

Town of Pantego, Texas

Annual Comprehensive Financial Report

For Fiscal Year Ended
September 30, 2024

Prepared by:

Sean Smith, CPA
Director of Finance

TOWN OF PANTEGO, TEXAS

YEAR ENDED SEPTEMBER 30, 2024

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INTRODUCTORY SECTION

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**1614 S. Bowen Rd.
Pantego, Texas 76013
(817) 617-3700
Fax (817) 617-3726**

June 2, 2025

TO: Honorable Mayor and Town Council Members and
Citizens of the Town of Pantego, Texas:

The Annual Comprehensive Financial Report of the Town of Pantego for fiscal year ended September 30, 2024, is hereby submitted. State law and Town Financial Management Policies require that the Finance Department prepare a complete set of financial statements that are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by licensed independent certified public accountants. This report is published to satisfy that requirement and to provide the Town Council, staff, our citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the Town government.

Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

State Law requires the Town's basic financial statements to be audited by independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are presented fairly, in all material respects, for the fiscal year ended September 30, 2024. This independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Pattillo, Brown & Hill, LLP, Certified Public Accountants, performed the required audit and have issued an unmodified ("clean") opinion on the Town of Pantego's financial statements for the year ended September 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

THE REPORTING ENTITY

Pantego was incorporated in 1952 as a village but changed to a Type A General Law city in 1967. Pantego is located in Tarrant County and is entirely surrounded by the cities of Arlington and Dalworthington Gardens. It is located in the middle of the Dallas-Fort Worth Metroplex, a metropolitan area spanning several counties. General Law cities are smaller cities, most of which are less than 5,000 in population. All General Law cities operate according to specific state statutes prescribing their powers and duties. General Law cities are limited to doing what the state authorizes or permits them to do. If state law does not grant General Law cities the express or implied power to initiate a particular action, none may be taken.

The governing body of a municipality operating as a Type A General Law municipality is known as the "City Council" and if the city has not been divided into wards, the governing body always consists of a Mayor and five Council members. Under this form of government, the Mayor and five Council members are elected at large for staggered two-year terms on the first Saturday in May. All members serve without compensation. The Mayor and City Council appoint the City Manager, City Secretary, Town Attorney, and all who serve on the Town's Boards and Commissions. The City Manager in turn appoints the heads of various departments.

In 1980, the Town adopted a Council-Manager form of government. The basic structure of the Council-Manager plan is similar to that of a private corporation, in which the stockholders elect a board of directors which then hires a president to run the company. Under the Council-Manager plan, the voters elect a City Council which, in turn, hires a City Manager to administer the Town's day-to-day affairs. The Town Council serves as the legislative body, sets policy, approves an annual operating budget, sets the tax rate, and determines the size of the payroll and the extent and cost of municipal services. In short, the Council is the final authority on all the many policy decisions that determine the scope and functions of the Town government.

The Town provides a full range of services. These include public safety (police, fire, and emergency medical services), municipal court, public works, community development and general administrative services. In addition, the Town owns and operates a water and sewer distribution system.

The basic financial statements of the Town include all governmental activities, organizations, and functions for which the Town is financially accountable. The criteria considered in determining governmental activities to be reported within the Town's basic financial statements are based upon and consistent with those set forth in the Codification of Governmental Accounting and Financial Reporting Standards. Component units are legally separate organizations that a primary government must include as a part of its financial reporting entity. The government-wide financial statements include not only the Town itself (known as the primary government), but also include the Pantego Economic Development

Corporation (PEDC) as a discretely presented component unit. The discretely presented component unit is presented in a separate column in the government-wide financial statements.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the Town's accounting system, consideration is given to the accuracy of internal control over financial reporting. These 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 and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from the control. The evaluation of costs and benefits requires estimates and judgments by management. We believe the Town's current system of internal control over financial reporting adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

In addition to the system of internal controls, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance of legal provisions embodied in the annual appropriated budget adopted by the Town Council. Budgetary controls are exercised at the departmental level. If necessary, the original adopted budget is modified to incorporate into a proposed mid-year budget, which is then used as the working budget for the remainder of the fiscal year.

LOCAL ECONOMY

The Town of Pantego's location between Dallas and Fort Worth is ideal for business and residents. The North Texas region possesses diverse research and educational institutions, logistics, oil and gas, manufacturing and industrial, and a professional service. This base has traditionally contributed to a relative stability of the unemployment rate. The Town currently enjoys a stable economic environment, and local indicators point to continued stability despite National economic uncertainty. Overall, the North Texas region has fared better than the nation as a whole. Relative low taxes, housing and energy costs make the area attractive to business, with the additional enticement that Texas has no state personal income tax.

As it is widely recognized, revenue sources for municipalities are primarily derived from Ad-Valorem (Property), sales and use taxes. Combined, property and sales tax funded approximately 69.7% of the General Fund maintenance and operation expenditures for Fiscal Year 2024. Sales tax revenue is the largest source of income for the Town of Pantego. The Town of Pantego and the PEDC are committed to the support and growth of the local economy. Rich with an eclectic mix of small businesses and national retailers, the Town and PEDC seek new investments and redevelopment that build on the abundant strengths already present in the community. To assist in this effort, PEDC continues the use of several valuable business assistance tools, such as economic incentives and small business grants.

In July 2014, both PEDC and the Town Council unanimously voted to officially join the Arlington Chamber of Commerce. The investment in becoming part of the Chamber's President Advisory Council

continues to provide significant new resources to Pantego's businesses. The Chamber has expanded its marketing and communications tools to further elevate the Pantego business community and deliver unique services for businesses to access new customers, capital, and continuing education. These resources continue to enhance the Town's proactive visionary attitude toward business development, retention and quality of life and its mission on building an economically sustainable community.

BUDGETING PROCESS

State Law requires that an operating budget be adopted prior to the first day of the fiscal year beginning October 1st. The Town's budget process is a four-month cycle, which begins in early June and ends in late September. Departments submit budget proposals in June and during the months of June and July the City Manager and the Finance Director develop the recommended budget based on the directives received from the Council.

The Town of Pantego uses a program-based budgeting process. Each budgeting unit/department is given a target "baseline" funding level based upon the previous year's funding level. With a few exceptions, no capital assets, wages and benefits, or one-time packages are included in the baseline funding. Any funding request that represents new expenditures and programs, or that is in excess of baseline funding, must be submitted as a separate request or "package." These packages may be either a new or restoration request of resources, depending upon the budgeting unit's funding target.

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance Director. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information. Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

Prior to August, the City Manager submits to the Council a proposed budget of expenditures and the means to finance them for the next year. The Council holds workshop meetings and public hearings on the proposed budget to receive citizen feedback and make final determinations about the eventual adopted budget. Prior to September 30th, the budget is legally enacted through the favorable passage of an appropriation ordinance. The budget may be amended during the year only after complying with the notice procedure called for adopting of the budget.

The City Manager is authorized to make line-item and departmental budget adjustments during the year in order to avoid over-expenditure of particular line items. Adjustments require no further Council action if the total appropriation for each fund as set forth in the adopted budget is not exceeded. Expenditures in excess of the adopted appropriations for each fund require budget amendments in accordance with Town

Policy. Budget maintenance is a year-round activity of divisions/departments and the Finance Director. Spending control mechanisms during the year include monthly review of expenditures and financial reports to the Town Council. Finally, program goals, objectives and measures are evaluated during the budget implementation to determine effectiveness of program activities and levels of appropriate funding for subsequent years. The legally adopted budgets for the General Fund, Court House Security Special Revenue Fund, Court Technology Special Revenue Fund, Shamburger Special Revenue Fund, and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Pantego for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This award recognizes conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year only. This was the tenth year for which the Town of Pantego received this prestigious award. We believe our current Annual Comprehensive Financial Report conforms to the Certificate of Achievement Program requirements and consequently we will be submitting to the GFOA to determine its eligibility.

The preparation of this report could not be accomplished on a timely basis without the efficient and dedicated endeavors of the entire Town staff. We would like to express our sincere appreciation to all employees who contributed to the preparation. We would also like to thank the Mayor and Town Council for their support in planning and conducting the financial operations of the Town in a responsible manner.

Respectfully submitted,



Joe Ashton
City Manager



Sean Smith
Finance Director

TOWN OF PANTEGO, TEXAS

ELECTED OFFICIALS

Town Council

Russell Brewster, Mayor
Tori Roemmich, Place 1
Tyler Loe, Place 2
Mike Duncan, Place 3
Gregg Kidd, Place 4
Jeff Brown, Place 5 Mayor Pro-Tem

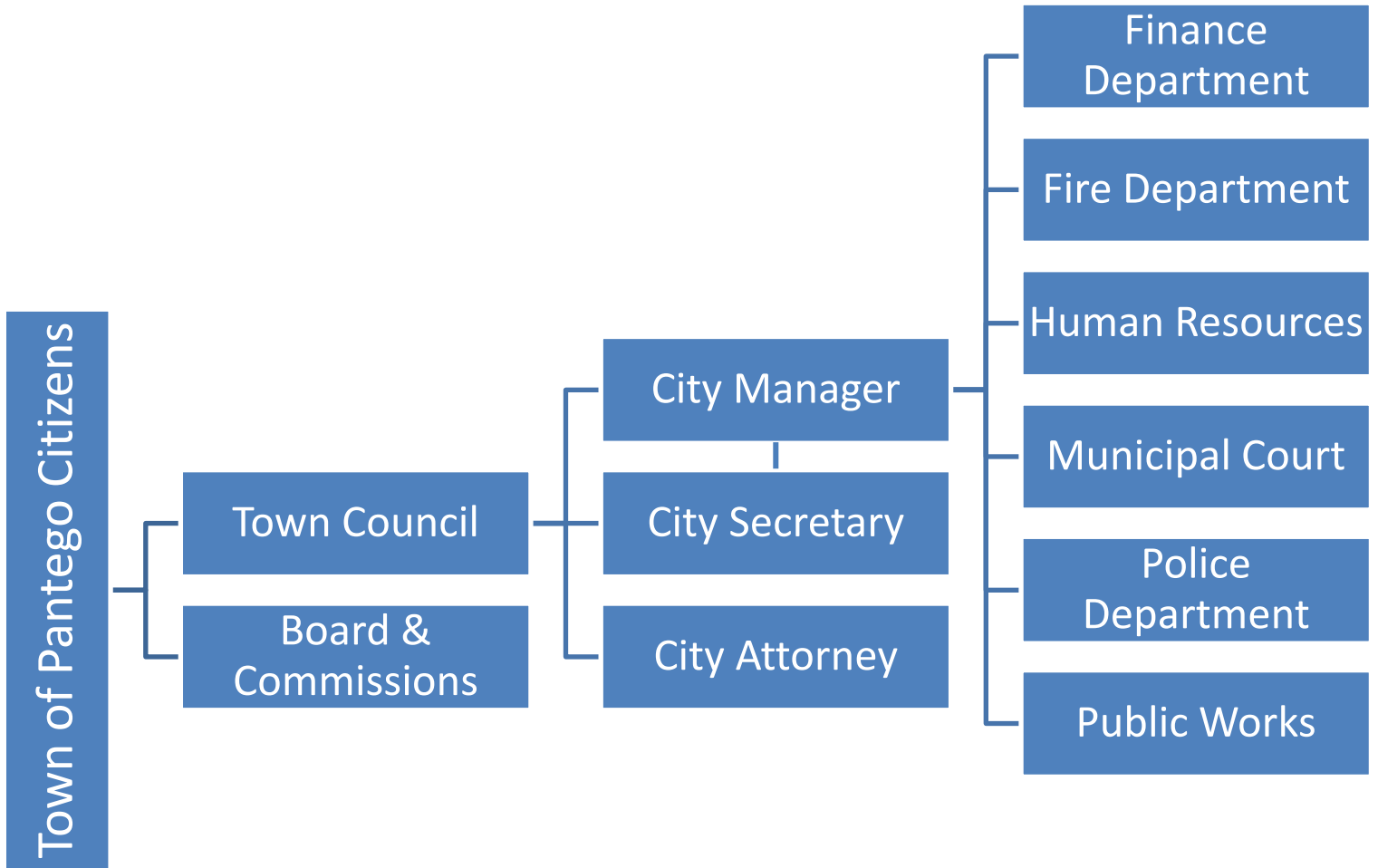
APPOINTED OFFICIALS

Joe Ashton, City Manager
Leslie Galloway, City Secretary
Carvan Adkins, Town Attorney

KEY STAFF

Sean Smith, Finance Director
Dale Alexander, Public Works Director
Christie Barris, Human Resources
Robert Rife, Police Chief
Randy Fulton, Fire Chief
Cat Hughes, Municipal Court Administrator







Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Pantego
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of Town Council
Town of Pantego, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2024 the Town of Pantego, Texas implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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 Town of Pantego, Texas' 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Town of Pantego, Texas' 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 Town of Pantego, Texas' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pantego, Texas' basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section 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 June 2, 2025 on our consideration of the Town of Pantego, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Town of Pantego, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 2, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the Town of Pantego, Texas (the "Town") for the year ended September 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the Town's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflow of resources of the Town of Pantego exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$11,264,947 (net position) compared to \$11,406,942 for the prior year. (\$2,997,256) is classified unrestricted net position, which may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$141,995. The Town's governmental activities net position decreased by \$2,770,440 and the business-type activities net position increased by \$2,628,445.
- As of the close of the current fiscal year, the Town of Pantego's governmental funds reported combined ending fund balances of \$13,617,321 which is a decrease of \$2,826,967 from the prior year.
- As of the close of the current fiscal year, unassigned fund balance for the general fund was \$869,169 which is 59 days or 16.1% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide statements report information for the Town as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the Town as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the Town's financial statements, report information on the Town's activities that enable the reader to understand the financial condition of the Town. These statements are prepared using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the Town's assets, liabilities, and deferred outflows/inflows of resources, 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 Town is improving or deteriorating. Other nonfinancial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the Town's financials into two classes of activities:

1. **Governmental Activities** – Most of the Town's basic services are reported here including general government, public safety, public works, and community development. Sales tax, property tax, franchise tax, fines and forfeitures, and intergovernmental revenue finance most of these activities.
2. **Business-Type Activities** – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer system are reported here.

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate Economic Development Corporation for which the Town is financially accountable. The Pantego Economic Development Corporation (the "PEDC") accounts for the local sales tax used to stimulate the local economy, development, and redevelopment. Financial information for this component unit is reported separately from the financial information presented for the primary government. Additional information on the component unit can be found in the notes to the basic financial statements.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the Town. They are usually segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of Town funds are governmental and proprietary.

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, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing 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 Town's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 2023 Capital Projects Fund, the Equipment Replacement fund, and the Debt Service fund, which are considered to be major funds for reporting purposes.

The Town adopts an annual appropriated budget for its General Fund, the Debt Service fund, and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds. The Town maintains one type of proprietary fund, enterprise funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its utility (water and sewer) system. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and the schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the Town's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows by \$11,264,947 as of year-end. The largest portion of the Town's net position (120.4%) reflects its investments in capital assets (e.g., land, buildings, improvements, construction in progress, and infrastructure) less any debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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 assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 15,058,007	\$ 17,950,115	\$ 592,354	\$ 1,109,408	\$ 15,650,361	\$ 19,059,523
Capital assets	5,620,490	5,341,446	8,872,670	5,816,924	14,493,160	11,158,370
Total assets	20,678,497	23,291,561	9,465,024	6,926,332	30,143,521	30,217,893
Deferred outflows of resources	811,670	2,271,232	86,593	275,364	898,263	2,546,596
Long-term liabilities	18,268,257	18,672,308	218,750	316,333	18,487,007	18,988,641
Other liabilities	1,081,058	1,218,046	119,911	207,118	1,200,969	1,425,164
Total liabilities	19,349,315	19,890,354	338,661	523,451	19,687,976	20,413,805
Deferred inflows of resources	80,294	841,441	8,567	102,301	88,861	943,742
Net position:						
Net investment in capital assets	4,693,441	2,640,510	8,872,670	5,816,924	13,566,111	8,457,434
Restricted	224,011	2,165,030	472,081	-	696,092	2,165,030
Unrestricted	(2,856,894)	25,458	(140,362)	759,020	(2,997,256)	784,478
Total net position	\$ 2,060,558	\$ 4,830,998	\$ 9,204,389	\$ 6,575,944	\$ 11,264,947	\$ 11,406,942

A portion of the primary government's net position, \$696,092, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$2,997,256) or -26.6% may be used to meet the government's ongoing obligation to citizens and creditors.

Total assets are \$30,143,521, a decrease of \$74,372 compared to prior year. Total assets increased compared to the prior year primarily due to increases in property and sales taxes as well as investment earnings and capital asset acquisitions. Total liabilities are \$19,687,976, a decrease of \$725,829 compared to prior year. The decrease is mainly due to the bond payments made during the fiscal year. Total deferred outflows of resources are \$898,263, a decrease of \$1,648,333 compared to the prior year. Total deferred inflows of resources are \$88,861, a decrease of \$854,881 compared to the prior year. The changes in deferred outflows and inflows of resources are due to the net differences between projected and actual investment earnings on pension plan assets.

Statement of Activities

The following table provides a summary of the Town's changes in net position:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,055,716	\$ 812,645	\$ 1,121,896	\$ 1,276,455	\$ 2,177,612	\$ 2,089,100
Operating grants and contributions	4,161	26,720	-	-	4,161	26,720
Capital grants and contributions	-	-	413,297	-	413,297	-
General revenues:						
Property tax	2,499,166	1,857,039	-	-	2,499,166	1,857,039
Sales tax	2,314,948	2,381,234	-	-	2,314,948	2,381,234
Franchise tax	285,762	318,043	-	-	285,762	318,043
Investment earnings	871,090	356,227	30,715	37,024	901,805	393,251
Gain (loss) on sale of assets	-	(71,645)	-	-	-	(71,645)
Miscellaneous	105,247	120,131	-	346	105,247	120,477
Total revenues	<u>7,136,090</u>	<u>5,800,394</u>	<u>1,565,908</u>	<u>1,313,825</u>	<u>8,701,998</u>	<u>7,114,219</u>
Expenses:						
General government	1,133,299	1,158,892	-	-	1,133,299	1,158,892
Public safety						
Police	2,124,929	1,965,746	-	-	2,124,929	1,965,746
Fire	1,896,231	2,041,918	-	-	1,896,231	2,041,918
Public works	1,373,166	898,275	-	-	1,373,166	898,275
Community development	39,891	32,448	-	-	39,891	32,448
Interest on long-term debt	687,723	408,133	-	-	687,723	408,133
Water and Sewer	-	-	1,588,754	1,512,954	1,588,754	1,512,954
Total expenses	<u>7,255,239</u>	<u>6,505,412</u>	<u>1,588,754</u>	<u>1,512,954</u>	<u>8,843,993</u>	<u>8,018,366</u>
Transfers	<u>(2,651,291)</u>	<u>(568,545)</u>	<u>2,651,291</u>	<u>568,545</u>	<u>-</u>	<u>-</u>
Change in net position	(2,770,440)	(1,273,563)	2,628,445	369,416	(141,995)	(904,147)
Net position, beginning	<u>4,830,998</u>	<u>6,104,561</u>	<u>6,575,944</u>	<u>6,206,528</u>	<u>11,406,942</u>	<u>12,311,089</u>
Net position, ending	<u>\$ 2,060,558</u>	<u>\$ 4,830,998</u>	<u>\$ 9,204,389</u>	<u>\$ 6,575,944</u>	<u>\$ 11,264,947</u>	<u>\$ 11,406,942</u>

For the year, revenues from governmental activities totaled \$7,136,090, an increase of 23.0% compared to the prior year. This increase is largely due to an increase in property tax revenues from an increase in the assessed values of properties within the Town and an increase in the tax rate, along with an increase in charges for services due to higher sewer rates implemented during the fiscal year. Expenses from governmental activities totaled \$7,255,239, an increase of 11.5% compared to the prior year. This increase was mainly due to an increase in payroll cost from increases in wages and an increase in depreciation expense due to more capital assets being depreciated.

Revenues from business-type activities totaled \$1,565,908, an increase of 19.2% compared to the prior year. This increase was largely related to an increase in capital grants and contributions related to capital assets contributed from the governmental capital projects fund. Expenses from business-type activities totaled \$1,588,754, an increase of 5.0% compared to the prior year. The increase in expenses was largely a result of the increase in noncapital repair and maintenance projects.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The General Fund ended the year with total fund balance of \$942,434 which was a slight decrease of \$158,863, this decrease was primarily due to a reduced of collection of fines and fees revenue as compared to the prior year.

The 2023 Capital Projects Fund ended the year with total fund balance of \$10,487,264, a decrease of \$2,359,449. The decrease was caused by an increase in capital outlay expenditures.

The Equipment Replacement Fund has a total ending fund balance of \$883,063, an decrease of \$310,175. The decrease is attributable to an increase in capital outlay expenditures.

The Debt Service Fund has a total ending fund balance of \$16,708, an increase of \$11,577. The increase is attributable to an increase in property tax revenue.

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

Unrestricted Net Position of the Utility Fund at the end of the year amounted to (\$140,362). Net Position increased by a net amount of \$2,628,445. The increase was caused by growth in water sales that exceeded increases in expenses.

General Fund Budgetary Highlights - Actual revenues collected fell short of management's original estimate of the General Fund's revenues by \$431,518, mostly caused by fewer than expected fines and fees revenues. Revenue budget amendments during the year included an increase to fire inspection fee revenue, fire department donations and miscellaneous revenues. Expenditures were less than appropriations by \$185,480 due to reduced personnel and benefits costs due to staff turnovers during the year. Significant budget amendments included increases to public safety vehicle maintenance, increases to general government, public safety, and public works fuel costs, and increases to capital outlay.

CAPITAL ASSETS

The following are the Town's investment in capital assets for its governmental and business-type activities as of September 30, 2024:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 211,263	\$ 211,263	\$ 384,461	\$ 384,461	\$ 595,724	\$ 595,724
Construction in progress	98,989	22,174	3,609,616	397,690	3,708,605	419,864
Buildings	2,229,529	2,212,415	-	-	2,229,529	2,212,415
Improvements other than buildings	2,422,207	2,434,428	8,487,200	8,306,911	10,909,407	10,741,339
Machinery and equipment	3,099,738	2,664,523	-	-	3,099,738	2,664,523
Infrastructure	11,157,963	11,157,963	-	-	11,157,963	11,157,963
Right-to-use assets	714,418	398,718	-	-	714,418	398,718
Accumulated depreciation	(14,313,617)	(13,760,038)	(3,608,607)	(3,272,138)	(17,922,224)	(17,032,176)
Total	\$ 5,620,490	\$ 5,341,446	\$ 8,872,670	\$ 5,816,924	\$ 14,493,160	\$ 11,158,370

Additional information on the Town of Pantego capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the Town had long-term debt obligations as follows. This debt is secured by a combination of property taxes and a pledge of water and sewer revenues.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Certificates of obligation	\$ 14,395,000	\$ 14,785,000	\$ -	\$ -	\$ 14,395,000	\$ 14,785,000
Premiums	719,596	941,027	-	-	719,596	941,027
Discounts	-	(183,086)	-	-	-	(183,086)
Leases	489,405	314,567	-	-	489,405	314,567
Financed purchase	437,644	-	-	-	437,644	-
Compensated absences	176,172	212,939	-	-	176,172	212,939
Total	\$ 16,217,817	\$ 16,070,447	\$ -	\$ -	\$ 16,217,817	\$ 16,070,447

Additional information on the Town of Pantego long term-debt can be found in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the nationwide economic forecast continues to be uncertain, the Town for the most part remains in a stable position. However, there have been some modest headwinds. For example, the Town experienced a decrease in sales tax revenue of (2.8%) compared to the prior fiscal year. This was the first year-over-year decrease since fiscal 2019-2020. Other areas were mixed in their results. As has been standard practice, the Town remained conservative in comprising its budget for the coming fiscal year. The Town's efforts towards economic development, attracting new retail businesses and redeveloping existing properties continue to be a major focus now and will for years to come.

The Town's property tax rate for fiscal year 2024-2025 was unchanged and remains at the \$0.57 per \$100 taxable value that was levied in fiscal year 2023-2024. In fiscal year 2025, general fund revenues are budgeted to decrease slightly by (0.65%) compared to fiscal year 2024 budgeted revenues. Due to continuing cost pressures, general fund expenditures for fiscal year 2025 are budgeted to increase slightly by 1.8% versus fiscal year 2024 budgeted expenditures.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information may be obtained by contacting the Town of Pantego, Attn: Finance Department, 1614 South Bowen Rd, Pantego, Texas 76013. This information can also be accessed on the Town of Pantego's website at www.townofpantego.com.

BASIC FINANCIAL STATEMENTS

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TOWN OF PANTEGO, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government			Discretely Presented Component Unit Pantego Economic Development Corporation
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 14,104,451	\$ 159,124	\$ 14,263,575	\$ 1,416,984
Receivables, net	880,291	274,384	1,154,675	129,270
Inventory	4,515	38,935	43,450	8,912
Prepays	68,750	-	68,750	-
Restricted assets:				
Cash and cash equivalents	-	119,911	119,911	-
Capital assets:				
Nondepreciable	310,252	3,994,077	4,304,329	147,846
Depreciable, net	5,310,238	4,878,593	10,188,831	1,209,840
Total assets	<u>20,678,497</u>	<u>9,465,024</u>	<u>30,143,521</u>	<u>2,912,852</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	787,526	84,017	871,543	-
OPEB related	24,144	2,576	26,720	-
Total deferred outflows of resources	<u>811,670</u>	<u>86,593</u>	<u>898,263</u>	<u>-</u>
LIABILITIES				
Accounts payable	512,270	-	512,270	23,096
Accrued liabilities	332,115	-	332,115	-
Customer deposits	-	119,911	119,911	-
Due to other governments	148,062	-	148,062	-
Accrued interest	88,611	-	88,611	14,797
Noncurrent liabilities:				
Due within one year				
Long-term liabilities	754,450	-	754,450	40,000
Total OPEB liability	2,755	294	3,049	-
Due in more than one year				
Long-term liabilities	15,463,367	-	15,463,367	1,245,000
Net pension liability	1,891,915	201,838	2,093,753	-
Total OPEB liability	155,770	16,618	172,388	-
Total Liabilities	<u>19,349,315</u>	<u>338,661</u>	<u>19,687,976</u>	<u>1,322,893</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related	38,166	4,072	42,238	-
OPEB related	42,128	4,495	46,623	-
Total deferred inflows of resources	<u>80,294</u>	<u>8,567</u>	<u>88,861</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	4,693,441	8,872,670	8,961,940	72,686
Restricted for:				
Municipal court	147,718	-	147,718	-
Animal control services	76,293	-	76,293	-
Infrastructure improvements	-	472,081	472,081	-
Unrestricted	(2,856,894)	(140,362)	1,606,915	1,517,273
Total net position	<u>\$ 2,060,558</u>	<u>\$ 9,204,389</u>	<u>\$ 11,264,947</u>	<u>\$ 1,589,959</u>

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

TOWN OF PANTEGO, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 1,133,299	\$ 515,607	\$ 788
Public safety			
Police	2,124,929	335,801	3,373
Fire	1,896,231	114,406	-
Public works	1,373,166	-	-
Community development	39,891	89,902	-
Interest	687,723	-	-
Total governmental activities	<u>7,255,239</u>	<u>1,055,716</u>	<u>4,161</u>
Business-type activities:			
Water and sewer	<u>1,588,754</u>	<u>1,121,896</u>	<u>-</u>
Total business-type activities	<u>1,588,754</u>	<u>1,121,896</u>	<u>-</u>
Total primary government	<u>\$ 8,843,993</u>	<u>\$ 2,177,612</u>	<u>\$ 4,161</u>
Component unit:			
Pantego Economic Development Corporation	\$ 742,199	\$ -	\$ -
Total component unit	<u>\$ 742,199</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:			
Property taxes			
Sales taxes			
Franchise tax			
Investment earnings			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position - beginning			
Net position - ending			

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

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Unit
Capital Grants and Contributions	Primary Government			Pantego Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (616,904)	\$ -	\$ (616,904)	\$ -
-	(1,785,755)	-	(1,785,755)	-
-	(1,781,825)	-	(1,781,825)	-
-	(1,373,166)	-	(1,373,166)	-
-	50,011	-	50,011	-
-	(687,723)	-	(687,723)	-
-	(6,195,362)	-	(6,195,362)	-
413,297	-	(53,561)	(53,561)	-
413,297	-	(53,561)	(53,561)	-
\$ 413,297	(6,195,362)	(53,561)	(6,248,923)	-
\$ -				(742,199)
\$ -				(742,199)
	2,499,166	-	2,499,166	-
	2,314,948	-	2,314,948	766,854
	285,762	-	285,762	-
	871,090	30,715	901,805	94,372
	105,247	-	105,247	8,558
	(2,651,291)	2,651,291	-	-
	3,424,922	2,682,006	6,106,928	869,784
	(2,770,440)	2,628,445	(141,995)	127,585
	4,830,998	6,575,944	11,406,942	1,462,374
	\$ 2,060,558	\$ 9,204,389	\$ 11,264,947	\$ 1,589,959

TOWN OF PANTEGO, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General Fund	2023 Capital Projects	Equipment Replacement
ASSETS			
Cash and cash equivalents	\$ 967,702	\$ 11,011,714	\$ 883,063
Receivables, net:			
Property taxes	38,965	-	-
Sales taxes	319,792	-	-
Franchise taxes	160,362	-	-
Fines	229,236	-	-
Accounts	61,373	-	-
Inventory	4,515	-	-
Prepaid items	68,750	-	-
Total assets	<u>1,850,695</u>	<u>11,011,714</u>	<u>883,063</u>
LIABILITIES			
Accounts payable	130,150	380,241	-
Accrued liabilities	187,906	144,209	-
Due to other governments	148,062	-	-
Total liabilities	<u>466,118</u>	<u>524,450</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue:			
Property taxes	34,030	-	-
Fines	229,236	-	-
Franchise tax	146,852	-	-
Ambulance	32,025	-	-
Total inflows of resources	<u>442,143</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventory	4,515	-	-
Prepaid items	68,750	-	-
Restricted:			
Debt service	-	-	-
Municipal court	-	-	-
Animal control services	-	-	-
Capital projects	-	10,487,264	-
Committed:			
Capital improvements	-	-	883,063
Street improvements	-	-	-
Unassigned	869,169	-	-
Total fund balances	<u>942,434</u>	<u>10,487,264</u>	<u>883,063</u>
 Total liabilities, deferred inflows and fund balances	 <u>\$ 1,850,695</u>	 <u>\$ 11,011,714</u>	 <u>\$ 883,063</u>

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

Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 16,199	\$ 1,225,773	\$ 14,104,451
6,605	-	45,570
-	63,958	383,750
-	-	160,362
-	-	229,236
-	-	61,373
-	-	4,515
-	-	68,750
<u>22,804</u>	<u>1,289,731</u>	<u>15,058,007</u>
-	1,879	512,270
-	-	332,115
-	-	148,062
<u>-</u>	<u>1,879</u>	<u>992,447</u>
6,096	-	40,126
-	-	229,236
-	-	146,852
-	-	32,025
<u>6,096</u>	<u>-</u>	<u>448,239</u>
-	-	4,515
-	-	68,750
16,708	-	16,708
-	147,718	147,718
-	76,293	76,293
-	23,161	10,510,425
-	54,609	937,672
-	986,071	986,071
-	-	869,169
<u>16,708</u>	<u>1,287,852</u>	<u>13,617,321</u>
<u>\$ 22,804</u>	<u>\$ 1,289,731</u>	<u>\$ 15,058,007</u>

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TOWN OF PANTEGO, TEXAS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION**

SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	\$ 13,617,321
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets	19,934,107
Accumulated depreciation	(14,313,617)
Long-term liabilities, including bonds payable, that are not due and payable in the current period, and, therefore are not reported as liabilities in the funds.	
Leases	(489,405)
Financed purchase	(437,644)
Certificates of obligation	(14,395,000)
Interest payable on long-term debt	(88,611)
Compensated absences	(176,172)
Net pension liability	(1,891,915)
Total OPEB liability	(158,525)
Unavailable revenue is not available to pay for current period expenditures and therefore, are deferred in the governmental funds.	
Property taxes	40,126
Fines	229,236
Franchise tax	146,852
Ambulance	32,025
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on bonds	(719,596)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	787,526
Deferred outflows - OPEB related	24,144
Deferred inflows - pension related	(38,166)
Deferred inflows - OPEB related	(42,128)
Net Position of Governmental Activities	<u>\$ 2,060,558</u>

TOWN OF PANTEGO, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>2023 Capital Projects</u>	<u>Equipment Replacement</u>
REVENUES			
Property taxes	\$ 1,834,028	\$ -	\$ -
Sales taxes	1,931,521	-	-
Franchise tax	294,287	-	-
Fines and forfeitures	421,757	-	-
Licenses and permits	115,159	-	-
Charges for services	126,682	-	-
Intergovernmental	376,415	-	-
Investment earnings	55,508	678,784	55,662
Miscellaneous	2,635	-	-
Total revenues	<u>5,157,992</u>	<u>678,784</u>	<u>55,662</u>
EXPENDITURES			
Current:			
General government	1,029,093	-	-
Public safety:			
Police	1,928,244	-	30,116
Fire	1,742,278	-	-
Public works	623,635	-	-
Community development	37,533	-	-
Capital outlay	45,103	3,038,233	929,709
Debt service:			
Principal	-	-	210,265
Interest and fiscal charges	-	-	54,249
Total expenditures	<u>5,405,886</u>	<u>3,038,233</u>	<u>1,224,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(247,894)</u>	<u>(2,359,449)</u>	<u>(1,168,677)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Issuance of leases	-	-	315,700
Issuance of financed purchase	-	-	507,047
Insurance recoveries	89,031	-	-
Sale of capital assets	-	-	35,755
Total other financing sources (uses)	<u>89,031</u>	<u>-</u>	<u>858,502</u>
CHANGE IN FUND BALANCE	<u>(158,863)</u>	<u>(2,359,449)</u>	<u>(310,175)</u>
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	1,101,297	12,846,713	-
ADJUSTMENTS - CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	<u>-</u>	<u>-</u>	<u>1,193,238</u>
FUND BALANCE - BEGINNING, AS RESTATED	<u>1,101,297</u>	<u>12,846,713</u>	<u>1,193,238</u>
FUND BALANCE - ENDING	<u>\$ 942,434</u>	<u>\$ 10,487,264</u>	<u>\$ 883,063</u>

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

Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 665,138	\$ -	\$ 2,499,166
-	383,427	2,314,948
-	-	294,287
-	20,895	442,652
-	-	115,159
-	-	126,682
-	-	376,415
15,661	65,475	871,090
-	-	2,635
<u>680,799</u>	<u>469,797</u>	<u>7,043,034</u>
-	46,533	1,075,626
-	-	1,958,360
-	-	1,742,278
-	282,685	906,320
-	2,358	39,891
-	148,278	4,161,323
390,000	-	600,265
<u>746,882</u>	<u>-</u>	<u>801,131</u>
<u>1,136,882</u>	<u>479,854</u>	<u>11,285,194</u>
<u>(456,083)</u>	<u>(10,057)</u>	<u>(4,242,160)</u>
467,660	-	467,660
-	-	315,700
-	-	507,047
-	-	89,031
-	-	35,755
<u>467,660</u>	<u>-</u>	<u>1,415,193</u>
<u>11,577</u>	<u>(10,057)</u>	<u>(2,826,967)</u>
-	2,496,278	16,444,288
<u>5,131</u>	<u>(1,198,369)</u>	<u>-</u>
<u>5,131</u>	<u>1,297,909</u>	<u>16,444,288</u>
<u>\$ 16,708</u>	<u>\$ 1,287,852</u>	<u>\$ 13,617,321</u>

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TOWN OF PANTEGO, TEXAS

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total net change in Fund Balances - Governmental Funds \$ (2,826,967)

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

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the current year capital outlays is to increase net position. 1,088,354

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) can both increase and decrease net position. (22,174)

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (787,136)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position.

Issuance of lease (315,700)
Issuance of financed purchase (507,047)
Principal paid on long-term debt 638,610

Revenues and expenditures in the statement of activities that do not provide or use current financial resources are not reported as revenues and expenses in the governmental funds.

Fines 5,357
Franchise tax (8,525)
Ambulance (6,388)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Interest on long-term debt 81,402
Amortization of deferred loss on refunding and premium (6,339)
Compensated absences 36,767
Pension expense (126,489)
OPEB expense (14,165)

Total change in net position of Governmental Activities \$ (2,770,440)

TOWN OF PANTEGO, TEXAS**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2024

	Business-Type Activities <u>Water and Sewer Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 159,124
Accounts receivable, net	274,384
Inventory	38,935
Restricted assets:	
Cash and cash equivalents	119,911
Total current assets	<u>592,354</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	3,994,077
Depreciable, net	4,878,593
Total noncurrent assets	<u>8,872,670</u>
Total assets	<u>9,465,024</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	84,017
OPEB related	2,576
Total deferred outflows of resources	<u>86,593</u>
LIABILITIES	
Current liabilities (payable from restricted assets):	
Customer deposits	119,911
OPEB liability	294
Total current liabilities	<u>120,205</u>
Noncurrent liabilities:	
Net pension liability	201,838
OPEB liability	16,618
Total noncurrent liabilities	<u>218,456</u>
Total liabilities	<u>338,661</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,072
OPEB related	4,495
Total deferred inflows of resources	<u>8,567</u>
NET POSITION	
Net investment in capital assets	8,872,670
Restricted for infrastructure improvements	472,081
Unrestricted	<u>(140,362)</u>
Total net position	<u>\$ 9,204,389</u>

TOWN OF PANTEGO, TEXAS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities <u>Water and Sewer Fund</u>
OPERATING REVENUES	
Charges for services:	
Water sales	\$ 506,705
Sewer charges	592,977
Miscellaneous	<u>22,214</u>
Total revenues	<u>1,121,896</u>
OPERATING EXPENSES	
Personnel services	488,989
Contractual services	710,177
Materials and supplies	53,119
Depreciation	<u>336,469</u>
Total expenses	<u>1,588,754</u>
Operating income (loss)	<u>(466,858)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings	<u>30,715</u>
Total non-operating revenues (expenses)	<u>30,715</u>
Income (loss) before capital contributions and transfers	(436,143)
Capital contributions - impact fees	413,297
Capital contributions - capital assets	3,118,951
Transfers out	<u>(467,660)</u>
CHANGE IN NET POSITION	2,628,445
NET POSITION - BEGINNING	<u>6,575,944</u>
NET POSITION - END OF YEAR	<u>\$ 9,204,389</u>

TOWN OF PANTEGO, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities
	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,088,194
Payments to employees	(491,535)
Payments to suppliers	(740,919)
Net cash provided (used) by operating activities	(144,260)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to other funds	(467,660)
Net cash provided (used) by noncapital financing activities	(467,660)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(273,264)
Capital contributions	413,297
Net cash provided (used) by capital and related financing activities	140,033
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	30,715
Net cash provided (used) by investing activities	30,715
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(441,172)
CASH AND CASH EQUIVALENTS, BEGINNING	720,207
CASH AND CASH EQUIVALENTS, ENDING	\$ 279,035
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ (466,858)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	336,469
(Increase) decrease in:	
Accounts receivable	(34,472)
Inventory	110,354
Deferred outflows of resources	188,771
Increase (decrease) in:	
Accounts payable	(87,977)
Customer deposits	770
Net pension liability	(98,999)
Net OPEB liability	1,416
Deferred inflows of resources	(93,734)
Total adjustments	322,598
Net cash provided (used) by operating activities	\$ (144,260)

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

TOWN OF PANTEGO, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Pantego, Texas (the "Town") was incorporated January 5, 1952. and operates under a Council Manager form of government providing the following services as a duly incorporated general law town as authorized by the general laws of the State of Texas and subsequent Town ordinances: public safety (police, fire and ambulance), streets and bridges, sanitation, water and sewer, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Town of Pantego, Texas, conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board, which is the recognized financial accounting standard setting body of governmental entities. The notes to the financial statements are an integral part of the Town's financial statements.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the Town and its component units, entities for which the Town is considered financially accountable or other organizations whose nature and significant relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the Town.

The financial statements include one discretely presented component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

Discretely Presented Component Unit

The Pantego Economic Development Corporation (PEDC) was created under the Development Corporation Act of 1979 and is governed by Section 48 of the Act. The PEDC is governed by a Board of Directors comprised of appointed members of Town Council and members appointed by the Town Council. Capital improvement projects undertaken by the PEDC are for the benefit of the Town. The PEDC may not issue debt without approval of the voters of the Town and the Town Council. The Town must approve changes to the PEDC's articles of incorporation, may unilaterally terminate the PEDC and has residual interest in the net position of the PEDC. The PEDC is reported as a discretely presented component unit in the statement of net positions and statement of activities.

Governmental accounting standards require reasonable separation between the primary government, and its discretely presented component units, both in the financial statements and in the related notes. Because discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

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 of the primary government and its blended component units. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

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 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. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, inventories of materials and supplies are considered expenditures when used and debt service expenditures, as well as expenditures related to accumulated unpaid sick pay, are recorded only when payment is due.

Property and taxpayer-assessed taxes estimated to be collectible within sixty days after balance sheet date, interest, and expenditure driven grants 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 government.

The Town reports the following major governmental funds:

The **General Fund** is the Town'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 the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The **2023 Capital Projects Fund** was created to account for expenditures to provide upgrades to the Town's water system. The Certificates of Obligation are currently being serviced by ad valorem taxes.

The **Equipment Replacement Fund** was created to account for resources used for the acquisition or construction of general major capital facilities and equipment for various governmental departments of the Town, other than those financed by enterprise funds.

The Town reports the following major enterprise fund:

The **Water and Sewer Fund** is used to account for the provision of water and sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, capital improvements, billing and collection.

Additionally, the Town reports the following fund types:

Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

The **Capital Projects Funds** account for resources to be used for the construction of capital assets, or for the acquisition of replacement equipment.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town. 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. 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 utility fund are charges to customers for sales and services and the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the utility fund 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.

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

D. Cash, Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, 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, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The Town has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the Town is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

E. Receivables and Payables

All receivables are shown net of allowance for uncollectible accounts. The allowances for uncollectible accounts are based upon historical experience. Property tax and municipal court allowance for uncollectible accounts are equal to approximately 60% and 15% of the outstanding balance at September 30, and the ambulance allowance consists of accounts aged more than 120 days. The allowance for the water and sewer accounts receivable is equal to the accounts receivable that are aged ninety days or more as of September 30.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of sixty days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is based on historical collection experience.

The Town's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Tarrant Appraisal District as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Tarrant County Tax Assessor/Collector bills and collects the Town's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Overtime, substantially all property taxes are collected.

F. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption. The inventory of supplies are recorded under the purchase method. Under the purchase method the inventory is first recorded as an expense when purchased and then adjusted at the end of the year to reflect the value of inventory to date. Inventories, which are expensed as they are consumed, are stated at cost. In the General Fund, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the government wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. Restricted Assets

Cash received from utility customer deposits are classified as restricted assets on the balance sheet because they will ultimately be paid back to the customer upon the closing of their account, and the funds are restricted for that purpose alone.

H. Capital Assets

Capital assets, which include land, buildings, improvements, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), purchased or acquired, are carried at historical cost or estimated historical cost if historical cost is not available. Donated capital assets, donated works of art and similar items, and any capital assets received in a service concession arrangement are reported at acquisition value, as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

The Town defines capital assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Intangible assets with definite lives are recorded at cost and amortized over the useful lives. Intangible assets with indefinite lives are recorded at cost and no amortization is taken.

Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings	5-50
Improvements other than buildings	3-30
Machinery, equipment and furniture	3-10
Water & sewer system infrastructure	5-50
Street and storm drainage infrastructure	10-40
Right to use equipment	2-5

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest accrued during the construction phase of capital assets of business-type activities is capitalized.

I. Compensated Absences

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick benefits. No sick pay benefits are paid upon separation from service and therefore have not been accrued in the financial statements. All vacation pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and/or retirements.

J. Deferred Outflows/Inflows of Resources

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

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet – These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

K. Long-Term Obligations

In the government-wide financial statements, and 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 type statement of Net Position. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

Leases

The Town has entered into various lease agreements as lessee. Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the Town 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 Town is reasonably certain to exercise.

The Town 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 or lease asset.

Lessee. The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the Town 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. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

L. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its Fiduciary Net Position in 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.

M. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town-specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

N. Net Position and Fund Balance

In the government-wide and proprietary fund financial statements, the Town reports restrictions of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Net investment in capital assets represents the Town's investment in the book value of capital assets, less any unspent proceeds from capital-related debt issuances. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental funds report fund balance categorized as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items.

Restricted fund balance includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long-term debt, construction programs and other federal and state grants.

Committed fund balance includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the Town Council. This classification includes campus activity funds, local special revenue funds and potential litigation, claims and judgments.

Assigned fund balance includes fund balance amounts that are self-imposed by the Town to be used for a particular purpose. Fund balance can be assigned by the Town Council, the Town Manager, or the Finance Director. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned fund balance includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the Town 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 Town'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.

Minimum Fund Balance Policy

It is the goal of the Town that unassigned fund balance of the General Fund should be at least 90 days (24.66%) of General Fund annual expenditures. In order to adhere to the principles of matching current revenues with current expenditures and minimizing property taxes, the Town will take action to reduce fund balance as stated in the Town's current financial policy, if the unassigned fund balance grows beyond 120 days of expenditures. As of September 30, 2024, the General Fund had approximately 59 days or 16.1% of annual expenditures in the unassigned fund balance.

O. Management's Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amount of assets, deferred resource outflows, liabilities, deferred resource inflows, and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

P. Change in Accounting Principle

During fiscal year 2024, the Town adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, which became effective on October 1, 2023. The primary goal of this Statement is to improve the accounting and financial reporting standards for accounting changes and error corrections, providing more understandable, reliable, relevant, consistent, and comparable information for decision-making and assessing accountability. As a result of this adoption, the Town clarified the reporting of changes within the reporting entity, as reflected both in the notes to the financial statements and within the financial statements themselves.

II. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, managed public fund investment pools, and certificates of deposit. The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "Act"), provide for the creation of public funds investment pools, such as Texas Short-term Reserve Fund ("TexStar"), Local Government Investment Cooperative ("LOGIC"), TexasDAILY, and Lone Star Investment Pool ("Lone Star"), through which political subdivisions and other entities may invest public funds.

TexPool and TexSTAR have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

At September 30, 2024, the Town had the following investments which are considered cash equivalents:

	Carrying Value	Weighted Average Maturity (days)
Investment Pool:		
TexPool	\$ 929,503	26
TexPool Prime	2,272,206	39
LOGIC	12,327,196	47
Total	<u>\$ 15,528,905</u>	

Interest rate risk: In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk: The Town's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2024, the Town's investment in investment pools were rated AAAM and AAA by Standard & Poor's.

Custodial credit risk — Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy requires that all deposits with financial institutions must be collateralized to the extent not protected by the Federal Deposit Insurance Corporation ("FDIC") insurance. The PEDC deposits are secured by a separate pledge of securities and FDIC insurance. At September 30, 2023, the Town's deposits and those of the Pantego Economic Development Corporation were covered by FDIC insurance or by collateral held by the bank's agent in the Town's name.

Custodial credit risk — investments: The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement and publicize an investment policy. This policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities and (9) bid solicitation references for certificates of deposit.

The Town's investment policy authorizes the Town to invest in obligations of the United States government and its agencies and instrumentalities, fully insured or collateralized certificates of deposit, repurchase agreements not to exceed 90 days to stated maturity, AAA-rated, SEC registered money market funds, AAA-rated Texas local government investment pools, and other interest bearing accounts at the Town's depository. During the year ended September 30, 2023, the Town did not own any types of securities other than those permitted by statute.

The Town invests idle funds in the Texas Local Government Investment Pools: TexPool, TexPool Prime, and Logic. These government investment pools operate in a manner consistent with the SEC's Rule 2A7 of the Investment Act of 1940. The Pools are required to maintain market value of its underlying investment portfolio within one half of one percent of the value of its shares.

Interest Rate Risk - Interest rate risk is the risk that changes in the market place will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In order to limit interest and market rate risk from changes in interest rates, the Town of Pantego's adopted Investment Policy sets the weighted average maturity (WAM) limit to one (1) year for operating funds and two (2) years for non-operating funds.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating agency. A primary stated objective of the Town of Pantego's adopted Investment Policy is the safety of principal and avoidance of principal loss. The Town controls risk by limiting its investments to those instruments allowed by its investment policy.

Concentration Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. It is the policy of the Town of Pantego to diversify its investment portfolios. Whenever practical, assets held in the common investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

Custodial Credit Risk- Investments- In order to control custody and safekeeping risk State law and the Town of Pantego's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the Town and held in the Town's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act ("FIRREA"). The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Accounts Receivable

The Town's accounts receivable as of September 30, 2024 consisted of the following:

	General Fund	Debt Service	Water and Sewer	PEDC	Nonmajor Governmental	Total
Property taxes	\$ 97,413	\$ 16,513	\$ -	\$ -	\$ -	\$ 113,926
Sales tax	319,792	-	-	127,917	63,958	511,667
Franchise tax	160,362	-	-	-	-	160,362
Ambulance	193,083	-	-	-	-	193,083
Utilities	28,903	-	318,847	-	-	347,750
Fines	979,381	-	-	-	-	979,381
Other	<u>5,656</u>	<u>-</u>	<u>-</u>	<u>8,897</u>	<u>-</u>	<u>14,553</u>
Total gross receivables	1,784,590	16,513	318,847	136,814	63,958	2,320,722
Less: allowance for uncollectible accounts	<u>(974,862)</u>	<u>(9,908)</u>	<u>(44,463)</u>	<u>(7,544)</u>	<u>-</u>	<u>(1,036,777)</u>
Total net receivables	<u>\$ 809,728</u>	<u>\$ 6,605</u>	<u>\$ 274,384</u>	<u>\$ 129,270</u>	<u>\$ 63,958</u>	<u>\$ 1,283,945</u>

Capital Assets

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

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 211,263	\$ -	\$ -	\$ 211,263
Construction in progress	<u>22,174</u>	<u>98,989</u>	<u>(22,174)</u>	<u>98,989</u>
Total capital assets not being depreciated	<u>233,437</u>	<u>98,989</u>	<u>(22,174)</u>	<u>310,252</u>
Capital assets being depreciated:				
Buildings	2,212,415	17,114	-	2,229,529
Improvements other than buildings	2,434,428	38,678	(50,899)	2,422,207
Machinery and equipment	2,664,523	617,873	(182,658)	3,099,738
Right to use equipment	398,718	315,700	-	714,418
Infrastructure	<u>11,157,963</u>	<u>-</u>	<u>-</u>	<u>11,157,963</u>
Total assets being depreciated	<u>18,868,047</u>	<u>989,365</u>	<u>(233,557)</u>	<u>19,623,855</u>
Less accumulated depreciation for:				
Buildings	(1,528,232)	(48,621)	-	(1,576,853)
Improvements other than buildings	(1,489,567)	(128,771)	50,899	(1,567,439)
Machinery and equipment	(1,828,939)	(262,924)	182,658	(1,909,205)
Right to use equipment	(75,625)	(145,078)	-	(220,703)
Infrastructure	<u>(8,837,675)</u>	<u>(201,742)</u>	<u>-</u>	<u>(9,039,417)</u>
Total accumulated depreciation	<u>(13,760,038)</u>	<u>(787,136)</u>	<u>233,557</u>	<u>(14,313,617)</u>
Total capital assets being depreciated, net	<u>5,108,009</u>	<u>202,229</u>	<u>-</u>	<u>5,310,238</u>
Total governmental activities capital assets, net	<u>\$ 5,341,446</u>	<u>\$ 301,218</u>	<u>\$ (22,174)</u>	<u>\$ 5,620,490</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 384,461	\$ -	\$ -	\$ 384,461
Construction in progress	397,690	3,211,926	-	3,609,616
Total capital assets, not being depreciated	782,151	3,211,926	-	3,994,077
Capital assets being depreciated:				
Improvements other than buildings	8,306,911	180,289	-	8,487,200
Total assets being depreciated	8,306,911	180,289	-	8,487,200
Less accumulated depreciation for:				
Improvements other than buildings	(3,272,138)	(336,469)	-	(3,608,607)
Total accumulated depreciation	(3,272,138)	(336,469)	-	(3,608,607)
Total capital assets being depreciated, net	5,034,773	(156,180)	-	4,878,593
Total business-type activities capital assets, net	<u>\$ 5,816,924</u>	<u>\$ 3,055,746</u>	<u>\$ -</u>	<u>\$ 8,872,670</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Component Unit:				
Capital assets, not being depreciated:				
Construction in progress	\$ 39,856	\$ 107,990	\$ -	\$ 147,846
Total capital assets, not being depreciated	39,856	107,990	-	147,846
Capital assets being depreciated:				
Improvements other than buildings	508,476	941,734	-	1,450,210
Total assets being depreciated	508,476	941,734	-	1,450,210
Less accumulated depreciation for:				
Improvements other than buildings	(161,270)	(79,100)	-	(240,370)
Total accumulated depreciation	(161,270)	(79,100)	-	(240,370)
Total capital assets being depreciated, net	347,206	862,634	-	1,209,840
Total component unit capital assets, net	<u>\$ 387,062</u>	<u>\$ 970,624</u>	<u>\$ -</u>	<u>\$ 1,357,686</u>

Depreciation expense for the year ended September 30, 2024 was charged to functions/programs of the primary government and component unit as follows:

Governmental activities:	
General government	\$ 42,020
Public safety	155,342
Culture and recreation	118,274
Public works	471,500
Total	<u>\$ 787,136</u>
Business-type activities:	
Water	\$ 262,191
Sewer	74,278
Total	<u>\$ 336,469</u>
Component Unit:	
PEDC	\$ 79,100
Total	<u>\$ 79,100</u>

Interfund Activity

Interfund transfers made during the fiscal year were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Water and Sewer	Debt Service	<u>\$ 467,660</u>

The transfers to Debt Service includes the Water and Sewer fund subsidizing debt service payments.

Long-Term Debt

The Town of Pantego and the PEDC component unit have issued Certificates of Obligation Bonds and Sales Tax Revenue Bonds to provide funds for the acquisition and construction of major capital facilities. The Certificates of Obligation Bonds are paid by the debt service fund and the Sales Tax Revenue Bonds are paid by the PEDC debt service fund.

All taxes levied and collected for and on account of said bonds are pledged to the debt service fund in amounts authorized by the Town Council. The ordinances authorizing the issuance of the Certificates of Obligation that require the Town's ad valorem tax revenues be enough to generate net revenues sufficient to provide for the payment of the debt service requires of the bonds issued. The Certificates of Obligation outstanding for the Town are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amounts Outstanding</u>
Governmental activities:					
Certificates of Obligation:					
Combination Tax and Revenue, Series 2019	\$ 2,735,000	2019	2/15/2040	3.0%	\$ 2,250,000
Combination Tax and Revenue, Series 2023	12,425,000	2023	2/15/2040	4.0 - 5.0%	<u>12,145,000</u>
Total governmental activities					<u>\$ 14,395,000</u>

The annual debt service requirements to maturity for the Certificates of Obligation Bonds outstanding as of September 30, 2024, are as follows:

<u>Year Ended September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 495,000	\$ 639,313	\$ 1,134,313
2026	515,000	616,688	1,131,688
2027	540,000	593,163	1,133,163
2028	565,000	568,563	1,133,563
2029	590,000	542,638	1,132,638
2030-2034	3,380,000	2,281,490	5,661,490
2035-2039	4,225,000	1,426,065	5,651,065
2040-2043	<u>4,085,000</u>	<u>431,077</u>	<u>4,516,077</u>
Total	<u>\$ 14,395,000</u>	<u>\$ 7,098,997</u>	<u>\$ 21,493,997</u>

The PEDC component unit Sales Tax Revenue Bonds outstanding are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amounts Outstanding</u>
Component unit:					
Sales Tax Revenue Bonds, Series 2023	\$ 1,285,000	2023	2/15/2044	4.25 - 5.00%	<u>\$ 1,285,000</u>
Total component unit					<u>\$ 1,285,000</u>

The PEDC component unit debt service requirements to maturity for Sales Tax Revenue Bonds outstanding are as follows:

Year Ended September 30,	Component Unit		
	Principal	Interest	Total
2025	\$ 40,000	\$ 59,188	\$ 99,188
2026	40,000	57,188	97,188
2027	45,000	55,188	100,188
2028	45,000	52,938	97,938
2029	50,000	50,688	100,688
2030-2034	280,000	214,190	494,190
2035-2039	350,000	144,714	494,714
2040-2043	435,000	60,300	495,300
Total	<u>\$ 1,285,000</u>	<u>\$ 694,394</u>	<u>\$ 1,979,394</u>

Leases

The Town has entered into enterprise fleet lease agreements for multiple vehicles. The leases carry interest rates 2.52% to 12.02% and have monthly payments ranging from \$634 to \$1,374.

Principal and interest requirements to maturity for the leases are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 152,110	\$ 27,037	\$ 179,147
2026	188,701	16,555	205,256
2027	145,766	3,649	149,415
2028	<u>2,828</u>	<u>12</u>	<u>2,840</u>
Total	<u>\$ 489,405</u>	<u>\$ 47,253</u>	<u>\$ 536,658</u>

Financed Purchase Payable

During the fiscal year, the Town entered into a financed purchase agreement for a leased pump truck. The Town is required to make fixed annual payments of \$88,025. As of September 30, 2024, the value of the financed purchase is \$437,644. The financed purchase has an interest rate of 5.65%. The asset value of the Pump Truck as of September 30, 2024, is \$507,047 with accumulated depreciation of \$42,254.

Principal and interest requirements to maturity are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 63,297	\$ 24,728	\$ 88,025
2026	66,873	21,152	88,025
2027	70,652	17,373	88,025
2028	74,644	13,381	88,025
2029	78,861	9,164	88,025
2030	<u>83,317</u>	<u>4,708</u>	<u>88,025</u>
Total	<u>\$ 437,644</u>	<u>\$ 90,506</u>	<u>\$ 528,150</u>

Changes in Long-term Liabilities

During the year ended September 30, 2024, the following changes occurred in liabilities reported in the general long-term debt:

	Beginning Balance	Issued	Retired	Ending Balance	Amount Due Within One Year
Governmental activities:					
Long-term debt:					
Certificates of obligation	\$ 14,785,000	\$ -	\$ (390,000)	\$ 14,395,000	\$ 495,000
Leases	314,567	315,700	(140,862)	489,405	152,110
Financed purchase	-	507,047	(69,403)	437,644	63,297
Issuance premium	757,941	-	(38,345)	719,596	-
Total long-term debt	15,857,508	822,747	(638,610)	16,041,645	710,407
Compensated absences	212,939	142,550	(179,317)	176,172	44,043
Total governmental	<u>\$ 16,070,447</u>	<u>\$ 965,297</u>	<u>\$ (817,927)</u>	<u>\$ 16,217,817</u>	<u>\$ 754,450</u>
Component Unit:					
Long-term debt:					
Sales tax revenue bonds	\$ 1,285,000	\$ -	\$ -	\$ 1,285,000	\$ 40,000
Issuance discount	(8,224)	-	8,224	-	-
Total long-term debt	1,276,776	-	-	1,285,000	40,000
Total business-type	<u>\$ 1,276,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,285,000</u>	<u>\$ 40,000</u>

DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained www.tmrs.com. All eligible employees of the Town 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 Town, within the options available in the state statutes governing TMRS.

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

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

Employee deposit rate	7%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	30% of CPI repeating

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

Inactive employees or beneficiaries currently receiving benefits	76
Inactive employees entitled to but not yet receiving benefits	95
Active employees	<u>39</u>
Total	<u><u>210</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 15.01% and 15.80% in calendar years 2022 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2024, were \$506,441 and were equal to the required contributions.

Net Pension Liability

The Town'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.

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

Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate	3.77% (Based on Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2023)
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 setforward 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 with scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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 return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
		(Arithmetic)
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	10.00%	11.60%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2022	\$ 18,873,749	\$ 16,098,502	\$ 2,775,247
Changes for the year:			
Service cost	608,002	-	608,002
Interest	1,261,318	-	1,261,318
Difference between expected and actual experience	112,801	-	112,801
Change in assumptions	(90,235)	-	(90,235)
Contributions - employer	-	494,371	(494,371)
Contributions - employee	-	230,553	(230,553)
Net investment income	-	1,860,392	(1,860,392)
Benefit payments, including refunds of employee contributions	(983,127)	(983,127)	-
Administrative expense	-	(11,853)	11,853
Other changes	-	(83)	83
Net changes	<u>908,759</u>	<u>1,590,253</u>	<u>(681,494)</u>
Balance at 12/31/2023	<u>\$ 19,782,508</u>	<u>\$ 17,688,755</u>	<u>\$ 2,093,753</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Current Single Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Town's net pension liability (asset)	\$ 4,859,631	\$ 2,093,753	\$ (155,516)

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 Town recognized pension expense of \$605,527.

At September 30, 2024, the Town 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	\$ 52,800	\$ -
Changes in actuarial assumptions	-	42,238
Difference between projected and actual investment earnings	448,223	-
Contributions subsequent to the measurement date	<u>370,519</u>	<u>-</u>
Total	<u>\$ 871,542</u>	<u>\$ 42,238</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to 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:

For the Year Ended September 30,	
2025	\$ 128,383
2026	142,715
2027	342,436
2028	(154,749)

DEFINED OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN – TMRS SUPPLEMENTAL DEATH BENEFITS FUND

Plan Description

The Town also participates in the agent 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 Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town 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.

Benefits Provided

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$7,500.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>39</u>
Total	<u><u>88</u></u>

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.35% for 2023 and 0.37% for 2024, of which 0.12% and 0.13%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the years ended September 30, 2024 and 2023 were \$4,138 and \$3,433, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability

The Town's total OPEB Liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate	3.77% (Based on Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2023)
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 setforward 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 with scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 142,948
Changes for the year:	
Service cost	10,210
Interest	5,916
Difference between expected and actual experience	10,561
Changes of assumptions	9,754
Benefit payments	(3,952)
Net changes	32,489
Balance at 12/31/2023	<u>\$ 175,437</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.77%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 213,337	\$ 175,437	\$ 146,552

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

For the year ended September 30, 2024, the Town recognized OPEB expense of \$11,909. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 9,064	\$ 1,916
Changes in actuarial assumptions	14,608	44,707
Contributions subsequent to the measurement date	3,049	-
Total	<u>\$ 26,721</u>	<u>\$ 46,623</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the Town paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2025	\$ (8,117)
2026	(11,918)
2027	(5,411)
2028	2,495
2029	(435)
Thereafter	435

NET POSITION - NET INVESTMENT IN CAPITAL ASSETS

The Town has previously issued bonds in the 2023 capital projects fund to acquire capital assets on the water and sewer fund's behalf. Therefore, any unspent bond proceeds in the 2023 capital projects fund are considered to be a part of unrestricted net position as the bond's whole purpose is to be spent on capital improvements within business-type activities. Accordingly, the capital asset and related borrowing are reported in different activity columns but within the same primary government total column. As a result, the amount of net investment in capital assets and unrestricted net position do not cross foot by \$4,604,171.

COMMITMENTS AND CONTINGENCIES

Sewer Contracts

The Town has contracts with the Town of Fort Worth and Town of Arlington for the treatment of wastewater. The contracts require the Town to pay varying amounts based on the costs associated with the wastewater treated. Charges for wastewater treatment during fiscal year 2024 were \$241,346 for Fort Worth and \$173,825 for Arlington.

Contingent Liabilities and Commitments

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

Construction Commitments

The Town has active construction projects as of September 30, 2024, consisting of a court relocation project, various water system improvements, crosswalk project.

Projects	Spent to Date	Remaining Commitment
Governmental funds:		
New ambulance	\$ 98,989	\$ 195,259
Total governmental funds	98,989	195,259
Enterprise fund:		
Water transition rate study	27,247	-
Arlington water transition study	55,578	-
Chloramine transition study	31,588	-
Reverse osmosis system	2,123,164	1,695,018
New trinity well	93,720	2,186,280
SCADA upgrades	51,450	51,450
Meter replacement project	122,242	230,000
Arrowhead W&S by Pipeburst	505,649	57,453
Newsome W&S by Pipeburst	598,978	255,179
Total water and sewer fund	3,609,616	4,475,380
Total primary government	\$ 3,708,605	\$ 4,670,639
Component unit:		
Park row crosswalk	69,806	157,380
Marquee signange	78,040	94,460
Total component unit	\$ 147,846	\$ 251,840

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

ADJUSTMENTS – CHANGE WITHIN THE FINANCIAL REPORTING ENTITY

For Fiscal Year 2024, the Town reported two changes in its financial reporting entity. The Debt Service fund was previously reported as a nonmajor governmental fund and is now reported as a major fund. The Equipment Replacement fund was previously reported as a nonmajor governmental fund and is now reported as a major fund. The changes in classification are required based on certain quantitative factors.

SIGNIFICANT FORTHCOMING STANDARDS

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

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet 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 under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods 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.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF PANTEGO, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,850,840	\$ 1,850,840	\$ 1,834,028	\$ (16,812)
Sales taxes	1,965,000	1,965,000	1,931,521	(33,479)
Franchise tax	314,400	314,400	294,287	(20,113)
Fines and forfeitures	506,450	506,450	421,757	(84,693)
Licenses and permits	142,500	142,500	115,159	(27,341)
Charges for services	123,650	123,650	126,682	3,032
Intergovernmental	636,670	636,670	376,415	(260,255)
Investment earnings	45,000	45,000	55,508	10,508
Miscellaneous	5,000	5,000	2,635	(2,365)
Total revenues	<u>5,589,510</u>	<u>5,589,510</u>	<u>5,157,992</u>	<u>(431,518)</u>
EXPENDITURES				
Current:				
General government	1,027,168	1,027,168	1,029,093	(1,925)
Public safety:				
Police	1,992,217	1,992,217	1,928,244	63,973
Fire	1,792,862	1,792,862	1,742,278	50,584
Public works	668,589	668,589	623,635	44,954
Community development	34,750	34,750	37,533	(2,783)
Capital outlay	75,780	75,780	45,103	30,677
Total expenditures	<u>5,591,366</u>	<u>5,591,366</u>	<u>5,405,886</u>	<u>185,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,856)</u>	<u>(1,856)</u>	<u>(247,894)</u>	<u>(246,038)</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	7,500	7,500	89,031	81,531
Total other financing sources (uses)	<u>7,500</u>	<u>7,500</u>	<u>89,031</u>	<u>81,531</u>
CHANGE IN FUND BALANCE	5,644	5,644	(158,863)	(164,507)
FUND BALANCE - BEGINNING	<u>1,101,297</u>	<u>1,101,297</u>	<u>1,101,297</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,106,941</u>	<u>\$ 1,106,941</u>	<u>\$ 942,434</u>	<u>\$ (164,507)</u>

TOWN OF PANTEGO, TEXAS

NOTES TO BUDGETARY SCHEDULE

SEPTEMBER 30, 2024

Summary of Significant Accounting Policies

A. Budgetary Information

The Town follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Public hearings are conducted to obtain taxpayer comments.
2. Prior to October 1, the budget is legally enacted through passage of an ordinance.
3. The Town Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council. Therefore the fund level is the legal level of control.
4. Formal budgetary integration is employed as a management control device during the year. The legally adopted budgets for the General Fund, Court House Security Special Revenue Fund, Court Technology Special Revenue Fund, Shamburger Special Revenue Fund, and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.
5. Budgeted amounts are as originally adopted or as amended by the Town Council. During 2024, individual amendments were not material in relation to the original appropriations. Any budgeted amounts appropriated at fiscal year-end and not spent automatically lapse.
6. Capital Project funds, as presented, are not budgeted since project length financial plans usually extend into two or more fiscal years, making comparisons for a single year statement confusing.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. All encumbrances lapse at the fiscal year-end.

C. Expenditures Over Budget

For fiscal year 2024, actual expenditures exceeded appropriations in the General Fund by \$1,925 in the General Government function and by \$2,783 in the Community Development function. Actual expenditures also exceeded appropriations in the Debt Service fund by \$2,150 in the Debt Service function and by \$3,018 in the General Government function of the Court Technology fund. These items were funded with excess budgets in other functions and more than anticipated revenue.

TOWN OF PANTEGO, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement year December 31,	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 294,270	\$ 362,190	\$ 421,798	\$ 462,387
Interest (on the total pension liability)	935,669	963,211	980,866	1,016,821
Difference between expected and actual experience	(103,022)	(57,274)	(104,215)	(90,676)
Changes in assumptions	-	252,911	-	-
Benefit payments, including refunds of employee contributions	<u>(696,398)</u>	<u>(838,452)</u>	<u>(720,846)</u>	<u>(851,307)</u>
Net change in total pension liability	430,519	682,586	577,603	537,225
Total pension liability - beginning	<u>13,567,769</u>	<u>13,998,288</u>	<u>14,680,874</u>	<u>15,258,477</u>
Total pension liability - ending (a)	<u>\$ 13,998,288</u>	<u>\$ 14,680,874</u>	<u>\$ 15,258,477</u>	<u>\$ 15,795,702</u>
Plan fiduciary net position				
Contributions - employer	\$ 301,148	\$ 329,956	\$ 388,070	\$ 473,050
Contributions - employee	144,634	148,438	163,941	180,118
Net investment income	666,569	17,797	791,051	1,707,200
Benefit payments, including refunds of employee contributions	(696,398)	(838,452)	(720,846)	(851,307)
Administrative expenses	(6,960)	(10,841)	(8,936)	(8,850)
Other	<u>(572)</u>	<u>(535)</u>	<u>(481)</u>	<u>(449)</u>
Net change in plan fiduciary net position	408,421	(353,637)	612,799	1,499,762
Plan fiduciary net position - beginning	<u>11,653,375</u>	<u>12,061,796</u>	<u>11,708,159</u>	<u>12,320,958</u>
Plan fiduciary net position - ending (b)	<u>\$ 12,061,796</u>	<u>\$ 11,708,159</u>	<u>\$ 12,320,958</u>	<u>\$ 13,820,720</u>
Net Pension Liability (a) - (b)	<u>\$ 1,936,492</u>	<u>\$ 2,972,715</u>	<u>\$ 2,937,519</u>	<u>\$ 1,974,982</u>
Plan fiduciary net position as a percentage of total pension liability	86.17%	79.75%	80.75%	87.50%
Covered payroll	\$ 2,066,197	\$ 2,066,197	\$ 2,342,020	\$ 2,573,108
Net pension liability as a percentage of covered payroll	93.72%	143.87%	125.43%	76.75%

2018	2019	2020	2021	2022	2023
\$ 481,596 1,047,898	\$ 512,881 1,091,193	\$ 492,183 1,119,646	\$ 512,760 1,154,962	\$ 575,536 1,188,932	\$ 608,002 1,261,318
21,520 -	(404,716) 54,251	(234,358) -	(227,276) -	295,833 -	112,801 (90,235)
<u>(1,024,180)</u>	<u>(826,320)</u>	<u>(817,146)</u>	<u>(911,967)</u>	<u>(1,025,181)</u>	<u>(983,127)</u>
526,834	427,289	560,325	528,479	1,035,120	908,759
<u>15,795,702</u>	<u>16,322,536</u>	<u>16,749,825</u>	<u>17,310,150</u>	<u>17,838,629</u>	<u>18,873,749</u>
<u>\$ 16,322,536</u>	<u>\$ 16,749,825</u>	<u>\$ 17,310,150</u>	<u>\$ 17,838,629</u>	<u>\$ 18,873,749</u>	<u>\$ 19,782,508</u>
\$ 482,422 187,705 (413,685)	\$ 509,097 203,755 2,014,633	\$ 475,832 193,991 1,132,516	\$ 444,879 196,352 2,072,638	\$ 490,016 218,479 (1,290,907)	\$ 494,371 230,553 1,860,392
(1,024,180) (8,001) (418)	(826,320) (11,395) (342)	(817,146) (7,335) (286)	(911,967) (9,598) 66	(1,025,181) (11,183) 13,345	(983,127) (11,853) (83)
(776,157)	1,889,428	977,572	1,792,370	(1,605,431)	1,590,253
<u>13,820,720</u>	<u>13,044,563</u>	<u>14,933,991</u>	<u>15,911,563</u>	<u>17,703,933</u>	<u>16,098,502</u>
<u>\$ 13,044,563</u>	<u>\$ 14,933,991</u>	<u>\$ 15,911,563</u>	<u>\$ 17,703,933</u>	<u>\$ 16,098,502</u>	<u>\$ 17,688,755</u>
<u>\$ 3,277,973</u>	<u>\$ 1,815,834</u>	<u>\$ 1,398,587</u>	<u>\$ 134,696</u>	<u>\$ 2,775,247</u>	<u>\$ 2,093,753</u>
79.92%	89.16%	91.92%	99.24%	85.30%	89.42%
\$ 2,681,493	\$ 2,910,790	\$ 2,771,302	\$ 2,805,033	\$ 3,121,130	\$ 3,293,609
122.24%	62.38%	50.47%	4.80%	88.92%	63.57%

FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 482,843	\$ 479,475	\$ 477,916	\$ 457,837	\$ 459,320	\$ 514,304	\$ 506,741
<u>482,843</u>	<u>479,475</u>	<u>477,916</u>	<u>457,837</u>	<u>459,320</u>	<u>514,304</u>	<u>506,741</u>
-	-	-	-	-	-	-
2,665,742	2,725,177	2,768,463	2,820,155	2,917,543	3,380,684	3,252,599
18.11%	17.59%	17.26%	16.23%	15.74%	15.21%	15.58%

TOWN OF PANTEGO, TEXAS

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement year December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 5,661	\$ 6,704	\$ 8,441
Interest (on the total OPEB liability)	4,315	4,447	4,630
Difference between expected and actual experience	-	(10,724)	(10,252)
Changes in assumptions	11,009	(9,433)	27,353
Benefit payments, including refunds of employee contributions	<u>(1,257)</u>	<u>(1,341)</u>	<u>(1,455)</u>
Net change in total OPEB liability	19,728	(10,347)	28,717
Total OPEB liability - beginning	<u>111,930</u>	<u>131,658</u>	<u>121,311</u>
Total OPEB liability - ending (a)	<u>\$ 131,658</u>	<u>\$ 121,311</u>	<u>\$ 150,028</u>
Covered-employee payroll	\$ 2,573,108	\$ 2,681,493	\$ 2,910,790
Total OPEB liability as a percentage of covered-employee payroll	5.117%	4.524%	5.154%

Notes to schedule:

1. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
2. The actuarial assumptions and other inputs used to calculate the total OPEB liability are described in the notes to the financial statements.
3. Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.
4. This schedule is required to have 10 years of information, but the information before 2017 is not available.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 9,700 4,244	\$ 14,025 3,794	\$ 16,542 3,872	\$ 10,210 5,916
(6,411) 27,505	(2,464) 7,090	1,454 (79,364)	10,561 9,754
<u>(1,909)</u>	<u>(1,725)</u>	<u>(3,433)</u>	<u>(3,952)</u>
33,129	20,720	(60,929)	32,489
<u>150,028</u>	<u>183,157</u>	<u>203,877</u>	<u>142,948</u>
<u>\$ 183,157</u>	<u>\$ 203,877</u>	<u>\$ 142,948</u>	<u>\$ 175,437</u>
 \$ 2,771,302	 \$ 2,805,033	 \$ 3,121,130	 \$ 3,293,609
 6.609%	 7.268%	 4.580%	 5.327%

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COMBINING STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

Coronavirus State and Local Fiscal Recovery Fund - This fund accounts for the receipt and expenditures of grants awarded to the Town to use in response to the Coronavirus pandemic.

Court House Security Fund – This fund is used to account for the Town’s share of fines to be used to enhance building security for municipal court.

Court Technology Fund - This fund is used to account for the Town’s share of fines to be used for improvements to municipal court technology.

Shamburger Fund - This fund is used to account for the care and feeding of stray animals found and rescued within the Town of Pantego.

Capital Project Funds are used to account for the acquisition or construction of governmental capital assets.

Street Improvements Fund – This fund is used to account for 0.25% (1/4 cent) sales tax used for infrastructure maintenance and improvement.

2019 CO Capital Projects - This fund is used to account for costs related to capital drainage projects funded by the 2019 certificate of obligation debt issue.

TOWN OF PANTEGO, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds			
	Coronavirus State and Local Fiscal Recovery	Court House Security	Court Technology	Shamburger
ASSETS				
Cash and cash equivalents	\$ 54,609	\$ 45,626	\$ 103,971	\$ 76,293
Sales taxes receivable (net)	-	-	-	-
Total assets	<u>54,609</u>	<u>45,626</u>	<u>103,971</u>	<u>76,293</u>
LIABILITIES				
Accounts payable	-	-	1,879	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,879</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Municipal court	-	45,626	102,092	-
Animal control services	-	-	-	76,293
Capital projects	-	-	-	-
Committed:				
Capital improvements	54,609	-	-	-
Street improvements	-	-	-	-
Total fund balances	<u>54,609</u>	<u>45,626</u>	<u>102,092</u>	<u>76,293</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,609</u>	<u>\$ 45,626</u>	<u>\$ 103,971</u>	<u>\$ 76,293</u>

Capital Projects		
Street Improvements	2019 CO Capital Projects	Total Nonmajor Governmental Funds
\$ 922,113	\$ 23,161	\$ 1,225,773
63,958	-	63,958
<u>986,071</u>	<u>23,161</u>	<u>1,289,731</u>
-	-	1,879
<u>-</u>	<u>-</u>	<u>1,879</u>
-	-	147,718
-	-	76,293
-	23,161	23,161
-	-	54,609
<u>986,071</u>	<u>-</u>	<u>986,071</u>
<u>986,071</u>	<u>23,161</u>	<u>1,287,852</u>
<u>\$ 986,071</u>	<u>\$ 23,161</u>	<u>\$ 1,289,731</u>

TOWN OF PANTEGO, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Coronavirus State and Local Fiscal Recovery	Court House Security	Court Technology	Shamburger
REVENUES				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	11,321	9,574	-
Investment earnings	<u>4,450</u>	<u>2,823</u>	<u>5,743</u>	<u>4,004</u>
Total revenues	<u>4,450</u>	<u>14,144</u>	<u>15,317</u>	<u>4,004</u>
EXPENDITURES				
Current:				
General government	-	31,165	15,368	-
Community development	-	-	-	2,358
Public works	-	-	-	-
Capital outlay	<u>63,639</u>	<u>-</u>	<u>3,922</u>	<u>-</u>
Total expenditures	<u>63,639</u>	<u>31,165</u>	<u>19,290</u>	<u>2,358</u>
CHANGE IN FUND BALANCE	<u>(59,189)</u>	<u>(17,021)</u>	<u>(3,973)</u>	<u>1,646</u>
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	113,798	62,647	106,065	74,647
ADJUSTMENTS - CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING, AS RESTATED	<u>113,798</u>	<u>62,647</u>	<u>106,065</u>	<u>74,647</u>
FUND BALANCE - ENDING	<u>\$ 54,609</u>	<u>\$ 45,626</u>	<u>\$ 102,092</u>	<u>\$ 76,293</u>

Capital Projects Funds				
Equipment Replacement	Street Improvements	2019 CO Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	\$ 383,427	\$ -		\$ 383,427
	-	-		20,895
	<u>45,917</u>	<u>2,538</u>		<u>65,475</u>
	<u>429,344</u>	<u>2,538</u>		<u>469,797</u>
	-	-		46,533
	-	-		2,358
	282,685	-		282,685
	<u>-</u>	<u>80,717</u>		<u>148,278</u>
	<u>282,685</u>	<u>80,717</u>		<u>479,854</u>
	<u>146,659</u>	<u>(78,179)</u>		<u>(10,057)</u>
1,193,238	839,412	101,340	5,131	2,496,278
<u>(1,193,238)</u>	<u>-</u>	<u>-</u>	<u>(5,131)</u>	<u>(1,198,369)</u>
<u>-</u>	<u>839,412</u>	<u>101,340</u>	<u>-</u>	<u>1,297,909</u>
<u>\$ -</u>	<u>\$ 986,071</u>	<u>\$ 23,161</u>	<u>\$ -</u>	<u>\$ 1,287,852</u>

TOWN OF PANTEGO, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	\$ 2,000	\$ 2,000	\$ 4,450	\$ 2,450
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>4,450</u>	<u>2,450</u>
EXPENDITURES				
Capital outlay	<u>106,956</u>	<u>106,956</u>	<u>63,639</u>	<u>43,317</u>
Total expenditures	<u>106,956</u>	<u>106,956</u>	<u>63,639</u>	<u>43,317</u>
CHANGE IN FUND BALANCE	(104,956)	(104,956)	(59,189)	45,767
FUND BALANCE - BEGINNING	<u>113,798</u>	<u>113,798</u>	<u>113,798</u>	-
FUND BALANCE - ENDING	<u>\$ 8,842</u>	<u>\$ 8,842</u>	<u>\$ 54,609</u>	<u>\$ 45,767</u>

TOWN OF PANTEGO, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT HOUSE SECURITY FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 14,975	\$ 14,975	\$ 11,321	\$ (3,654)
Investment earnings	<u>2,750</u>	<u>2,750</u>	<u>2,823</u>	<u>73</u>
Total revenues	<u>17,725</u>	<u>17,725</u>	<u>14,144</u>	<u>(3,581)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>31,165</u>	<u>(31,165)</u>
CHANGE IN FUND BALANCE	17,725	17,725	(17,021)	(34,746)
FUND BALANCE - BEGINNING	<u>62,647</u>	<u>62,647</u>	<u>62,647</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 80,372</u>	<u>\$ 80,372</u>	<u>\$ 45,626</u>	<u>\$ (34,746)</u>

TOWN OF PANTEGO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 12,900	\$ 12,900	\$ 9,574	\$ (3,326)
Investment earnings	<u>6,000</u>	<u>6,000</u>	<u>5,743</u>	<u>(257)</u>
Total revenues	<u>18,900</u>	<u>18,900</u>	<u>15,317</u>	<u>(3,583)</u>
EXPENDITURES				
Current:				
General government	12,350	12,350	15,368	(3,018)
Capital outlay	<u>4,400</u>	<u>4,400</u>	<u>3,922</u>	<u>478</u>
Total expenditures	<u>16,750</u>	<u>16,750</u>	<u>19,290</u>	<u>(2,540)</u>
CHANGE IN FUND BALANCE	2,150	2,150	(3,973)	(6,123)
FUND BALANCE - BEGINNING	<u>106,065</u>	<u>106,065</u>	<u>106,065</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 108,215</u>	<u>\$ 108,215</u>	<u>\$ 102,092</u>	<u>\$ (6,123)</u>

TOWN OF PANTEGO, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SHAMBURGER FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	\$ 4,250	\$ 4,250	\$ 4,004	\$ (246)
Total revenues	<u>4,250</u>	<u>4,250</u>	<u>4,004</u>	<u>(246)</u>
EXPENDITURES				
Current:				
Community development	<u>6,000</u>	<u>6,000</u>	<u>2,358</u>	<u>3,642</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>2,358</u>	<u>3,642</u>
CHANGE IN FUND BALANCE	(1,750)	(1,750)	1,646	3,396
FUND BALANCE - BEGINNING	<u>74,647</u>	<u>74,647</u>	<u>74,647</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 72,897</u>	<u>\$ 72,897</u>	<u>\$ 76,293</u>	<u>\$ 3,396</u>

TOWN OF PANTEGO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 670,172	\$ 670,172	\$ 665,138	\$ (5,034)
Investment earnings	6,000	6,000	15,661	9,661
Total revenues	<u>676,172</u>	<u>676,172</u>	<u>680,799</u>	<u>4,627</u>
EXPENDITURES				
Debt service:				
Principal	390,000	390,000	390,000	-
Interest and fiscal charges	<u>744,732</u>	<u>744,732</u>	<u>746,882</u>	<u>(2,150)</u>
Total expenditures	<u>1,134,732</u>	<u>1,134,732</u>	<u>1,136,882</u>	<u>(2,150)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(458,560)</u>	<u>(458,560)</u>	<u>(456,083)</u>	<u>6,777</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>467,660</u>	<u>467,660</u>	<u>467,660</u>	<u>-</u>
Total other financing sources (uses)	<u>467,660</u>	<u>467,660</u>	<u>467,660</u>	<u>-</u>
CHANGE IN FUND BALANCE	9,100	9,100	11,577	6,777
FUND BALANCE - BEGINNING	<u>5,131</u>	<u>5,131</u>	<u>5,131</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 14,231</u>	<u>\$ 14,231</u>	<u>\$ 16,708</u>	<u>\$ 6,777</u>

PANTEGO ECONOMIC DEVELOPMENT CORPORATION

The Pantego Economic Development Corporation (PEDC) is a discretely presented component unit of the Town, therefore, the PEDC's annual financial statements and annual operating budget are presented separately.

PEDC was founded in 1993, following an election to assess a ½ cent sales and use tax. Funds administered by PEDC are restricted funds and can only be used for those projects which are either directly or indirectly attributable to economic development within the Town.

TOWN OF PANTEGO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
PANTEGO ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2024

	Pantego Economic Development Corporation
ASSETS	
Cash and cash equivalents	\$ 1,416,984
Receivables, net:	
Sales taxes	127,917
Accounts	1,353
Inventory	<u>8,912</u>
Total assets	<u>1,555,166</u>
LIABILITIES	
Accounts payable	<u>23,096</u>
Total liabilities	<u>23,096</u>
FUND BALANCE	
Unassigned	<u>1,532,070</u>
Total fund balance	<u>1,532,070</u>
 Total liabilities and fund balance	 <u>\$ 1,555,166</u>

TOWN OF PANTEGO, TEXAS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
PANTEGO ECONOMIC DEVELOPMENT CORPORATION**

SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	\$ 1,532,070
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets	1,598,056
Accumulated depreciation	(240,370)
Long-term liabilities, including bonds payable and interest payable, that are not due and payable in the current period, and, therefore are not reported as liabilities in the funds.	
Sales tax revenue bonds	(1,285,000)
Interest payable	<u>(14,797)</u>
Net Position of Governmental Activities	<u>\$ 1,589,959</u>

TOWN OF PANTEGO, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
PANTEGO ECONOMIC DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Pantego Economic Development Corporation
REVENUES	
Sales taxes	\$ 766,854
Investment earnings	94,372
Miscellaneous	<u>8,558</u>
Total revenues	<u>869,784</u>
EXPENDITURES	
Current:	
Economic development	495,182
Capital outlay	1,130,183
Debt service:	
Interest and fiscal charges	<u>58,097</u>
Total expenditures	<u>1,683,462</u>
CHANGE IN FUND BALANCE	(813,678)
FUND BALANCE - BEGINNING	<u>2,345,748</u>
FUND BALANCE - ENDING	<u>\$ 1,532,070</u>

TOWN OF PANTEGO, TEXAS

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
PANTEGO ECONOMIC DEVELOPMENT CORPORATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total net change in Fund Balances - Governmental Funds \$ (813,678)

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

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the current year capital outlays is to increase net position. 1,049,724

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (79,100)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	(14,797)
Amortization of deferred loss	(6,340)
Amortization of bond discount	<u>(8,224)</u>

Total change in net position of Governmental Activities \$ 127,585

TOWN OF PANTEGO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (BUDGET BASIS) AND ACTUAL
PANTEGO ECONOMIC DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales taxes	\$ 780,000	\$ 780,000	\$ 766,854	\$ (13,146)
Investment earnings	42,500	42,500	94,372	51,872
Miscellaneous	5,000	5,000	8,558	3,558
Total revenues	<u>827,500</u>	<u>827,500</u>	<u>869,784</u>	<u>42,284</u>
EXPENDITURES				
Current:				
Economic development	581,882	581,882	495,182	86,700
Capital outlay	1,725,025	1,725,025	1,130,183	594,842
Debt service:				
Interest and fiscal charges	52,447	52,447	58,097	(5,650)
Total expenditures	<u>2,359,354</u>	<u>2,359,354</u>	<u>1,683,462</u>	<u>675,892</u>
CHANGE IN FUND BALANCE	(1,531,854)	(1,531,854)	(813,678)	(633,608)
FUND BALANCE - BEGINNING	<u>2,345,748</u>	<u>2,345,748</u>	<u>2,345,748</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 813,894</u>	<u>\$ 813,894</u>	<u>\$ 1,532,070</u>	<u>\$ (633,608)</u>

STATISTICAL SECTION

(Unaudited)

This part of the Town of Pantego, Texas' 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 Town's overall financial health.

Contents	Page Number
Financial Trends	74
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	82
These schedules contain trend information to help the reader assess factors affecting the Town's ability to generate its property and sales taxes.	
Debt Capacity	88
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	93
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	95
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year

TOWN OF PANTEGO, TEXAS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	\$ 4,411,384	\$ 4,485,022	\$ 4,193,710	\$ 3,984,588
Restricted	2,393,547	2,125,490	2,053,638	1,978,755
Unrestricted	<u>1,194,431</u>	<u>1,279,011</u>	<u>1,053,211</u>	<u>1,289,670</u>
Total governmental activities net position	<u>\$ 7,999,362</u>	<u>\$ 7,889,523</u>	<u>\$ 7,300,559</u>	<u>\$ 7,253,013</u>
Business-type activities:				
Net investment in capital assets	\$ 1,758,984	\$ 1,949,812	\$ 2,099,503	\$ 2,489,786
Restricted	-	-	-	-
Unrestricted	<u>1,155,420</u>	<u>915,531</u>	<u>713,445</u>	<u>674,509</u>
Total business-type activities net position	<u>\$ 2,914,404</u>	<u>\$ 2,865,343</u>	<u>\$ 2,812,948</u>	<u>\$ 3,164,295</u>
Primary government:				
Net investment in capital assets	\$ 6,170,368	\$ 6,434,834	\$ 6,293,213	\$ 6,474,374
Restricted	2,393,547	2,125,490	2,053,638	1,978,755
Unrestricted	<u>2,349,851</u>	<u>2,194,542</u>	<u>1,766,656</u>	<u>1,964,179</u>
Total primary government activities net position	<u>\$10,913,766</u>	<u>\$10,754,866</u>	<u>\$10,113,507</u>	<u>\$10,417,308</u>

TABLE 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 5,354,119	\$ 5,494,778	\$ 4,781,793	\$ 3,248,056	\$ 2,640,510	\$ 4,693,441
1,430,519	1,383,409	1,515,045	1,701,546	2,165,030	224,011
<u>276,613</u>	<u>131,014</u>	<u>1,120,275</u>	<u>1,154,959</u>	<u>25,458</u>	<u>(2,856,894)</u>
<u>\$ 7,061,251</u>	<u>\$ 7,009,201</u>	<u>\$ 7,417,113</u>	<u>\$ 6,104,561</u>	<u>\$ 4,830,998</u>	<u>\$ 2,060,558</u>
\$ 2,575,492	\$ 2,724,120	\$ 2,804,844	\$ 5,241,311	\$ 5,816,924	\$ 8,872,670
-	-	-	-	-	472,081
<u>863,669</u>	<u>911,575</u>	<u>1,182,994</u>	<u>965,217</u>	<u>759,020</u>	<u>(140,362)</u>
<u>\$ 3,439,161</u>	<u>\$ 3,635,695</u>	<u>\$ 3,987,838</u>	<u>\$ 6,206,528</u>	<u>\$ 6,575,944</u>	<u>\$ 9,204,389</u>
\$ 7,929,611	\$ 8,218,898	\$ 7,586,637	\$ 8,489,367	\$ 8,457,434	\$13,566,111
1,430,519	1,383,409	1,515,045	1,701,546	2,165,030	696,092
<u>1,140,282</u>	<u>1,042,589</u>	<u>2,303,269</u>	<u>2,120,176</u>	<u>784,478</u>	<u>(2,997,256)</u>
<u>\$10,500,412</u>	<u>\$10,644,896</u>	<u>\$11,404,951</u>	<u>\$12,311,089</u>	<u>\$11,406,942</u>	<u>\$11,264,947</u>

TOWN OF PANTEGO, TEXAS

CHANGE IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 554,904	\$ 506,739	\$ 589,280	\$ 596,456
Public works	672,640	895,132	658,630	621,545
Community development	112,189	139,358	199,548	168,172
Police	1,243,279	1,382,204	1,575,419	1,507,206
Fire	1,141,976	1,247,185	1,419,752	1,347,654
Municipal court	369,205	372,869	416,187	406,537
Community relations	-	-	-	-
Other	138,389	136,147	27,387	13,927
Interest	30,149	28,057	16,230	11,884
Total governmental activities expenses	<u>4,262,731</u>	<u>4,707,691</u>	<u>4,902,433</u>	<u>4,673,381</u>
Business-type activities:				
Water and wastewater	<u>1,109,880</u>	<u>1,287,745</u>	<u>1,252,304</u>	<u>1,088,168</u>
Total business-type activities expenses	<u>1,109,880</u>	<u>1,287,745</u>	<u>1,252,304</u>	<u>1,088,168</u>
Total primary government expenses	<u>\$ 5,372,611</u>	<u>\$ 5,995,436</u>	<u>\$ 6,154,737</u>	<u>\$ 5,761,549</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 115,389	\$ 122,887	\$ -	\$ -
Public works	-	-	-	-
Community development	100,212	89,417	77,457	97,086
Police	857,936	693,865	547,499	779,454
Fire	150,571	122,030	187,824	78,527
Municipal court	52,100	41,774	23,611	31,083
Other	18,805	20,648	-	-
Operating grants and contributions	21,850	53,649	11,342	12,205
Capital grants and contributions	306,234	-	7,378.00	-
Total governmental activities program revenues	<u>1,623,097</u>	<u>1,144,270</u>	<u>855,111</u>	<u>998,355</u>
Business-type activities				
Charges for services				
Water and sewer	\$ 1,223,699	\$ 1,236,588	\$ 1,192,044	\$ 1,418,974
Capital grants and contributions	<u>60,097</u>	<u>60,097.00</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>1,283,796</u>	<u>1,296,685</u>	<u>1,192,044</u>	<u>1,418,974</u>
Total primary government program revenues	<u>\$ 2,906,893</u>	<u>\$ 2,440,955</u>	<u>\$ 2,047,155</u>	<u>\$ 2,417,329</u>
Net (expense)/revenue				
Governmental activities	\$ (2,639,634)	\$ (3,563,421)	\$ (4,047,322)	\$ (3,675,026)
Business-type activities	<u>173,916</u>	<u>8,940</u>	<u>(60,260)</u>	<u>330,806</u>
Total primary government net expense	<u>\$ (2,465,718)</u>	<u>\$ (3,554,481)</u>	<u>\$ (4,107,582)</u>	<u>\$ (3,344,220)</u>

TABLE 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 584,393	\$ 562,177	\$ 575,663	\$ 571,428	\$ 721,165	\$ 1,133,299
627,099	590,635	732,024	836,830	898,275	1,373,166
193,769	140,109	29,432	31,800	23,815	39,891
1,734,699	1,559,711	1,484,524	1,544,166	1,965,746	2,124,929
1,378,017	1,404,650	1,331,682	1,444,702	2,041,918	1,896,231
407,102	383,879	336,347	372,200	437,727	-
-	9,152	10,899	12,893	8,633	-
17,227	-	-	-	-	-
<u>105,517</u>	<u>88,934</u>	<u>74,758</u>	<u>73,283</u>	<u>408,133</u>	<u>687,723</u>
<u>5,047,823</u>	<u>4,739,247</u>	<u>4,575,329</u>	<u>4,887,302</u>	<u>6,505,412</u>	<u>7,255,239</u>
<u>1,260,231</u>	<u>1,412,240</u>	<u>1,196,847</u>	<u>1,015,435</u>	<u>1,512,954</u>	<u>1,588,754</u>
<u>1,260,231</u>	<u>1,412,240</u>	<u>1,196,847</u>	<u>1,015,435</u>	<u>1,512,954</u>	<u>1,588,754</u>
<u>\$ 6,308,054</u>	<u>\$ 6,151,487</u>	<u>\$ 5,772,176</u>	<u>\$ 5,902,737</u>	<u>\$ 8,018,366</u>	<u>\$ 8,843,993</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,607
-	145,112	-	-	-	-
60,694	47,610	70,402	95,076	92,924	89,902
742,507	557,177	553,949	451,274	579,113	335,801
54,102	99,099	132,719	109,572	112,280	114,406
24,122	29,363	29,654	24,858	28,328	-
-	-	-	-	-	-
10,719	147,161	32,994	22,750	26,720	4,161
<u>4,605</u>	<u>2,659</u>	<u>312,885</u>	<u>313,320</u>	<u>-</u>	<u>-</u>
<u>896,749</u>	<u>1,028,181</u>	<u>1,132,603</u>	<u>1,016,850</u>	<u>839,365</u>	<u>1,059,877</u>
\$ 1,527,008	\$ 1,434,237	\$ 1,416,976	\$ 1,548,821	\$ 1,276,455	\$ 1,121,896
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,297</u>
<u>1,527,008</u>	<u>1,434,237</u>	<u>1,416,976</u>	<u>1,548,821</u>	<u>1,276,455</u>	<u>1,535,193</u>
<u>\$ 2,423,757</u>	<u>\$ 2,462,418</u>	<u>\$ 2,549,579</u>	<u>\$ 2,565,671</u>	<u>\$ 2,115,820</u>	<u>\$ 2,595,070</u>
\$ (4,151,074)	\$ (3,711,066)	\$ (3,442,726)	\$ (3,870,452)	\$ (5,666,047)	\$ (6,195,362)
<u>266,777</u>	<u>21,997</u>	<u>220,129</u>	<u>533,386</u>	<u>(236,499)</u>	<u>(53,561)</u>
<u>\$ (3,884,297)</u>	<u>\$ (3,689,069)</u>	<u>\$ (3,222,597)</u>	<u>\$ (3,337,066)</u>	<u>\$ (5,902,546)</u>	<u>\$ (6,248,923)</u>

TOWN OF PANTEGO, TEXAS

CHANGE IN NET POSITION

Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 1,035,238	\$ 1,056,398	\$ 1,126,456	\$ 1,253,512
Sales and use tax	1,814,089	1,974,220	1,927,619	1,941,472
Franchise	315,694	334,925	331,537	331,573
Investment earnings	6,036	14,237	42,736	80,643
Miscellaneous	15,375	73,802	30,011	16,309
Gain on retirement of capital assets	13,212	-	-	3,970
Transfers in (out)	(605,606)	-	-	-
Total governmental activities	<u>2,594,038</u>	<u>3,453,582</u>	<u>3,458,359</u>	<u>3,627,479</u>
Business-type activities:				
Investment income	1,270	2,096	7,244	13,219
Miscellaneous	-	-	622	7,321
Transfers in (out)	<u>605,606</u>	-	-	-
Total business-type revenues	<u>606,876</u>	<u>2,096</u>	<u>7,866</u>	<u>20,540</u>
Total primary government	<u>\$ 3,200,914</u>	<u>\$ 3,455,678</u>	<u>\$ 3,466,225</u>	<u>\$ 3,648,019</u>
Change in Net Position				
Governmental activities	\$ (45,596)	\$ (109,839)	\$ (588,963)	\$ (47,547)
Business-type activities	<u>780,792</u>	<u>11,036</u>	<u>(52,394)</u>	<u>351,346</u>
Total primary government	<u>\$ 735,196</u>	<u>\$ (98,803)</u>	<u>\$ (641,357)</u>	<u>\$ 303,799</u>

TABLE 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,367,835	\$ 1,474,402	\$ 1,532,378	\$ 1,534,994	\$ 1,857,039	\$ 2,499,166
2,014,986	1,968,091	2,122,672	2,282,299	2,381,234	2,314,948
337,830	283,723	263,064	290,788	318,043	285,762
143,034	65,842	4,569	26,591	356,227	871,090
206,999	54,709	55,442	90,958	120,131	105,247
-	(23,575)	-	8,460	(71,645)	-
-	(164,176)	(127,487)	(1,676,190)	(568,545)	(2,651,291)
<u>4,070,684</u>	<u>3,659,016</u>	<u>3,850,638</u>	<u>2,557,900</u>	<u>4,392,484</u>	<u>3,424,922</u>
15,942	10,191	1,157	8,679	37,024	30,715
504	470.00	3,370.00	435	346	-
-	164,176	127,487	1,676,190	568,545	2,651,291
<u>16,446</u>	<u>174,837</u>	<u>132,014</u>	<u>1,685,304</u>	<u>605,915</u>	<u>2,682,006</u>
<u>\$ 4,087,130</u>	<u>\$ 3,833,853</u>	<u>\$ 3,982,652</u>	<u>\$ 4,243,204</u>	<u>\$ 4,998,399</u>	<u>\$ 6,106,928</u>
\$ (80,390)	\$ (52,050)	\$ 407,912	\$ (1,312,552)	\$ (1,273,563)	\$ (2,770,440)
<u>283,223</u>	<u>196,834</u>	<u>352,143</u>	<u>2,218,690</u>	<u>369,416</u>	<u>2,628,445</u>
<u>\$ 202,833</u>	<u>\$ 144,784</u>	<u>\$ 760,055</u>	<u>\$ 906,138</u>	<u>\$ (904,147)</u>	<u>\$ (141,995)</u>

TOWN OF PANTEGO, TEXAS

FUND BALANCES GOVERNMENTAL FUNDS

Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nondisposable	\$ 32,085	\$ 2,883	\$ 3,344	\$ 5,379
Restricted:				
Other purposes	18,685	38,622	-	-
Equipment replacement	100,000	100,000	100,000	100,000
Unassigned	<u>2,115,419</u>	<u>2,483,019</u>	<u>2,469,074</u>	<u>2,484,181</u>
Total general fund	<u>\$ 2,266,189</u>	<u>\$ 2,624,524</u>	<u>\$ 2,572,418</u>	<u>\$ 2,589,560</u>
All Other Governmental Funds				
Restricted for:				
Debt service	\$ 235,327	\$ 102,701	\$ 69,582	\$ 37,475
Municipal court	93,294	101,017	92,129	105,967
Street improvements	875,997	720,517	882,109	821,166
Park row project	1,061,604	1,056,231	1,064,998	1,085,053
Animal control services	81,700	77,633	75,172	74,194
Capital projects	-	-	-	-
Other purposes	20,870	21,497	10,545	4,898
Committed to:				
Capital improvements	34,652	24,953	25,162	25,632
Street improvements	-	-	-	-
Unassigned	<u>(4,016)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 2,399,428</u>	<u>\$ 2,104,549</u>	<u>\$ 2,219,697</u>	<u>\$ 2,154,385</u>

TABLE 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 20,243	\$ 3,748	\$ 5,356	\$ 7,692	\$ 9,842	\$ 73,265
-	-	-	-	-	-
100,000	-	-	-	-	-
1,864,473	1,603,585	1,868,730	1,248,341	1,091,455	869,169
<u>\$ 1,984,716</u>	<u>\$ 1,607,333</u>	<u>\$ 1,874,086</u>	<u>\$ 1,256,033</u>	<u>\$ 1,101,297</u>	<u>\$ 942,434</u>
\$ 7,105	\$ 5,775	\$ 5,005	\$ 5,936	\$ 5,131	\$ 16,708
121,672	144,617	136,025	140,006	168,712	147,718
588,720	211,384	359,194	603,469	839,412	-
838,274	216,097	-	-	-	-
74,086	74,324	73,664	72,218	74,647	76,293
-	-	-	-	-	10,510,425
2,756,905	2,624,883	2,652,839	628,638	13,061,851	-
26,252	374,645	591,355	989,373	1,193,238	937,672
-	-	-	-	-	986,071
-	-	-	-	-	-
<u>\$ 4,413,014</u>	<u>\$ 3,651,725</u>	<u>\$ 3,818,082</u>	<u>\$ 2,439,640</u>	<u>\$ 15,342,991</u>	<u>\$ 12,674,887</u>

TOWN OF PANTEGO, TEXAS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Property tax	\$ 1,027,925	\$ 1,060,682	\$ 1,122,305	\$ 1,247,876
Sales tax	1,814,089	1,974,220	1,927,619	1,941,471
Franchise tax	318,154	337,774	325,907	335,336
Fines and forfeitures	880,750	780,857	636,400	760,642
Licenses and permits	100,212	89,417	71,937	91,979
Ambulance service	134,355	124,770	148,648	82,934
Charges for service	130,849	157,920	25,800	6,084
Contributions and donations	21,850.00	27,634	10,145	11,070
Investment earnings	6,036	14,237	5,765	6,121
Intergovernmental	260,210	26,015	42,736	80,642
Miscellaneous	55,546	88,450	35,806	26,777
Total revenues	<u>4,749,976</u>	<u>4,681,976</u>	<u>4,353,068</u>	<u>4,590,932</u>
Expenditures				
Current operations:				
General government	525,373	444,827	498,044	590,851
Public works	350,408	606,080	369,060	372,760
Community development	113,679	130,644	146,978	141,224
Police	1,163,861	1,203,351	1,399,001	1,490,173
Fire	1,039,334	1,077,145	1,301,849	1,322,936
Municipal court	364,599	350,932	383,498	390,840
Other	100,259	99,450	27,387	18,727
Capital outlay	634,541	475,601	135,089	283,206
Debt service:				
Principal	261,483	200,115	30,000	30,000
Interest and fiscal agent charges	26,014	30,375	3,576	2,355
Interest and fiscal agent charges	-	-	-	-
Total expenditures	<u>4,579,551</u>	<u>4,618,520</u>	<u>4,294,482</u>	<u>4,643,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>170,425</u>	<u>63,456</u>	<u>58,586</u>	<u>(52,140)</u>
Other financing sources (uses)				
Transfers in	638,391	472,899	26,134	18,691
Transfers out	(1,243,997)	(472,899)	(26,134)	(18,691)
Proceeds from issuance of leases	-	-	-	-
Proceeds from issuance of financed purchase	-	-	-	-
Proceeds from insurance recovery	-	-	-	-
Proceeds of bond issuance	-	-	-	-
Payment to refunded bonds agent	-	-	-	-
Proceeds from sale of capital assets	13,212	-	4,455	3,970
Total other financing sources (uses)	<u>(592,394)</u>	<u>-</u>	<u>4,455</u>	<u>3,970</u>
Net change in fund balances	<u>(421,969)</u>	<u>63,456</u>	<u>63,041</u>	<u>(48,170)</u>
Debt service as a percentage of non-capital expenditures	7.29%	5.56%	0.81%	0.74%

TABLE 5

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,351,129	\$ 1,492,559	\$ 1,530,829	\$ 1,535,253	\$ 1,873,622	\$ 2,499,166
2,014,986	1,968,091	2,122,672	2,282,299	2,381,234	2,314,948
331,327	293,989	272,956	282,204	305,228	294,287
708,424	586,725	574,030	457,653	556,046	442,652
55,094	44,020	63,406.00	88,590	85,121	115,159
84,012	101,314	101,275	116,182	84,142	-
3,705	2,170	18,678	18,602	17,481	126,682
5,000	3,200	-	-	500	-
143,035	65,843	4,569	26,591	356,228	871,090
7,810	289,073	345,080	336,070	40,815	376,415
220,490	68,776	70,827	105,254	138,909	2,635
<u>4,925,012</u>	<u>4,915,760</u>	<u>5,104,322</u>	<u>5,248,698</u>	<u>5,839,326</u>	<u>7,043,034</u>
553,576	569,451	524,247	583,275	698,068	1,075,626
325,534	342,957	407,002	517,977	687,099	906,320
141,360	141,094	7,403	12,202	4,217	39,891
1,710,497	1,708,420	1,648,215	1,962,867	1,933,422	1,958,360
2,073,485	1,316,126	1,307,860	1,450,029	1,752,505	1,742,278
393,037	399,982	384,506	398,616	413,954	-
17,787	9,152	10,899	12,893	8,633	-
752,254	1,232,261	74,742	656,065	211,047	4,161,323
30,000	70,000	100,000	100,000	174,001	600,265
74,170	106,699	78,850	87,706	99,314	801,131
-	-	-	-	145,623	-
<u>6,071,700</u>	<u>5,896,142</u>	<u>4,543,724</u>	<u>5,781,630</u>	<u>6,127,883</u>	<u>11,285,194</u>
<u>(1,146,688)</u>	<u>(980,382)</u>	<u>560,598</u>	<u>(532,932)</u>	<u>(288,557)</u>	<u>(4,242,160)</u>
10,893	348,082	358,529	557,645	17,250	467,660
(10,893)	(512,258)	(486,016)	(2,233,835)	(585,795)	-
-	-	-	204,167	177,616	315,700
-	-	-	-	-	507,047
-	-	-	-	-	89,031
2,800,473	-	-	-	13,150,331	-
-	-	-	-	-	-
-	5,886	-	8,460	277,770	35,755
<u>2,800,473</u>	<u>(158,290)</u>	<u>(127,487)</u>	<u>(1,463,563)</u>	<u>13,037,172</u>	<u>1,415,193</u>
<u>1,653,785</u>	<u>(1,138,672)</u>	<u>433,111</u>	<u>(1,996,495)</u>	<u>12,748,615</u>	<u>(2,826,967)</u>
1.96%	3.79%	4.00%	3.66%	4.74%	19.67%

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TOWN OF PANTEGO, TEXAS**TABLE 6****GOVERNMENTAL FUNDS
TAX REVENUE BY SOURCE**

Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales & Use Tax</u>	<u>Franchise Tax</u>	<u>Total Tax Revenue</u>
2015	\$ 1,027,925	\$ 1,814,089	\$ 318,154	\$ 3,160,168
2016	1,060,682	1,974,220	337,774	3,372,676
2017	1,122,305	1,927,619	325,907	3,375,831
2018	1,247,876	1,941,471	335,336	3,524,683
2019	1,351,129	2,014,986	331,327	3,697,442
2020	1,492,559	1,968,091	293,989	3,754,639
2021	1,530,829	2,122,672	272,956	3,926,457
2022	1,535,253	2,282,299	282,204	4,099,756
2023	1,873,622	2,381,234	305,228	4,560,084
2024	2,499,166	2,314,948	294,287	5,108,401

TOWN OF PANTEGO, TEXAS

**ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Residential Property	Industrial/ Commercial Property	Mineral Reserves	Less: Tax-Exempt Property	Total Taxable Assessed Value
2015	\$ 142,259,144	\$ 155,581,300	\$ 1,195,830	\$ 52,185,034	\$ 246,851,240
2016	143,215,261	155,926,097	2,326,070	53,097,672	248,369,756
2017	153,837,425	172,009,086	487,280	58,252,387	268,081,404
2018	169,862,585	194,414,886	176,710	68,066,461	296,387,720
2019	179,798,820	212,503,240	337,040	71,492,406	321,146,694
2020	213,841,459	215,388,032	204,760	74,078,235	355,356,016
2021	231,193,211	209,800,985	159,320	75,893,633	365,259,883
2022	212,685,996	228,524,438	262,120	75,991,740	365,480,814
2023	259,526,391	216,883,755	271,510	81,995,503	394,686,153
2024	268,903,511	257,038,655	1,245,570	89,549,048	437,638,688

Source: Tarrant Appraisal District

Note: Property in the Town is reassessed each year.

Property is assessed at actual value; therefore, the assessed values are equal to actual value.

TABLE D-7

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Taxable Value
0.420000	\$ 246,851,240	100.0%
0.420000	248,369,756	100.0%
0.420000	268,081,404	100.0%
0.420000	296,387,720	100.0%
0.420000	321,146,694	100.0%
0.420000	355,356,016	100.0%
0.420000	365,259,883	100.0%
0.420000	365,480,814	100.0%
0.475931	394,686,153	100.0%
0.570000	437,638,688	100.0%

TOWN OF PANTEGO, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
OVERLAPPING RATES				
Tarrant County	0.264000	0.264000	0.254000	0.244000
Tarrant County Hospital District	0.227970	0.227897	0.227897	0.224429
Tarrant County Junior College District	0.149500	0.149500	0.144730	0.140060
Arlington Independent School District	1.348110	1.412952	1.390080	1.368670
CITY DIRECT RATES				
Operating & Maintenance	0.385320	0.420000	0.420000	0.420000
Interest & Sinking	<u>0.034680</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>
Total Direct Rate	<u>0.420000</u>	<u>0.420000</u>	<u>0.420000</u>	<u>0.420000</u>
Total Direct & Overlapping Rate	2.409580	2.474349	2.436707	2.397159

Sources: Tarrant Appraisal District and Town records.

Note: All rates per \$100 assessed value.
Totals are not provided for columns since they would be meaningless.
Some of the jurisdictions are mutually exclusive.

TABLE D-8

Fiscal Year					
2019	2020	2021	2022	2023	2024
0.234000	0.234000	0.234000	0.229000	0.224000	0.194500
0.224429	0.224429	0.224429	0.224429	0.224429	0.194500
0.136070	0.136070	0.130170	0.130170	0.130170	0.112170
1.368670	1.298670	1.387100	1.360800	1.308700	1.115600
0.420000	0.370094	0.370516	0.371329	0.431809	0.417934
<u>0.000000</u>	<u>0.049906</u>	<u>0.049484</u>	<u>0.048671</u>	<u>0.044122</u>	<u>0.152066</u>
<u>0.420000</u>	<u>0.420000</u>	<u>0.420000</u>	<u>0.420000</u>	<u>0.475931</u>	<u>0.570000</u>
2.383169	2.313169	2.395699	2.364399	2.363230	2.186770

TOWN OF PANTEGO, TEXAS**PRINCIPAL PROPERTY TAX PAYERS**

Current and Ten Years Ago
(Unaudited)

Taxpayer	2024		Percentage of Total Taxable Assessed Valuation
	Taxable Assessed Valuation	Rank	
2650 W. Park Row LLC	\$ 13,200,000	1	3.02 %
SVS Apartments LLC	10,400,000	2	2.38 %
PS Lpt Properties Investors/Public Storage Benelux	9,427,081	3	2.15 %
Oncor Electric Delivery Co Inc	8,777,776	4	2.01 %
TSCA-201 Ltd Partnership	5,598,944	5	1.28 %
Northlake Partners LLC	5,260,729	6	1.20 %
Four Seasons Pantego Ltd	5,217,000	7	1.19 %
HRE Lakewood LLC	4,840,000	8	1.11 %
Store Here Pantego LLC	4,122,185	9	0.94 %
Texas Appliance Supply Inc	3,920,954	10	0.90 %
Triad Senior Living	-		-
Texas Pneumatic Systems Inc	-		-
Stagliano, VJ Etux Peggy Etal	-		-
EAN Holdings LLC	-		-
Wal-Mart Stores Texas Lp	-		-
Aldi (Texas) LLC	-		-
Total	\$ 70,764,669		16.17 %

Source: Tarrant Appraisal District

TABLE D-9

2015		
Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
\$ -		-
2,500,000	8	1.01 %
-		-
4,106,934	3	1.66 %
4,856,785	2	1.97 %
-		-
3,100,000	6	1.26 %
-		-
-		-
-		-
7,503,530	1	3.04
3,631,574	4	1.47 %
3,375,000	5	1.37 %
2,638,057	7	1.07 %
2,443,542	9	0.99 %
2,354,755	10	0.95 %
<u>\$ 36,510,177</u>		<u>14.79 %</u>

TOWN OF PANTEGO, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended 9/30	Actual Levy Year	Taxes Levied for the Fiscal Year	Adjustment to Levy	Adjusted Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy	
					Amount	Percentage of Levy
2015	2014	\$ 1,022,254	\$ 14,523	\$ 1,036,777	\$ 1,009,813	97.4%
2016	2015	969,368	73,786	1,043,148	1,032,490	99.0%
2017	2016	1,091,093	34,849	1,125,507	1,110,985	98.7%
2018	2017	1,211,353	33,527	1,244,474	1,230,856	98.9%
2019	2018	1,334,740	14,076	1,348,546	1,332,986	98.8%
2020	2019	1,453,182	39,314	1,487,492	1,480,372	99.5%
2021	2020	1,439,365	91,210	1,523,097	1,516,520	99.6%
2022	2021	1,486,235	41,126	1,527,360	1,519,407	99.5%
2023	2022	1,810,338	64,068	1,874,407	1,859,584	99.2%
2024	2023	2,431,501	63,040	2,494,541	2,479,163	99.4%

Sources: Tarrant County Tax Assessor Collector and Town records.

Tax Lien and Assessment Date: January 1 each year
Taxes due: October 1 of the same year
Taxes delinquent: February 1 of the following year

TABLE D-10

Collection in Subsequent Years	Total Collections to Date		Outstanding As of 9/30/24
	Amount	Percentage of Levy	
\$ (9,685)	\$ 1,000,128	96.5%	\$ 36,649
2,998	1,035,488	99.3%	7,660
6,602	1,117,587	99.3%	7,920
5,469	1,236,325	99.3%	8,149
9,231	1,342,217	99.5%	6,329
1,000	1,481,372	99.6%	6,121
(1,266)	1,515,254	99.5%	7,843
2,320	1,521,727	99.6%	5,634
2,579	1,862,163	99.3%	12,244
-	2,479,163	99.4%	15,378

TOWN OF PANTEGO, TEXAS**TABLE D-11****DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City Direct Rate	Sales Tax for Property Tax Relief	Sales Tax for Street Improvement	Sales Tax for Economic/ Industrial Dev Sec 4B
2015	1.00%	0.50%	-	-
2016	1.00%	0.50%	-	-
2017	1.00%	0.50%	-	-
2018	1.00%	0.50%	-	-
2019	0.88%	0.50%	-	0.125%
2020	0.88%	0.50%	-	0.125%
2021	0.88%	0.50%	-	0.125%
2022	0.88%	0.50%	-	0.125%
2023	0.88%	0.50%	-	0.125%
2024	1.00%	0.25%	0.25%	0.500%

Source: Office of the Comptroller of the State of Texas

TOWN OF PANTEGO, TEXAS**TABLE D-12****SALES TAX COLLECTIONS BY FUND**

Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended 9/30	General		Street Improvement		Total Primary Government	Component Unit Economic Development	Total Sales Tax Collections
2015	\$	1,514,382	\$	299,707	\$ 1,814,089	\$ 599,415	\$ 2,413,504
2016		1,647,731		326,490	1,974,221	652,983	2,627,204
2017		1,608,733		318,886	1,927,619	637,488	2,565,107
2018		1,620,587		320,884	1,941,471	641,769	2,583,240
2019		1,664,945		332,989	1,997,934	665,128	2,663,062
2020		1,631,776		326,355	1,958,131	652,710	2,610,842
2021		1,771,100		351,572	2,122,672	703,143	2,825,815
2022		1,904,228		378,071	2,282,299	756,144	3,038,443
2023		1,986,813		394,421	2,381,234	788,842	3,170,076
2024		1,917,136		373,427	2,290,563	766,854	3,057,418

TOWN OF PANTEGO, TEXAS

RATIOS OF TOTAL OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	GOVERNMENTAL ACTIVITIES				Total Primary Government (2)
	General Obligation Bonds	Certificates of Obligation (1)	Financed Purchases	Leases	
2015	\$ -	\$ 120,000	\$ -	\$ 664,817	\$ 784,817
2016	-	90,000	-	494,919	584,919
2017	-	60,000	-	335,957	395,957
2018	-	30,000	-	171,250	201,250
2019	-	2,735,000	-	-	2,735,000
2020	-	2,665,000	-	-	2,665,000
2021	-	2,565,000	-	-	2,565,000
2022	-	2,465,000	-	195,811	2,660,811
2023	-	14,785,000	-	314,567	15,099,567
2024	-	14,395,000	437,644	489,406	15,322,050

Notes:

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

(1) Includes certificate of obligation secured by property tax revenue.

(2) Includes governmental activities and business-type activities debt.

The Town did not have business-type activities debt during the ten fiscal year period reported.

(3) See Table 18 for population and personal income data.

TABLE D-13

Component Unit		Total Outstanding Debt	Total Debt Per Capita (3)	Percentage of Personal Income (3)	Population	Personal Income
Sales Tax Revenue Bonds (4)						
\$	1,155,000	\$ 1,939,817	\$ 318	1.1%	2,466	\$ 70,000
	1,015,000	1,599,919	236	0.9%	2,475	65,463
	870,000	1,265,957	159	0.6%	2,497	60,972
	710,000	911,250	80	0.3%	2,501	62,963
	545,000	3,280,000	1,080	4.4%	2,532	61,492
	370,000	3,035,000	1,053	4.9%	2,531	54,946
	190,000	2,755,000	1,035	3.9%	2,479	66,250
	-	2,660,811	1,046	3.4%	2,543	79,417
	1,285,000	16,384,567	5,971	17.9%	2,529	84,125
	1,285,000	16,607,050	6,211	20.3%	2,467	75,546

TOWN OF PANTEGO, TEXAS

TABLE D-14

NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Net General Bonded Debt	Percentage of Actual Taxable Value (1)	Per Capita (2)
	General Obligation Bonds	Certificates of Obligation (1)	Less: Amounts Available in Debt Service Fund			
2015	\$ -	\$ 120,000	\$ 235,327	\$ (115,327)	(0.05) %	(47)
2016	-	90,000	102,701	(12,701)	(0.01) %	(5)
2017	-	60,000	69,582	(9,582)	(0.00) %	(4)
2018	-	30,000	49,263	(19,263)	(0.01) %	(8)
2019	-	2,735,000	7,105	2,727,895	0.85 %	1,077
2020	-	2,665,000	5,699	2,659,301	0.75 %	1,051
2021	-	2,565,000	4,687	2,560,313	0.70 %	1,033
2022	-	2,465,000	5,723	2,459,277	0.67 %	967
2023	-	14,785,000	4,621	14,780,379	3.74 %	5,844
2024	-	14,395,000	16,199	14,378,801	3.29 %	5,828

Notes:

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

(1) See Table D-7 for taxable value of property data.

(2) See Table D-18 for population and personal income data.

(3) Includes debt secured by a combination tax and revenue pledge.

These bonds are serviced completely by revenue streams other than general property taxes.

TOWN OF PANTEGO, TEXAS

TABLE D-15

**DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT**

As of September 30, 2024
(Unaudited)

<u>Governmental Unit</u>	<u>Tax Supported Debt Outstanding (1)</u>	<u>Estimated Percent Applicable (2)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Town of Pantego	\$ 14,395,000	100%	\$ 14,395,000
Total direct debt			<u>14,395,000</u>
Tarrant County	345,130,000	0.12%	414,253
Tarrant County Hospital District	440,020,000	0.15%	672,263
Tarrant County College District (4)	569,915,000	0.19%	1,082,550
Arlington ISD (3)	1,160,400,000	2.88%	<u>33,436,512</u>
Total overlapping debt			<u>35,605,577</u>
Total direct and overlapping debt			<u>50,000,577</u>
Per capita direct and overlapping debt			<u>\$ 20,267.77</u>

Source: (1) Town records.

(2) Tarrant Appraisal District; estimated percentage is based on formula using assessed net taxable property values.

(3) Per AISD ACFR for fiscal year end June 30, 2024.

(4) Per Tarrant County College District Annual Report August 31, 2024

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Pantego. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, responsible for repaying the debt of each overlapping government.

TOWN OF PANTEGO, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	\$ 29,903,627	\$ 30,146,743	\$ 32,633,379	\$ 36,445,418
Total Net Debt Applicable to Limit	<u>235,327</u>	<u>482,218</u>	<u>326,375</u>	<u>151,987</u>
Legal Debt Margin	<u>29,668,300</u>	<u>29,664,525</u>	<u>32,307,004</u>	<u>36,293,431</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.79%	1.60%	1.00%	0.42%

TABLE D-16

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 39,263,910	\$ 42,943,425	\$ 44,115,352	\$ 44,147,255	\$ 47,668,166	\$ 52,718,774
<u>2,727,895</u>	<u>2,659,301</u>	<u>2,560,313</u>	<u>2,459,277</u>	<u>14,780,379</u>	<u>14,378,801</u>
<u>36,536,015</u>	<u>40,284,124</u>	<u>41,555,039</u>	<u>41,687,978</u>	<u>32,887,787</u>	<u>38,339,972</u>
6.95%	6.19%	5.80%	5.57%	31.01%	27.27%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 437,638,688
Add back: exempt property	<u>89,549,048</u>
Total assessed value	<u>527,187,736</u>
Debt Limit (10% of Assessed Value)	<u>52,718,774</u>
Debt Applicable to Limit:	
General Obligation Bonds	-
Certificates of Obligation	14,395,000
Subtotal	<u>14,395,000</u>
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>16,199</u>
Net Debt Applicable to Limit	<u>\$ 14,378,801</u>

TOWN OF PANTEGO, TEXAS**TABLE D-17**

PEDC SALES TAX REVENUE
 PLEDGED - REVENUE BOND COVERAGE
 (Unaudited)

LAST TEN FISCAL YEARS

PANTEGO ECONOMIC
 DEVELOPMENT CORPORATION (PEDC)

Fiscal Year	Sales Tax Collections	Sales Tax Revenue Bonds		PEDC Bond Coverage (1)
		Debt Service		
		Principal	Interest	
2015	\$ 599,415	\$ 140,000	\$ 61,260	2.98
2016	652,983	140,000	54,401	3.36
2017	638,621	145,000	47,041	3.33
2018	641,778	160,000	39,499	3.22
2019	665,128	165,000	31,399	3.39
2020	652,710	175,000	22,906	3.30
2021	703,144	180,000	13,861	3.63
2022	756,212	190,000	4,788	3.88
2023	788,842	-	-	
2024	766,854	-	52,447	14.62

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

TOWN OF PANTEGO, TEXAS

TABLE D-18

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended 9/30	Estimated Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (1)	Public School Enrollment (2)	Unemployment Rate (3)
2015	2,466	\$ 70,000	\$ 38,091	48.8	4,312	4.2%
2016	2,475	65,463	33,508	47.0	4,126	4.2%
2017	2,497	60,972	36,369	50.7	4,162	3.5%
2018	2,501	62,963	35,735	52.7	4,069	3.4%
2019	2,532	61,492	35,991	53.8	3,969	3.2%
2020	2,531	54,946	36,413	51.7	4,027	7.3%
2021	2,479	66,250	39,769	47.2	3,951	4.5%
2022	2,543	79,417	44,340	43.9	3,852	3.5%
2023	2,529	84,125	48,325	44.0	3,819	3.8%
2024	2,467	75,546	46,401	42.8	3,899	3.9%

Sources: (1) American Community Survey from data.census.gov
 (2) Arlington Independent School District (AISD) - Student Demographic Reports.
 Includes enrollment for Hill Elementary, Bailey Junior High and Arlington High School,
 which are AISD schools zoned for the Town of Pantego.
 (3) U.S. Department of Labor, Bureau of Labor Statistics - State of Texas Unemployment
 Statistics report.

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TOWN OF PANTEGO, TEXAS**TABLE D-19****PRINCIPAL EMPLOYERS**

Current and Ten Years Ago
(Unaudited)

2015			2024		
	Employees	Rank		Employees	Rank
Holiday Inn Club Vacations	450	1	Pantego Christian Academy	195	1
Pantego Christian Academy	153	2	Anton Cabinetry	112	2
Wal-Mart Neighborhood	125	3	Wal-Mart Neighborhood	110	3
Anton Cabinetry	100	4	Texas Traffic and Barricade	97	4
ESP Services Heating & A/C	90	5	Camp Thurman**	60	5
Texas Pneumatic Systems	68	6	Tom's Mechanical, Inc.	53	6
The Waterford	30	7	Town of Pantego	47	7
Trojan Electric	26	8	Dutch Brothers Coffee	35	8
Weldon Mechanical Corp.	20	9	Morada Pantego (Waterford)	33	9
Artic Star	<u>20</u>	10	El Chico	<u>21</u>	10
Total	<u>1082</u>			<u>568</u>	

Sources: Town's Economic Development records.

Note: Total employment figures for the Town of Pantego were not available to calculate percentage of total city employment **Camp Thurman Annualized to FT equivalent as most are seasonal

TOWN OF PANTEGO, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES

Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General and administrative				
City Manager	1.0	1.0	1.0	1.0
City Secretary	1.0	1.0	1.0	1.0
Finance Director	1.0	1.0	1.0	1.0
Accounts Payable/Payroll/HR	1.0	1.0	1.0	-
EDC Coordinator	-	-	-	-
Support Specialist	2.0	-	-	-
Public Safety Chief	-	-	-	-
Subtotal	<u>6.0</u>	<u>4.0</u>	<u>4.0</u>	<u>3.0</u>
Public Works				
Public Works Director	1.0	1.0	1.0	-
Operations Manager				
Support Specialist	-	1.0	1.0	1.0
Building Inspector	-	-	-	-
Code Enforcement				
Foreman / Crew Leader	2.0	2.0	2.0	2.0
Public Works Worker	3.5	3.5	3.5	3.5
Subtotal	<u>6.5</u>	<u>7.5</u>	<u>7.5</u>	<u>6.5</u>
Community Development				
Community Development Director	1.0	1.0	1.0	1.0
Support Specialist	-	1.0	1.0	1.0
Subtotal	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Police				
Police Chief	-	-	-	-
Public Safety Chief	0.5	0.5	0.5	-
Assistant Police Chief	1.0	1.0	1.0	-
Captain	-	-	-	-
Lieutenant	-	-	-	-
Sergeant	1.0	1.0	1.0	1.0
Sergeant CID	1.0	1.0	1.0	1.0
Corporal	1.0	1.0	2.0	-
Officer	7.0	7.0	6.0	6.0
School Crossing Guard	0.5	0.5	0.5	0.5
Dispatcher	5.0	5.0	5.0	5.0
Subtotal	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>13.5</u>
Fire				
Fire Chief	-	-	-	-
Public Safety Chief	0.5	0.5	0.5	-
Assistant Fire Chief / and (EMC '22)	1.0	1.0	1.0	-
Captain	-	-	-	-
Lieutenant	3.0	3.0	3.0	2.0
Fire Inspector				0.5
Emergency Management Coordinator				
Firefighter/Paramedic (P/T)				
Firefighter/Paramedic	6.0	6.0	6.0	9.0
Subtotal	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>	<u>11.5</u>
Municipal Court				
Court Administrator	1.0	1.0	1.0	1.0
Court Clerk	-	-	-	-
Deputy Court Clerk	1.0	1.0	1.0	1.0
Assistant Court Clerk	0.5	0.5	0.5	-
Warrant Officer	2.0	2.0	2.0	2.0
Subtotal	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.0</u>
Total	45.5	45.5	45.5	40.5

Source: Town records.

TABLE D-20

Fiscal Year					
2019	2020	2021	2022	2023	2024
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	0.5	0.5	0.5
-	-	-	-	-	2.0
-	-	-	-	-	-
4.0	4.0	4.0	4.5	4.5	6.5
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	2.0	1.0	1.0	1.0
-	-	2.0	2.0	2.0	-
-	-	-	-	-	-
-	-	0.5	0.5	0.5	0.5
2.0	2.0	1.0	1.0	-	-
3.5	3.5	4.5	2.5	2.5	3.0
7.5	7.5	9.0	8.0	7.0	5.5
1.0	1.0	-	-	-	-
1.0	1.0	-	-	-	-
2.0	2.0	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-
-	-	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-
1.0	1.0	1.0	1.0	-	1.0
-	-	-	-	-	-
2.0	2.0	2.0	1.0	1.0	1.0
6.0	6.5	6.5	7.5	6.5	8.0
0.5	0.5	0.5	0.5	0.5	0.5
5.0	5.0	5.0	5.0	5.0	5.5
16.5	17.0	17.0	17.0	15.0	18.0
1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-
-	-	-	1.0	1.0	-
-	-	-	-	-	-
3.0	3.0	3.0	3.0	3.0	3.0
0.5	-	-	-	-	-
-	0.5	1.0	-	-	-
-	-	-	2.5	3.0	2.5
8.5	10.5	7.0	6.0	6.0	6.0
13.0	15.0	12.0	13.5	14.0	12.5
1.0	1.0	1.0	1.0	1.0	1.0
0.5	0.5	0.5	-	-	-
1.0	1.0	1.0	2.0	2.0	2.0
-	-	-	-	-	-
2.0	1.0	1.0	1.0	1.0	1.0
4.5	3.5	3.5	4.0	4.0	4.0
47.5	49.0	45.5	47.0	44.5	46.5

TOWN OF PANTEGO, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Public Safety				
Police				
Number of employees	17.0	17.0	17.0	13.5
Part 1 index crimes	117	108	109	122
Total calls	20,786	16,847	15,092	19,243
Crash reports	58	81	86	82
Citations and Warnings	6,733	5,028	4,807	6,543
Warrants issued/CID	20	-	9	14
Total arrests	995	756	552	532
Fire				
Number of employees	10.5	11.0	10.5	11.5
Number of calls for service	1,855	1,876	1,864	1,869
Automatic and mutual aid	1,109	1,189	1,155	1,311
Inspections	711	1,027	299	315
Municipal Court				
Number of employees	4.5	4.5	4.5	4.0
Cases Filed (Citations processed/ FTA)	6,943	6,144	6,057	7,419
Warrants processed	7,952	5,790	2,995	4,230
Public Works				
Number of employees	6.5	6.5	7.5	6.5
(1) Hours worked per function:				
Public works - utility billing	1,120	1,140	1,841	1,820
Public works - administration	2,990	2,964	5,696	4,916
Parks	1,978	2,004	2,054	2,227
Maintenance	7,070	768	6,052	5,687
Streets/Drainage	1,132	1,236	948	938
Animal Control	202	36	426	548
Former Comm. Dev. Part of PW asof FY 2021				
Building Safety Inspections	682	375	429	473
Code Compliance Inspections	66	28	51	97
Commercial Permits Issued	119	122	97	114
Residential Permits Issued	127	133	125	122
Certificates of Occupancy Issued	115	176	102	74
Water and Sewer				
Number of water customers	1,197	1,210	1,218	1,218
Number of sewer connections	1,161	1,160	1,166	1,169
Number of solid waste customers	935	938	942	947
Number of recycling customers	886	886	886	887
Yearly water consumption (millions of gallons)	163.0	157.5	154.7	179.8
Yearly sewer usage (millions of gallons)	108.0	101.0	103.3	106.2

Source: Various Town departmental records.

Notes:

(1) Public works functions include parks, street, facilities maintenance, animal control services, water and wastewater operations, including utility billing

Hours per function are estimates

TABLE D-21

Fiscal Year					
2019	2020	2021	2022	2023	2024
16.5	17.0	17.0	17.0	15.0	18.0
158	278	271	237	225	231
19,396	24,807	24,958	20,663	15,750	22,549
37	91	60	132	73	128
4,571	5,389	5,303	5,796	4,494	3,504
33	30	24	43	29	60
457	186	63	98	94	110
13.0	15.0	12.0	13.5	14.0	12.5
1,723	1,472	1,953	2,656	2,346	2,532
956	799	1,648	1,772	1,592	2,073
287	240	292	205	256	253
4.5	3.5	3.5	4.0	4.0	4.0
5,392	5,318	4,971	4,262	4,065	2,826
4,615	1,222	671	965	5,977	2,185
7.5	7.5	8.5	8.5	7.0	6.5
1,943	1,865	1,883	1,961	1,856	1,856
4,582	3,816	4,316	4,165	4,234	3,931
2,658	2,214	2,504	2,417	2,286	2,122
5,025	4,184	4,733	4,568	4,821	4,477
1,704	1,419	1,605	1,549	1,333	1,237
351	292	330	319	317	294
271	206	481	307	470	313
60	50	216	480	112	205
81	49	68	74	72	109
119	93	129	110	119	119
57	78	78	67	91	85
1,218	1,206	1,189	1,202	1,221	1,228
1,169	1,169	1,169	1,169	1,169	1,169
948	929	923	944	954	925
888	875	867	874	889	889
174.7	162.5	170.2	197	176	187
105.9	89.5	88.4	129.0	129.0	83.0

TOWN OF PANTEGO, TEXAS

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Public Safety				
Police stations	1	1	1	1
Police patrol units	6	6	6	6
Police patrol units MC	2	2	2	2
Police admin units	2	2	2	2
Fire stations	1	1	1	1
Ambulance units	2	2	2	2
Fire engine units	2	2	2	2
Hazmat units	1	1	-	-
Fire admin units	3	3	3	3
Streets				
Streets (miles)	17.62	17.62	17.62	17.62
Traffic signals	8	8	8	8
Streetlights	237	237	237	237
Culture and recreation				
Parks	1	1	1	1
Park (acres)	7.69	7.69	7.69	7.69
Playgrounds	3	3	3	3
Basketball courts	2	2	2	2
Park pavilions	3	3	3	3
Park Splash Pad				1
Water and Sewer				
Miles of water main	24	24	24	24
Miles of sewer main	25	25	25	25
Water storage facilities	3	3	3	3
Number of fire hydrants	171	171	171	171

Source: Various Town departmental records.

TABLE D-22

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
6	6	6	6	6	7
2	2	3	3	3	3
4	1	1	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
3	2	2	2	2	2
-	-	-	-	-	-
2	2	2	2	2	2
17.62	17.62	17.62	17.62	17.62	17.62
8	8	8	8	8	8
237	237	237	237	237	237
1	1	1	1	1	1
7.69	7.69	7.69	7.69	7.69	7.69
3	3	3	3	3	3
2	2	2	2	2	2
3	3	3	3	3	4
1	1	1	1	1	1
24	24	24	24	24	24
25	25	25	25	25	25
3	3	3	3	3	3
171	171	171	171	171	171

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COMPLIANCE SECTION

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

Honorable Mayor
and Members of Town Council
Town of Pantego, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Pantego, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Pantego, Texas' basic financial statements, and have issued our report thereon dated June 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Pantego, Texas' 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 Town of Pantego, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Pantego, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Pantego, Texas' 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Pantego, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Town of Pantego, Texas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 2, 2025