,839</u>	<u>2,410,531</u>	<u>3,900,140</u>	<u>5,784,999</u>	<u>62,896,565</u>
<u>\$ 13,226,377</u>	<u>\$ (5,302,561)</u>	<u>\$ 1,148,577</u>	<u>\$ 8,765,029</u>	<u>\$ (3,356,425)</u>	<u>\$ 50,677,940</u>
<u>17.92%</u>	<u>20.13%</u>	<u>14.84%</u>	<u>15.50%</u>	<u>14.59%</u>	<u>15.78%</u>

CITY OF VICTORIA, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

<u>Fiscal Year</u>	<u>Ad Valorem</u>	<u>Penalty and Interest</u>	<u>Franchise</u>	<u>Sales</u>	<u>Occupancy</u>
2015	\$ 23,092,499	\$ 217,368	\$ 5,410,432	\$ 17,937,136	\$ 1,809,554
2016	23,551,572	217,294	5,175,796	16,555,680	1,365,952
2017	24,200,385	256,045	5,467,551	14,710,140	1,490,041
2018	24,670,202	219,019	6,064,289	16,879,223	1,935,552
2019	24,986,536	295,275	5,881,880	17,111,735	1,928,884
2020	25,072,288	184,613	5,652,152	16,337,766	1,504,505
2021	26,050,918	280,390	5,602,297	17,744,035	1,778,022
2022	27,105,082	215,783	5,761,674	19,291,123	1,884,608
2023	28,518,134	249,904	5,977,262	20,361,685	1,863,391
2024	29,524,631	287,539	5,756,651	19,948,312	1,953,600
Change 2015-2024	27.85%	32.28%	6.40%	11.21%	7.96%

(1) Modified accrual basis of accounting

NOTES: Property tax rates have remained stable because of growth in property tax values and the addition of new construction values.

Occupancy tax revenues decreased in FY2016 mainly due to the slowdown of Eagle Ford Shale activity in the area and economic downturn. COVID-19 travel and business restrictions impacted receipts in FY2020. Occupancy tax revenues have recovered some since FY2020 but not yet to pre-pandemic levels.

Sales tax revenue decreased in FY2016 and FY2017 due to lower oil/gas prices; Victoria's oil and natural gas industry growth contracted which resulted in a decrease in sales tax revenue. In FY2018 and FY2019, the City experienced growth in sales tax due to recovery efforts from Hurricane Harvey. In FY2020, the COVID pandemic forced the shutdown of businesses and resulted in a decline in sales tax receipts. From FY2021 to FY2023, the City experienced an increase in sales tax receipts due to re-opening of businesses, various stimulus programs, and inflation.

<u>Other</u>	<u>Total</u>
\$ 75,620	\$ 48,542,609
69,130	46,935,424
56,225	46,180,387
63,934	49,832,219
72,469	50,276,779
108,117	48,859,441
110,092	51,565,754
109,246	54,367,516
117,493	57,087,869
109,863	57,580,596
45.28%	18.62%

CITY OF VICTORIA, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2015	2014	\$ 2,507,681,585	\$ 991,303,214	\$ 38,469,909	\$1,203,884,134	\$ 16,667,530
2016	2015	2,650,912,234	1,010,440,545	40,375,739	1,246,748,493	12,411,010
2017	2016	2,704,992,447	1,049,149,864	39,564,530	1,092,493,149	13,542,170
2018	2017	2,769,376,557	1,409,981,243	39,281,803	727,940,428	14,204,250
2019	2018	2,755,957,196	1,264,113,626	38,656,434	667,686,360	115,091,370
2020	2019	2,939,434,473	1,332,629,180	39,297,536	723,850,210	91,786,760
2021	2020	2,981,799,155	1,351,770,296	40,642,260	649,745,200	143,667,070
2022	2021	3,277,680,433	1,382,966,830	41,952,107	707,159,720	147,998,130
2023	2022	3,679,243,899	1,445,674,356	46,671,734	865,911,400	116,012,700
2024	2023	3,991,781,709	1,230,752,670	41,538,601	462,928,880	348,840,496

(1) Includes tax-exempt property

NOTE: Property in the City is reassessed annually. The City assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Appraisal District

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as a Percentage of Actual Value
\$ 778,151,269	\$ 3,979,855,103	\$ 0.5840	\$ 3,979,855,103	100.00%
782,065,651	4,178,822,370	0.5711	4,178,822,370	100.00%
725,592,638	4,174,149,522	0.5892	4,174,149,522	100.00%
730,814,583	4,229,969,698	0.5952	4,229,969,698	100.00%
757,973,880	4,083,531,106	0.6224	4,083,531,106	100.00%
897,005,075	4,229,993,084	0.6115	4,229,993,084	100.00%
868,760,845	4,298,863,136	0.6115	4,298,863,136	100.00%
902,881,136	4,654,876,084	0.5882	4,654,876,084	100.00%
991,034,831	5,162,479,258	0.5582	5,162,479,258	100.00%
1,132,771,032	4,943,071,324	0.4898	4,943,071,324	100.00%

CITY OF VICTORIA, TEXAS*DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE**Last ten fiscal years*

<u>Fiscal Year</u>	<u>City Direct Rates</u>			<u>Overlapping Rates</u>		
	<u>Debt Service</u>	<u>General Fund</u>	<u>Total</u>	<u>School District</u>	<u>Junior College</u>	<u>Navigation District</u>
2015	\$ 0.2506	\$ 0.3334	\$ 0.5840	\$ 1.2744	\$ 0.1875	\$ 0.0240
2016	0.2446	0.3265	0.5711	1.2663	0.1925	0.0240
2017	0.2507	0.3385	0.5892	1.2663	0.2065	0.0266
2018	0.2526	0.3426	0.5952	1.2663	0.2170	0.0286
2019	0.2627	0.3597	0.6224	1.3763	0.2235	0.0305
2020	0.2498	0.3617	0.6115	1.1935	0.2206	0.0308
2021	0.2457	0.3658	0.6115	1.1899	0.2203	0.0308
2022	0.2376	0.3506	0.5882	1.1682	0.2076	0.0297
2023	0.2127	0.3455	0.5582	1.0542	0.1959	0.0288
2024	0.1903	0.2995	0.4898	0.8058	0.1722	0.0267

SOURCE: Victoria County Appraisal District

Overlapping Rates

<u>Victoria County</u>	<u>Road and Bridge</u>	<u>Ground Water District</u>	<u>Total</u>
\$ 0.3386	\$ 0.0600	\$ 0.0088	\$ 1.8933
0.3309	0.0650	0.0088	1.8875
0.3299	0.0660	0.0088	1.9041
0.3329	0.0630	0.0084	1.9162
0.3329	0.0630	0.0084	2.0346
0.3329	0.0630	0.0084	1.8492
0.3436	0.0523	0.0083	1.8452
0.3329	0.0630	0.0080	1.8094
0.3329	0.0605	0.0080	1.6803
0.3275	0.0605	0.0069	1.3996

CITY OF VICTORIA, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
(UNAUDITED)
Current Year and Nine Years Ago

2024		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Caterpillar, Inc.	\$ 125,235,590	2.54%
Haliburton Manufacturing & LC	118,093,860	2.39%
Victoria WLE, L.P.	102,823,644	2.08%
AEP Texas Central Co.	75,750,280	1.53%
Victoria of Texas, L.P.	42,249,680	0.85%
Haliburton Energy Services	36,803,280	0.74%
CW Victoria Owner LLC	31,218,748	0.63%
Tres City Power LLC	30,500,160	0.62%
HPI Victoria LLC	28,914,230	0.58%
Aria Victoria LLC	27,000,000	0.55%
	<u>\$ 618,589,472</u>	<u>12.51%</u>

2015		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Victoria WLE, L.P.	\$ 42,451,848	1.05%
AEP Texas Central Co.	38,105,000	0.96%
Integrated Production Services	30,510,340	0.77%
Halliburton Energy Services	23,602,950	0.59%
Victoria Texas Apartments, LLC	18,620,030	0.47%
Victoria Hospital, L.L.C.	18,355,080	0.46%
James A. Wayne	17,363,420	0.44%
Berry Plastics Corporation	16,215,970	0.41%
Wal-Mart Stores Texas LP	16,198,510	0.41%
Performance Food Group	15,382,330	0.39%
	<u>\$ 236,805,478</u>	<u>5.95%</u>

SOURCE: Victoria County Tax Assessor/Collector

CITY OF VICTORIA, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2015	\$ 23,242,354	\$ (349,531)	\$ 22,892,823	\$ 22,715,220	99.22%
2016	23,865,255	(159,753)	23,705,502	23,314,997	98.35%
2017	24,514,099	(110,614)	24,403,485	23,848,271	97.72%
2018	25,162,007	(184,445)	24,977,562	24,428,977	97.80%
2019	25,403,924	313,981	25,717,905	24,645,630	95.83%
2020	26,066,642	130,303	26,196,945	25,226,949	96.30%
2021	26,503,361	200,724	26,704,085	25,629,432	95.98%
2022	27,517,729	175,800	27,693,529	26,987,662	97.45%
2023	28,747,834	(41,416)	28,706,418	28,298,386	98.58%
2024	30,325,286	55,044	30,380,330	29,228,852	96.21%

NOTE: The information above is presented to illustrate the City's ability to collect the amount it levies for fiscal year, rather than provide a detailed breakdown of the revenue recognized in a fiscal year.

SOURCE: City of Victoria
Victoria County Tax Assessor/Collector

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 121,399	\$ 22,836,619	99.75%
303,133	23,618,130	99.63%
422,740	24,271,011	99.46%
452,078	24,881,055	99.61%
952,839	25,598,469	99.54%
856,002	26,082,951	99.56%
963,225	26,592,657	99.58%
542,026	27,529,688	99.41%
104,061	28,402,447	98.94%
-	29,228,852	96.21%

CITY OF VICTORIA, TEXAS

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last ten fiscal years

<u>Fiscal Year</u>	<u>Gallons of Water Produced</u>	<u>Gallons of Water Consumed</u>	<u>Gallons of Water Unbilled</u>	<u>Average Percent Unbilled</u>	<u>Gallons of Wastewater Treated</u>
2015	3,250,871,000	3,022,095,000	228,776,000	7.04%	2,597,000,000
2016	3,291,962,000	3,130,351,428	161,610,572	4.91%	2,600,269,000
2017	3,121,960,200	2,894,679,000	227,281,200	7.28%	2,326,950,000
2018	3,508,602,000	2,970,496,000 *	538,106,000	15.34%	2,173,000,000
2019	3,882,042,000	3,476,583,000	405,459,000	10.44%	2,175,000,000
2020	3,555,008,000	2,856,604,999	698,403,001	19.65%	2,018,700,000
2021	3,814,649,000	3,217,235,000	597,414,000	15.66%	2,323,148,000
2022	3,967,702,000	3,368,350,000	599,352,000	15.11%	2,104,600,000
2023	4,077,394,000	3,374,953,000	702,441,000	17.23%	2,063,900,000
2024	3,693,950,000	3,048,824,000	645,126,000	17.46%	2,048,160,000

NOTES: Water and sewer base rates shown are for 3/4" meters.

Water and sewer base rates shown are for 3,000 - 7,000 usage range thru FY 2018; In FY 2019 the variable tier-tables were revised. The base rate is now for 3,000 - 10,000 usage range.

Full detail of rate information can be found on schedule titled "Water and Sewer Rates".

* The gallons of water consumed, does not account for 20,000,000 gallons of water stored underground for the City's ASR pilot program. Nor does it account for the approximately 167,693,000 gallons of water that was flushed to combat nitrification in the system caused by high water temperatures and low consumption due to wet weather. Both of these items are out of the ordinary for our normal operations. If these items are taken into account, the average percent unbilled would be 9.99%.

SOURCE: City of Victoria Utilities Department

Total Direct Rate for 3/4" Meter

Water		Sewer	
Base Rate	Usage Rate	Base Rate	Usage Rate
\$ 18.21	\$ 1.92	\$ 22.68	\$ 2.47
18.21	1.92	22.68	2.47
18.21	1.92	22.68	2.47
18.21	1.92	22.68	2.47
18.21	2.25	22.68	2.50
18.21	2.25	22.68	2.50
18.21	2.25	22.68	2.50
18.21	2.25	22.68	2.50
18.21	2.25	22.68	2.50
18.21	2.25	22.68	2.50

CITY OF VICTORIA, TEXAS
WATER AND SEWER RATES
Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
Water Rates (per 2,000 gallons)				
Base Rate (meter size)				
¾"	\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21
1"	45.55	45.55	45.55	45.55
1½"	91.07	91.07	91.07	91.07
2"	145.72	145.72	145.72	145.72
3"	291.44	291.44	291.44	291.44
4"	455.37	455.37	455.37	455.37
6"	910.73	910.73	910.73	910.73
8"	2,913.33	2,913.33	2,913.33	2,913.33
10"	4,553.64	4,553.64	4,553.64	4,553.64
Water usage rate (1,000 gallons increments)				
0-2	-	-	-	-
3-7	1.92	1.92	1.92	1.92
3-10	-	-	-	-
8-18	2.08	2.08	2.08	2.08
11-25	-	-	-	-
19-50	2.40	2.40	2.40	2.40
>25	-	-	-	-
51-75	2.65	2.65	2.65	2.65
76-100	2.80	2.80	2.80	2.80
>100	2.95	2.95	2.95	2.95
Sewer Rates (per 2,000 gallons)				
¾"	22.68	22.68	22.68	22.68
1"	56.71	56.71	56.71	56.71
1½"	113.44	113.44	113.44	113.44
2"	181.48	181.48	181.48	181.48
3"	362.97	362.97	362.97	362.97
4"	567.13	567.13	567.13	567.13
6"	1,134.25	1,134.25	1,134.25	1,134.25
8"	3,629.61	3,629.61	3,629.61	3,629.61
10"	5,670.27	5,670.27	5,670.27	5,670.27
Sewer usage rate (1,000 gallons increments)				
0-2	-	-	-	-
3-7	2.47	2.47	2.47	2.47
3-10	-	-	-	-
8-18	2.52	2.52	2.52	2.52
11-25	-	-	-	-
19-50	2.57	2.57	2.57	2.57
>25	-	-	-	-
51-75	2.62	2.62	2.62	2.62
76-100	2.77	2.77	2.77	2.77
>100,000	2.92	2.92	2.92	2.92

NOTES: Increases in water and sewer rates are approved by the City Council.

Sewer usage rates are computed by averaging the metered monthly water consumption during the computation period. The computation period consists of the last complete three-month period of December, January, and February that preceded the billing date. The sum of 2,000 gallons is deducted from the average monthly consumption in order to compute the adjusted average. The adjusted average is multiplied by 90% to compute the net billing average. The net billing average charge is computed and billed to each customer, in addition to the base charge in 1,000 gallon increments.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21
45.55	45.55	45.55	45.55	45.55	45.55	45.55
91.07	91.07	91.07	91.07	91.07	91.07	91.07
145.72	145.72	145.72	145.72	145.72	145.72	145.72
291.44	291.44	291.44	291.44	291.44	291.44	291.44
455.37	455.37	455.37	455.37	455.37	455.37	455.37
910.73	910.73	910.73	910.73	910.73	910.73	910.73
2,913.33	2,913.33	2,913.33	2,913.33	2,913.33	2,913.33	2,913.33
4,553.64	4,553.64	4,553.64	4,553.64	4,553.64	4,553.64	4,553.64
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2.25	2.25	2.25	2.25	2.25	2.25	2.25
-	-	-	-	-	-	-
2.50	2.50	2.50	2.50	2.50	2.50	2.50
-	-	-	-	-	-	-
3.15	3.15	3.15	3.15	3.15	3.15	3.15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22.68	22.68	22.68	22.68	22.68	22.68	22.68
56.71	56.71	56.71	56.71	56.71	56.71	56.71
113.44	113.44	113.44	113.44	113.44	113.44	113.44
181.48	181.48	181.48	181.48	181.48	181.48	181.48
362.97	362.97	362.97	362.97	362.97	362.97	362.97
567.13	567.13	567.13	567.13	567.13	567.13	567.13
1,134.25	1,134.25	1,134.25	1,134.25	1,134.25	1,134.25	1,134.25
3,629.61	3,629.61	3,629.61	3,629.61	3,629.61	3,629.61	3,629.61
5,670.27	5,670.27	5,670.27	5,670.27	5,670.27	5,670.27	5,670.27
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2.50	2.50	2.50	2.50	2.50	2.50	2.50
-	-	-	-	-	-	-
2.55	2.55	2.55	2.55	2.55	2.55	2.55
-	-	-	-	-	-	-
2.75	2.75	2.75	2.75	2.75	2.75	2.75
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Fiscal year 2018-2019 implemented a change to the water and wastewater variable seven-tier rate table to a four-tier rate table.

CITY OF VICTORIA, TEXAS
TEN LARGEST WATER CUSTOMERS
(UNAUDITED)
Current Year and Nine Years Ago

2024			
Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
Citizens Medical Center	Hospital	40,559	1.33%
Caterpillar	Facility	34,496	1.13%
Victoria County Jail	Government	23,160	0.76%
Autumn Park	Apartment Complex	21,122	0.69%
Creekstone Ranch	Apartment Complex	19,918	0.65%
Pinnacle Pointe	Apartment Complex	17,412	0.57%
Detar Hospital	Hospital	16,237	0.53%
Enchanted Gardens	Apartment Complex	15,816	0.52%
Silvermine Apartments	Apartment Complex	15,579	0.52%
Mockingbird Apartments	Apartment Complex	13,814	0.45%
2015			
Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
Caterpillar	Factory	68,725	1.96%
Citizens Medical Center	Hospital	45,785	1.30%
Detar Hospital	Hospital	25,736	0.73%
Victoria County Jail	Government	21,783	0.62%
Autumn Park Apartments	Apartments	18,138	0.52%
VISD - Memorial	School	18,078	0.51%
Pinnacle Pointe Apartments	Apartments	17,537	0.50%
Mockingbird Apartments	Apartments	16,079	0.46%
Creekstone Apartments	Apartments	15,426	0.44%
Victoria Housing	Apartments	12,891	0.37%

SOURCE: City of Victoria Utility Billing Office

CITY OF VICTORIA, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years

Fiscal Year	Governmental Activities					
	Certificates of Obligation	General Obligation Bonds	Plus: Issuance Premiums	Direct Borrowing Financed Purchases	Right-to-Use Leases	Subscriptions
2015	\$ 45,280,000 **	\$ 50,480,000 *	\$ 3,401,983	\$ -	\$ -	\$ -
2016	44,605,000 **	46,580,000 *	3,195,727	-	-	-
2017	41,830,000 **	42,070,000 *	2,851,926	-	-	-
2018	17,420,000	57,285,000 *	5,571,287	-	-	-
2019	16,555,000	50,380,000 *	4,987,027	739,556	-	-
2020	11,685,000	47,065,000	5,264,525	-	-	-
2021	10,690,000	40,815,000	4,611,669	-	-	-
2022	9,165,000	34,380,000	3,958,813	967,039	392,712	-
2023	10,655,000	26,835,000	3,478,287	1,958,209	965,603	-
2024	61,040,000	21,905,000	8,634,032	1,562,670	926,894	279,900

NOTES: *Payments on the 2011 TxDOT Pass-Through Toll Revenue & Limited Tax Bonds (\$9,740,000 principal) were reimbursed by the Texas Department of Transportation through a pass-through toll contract as well as funds pledged by the County of Victoria, Texas over eleven years beginning in 2012.

**By the terms of the 2009B "Build America Bonds", the U.S. Treasury Department offset the cost of the bonds by subsidizing an average of \$495,000 in annual bond interest cost.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

N/A denotes information not available.

SOURCE: City of Victoria

Business-type Activities						
Revenue Bonds	Plus: Issuance Premiums	<u>Direct Borrowing</u> Financed Purchases	Right-to-Use Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 77,260,000	\$ 4,316,780	\$ -	\$ -	\$ 180,738,763	5.82%	\$ 2,735
70,830,000	3,960,228	-	-	169,170,955	5.53%	2,503
64,440,000	4,107,453	-	-	155,299,379	5.37%	2,295
56,915,000	5,066,864	368,721	-	142,626,872	4.42%	2,125
49,760,000	4,542,370	286,819	-	127,250,772	3.55%	1,890
42,335,000	4,017,875	202,006	-	110,569,406	3.03%	1,642
35,845,000	3,493,380	123,254	-	95,578,303	2.44%	1,425
35,405,000	3,850,556	30,329	227,727	88,377,176	1.64%	1,352
42,265,000	4,278,643	84,315	611,056	91,131,113	1.69%	1,396
38,960,000	3,944,434	149,738	591,447	137,994,115	N/A	2,094

CITY OF VICTORIA, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last ten fiscal years

Fiscal Year	General Bonded Debt Outstanding				Debt Service Monies Available (1)
	Certificates of Obligation	General Obligation Bonds	Plus: Issuance Premiums	Total	
2015	\$ 45,280,000 **	\$ 50,480,000 *	\$ 3,401,983	\$ 99,161,983	\$ 1,102,779
2016	44,605,000 **	46,580,000 *	3,195,727	94,380,727	1,093,523
2017	41,830,000 **	42,070,000 *	2,851,926	86,751,926	1,146,765
2018	17,420,000	57,285,000 *	5,571,287	80,276,287	1,138,153
2019	16,555,000	50,380,000 *	4,987,027	71,922,027	1,196,519
2020	11,685,000	47,065,000	5,264,525	64,014,525	1,140,781
2021	10,690,000	40,815,000	4,611,669	56,116,669	1,048,730
2022	9,165,000	34,380,000	3,958,813	47,503,813	1,106,617
2023	10,655,000	26,835,000	3,478,287	40,968,287	1,413,076
2024	61,040,000	21,905,000	8,634,032	91,579,032	1,424,515

NOTES: *Payments on the 2011 TxDOT Pass-Through Toll Revenue & Limited Tax Bonds (\$9,740,000 principal) were reimbursed by the Texas Department of Transportation through a pass-through toll contract as well as funds pledged by the County of Victoria, Texas over eleven years beginning in 2012.

**By the terms of the 2009B "Build America Bonds", the U.S. Treasury Department offset the cost of the bonds by subsidizing an average of \$495,000 in annual bond interest cost.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

N/A denotes information not available.

(1) This is the amount restricted for debt service principal payments.

SOURCE: City of Victoria

<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
\$ 98,059,204	2.46%	\$ 1,484
93,287,204	2.23%	1,381
85,605,161	2.05%	1,265
79,138,134	1.87%	1,179
70,725,508	1.73%	1,050
62,873,744	1.49%	934
55,067,939	1.28%	821
46,397,196	1.00%	710
39,555,211	0.77%	606
90,154,517	1.82%	1,368

CITY OF VICTORIA, TEXAS*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**(UNAUDITED)**September 30, 2024*

	<u>Gross Debt Outstanding</u>		<u>Percentage</u>	<u>Amount</u>
	<u>Date</u>	<u>Amount</u>	<u>Applicable</u>	<u>Applicable</u>
			<u>To City</u>	<u>To City</u>
Direct Debt:				
City of Victoria	9/30/2024	<u>\$ 94,068,596</u>	100.00%	<u>\$ 94,068,596</u>
Overlapping Debt:				
Victoria County	9/30/2024	33,825,000	60.16%	20,349,120
Victoria County Junior College District	9/30/2024	23,390,000	60.16%	14,071,424
Victoria Independent School District	9/30/2024	<u>98,495,000</u>	66.35%	<u>65,351,433</u>
Total Overlapping Debt		<u>155,710,000</u>		<u>99,771,977</u>
Total		<u>\$ 249,778,596</u>		<u>\$ 193,840,573</u>

(1) Includes general obligation bonds, certificates of obligation, issuance premiums, financed purchases, and Right-to-Use leases.

NOTE: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each government's total taxable value.

SOURCE: Municipal Advisory Council of Texas

CITY OF VICTORIA, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 198,992,755	\$ 208,941,119	\$ 208,707,476	\$ 211,498,485
Total net debt applicable to limit	<u>94,657,221</u>	<u>90,091,477</u>	<u>90,038,235</u>	<u>73,566,847</u>
Legal debt margin	<u>\$ 104,335,534</u>	<u>\$ 118,849,642</u>	<u>\$ 118,669,241</u>	<u>\$ 137,931,638</u>
Total net debt applicable to the limit as a percentage of debt limit	47.57%	43.12%	43.14%	34.78%

NOTE: Texas statutes do not prescribe a legal debt limit for cities; however, a practical debt limit is considered to be 5% of the assessed valuation.

Article XI, Section 5, of the Texas Constitution limits the maximum amount that a city can designate for debt service to \$2.50 per \$100 of assessed valuation. Under City Charter, a limitation on taxes levied for general municipal operating purposes and for the purpose of paying interest and providing a proper sinking fund for paying the outstanding bonds and other obligations of the City, issued for municipal purposes, and any such future bonds or obligations which may be authorized, may not exceed \$2.00 per \$100 assessed valuation. As a matter of policy, the Attorney General of Texas, in his statutorily required examination of legal proceedings had in the issuance of bonds of a city having a \$2.50 tax rate, will not approve the issuance of bonds where total debt service of all tax supported debt requires a tax rate of more than \$1.50 per \$100 assessed valuation after making allowance for 10% delinquency in collections.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 204,176,555	\$ 211,499,654	\$ 214,943,157	\$ 232,743,804	\$ 258,123,963	\$ 247,153,566
<u>65,738,481</u>	<u>57,609,219</u>	<u>50,456,270</u>	<u>42,438,383</u>	<u>36,076,924</u>	<u>81,520,485</u>
<u>\$ 138,438,074</u>	<u>\$ 153,890,435</u>	<u>\$ 164,486,887</u>	<u>\$ 190,305,421</u>	<u>\$ 222,047,039</u>	<u>\$ 165,633,081</u>
32.20%	27.24%	23.47%	18.23%	13.98%	32.98%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 4,943,071,324
Debt limit	247,153,566
Debt applicable to limit	
General obligation bonds	82,945,000
Less: Debt Service Fund Balance	<u>1,424,515</u>
Total amount of debt applicable to debt limit	<u>81,520,485</u>
Legal debt margin	<u>\$ 165,633,081</u>

CITY OF VICTORIA, TEXAS
PLEDGED-REVENUE COVERAGE
Last ten fiscal years

Fiscal Year	Water and Sewer Revenue Bonds			
	Gross Revenue	Direct Operating Expenses	Net Available Revenue	Priority Bonds Average Debt Service Requirements
2015	\$ 26,241,590	\$ 11,550,206	\$ 14,691,384	\$ 5,259,343
2016	25,969,629	11,580,908	14,388,721	5,017,867
2017	25,779,610	11,877,174	13,902,436	4,748,050
2018	26,483,913	9,900,254	16,583,659	4,431,709
2019	26,721,429	11,758,399	14,963,030	4,148,217
2020	26,523,632	13,894,588	12,629,044	3,829,106
2021	26,376,313	12,206,555	14,169,758	3,468,747
2022	27,186,811	10,786,441	16,400,370	3,142,491
2023	27,746,367	12,358,255	15,388,112	2,737,194
2024	27,765,511	16,518,326	11,247,185	2,797,808

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

"Gross Revenue" as used herein refers to all operating revenues, interest income, and miscellaneous revenue of the Water and Wastewater Fund.

"Direct Operating Expenses" is defined as all operating expenses of the Water and Wastewater Fund (which does not include capital outlays or interest expense) less depreciation and amortization.

SOURCE: City of Victoria

Water and Sewer Revenue Bonds

Subordinate Bonds			
Average Debt		Priority Bonds	Subordinate Bonds
Service		Coverage	Coverage
Requirements			
\$	-	2.79	N/A
	-	2.87	N/A
	-	2.93	N/A
	-	3.74	N/A
	-	3.61	N/A
	-	3.30	N/A
	-	4.08	N/A
	-	5.22	N/A
	-	5.62	N/A
	-	4.02	N/A

CITY OF VICTORIA, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

(UNAUDITED)

Last ten fiscal years

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Personal Income (000's)</u>	<u>(2) Per Capita Personal Income</u>	<u>(3) School Enrollment</u>	<u>(4) Unemployment Rate</u>
2015	66,094	\$ 3,046,684	\$ 46,096	14,427	3.8%
2016	67,574	2,882,264	42,653	14,339	4.9%
2017	67,659	3,047,292	45,039	14,253	5.2%
2018	67,106	3,209,944	47,834	14,253	4.1%
2019	67,326	3,543,481	52,632	13,821	3.5%
2020	67,326	3,627,620	53,881	13,419	8.8%
2021	67,078	3,922,673	58,479	13,239	6.0%
2022	65,377	5,375,580	59,030	13,193	4.2%
2023	65,297	5,400,118	58,912	13,301	4.1%
2024	65,891	N/A	N/A	12,899	4.5%

NOTES: The unemployment rates are a twelve - month average from October through September.

N/A denotes information not available

- SOURCE:
- (1) Population figures for the years are estimates provided by the Planning Department
 - (2) U.S. Department of Commerce, Bureau of Economic Analysis - Estimates based on Victoria County Area statistical data. Data for 2024 is not yet available.
 - (3) Victoria Independent School District
 - (4) U.S. Department of Labor

CITY OF VICTORIA, TEXAS

PRINCIPAL EMPLOYERS

(UNAUDITED)

Current Year and Nine Years Ago

2024		
Employer	Employees	Percentage of Total Area Employment
Formosa Plastics	3,719	8.98%
Victoria Independent School District	2,520	6.08%
The Inteplast Group	1,248	3.01%
Citizens Medical Center	1,300	3.14%
DeTar Healthcare System	775	1.87%
City of Victoria	654	1.58%
Caterpillar - NAHEX Victoria	650	1.57%
Calhoun Independent School District	600	1.45%
Invista	600	1.45%
DOW - Seadrift Operations	600	1.45%
	<u>12,666</u>	<u>30.58%</u>

2015		
Employer	Employees	Percentage of Total Area Employment
Victoria Independent School District	2,300	5.08%
The Inteplast Group	2,250	4.96%
Formosa Plastics	1,896	4.18%
Citizens Medical Center	1,074	2.37%
DeTar Healthcare System	857	1.89%
Invista	700	1.54%
City of Victoria	618	1.36%
DOW - Seadrift Operations	573	1.26%
Calhoun Independent School District	571	1.26%
Caterpillar - NAHEX Victoria	550	1.21%
	<u>11,389</u>	<u>25.11%</u>

NOTE: Based on Victoria Metropolitan Statistical Area, which includes Victoria, Calhoun, Dewitt, Lavaca, Gonzales, Jackson and Goliad Counties.

SOURCE: Victoria Economic Development Corporation

CITY OF VICTORIA, TEXAS

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General government				
City manager	10	10	10	10
Legal	4	4	4	4
Financial	6	6	6	6
Municipal court	5	5	5	5
Human resources	4	4	4	4
Planning	5	5	5	5
Development services administration	2	2	2	2
Geographic information system (GIS)	4	4	4	4
Building services	10	10	10	10
City secretary	3	3	3	3
Public information office	3	3	3	3
Public safety				
Police	156	159	159	161
Fire	129	130	130	130
Inspections	10	10	10	10
Code enforcement	5	5	5	5
Traffic control	9	9	9	9
Highways and streets				
Engineering	9	9	9	8
Streets and drainage	28	27	27	27
Culture and recreation				
Parks and recreation	40	39	39	38
Public library	27	27	27	27
Main Street				
Main Street program	-	-	-	-
Economic development	-	-	-	-
Water/wastewater	95	95	95	95
Riverside Park Golf Course	-	-	-	-
Community center	6	7	7	7
Environmental services	24	24	24	24
Building and equipment services				
Vehicle and equipment services	2	2	2	2
Building services	-	-	-	-
Information technology	10	10	10	10
Communications	1	1	1	1
Purchasing	3	3	3	3
Safety management	2	2	2	2
Print shop	2	2	2	2
Convention and visitors bureau	4	4	4	4
Total	<u>618</u>	<u>621</u>	<u>621</u>	<u>621</u>

NOTES: * A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
 Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.
 * Fiscal Year 2015 includes the addition of 12 Fire Department employees to staff the new fire station; a net decrease of one Parks Department position; a decrease of 2 non-certified Police staff; a decrease of 3 Street department staff; and decrease of 1 Community Center staff.
 * Fiscal Year 2019 includes the addition of 10 employees as a result of the City taking over Riverside Park Golf Course and the addition of one accountant and one police officer; as well as a net decrease of two Parks Department positions; a decrease of one employee in Environmental Administration, a decrease of one position in Vehicle & Equipment Services, and elimination of Communications Technician.
 * Fiscal year 2020 includes the addition of one assistant city manager, one main program street executive director, and two street workers to staff an additional patch crew.

Fiscal Year					
2019	2020	2021	2022	2023	2024
10	11	13	14	13	13
4	4	4	3	3	3
7	7	7	9	10	10
5	5	5	5	5	5
4	4	4	5	5	5
5	5	5	5	5	5
2	3	2	2	2	2
4	4	4	4	4	4
10	10	-	-	-	-
3	3	3	4	4	4
3	3	5	5	7	7
162	162	168	167	167	167
130	130	130	130	130	130
10	10	10	10	10	10
5	5	5	5	5	5
9	9	9	9	9	9
8	8	7	6	7	7
27	29	29	29	29	29
36	36	30	30	31	31
27	27	27	25	25	25
-	-	1	2	2	2
-	-	-	-	2	2
95	95	95	95	97	97
10	10	10	10	11	11
7	7	7	7	7	7
23	23	29	28	31	31
1	1	1	2	2	2
-	-	10	11	11	11
10	10	10	10	11	11
-	-	-	-	-	-
3	3	3	3	3	3
2	2	2	2	2	2
2	2	-	-	-	-
4	4	4	4	4	4
<u>628</u>	<u>632</u>	<u>639</u>	<u>641</u>	<u>654</u>	<u>654</u>

* Fiscal year 2021 includes the addition of Economic Development Director, Grants Administrator, reorganized part-time employee to full-time of one Print Shop employee, added 4 new police officers, eliminated Engineering Inspector. Also, fiscal year 2021 is the first year that Building Services employees were moved from General Fund into the Building & Equipment Services internal service fund.

* Fiscal year 2022 includes the addition of 1 Specials Project City manager, 1 HR training specialist, 1 City Secretary Administrative Assistant, reorganized police officer to assistant deputy chief, 1 downtown coordinator Reorganized public works specialist into assistant director, 1 Building services project manager, 1 custodian, and 2 grant specialists Eliminated 1 legal administrative assistant, 1 police clerk, 1 city engineer, 1 library assistant and 1 clerk, and 1 solid waste manager

*Fiscal Year 2023 Economic Development: Reorganized (1) Director from City Manager. Added (1) Budget Analyst, (2) Administrative Assistants, (1) Design Engineer, (1) Licensed Police Sergeant, (1) Clubhouse Supervisor (2) Street Sweepers, (1) Automated Driver, (2) Right-of-Way Workers, and (1) SCADA Technician Reorganized (1) part-time admin to full-time, (1) Public Records Supervisor to Communications and Public Affairs, and (1) Telecommunications Operator from Civilian Dispatch to Civilian Police Crime Scene Unit Supervisor

CITY OF VICTORIA, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General government				
Building permits issued	2,029	1,565	2,207	5,920
Building inspections conducted	8,438	6,799	4,354	6,984
Birth certificates registered	2,386	2,181	2,054	1,956
Death certificates registered	1,046	1,002	970	1,036
Birth certificates issued	6,035	6,104	5,820	6,478
Death certificates issued	945	878	729	1,216
Public safety				
Police				
Physical arrests	3,948	3,257	3,005	2,862
Parking violations	129	202	293	243
Traffic violations	9,391	8,255	8,867	8,650
Warrants issued	2,717	2,364	2,223	2,069
Fire				
Total Incidents	9,796	9,773	11,179	11,046
Fires	166	163	209	186
Rescue/Emergency Medical	9,630	9,610	6,591	6,370
False Alarms	398	315	428	383
Inspections	1,917	2,747	2,006	2,329
Fire Investigations	-	-	-	75
Streets and highways				
Street resurfacing (linear feet)	42,155	107,000	45,000	119,722
Culture and recreation				
Community center admissions (event contracts)				
Dome	112	104	95	120
Annex	94	90	85	85
Arena	43	57	45	48
Library				
Number of items	154,109	143,551	130,920	135,487
Circulation	363,927	375,587	352,956	327,394
Gate count	225,689	245,477	214,278	198,207
Water and wastewater				
Water				
Active water connections	23,136	22,802	22,966	22,919
Active sewer connections	21,395	21,254	21,455	21,397
Active garbage accounts	19,674	19,630	19,668	19,665
Average daily consumption (pumped) (in 000's)	8,972	8,972	8,672	8,224
Peak monthly consumption (in 000's)	382,831	403,289	369,898	401,860
Wastewater				
Average daily sewage treatment	7,100,000	7,130,000	6,620,500	5,874,750
Environmental services				
Refuse collection				
Refuse collected (tons per month)	N/A	N/A	N/A	N/A
Landfill tonnage accepted	143,081	148,578	162,324	212,231
Recyclables collected (tons per year)	3,141.00	2,796.00	2,330.00	553.00

NOTES: Increase in linear feet of street surfacing from Fiscal Year 2015 to Fiscal Year 2016 is due to projects planned for Fiscal Year 2015 being completed in Fiscal Year 2016.

2017 Decrease in Library gate count is largely due to the Library being closed for 21 days following Hurricane Harvey; and after opening many citizens were still in recovery and not utilizing the Library.

2017 Increase in landfill tonnage includes 137,000 tons added due to Hurricane Harvey.

N/A denotes information not available

SOURCE: Various City departments

Fiscal Year					
2019	2020	2021	2022	2023	2024
2,109	1,885	3,073	2,040	3,646	3,618
6,293	2,109	5,308	8,068	6,916	4,519
1,933	1,906	1,906	1,964	1,921	1,921
1,118	1,272	1,272	1,219	1,128	1,140
7,432	6,371	7,182	6,694	7,247	6,572
1,607	1,432	1,723	1,838	2,887	1,145
3,336	2,591	2,190	2,374	2,712	2,489
317	127	191	113	31	10
7,888	3,497	4,193	3,807	3,533	4,189
1,977	2,013	2,038	2,355	2,030	2,125
11,248	11,561	5,063	12,845	13,235	13,972
415	394	212	510	401	439
7,873	8,179	4,384	8,915	9,517	10,158
616	657	297	745	663	1,339
2,008	1,774	1,774	1,186	2,165	1,618
67	115	101	78	41	37
75,600	340,240	340,215	361,800	78,300	342,000
126	54	85	126	111	228
105	62	119	132	145	220
49	7	24	28	40	29
151,382	117,185	102,368	148,295	262,124	246,177
368,526	25,800	276,009	233,700	374,500	443,600
196,602	133,907	93,181	90,500	140,238	154,740
22,989	23,135	23,252	23,392	23,558	23,440
21,468	21,586	21,912	22,371	22,195	22,121
19,828	19,864	22,408	20,087	20,189	20,207
9,457	9,713	8,814	9,228	11,171	10,120
423,127	360,905	310,896	284,747	465,730	340,356
6,158,000	5,500,000	6,364,789	8,661,083	5,684,561	5,610,000
N/A	N/A	N/A	1,990	1,966	1,864
180,243	172,945	160,716	182,654	234,684	215,168
450.00	1,028	1,452	1,721	684	535

2019 Increase in Library items collections is due to including digital items, which previously consisted of only print items.

2020 Decrease in Library and Community Center activity is due to the effects of COVID-19.

2022 Starting Fiscal Year 22 refuse collected was tracked and average daily sewage treatment increase is due to several heavy rain storms causing a higher intake.

2023 Library is reaching pre covid statistics due to implementation of Texas Cloud Link, increased use of meeting rooms, and increased programs and initiatives. Sewage treatment is lower due to average weather.

2024 Starting FY24 Fire updated False Alarm response types, causing an increase from prior years.

CITY OF VICTORIA, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General government				
Buildings	3	3	3	3
Public safety				
Police				
Stations	1	1	1	1
Patrol units	33	32	32	39
Fire stations	6	6	6	6
Highways and streets				
Streets (miles)	321.81	322.35	325.80	323.83
Streetlights	4676	4763	4788	4598
Traffic signals	88	89	88	89
School zone flashers	61	61	61	61
Culture and recreation				
Acreage	888.0	888.0	888.0	888.0
Playgrounds	16	16	16	12
Splashpads	1	2	2	3
Baseball/softball diamonds	19	19	19	19
Community centers	1	1	1	1
Libraries	1	1	1	1
Water and wastewater				
Water				
Water mains (miles)	380	386.2	389.9	394.08
Wastewater				
Sanitary sewers (miles)	349.2	349.2	355.3	355.3
Storm sewers (miles)	452	452	452	452
Environmental services				
Refuse collection				
Garbage collection trucks	9	9	9	9
Brush and large item collection trucks	4	4	4	4
Yard waste collection trucks	4	4	4	4
Recycling collection trucks	1	1	1	1

NOTE: A reevaluation was done on storm sewers (miles) in 2024 and confirmed with GIS software. Variance from prior years appears correct.

N/A denotes information not available

SOURCE: Various City departments

Fiscal Year					
2019	2020	2021	2022	2023	2024
3	3	3	3	3	3
1	1	1	1	1	1
34	36	36	36	36	36
6	6	6	6	6	6
323.83	323.83	323.83	323.83	342.40	342.40
4686	4686	4686	4765	4767	4767
90	90	92	92	92	103
51	51	58	58	58	59
888.0	888.0	888.0	900.0	900.0	900.0
13	12	11	11	16	16
3	3	3	3	3	3
19	19	19	19	19	19
	1	1	1	1	1
1	1	1	1	1	1
397.19	400.26	401.42	404.28	407.81	413.29
358	355.3	359.79	361.02	351.35	352.9
452	452	452	452	452	237
9	8	8	9	10	10
5	4	3	4	4	4
4	4	4	4	4	4
1	2	2	2	2	2

SINGLE AUDIT SECTION



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**INDEPENDENT AUDITORS' 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**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Victoria, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 21, 2025. The financial statements of the Sales Tax Development Corporation, Downtown Tax Increment Reinvestment Zone No. 1, and the Victoria Special Events Association, Inc. were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

April 21, 2025



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE TEXAS GRANT MANAGEMENT STANDARDS

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited City of Victoria, Texas (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Texas Grant Management Standards* that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2024. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Texas Grant Management Standards (TxGMS) issued by the Texas Governor's Office of Budget and Planning. Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

April 21, 2025

CITY OF VICTORIA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
FEDERAL EXPENDITURES		
U. S. Department of Housing and Urban Development		
<i>Direct Program</i>		
Community Development Block Grant	14.218	B-23-MC-48-0510
<i>Passed Through the Texas General Land Office</i>		
Community Development Block Grant	14.228	20-066-007-C041
Community Development Block Grant	14.228	20-065-055-C165
Total passed through Texas General Land Office		
<i>Subtotal Federal Assistance Listing No. 14.228</i>		
Total U.S. Department of Housing and Urban Development		
U. S. Department of Transportation		
<i>Passed Through the Texas Department of Transportation</i>		
Highway Planning and Construction	20.205	50-24XF0023
State and Community Highway Safety	20.600	2024-VictoriaPD-S-1YG-00090
Total U.S. Department of Transportation		
U. S. Department of the Treasury		
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19
Total U.S. Department of the Treasury		
U. S. Department of Justice		
<i>Direct Program</i>		
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0219
<i>Passed Through the Office of the Attorney General</i>		
Recovery Act - Internet Crimes Against Children Task Force Program (ICAC)	16.800	15PJDP-21-GK-03802-MECP
Total U.S. Department of Justice		
Institute of Museum and Library Services		
<i>Passed Through the Texas State Library & Archives Commission</i>		
Special Projects 75	45.310	SPP-24015
Total Passed through Texas State Library & Archives Commission		
TOTAL FEDERAL EXPENDITURES		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ -	\$ 601,981	\$ 601,981	\$ -	CDBG-Entitlement Grants Cluster	
79,779	-	79,779	-		
656,322	-	656,322	-		
736,101	-	736,101	-		
736,101	601,981	1,338,082	-		
736,101	601,981	1,338,082	-		
296,614	-	296,614	-	Highway Planning and Construction Cluster	
14,762	-	14,762	-	Highway Safety Cluster	
311,376	-	311,376	-		
-	3,864,914	3,864,914	-		
-	3,864,914	3,864,914	-		
-	52,125	52,125	-		
15,350	-	15,350	-		
15,350	52,125	67,475	-		
42,243	-	42,243	-		
42,243	-	42,243	-		
1,105,070	4,519,020	5,624,090	-		

(continued)

CITY OF VICTORIA, TEXAS*SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**For the year ended September 30, 2024*

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
STATE EXPENDITURES		
Operation Lone Star		
Operation Lone Star	N/A	4383701
Operation Lone Star	N/A	4383702
Operation Lone Star	N/A	4383703
Total Operation Lone Star		
Rifle-Resistant Body Armor Project		
Rifle-Resistant Body Armor Project	N/A	4497801
Law Enforcement Officers Standards and Education		
Training Grant	N/A	N/A
Texas Department of Motor Vehicles		
<i>Passed Through the Motor Vehicle Crime Prevention Authority</i>		
Automobile Theft Grant	N/A	608-23-2350100
Automobile Theft Grant	N/A	608-24-2350100
Automobile Theft Grant	N/A	608-25-2350100
Total Texas Department of Motor Vehicles		
Texas Commission on Environmental Quality		
Rider 7 Local Air Quality Planning Grant	N/A	582-20-11975
Texas State Library and Archives Commission		
Texas Workforce Conference Scholarship	N/A	TWC-24013
TOTAL STATE EXPENDITURES		
TOTAL FEDERAL AND STATE EXPENDITURES		

See accompanying notes to schedule of expenditures of federal and state awards.

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 285,529	\$ -	\$ 285,529	\$ -		
138,692	-	138,692	-		
13,313	-	13,313	-		
<u>437,534</u>	<u>-</u>	<u>437,534</u>	<u>-</u>		
<u>13,428</u>	<u>-</u>	<u>13,428</u>	<u>-</u>		
<u>7,041</u>	<u>-</u>	<u>7,041</u>	<u>-</u>		
15,943	-	15,943	-		
261,589	-	261,589	-		
18,751	-	18,751	-		
<u>296,283</u>	<u>-</u>	<u>296,283</u>	<u>-</u>		
<u>-</u>	<u>3,615</u>	<u>3,615</u>	<u>-</u>		
<u>-</u>	<u>2,164</u>	<u>2,164</u>	<u>-</u>		
<u>754,286</u>	<u>5,779</u>	<u>760,065</u>	<u>-</u>		
<u>\$ 1,859,356</u>	<u>\$ 4,524,799</u>	<u>\$ 6,384,155</u>	<u>\$ -</u>		

(concluded)

CITY OF VICTORIA, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state award activity of the City, under programs of the federal government for the year ended September 30, 2024 in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable; except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally unused balances are returned to the grantor at the close of specified project periods.

NOTE 3: INDIRECT COST RATE

The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF VICTORIA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards and State Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) and *Texas Grant Management Standards*?

yes no

Identification of major programs:

Federal Assistance

<i>Listing No.(s)</i>	<i>Name of Major Programs or Cluster</i>
21.027	Coronavirus State and Local Fiscal Recovery Funds
14.228	Community Development Block Grant
N/A	Operation Lone Star

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None noted

Section III - Federal Award Findings and Questioned Costs

None noted

CITY OF VICTORIA, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended September 30, 2024

None were reported.