



**CITY OF SOUTHMAYD, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2023**

**City of Southmayd, Texas**

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September 30, 2023

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292 Mountain Climb Road  
Sherman, TX 75092  
(903) 815-6610  
FAX: (903) 598-7850  
Lori@LoriAnnCannonCPA.com

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Southmayd, Texas

### Report on the Audit of the Financial Statements

#### **Opinions**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Southmayd, Texas as of and for the year ended September 30, 2023, 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 my opinion, the financial statements referred to above present the discretely presented component units and, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the City of Southmayd, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

My 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 my opinion. 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*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Southmayd'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Southmayd's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### **Basis of Accounting**

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

### **Other Information**

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

My audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City of Southmayd, Texas' basic financial statements. The General Fund Budgetary Comparison Schedule – Modified Cash Basis, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.



Lori Ann Cannon, CPA  
Sherman, Texas  
January 27, 2025

**City of Southmayd, Texas**  
**Statement of Net Position – Modified Cash Basis**  
**September 30, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business - Type Activities	Total	Industrial Development	Community Development
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,010,684	\$ 157,486	\$ 1,168,170	\$ 215,543	\$ 844,386
Restricted Cash	66,161	315,422	381,583	-	-
Investments	130,289	-	130,289	540,000	-
Internal Balances	81,395	(81,395)	-	-	-
Due from Primary Government	-	-	-	20,484	20,484
Capital Assets Not Being Depreciated:					
Land	6,611	3,279	9,890	-	-
Construction in Progress	218,485	-	218,485	-	-
Water Rights	-	354,100	354,100	-	-
Capital Assets Net of Accumulated Depreciation:					
Buildings and Improvements	22,318	91,573	113,891	-	-
Furniture, Equipment and Vehicles	185,313	48,555	233,868	-	-
Infrastructure	562,638	-	562,638	-	-
Utility Plant in Service	-	222,347	222,347	-	-
Total Assets	<u>2,283,894</u>	<u>1,111,367</u>	<u>3,395,261</u>	<u>776,027</u>	<u>864,870</u>
<b>LIABILITIES</b>					
State Fines Payable	18,183	-	18,183	-	-
Customer Deposits	-	71,717	71,717	-	-
Due to Component Units	40,968	-	40,968	-	-
Noncurrent Liabilities:					
Due Within One Year	97,872	29,550	127,422	-	-
Due in More Than One Year	-	1,010,100	1,010,100	-	-
Total Liabilities	<u>157,023</u>	<u>1,111,367</u>	<u>1,268,390</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	679,008	(319,796)	359,212	-	-
Restricted For:					
Industrial Development	-	-	-	776,027	-
Community Development	-	-	-	-	864,870
Police Seizures	44,332	-	44,332	-	-
Court Security	6,040	-	6,040	-	-
Court Technology	15,789	-	15,789	-	-
Water and Sewer	-	315,422	315,422	-	-
Unrestricted	<u>1,381,702</u>	<u>4,374</u>	<u>1,386,076</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ 2,126,871</u>	<u>\$ -</u>	<u>\$ 2,126,871</u>	<u>\$ 776,027</u>	<u>\$ 864,870</u>

The accompanying notes are an integral part of these financial statements

**City of Southmayd, Texas**  
**Statement of Activities – Modified Cash Basis**  
**For the Year Ended September 30, 2023**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			Component Units	
				Governmental Activities	Business- Type Activities	Total	Industrial Development	Community Development
Primary Government:								
Governmental Activities:								
General Government	\$ 270,970	\$ 38,177	\$ 16,241	\$ (216,552)	\$ -	\$ (216,552)		
Municipal Court	947	175,425	-	174,478	-	174,478		
Public Safety	571,776	-	-	(571,776)	-	(571,776)		
Road Repairs	310,731	-	-	(310,731)	-	(310,731)		
Buildings and Code Enforcement	10,746	-	-	(10,746)	-	(10,746)		
Interest	2,841	-	-	(2,841)	-	(2,841)		
Total Governmental Activities	<u>1,168,011</u>	<u>213,602</u>	<u>16,241</u>	<u>(938,168)</u>	<u>-</u>	<u>(938,168)</u>		
Business-Type Activities:								
Water and Sewer	<u>434,874</u>	<u>383,544</u>	<u>-</u>	<u>-</u>	<u>(51,330)</u>	<u>(51,330)</u>		
Total Business-Type Activities	<u>434,874</u>	<u>383,544</u>	<u>-</u>	<u>-</u>	<u>(51,330)</u>	<u>(51,330)</u>		
Total Primary Government	<u>\$ 1,602,885</u>	<u>\$ 597,146</u>	<u>\$ 16,241</u>	<u>(938,168)</u>	<u>(51,330)</u>	<u>(989,498)</u>		
Component Units								
Industrial Development	\$ 2,766	\$ -	\$ -	-	-	-	\$ (2,766)	\$ -
Community Development	<u>2,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,586)</u>
Total Component Units	<u>\$ 5,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,766)</u>	<u>(2,586)</u>
General Revenues:								
Property Taxes				433,658	-	433,658	-	-
General Sales and Use Taxes				634,767	-	634,767	190,963	190,430
Franchise and Local Taxes				43,819	-	43,819	-	-
Other Revenues				2,278	-	2,278	-	-
Investment Income				6,379	3,678	10,057	797	160
Transfers				<u>(47,652)</u>	<u>47,652</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers				<u>1,073,249</u>	<u>51,330</u>	<u>1,124,579</u>	<u>191,760</u>	<u>190,590</u>
Change in Net Position				135,081	-	135,081	188,994	188,004
Net Position - Beginning				1,991,790	-	1,991,790	587,033	676,866
Net Position - Ending				<u>\$ 2,126,871</u>	<u>\$ -</u>	<u>\$ 2,126,871</u>	<u>\$ 776,027</u>	<u>\$ 864,870</u>

The accompanying notes are an integral part of these financial statements

**City of Southmayd, Texas**  
Balance Sheet – Governmental Fund – Modified Cash Basis  
For the Year Ended September 30, 2023

	General Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,010,684
Restricted Cash	66,161
Investments	130,289
Due From Water and Sewer Fund	81,395
<b>Total Assets</b>	<u><u>\$ 1,288,529</u></u>
<b>LIABILITIES</b>	
State Fines Payable	\$ 18,183
Due to Component Units	40,968
<b>Total Liabilities</b>	<u><u>59,151</u></u>
<b>FUND BALANCES</b>	
Restricted for Police Seizures	44,332
Restricted for Court Security	6,040
Restricted for Court Technology	15,789
Unassigned	1,163,217
<b>Total Fund Balances</b>	<u><u>1,229,378</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 1,288,529</u></u>

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

<b>Fund Balance of the Governmental Fund:</b>	\$ 1,229,378
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the Governmental Fund. The cost of the assets is \$2,344,655 and the accumulated depreciation is \$1,349,290.	995,365
Long-term liabilities, including accrued compensated absences and notes payable are not due and payable in the current period and, therefore, are not reported in the governmental fund	
Non-current liabilities due in less than one year	(97,872)
<b>Net Position of Governmental Activities (Page 3)</b>	<u><u>\$ 2,126,871</u></u>

The accompanying notes are an integral part of these financial statements

**City of Southmayd, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance –**  
**Governmental Fund – Modified Cash Basis**  
**For the Year Ended September 30, 2023**

	General Fund
<b>REVENUES</b>	
Property Taxes	\$ 433,413
Sales Taxes	634,767
Municipal Court	175,670
Franchise and Local Taxes	43,819
Licenses and Permits	38,177
Contributions and Donations	4,382
Intergovernmental	11,859
Investment Income	6,379
Other Revenue	2,278
Total Revenues	<u>1,350,744</u>
<b>EXPENDITURES</b>	
Current:	
General Government	202,054
Municipal Court	947
Public Safety	530,418
Road Repairs	310,731
Buildings and Code Enforcement	10,746
Capital Outlays	336,520
Debt Service:	
Principal	2,128
Interest	2,841
Total Expenditures	<u>1,396,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Loan Proceeds	100,000
Transfers (to) from Other Funds	<u>(47,652)</u>
Total Other Financing Sources (Uses)	<u>52,348</u>
Net Change in Fund Balance	6,707
Fund Balance - Beginning	<u>1,222,671</u>
Fund Balance - Ending	<u><u>\$ 1,229,378</u></u>

The accompanying notes are an integral part of these financial statements



**City of Southmayd, Texas**

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund  
Balance to the Statement of Activities –Modified Cash Basis  
For the Year Ended September 30, 2023

Amounts reported for *Governmental Activities* in the Statement of Activities (page 6) are different because:

<b>Net Change in Fund Balance - Total Governmental Fund (Page 6)</b>	\$ 6,707
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Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$336,520) exceeded depreciation expense (\$110,274).	226,246
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*Repayment of Long Term Debt*

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of those differences in the treatment of long-term debt.

Long-Term Debt Added in Current Year	(100,000)
Long-Term Debt Repaid in Current Year	<u>2,128</u>

<b>Change in Net Position of Governmental Activities (Page 4)</b>	<u><u>\$ 135,081</u></u>
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**City of Southmayd, Texas**  
**Statement of Net Position – Proprietary Fund – Modified Cash Basis**  
**For the Year Ended September 30, 2023**

	Water and Sewer Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 157,486
Restricted Cash	315,422
Total Current Assets	<u>472,908</u>
Noncurrent Assets	
Capital Assets:	
Land	3,279
Water Rights	354,100
Buildings and Improvements	986,742
Furniture, Equipment and Vehicles	383,164
Utility Plant in Service	996,799
Less Accumulated Depreciation	<u>(2,004,230)</u>
Total Capital Assets, Net	<u>719,854</u>
Total Noncurrent Assets	<u>719,854</u>
<b>Total Assets</b>	<u><u>\$ 1,192,762</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Customer Deposits Payable	\$ 71,717
Due to General Fund	81,395
Due Within One Year	
GTUA - Revenue Bonds	11,550
USDA Bonds Payable	<u>18,000</u>
Total Current Liabilities	<u>182,662</u>
Noncurrent Liabilities:	
GTUA - Long Term Portion	74,100
USDA Bonds Payable - Long Term Portion	<u>936,000</u>
Total Noncurrent Liabilities	<u>1,010,100</u>
<b>Total Liabilities</b>	<u><u>1,192,762</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	(319,796)
Restricted	315,422
Unrestricted	<u>4,374</u>
<b>Total Net Position</b>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

**City of Southmayd, Texas**  
**Statement of Revenues, Expenses and Changes in Fund Net Position –**  
**Proprietary Fund – Modified Cash Basis**  
**For the Year Ended September 30, 2023**

	Water and Sewer Fund
<b>Operating Revenues:</b>	
Water Sales	\$ 315,693
Garbage Collection	67,837
Other Revenue	14
Total Operating Revenues	<u>383,544</u>
<b>Operating Expenses:</b>	
Personnel	110,124
Contract Services	70,777
Repairs and Maintenance	69,863
Materials and Supplies	19,895
Other Expense	17,649
Depreciation Expense	101,121
Total Operating Expenses	<u>389,429</u>
Operating Income (Loss)	<u>(5,885)</u>
<b>Nonoperating Sources (Uses)</b>	
Investment Income	3,678
Interest Expense	(45,445)
Total Nonoperating Revenue (Expenses)	<u>(41,767)</u>
Income (Loss) Before Contributions and Transfers	(47,652)
Transfers In (Out)	<u>47,652</u>
<b>Change in Net Position</b>	-
Total Net Position - Beginning	-
Total Net Position - Ending	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**City of Southmayd, Texas**  
**Statement of Cash Flows – Proprietary Fund – Modified Cash Basis**  
**For the Year Ended September 30, 2023**

	Water and Sewer Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 418,953
Cash Paid to Employees	(110,124)
Cash Paid to Suppliers for Goods and Services	(183,784)
Net Cash Provided by Operating Activities	<u>125,045</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer (to) from General Fund	47,652
Net Cash Provided by Noncapital Financing Activities	<u>47,652</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interest Paid on Capital Debt	(45,445)
Principal Paid on Capital Debt	(28,250)
Net Cash Used by Capital and Related Financing Activities	<u>(73,695)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	3,678
Net Cash Provided by Investing Activities	<u>3,678</u>
Net Increase in Cash and Cash Equivalents	102,680
Cash and Cash Equivalents, October 1, 2022	<u>54,806</u>
Cash and Cash Equivalents, September 30, 2023	<u><u>\$ 157,486</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (5,885)
Adjustments to Reconcile Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Depreciation Expense	101,121
Decrease for Restricted Cash Accounts	(29,818)
(Increase) Decrease in Accounts Receivable	29,559
(Increase) Decrease in Prepaid Items	7,900
Increase (Decrease) in Deposits Payable	5,850
Increase (Decrease) in Sales Tax Payable	(1,350)
Increase (Decrease) in Accrued Liabilities	(57,697)
Increase (Decrease) in Due To Other Funds	75,365
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 125,045</u></u>

The accompanying notes are an integral part of these financial statements

**City of Southmayd, Texas**  
Notes to the Financial Statements  
For the Year Ended September 30, 2023

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity** - The City of Southmayd, Texas (the City) is a municipal corporation governed by an elected mayor and five-member governing council (the Council). The City provides such services to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants. The accompanying financial statements present the funds and account groups of the City on a modified cash basis.

The City is an independent subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. The accompanying financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. The Southmayd Industrial Development Corporation and the Southmayd Community Development Corporation, although legally separate, are considered part of the reporting entity due to the ability of the City to exercise oversight responsibility. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles (GAAP). These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Except for the use of the modified cash basis of accounting as discussed in the Note "Measurement Focus and Basis of Accounting", the City complies with accounting principles generally accepted in the United States of America as applicable to governments. Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this Note.

The Southmayd Industrial Economic Development Corporation (the "IDC") and Southmayd Community Development Corporation (the "CDC") are discretely presented component units of the City due to the ability of the City to exercise oversight responsibility. The IDC and CDC are legally separate entities that were founded in 2011 and 2008, respectively. The primary source of revenue for these component units is sales tax. Sales tax is collected by the state of Texas and is remitted to the City. The City remits the sales tax to the component units based on an agreed upon percentage. The primary purpose of the IDC is industrial development planning within the City of Southmayd. The primary purpose of the CDC is community development planning within the City of Southmayd. The IDC and CDC do not issue separate financial statements.

**Description of Government-Wide Financial Statements** - The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**Basis of Presentation – Government-Wide Financial Statements** - While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 1: Summary of Significant Accounting Policies (continued)**

**Basis of Presentation – Fund Financial Statements** - The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Governmental funds are those funds through which governmental functions typically are financed. The City reports the following major governmental funds:

*General Fund* – The general fund is the government'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 City reports the following major proprietary fund:

*Water and Sanitation Fund* – The water and sanitation fund accounts for the provision of water distribution and garbage services as well as the billings and collections for those services to the residents of the City.

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the City's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column.

**Measurement Focus and Basis of Accounting** - In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined below:

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund balance is classified as net position.

In the fund financial statements, the "current financial resources: measurement focus," as applied to the modified cash basis of accounting is used.

The City of Southmayd prepares its financial statements on the modified cash basis. The modified cash basis recognizes revenue when collected rather than when it is earned, and expenses are generally recognized when paid rather than when the obligation is incurred. Therefore, the financial statements generally do not reflect receivables, payables and accrued items and no disclosures will be made for fair value measurements. However, certain payroll liabilities and other amounts that the City collects and distributes to third parties are shown as accruals. Depreciation of fixed assets is presented in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 1: Summary of Significant Accounting Policies (continued)**

**Measurement Focus and Basis of Accounting (continued)**

**Budgetary Information** - Annual budgets are adopted on a basis consistent with the modified cash basis of accounting for the general fund and the water and sanitation fund. The appropriated budget is prepared by fund, function and department. The legal level of control is the department level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year.

For the year ended September 30, 2023, the City's expenditures exceeded appropriation at the legal level of control in the General Fund as follows:

<u>Object Category</u>	<u>Expenditures Exceeding Appropriations</u>
General Government	\$ 309,286

The over-expenditures were funded largely by an unexpected excess of sales tax revenue received this fiscal year.

**Cash and Cash Equivalents** – The government'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. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

**Investments** – The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in direct obligations of the U.S. Government, fully collateralized certificates of deposit and money market accounts, and statewide investment pools.

At September 30, 2023, the City and its component units had invested in only certificates of deposit with original maturities in excess of three months from the date of acquisition.

The City did not engage in repurchase or reverse repurchase agreement transactions during the current year.

**Receivables and Interfund Transactions** – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year and are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Infrastructure acquired prior to the implementation of GASB 34 are included in the financial statements.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 1: Summary of Significant Accounting Policies (continued)**

Land is not depreciated. The other property, plant, and equipment of the primary government is being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture, Equipment and Vehicles	5-15 years
Infrastructure	20 years
Utility Plant in Service	40 years
Buildings and Improvements	40 years

**Long-Term Obligations** – All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Presently, the City's long-term debt consists primarily of bonds and notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, net of the applicable premium or discount, and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

**Net Position** – The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

**Fund Balance** – Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

*Non-spendable* – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Amounts that can be used only for the specific purpose determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.



**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 1: Summary of Significant Accounting Policies (continued)**

**Fund Balance (continued)**

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned* – All other spendable amounts.

**Use of Estimates** – Management uses estimates and assumptions in preparing the financial statements. Accordingly, actual results could differ from those estimates. Significant estimates used in preparation of the financial statements include the assumptions in recording depreciation.

**Program Revenues** – Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

**Property Taxes** – Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the current year's tax levy of \$410,694 a total of 97.75% of the tax levy was collected. Tax rates per \$100 valuation for the 2023 levy amounted to .6015 for maintenance and operation.

**Proprietary Funds Operating and Nonoperating Revenues and Expenses** – Proprietary funds distinguish operating revenues and expenses from nonoperating 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 water and sanitation fund are charges to customers for sales and services. The water 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 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 nonoperating revenues and expenses.

**Note 2: Detailed Notes on All Activities and Funds**

**Custodial Credit Risk Deposits** - Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. State statutes require that all deposits in financial institutions be insured or 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 market value of not less than the principal amount of the deposits.

As of September 30, 2023, the City had deposits with a carrying amount of \$1,680,042, and the bank's balances were \$1,695,630. The City's Certificates of Deposit totaling \$130,289 are considered deposits for this footnote but are classified as Investments on the face of the financial statements. At September 30, 2023, the City had an excess of collateral available over the amount of deposits in banks by \$1,065,341.

***Discretely Presented Component Units***

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Corporations' deposits may not be returned or the Corporations will not be able to recover collateral securities in the possession of an outside party. The Corporations' policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) Insurance. Deposited funds may be invested in certificates of deposit in

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 2: Detailed Notes on All Activities and Funds (continued)**

**Custodial Credit Risk Deposits (continued)** - institutions that are domiciled in the State of Texas. Collateral agreements must be approved prior to deposit of funds as provided by law.

As of September 30, 2023, the Southmayd CDC carrying amount of deposits and bank balances were \$844,386. The Southmayd IDC carrying amount of deposits and bank balances were \$215,543. Both Corporations' deposit totals were fully insured by FDIC Coverage. Therefore, neither Corporation was exposed to custodial credit risk as of September 30, 2023. The Southmayd IDC Certificates of Deposit totaling \$540,000 are considered deposits for this footnote but are classified as Investments on the face of the financial statements.

**Investments** – The City is authorized to invest in direct obligations of the U.S. Government, fully collateralized certificates of deposit and money market accounts, and statewide investment pools. At September 30, 2023, the City only invested funds in certificates of deposit issued by a state or national bank insured by FDIC. Investments are carried at cost, which approximates fair value.

The City is required by Government Code Chapter 2256, The Public Fund Investment Act ("Act"), to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity, and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity. The City adheres to the requirements of the Act.

**Capital Assets** – A summary of changes in fixed assets for the year ended September 30, 2023 follows:

	Balance September 30, 2022	Additions and Reclasses	Retirements	Balance September 30, 2023
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 6,611	\$ -	\$ -	\$ 6,611
Construction in Progress	-	218,485	-	218,485
Total Capital Assets, Not Being Depreciated	<u>6,611</u>	<u>218,485</u>	<u>-</u>	<u>225,096</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	121,649		-	121,649
Furniture, Equipment and Vehicles	715,587	118,035	-	833,622
Infrastructure	1,164,288	-	-	1,164,288
Total Capital Assets, Being Depreciated	<u>2,001,524</u>	<u>118,035</u>	<u>-</u>	<u>2,119,559</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(96,922)	(2,409)	-	(99,331)
Furniture, Equipment and Vehicles	(608,555)	(39,754)	-	(648,309)
Infrastructure	(533,539)	(68,111)	-	(601,650)
Total Accumulated Depreciation	<u>(1,239,016)</u>	<u>(110,274)</u>	<u>-</u>	<u>(1,349,290)</u>
Capital Assets, Being Depreciated, Net	<u>762,508</u>	<u>7,761</u>	<u>-</u>	<u>770,269</u>
Governmental Activities Capital Assets, Net	<u>\$ 769,119</u>	<u>\$ 226,246</u>	<u>\$ -</u>	<u>\$ 995,365</u>

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 2: Detailed Notes on All Activities and Funds (continued)**

**Capital Assets (continued) –**

	Balance September 30, 2022	Additions and Reclasses	Retirements	Balance September 30, 2023
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,279	\$ -	\$ -	\$ 3,279
Water Rights	354,100	-	-	354,100
Total Capital Assets, Not Being Depreciated	<u>357,379</u>	<u>-</u>	<u>-</u>	<u>357,379</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	986,742		-	986,742
Furniture, Equipment, and Vehicles	383,164	-	-	383,164
Infrastructure	996,799	-	-	996,799
Total Capital Assets, Being Depreciated	<u>2,366,705</u>	<u>-</u>	<u>-</u>	<u>2,366,705</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(856,169)	(39,000)	-	(895,169)
Furniture, Equipment, and Vehicles	(324,535)	(10,074)	-	(334,609)
Infrastructure	(722,405)	(52,047)	-	(774,452)
Total Accumulated Depreciation	<u>(1,903,109)</u>	<u>(101,121)</u>	<u>-</u>	<u>(2,004,230)</u>
Capital Assets, Being Depreciated, Net	<u>463,596</u>	<u>(101,121)</u>	<u>-</u>	<u>362,475</u>
Business-Type Activities Capital Assets, Net	<u>\$ 820,975</u>	<u>\$ (101,121)</u>	<u>\$ -</u>	<u>\$ 719,854</u>

Depreciation expense was charged to the functions/programs of the primary government as follows:

General	\$ 68,916
Police	37,140
Fire	4,218
	<u>\$ 110,274</u>

**Business-type activities:**

Water and sewer	<u>\$ 101,121</u>
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**Long-Term Liabilities** – A summary of the City's long-term debt transactions for the year ended September 30, 2023, follows:

<u>Business-Type Activities</u>	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Description					
GTUA Certificate of Obligation	\$ 96,900	\$ -	\$ (11,250)	\$ 85,650	\$ 11,550
USDA Bonds	971,000	-	(17,000)	954,000	18,000
	<u>\$ 1,067,900</u>	<u>\$ -</u>	<u>\$ (28,250)</u>	<u>\$ 1,039,650</u>	<u>\$ 29,550</u>

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 2: Detailed Notes on All Activities and Funds (continued)**

**Long-Term Liabilities (continued)**- Long-Term debt is comprised of the following:

Business-Type Activities:

\$204,100 GTUA Revenue Bond, Series 2010, payable in annual principal installments \$ 85,650  
varying from \$9,700 to \$11,850, with final payment due August 2030. Interest is payable  
semi-annually at rates ranging from 0.75% to 3%.

\$1,119,000 USDA Revenue Bond, Series 2011, payable in annual principal installments 954,000  
of \$14,000 to \$57,000, with final payment due February 2051. Interest is payable semi-  
annually at 4.25%.

Total Business-Type Activities	\$ 1,039,650
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Annual requirements to retire debt obligations are as follows:

Bonds Payable - 2010 Lake Texoma GTUA

Year Ending September 30	Principal	Interest	Total
2024	\$ 11,550	\$ 2,002	\$ 13,552
2025	11,850	1,760	13,610
2026	12,150	1,500	13,650
2027	12,450	1,223	13,673
2028	12,750	929	13,679
2029 - 2030	24,900	766	25,666
Totals	\$ 85,650	\$ 8,180	\$ 93,830

Bonds Payable - USDA Bonds

Year Ending September 30	Principal	Interest	Total
2024	\$ 18,000	\$ 40,205	\$ 58,205
2025	19,000	39,419	58,419
2026	20,000	38,590	58,590
2027	21,000	37,719	58,719
2028	22,000	36,805	58,805
2029 - 2033	122,000	169,150	291,150
2034 - 2038	152,000	140,165	292,165
2039 - 2043	187,000	104,316	291,316
2044 - 2048	230,000	60,137	290,137
2049 - 2051	163,000	10,667	173,667
Totals	\$ 954,000	\$ 677,173	\$ 1,631,173

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 2: Detailed Notes on All Activities and Funds (continued)**

**Interfund Transfers and Balances** – Transfers between funds during the year were as follows:

Transfers to the Water and Sewer Fund from:

General Fund: \$ 47,652

Transfers were used to 1) allocate funds from the General Fund for operating costs; 2) restore fund balance in the Water and Sewer Fund.

Interfund balances at September 30, 2023 consisted of the following receivables and payables:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Water and Sewer	<u>\$ 81,395</u>	To assist with debt service and operations

**Pension Plan**

*Plan Description*

The City of Southmayd participates as one of the 936 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member Governor appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://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 on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the 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 for the City were as follows:

	<u>Plan Year 2022</u>
Employee deposit rate	5%
Matching ratio (City to employee)	1 to 1
Years required for vesting	5 years of service
Service retirement eligibility	Minimum age 60 with 5 years of service Any age with 20 years of service
Updated service credits	0%
Annuity increase (to retirees)	0% of CPI

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 2: Detailed Notes on All Activities and Funds (continued)**

**Pension Plan (continued)**

*Employees Covered by Benefit Terms*

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	8
Active employees	7
<b>TOTAL</b>	<b>16</b>

*Contributions*

The contribution rates for employees in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Southmayd were required to contribute 5% of their annual compensation during the fiscal year. The contribution rates for the City of Southmayd were 3.42% and 3.27% in calendar year 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$12,151 and were equal to the required contributions.

The funded status as of December 31, 2022, the most recent actuarial date, is as follows:

Actuarial Valuation Date	Actuarial Value of Net Position	Actuarial Accrued Liability	Funded Ratio	Unfunded Portion	Covered Payroll	Net Position Liability as a Percent of Covered Payroll
December 31, 2022	\$ 195,516	\$ 229,590	85.16%	\$ 34,074	\$ 361,191	9.43%

*Supplemental Death Benefits Fund*

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; the coverage is an "other postemployment benefit" or OPEB.

The City of Southmayd offers supplemental death benefits to:	Plan Year 2022	Plan Year 2021
Active Employees	Yes	Yes
Retirees	Yes	Yes

**City of Southmayd, Texas**  
Notes to the Financial Statements (continued)  
For the Year Ended September 30, 2023

**Note 2: Detailed Notes on All Activities and Funds (continued)**

**Pension Plan (continued)**

*Supplemental Death Benefits Fund (continued)*

The funded status as of December 31, 2022, the most recent actuarial date, is as follows:

Actuarial Valuation Date	Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Net Position Liability as a Percent of Covered Payroll
December 31, 2021	\$ <u>9,139</u>	<u>2.53%</u>	\$ <u>361,191</u>	<u>2.53%</u>

**City of Southmayd, Texas**  
 Budgetary Comparison Schedule – General Fund  
 Modified Cash Basis  
 Year Ended September 30, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 438,451	\$ 433,413	\$ (5,038)
Franchise	30,000	43,819	13,819
General Sales and Use	225,600	634,767	409,167
Municipal Court	172,200	175,670	3,470
Licenses and Permits	51,000	38,177	(12,823)
Intergovernmental	10,668	11,859	1,191
Contributions and Donations	9,150	4,382	(4,768)
Other Revenue	162,760	2,278	(160,482)
Investment Income	480	6,379	5,899
Total Revenues	<u>1,100,309</u>	<u>1,350,744</u>	<u>250,435</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	514,486	530,418	(15,932)
Municipal Court	2,400	947	1,453
General Government	203,499	512,785	(309,286) *
Buildings and Code Enforcement	24,467	10,746	13,721
Capital Outlays	335,768	336,520	(752)
Debt Service:			
Principal	-	2,128	(2,128)
Interest	-	2,841	(2,841)
Total Expenditures	<u>1,080,620</u>	<u>1,396,385</u>	<u>(315,765)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,689</u>	<u>(45,641)</u>	<u>(65,330)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	-	100,000	100,000
Transfers (to) from Other Funds	(3,200)	(47,652)	(44,452)
Total Other Financing Sources (Uses)	<u>(3,200)</u>	<u>52,348</u>	<u>55,548</u>
Net Change in Fund Balance	<u>\$ 16,489</u>	<u>\$ 6,707</u>	<u>\$ (9,782)</u>

\* Expenditures exceed appropriations at the legal level of control.