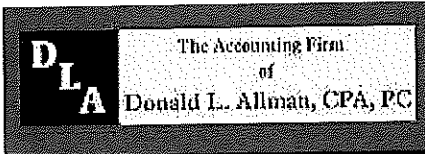


CITY OF BREMOND, TEXAS

**Audited Financial Statements
Independent Auditor's Report And
Supplemental Schedules
For the Year Ended
September 30, 2023**

MEMBER AICPA and TSCPA

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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Bremond, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bremond, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Bremond, Texas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bremond, Texas, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

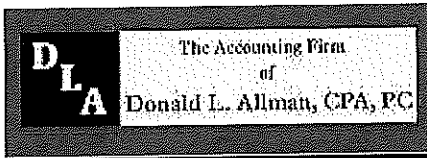
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bremond, 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

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



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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Bremond, 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 City of Bremond, Texas' ability to continue as a going concern for a reasonable period of time.

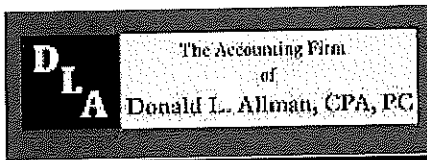
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 38 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 City of Bremond, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of the City of Bremond, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bremond, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bremond, Texas' internal control over financial reporting and compliance.


Donald L. Allman, CPA, PC

November 19, 2024
Georgetown, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of the City of Bremond, Texas, discuss and analyze the City's financial performance for the year ended September 30, 2023. Please read it in conjunction with the independent auditors' report and the City's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The city's net position was \$1,595,984 for the governmental activities and \$1,776,617 for business-type activities at September 30, 2023.
- The General Fund had an increase in net position of \$130,718.
- The Proprietary Fund had a decrease in net position of \$(52,285).
- The General Fund on the governmental funds basis had an increase in net position of \$37,055.

USING THIS ANNUAL REPORT

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

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the city's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the budget. The fiduciary statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The required Supplementary Information section contains financial information and disclosures required by the Governmental Accounting Standards Board (GASB), but are not considered a part of the basic financial statements. The section labeled Other Supplementary Information contains data used by monitoring or regulatory agencies for assurance that the City is using funds supplied in compliance with the terms of grants.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The analysis of the City's overall financial condition and operations primary purpose is to show whether the City is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting, which is the basis used by private sector companies. This means all of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

All of the current year's revenues are taken into account regardless of when cash is received or paid. The City's revenues are divided into those provided by outside parties who pay for the costs of some programs (such as utility funds) and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All of the City's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

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

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities.

Governmental Activities-Most of the City's basic services are reported here, including the transportation, maintenance, community services, and general administration. Property taxes, fees, and state and federal grants finance most of these activities.

Business-type Activities – The City charges a fee to “customers” to help it cover all or most of the cost of services it provides in the Revenue Fund.

Business-type Activities – The City charges a fee to “customers” to help it cover all or most of the cost of services it provides in the Revenue Fund.

Component Units – The City includes two separate legal entities in its report – the Economic Development Corporation (4A) and the Infrastructure/Improvement Corporation (4B). Although legally separate, these “component units” are important because the City is financially accountable for them.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Laws and contracts require the City to establish some funds, such as grants received from a governmental agency. The city's administration may establish other funds to help it control and manage money for particular purposes. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

Governmental Funds – Most of the City's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the city's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

Proprietary Funds – The City reports the activities for which it charges users in proprietary funds using the same accounting method employed in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government wide statements but containing more detail and additional information, such as cash flows.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary's Responsibilities

The City is the trustee, or fiduciary, for money of the Firemen's Pension Trust fund. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these resources from the City's other financial statements because the City cannot use these assets to finance its operations. The City is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's assets exceeded liabilities by \$3,372,601 at the close of the most recent fiscal year.

Governmental activities net position increased by \$130,718 during the current year.

Business-type activities net position decreased by \$(52,285) during the current year.

TABLE I
CITY OF BREMOND, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities		Business-type Activities		Total	
	Sep-2023	Sep-2022	Sep-2023	Sep-2022	Sep-2023	Sep-2022
Current assets	\$ 474,603	\$ 419,250	\$ 737,411	\$ 772,127	\$ 1,212,014	\$ 1,191,377
Capital assets	1,529,151	1,393,582	1,141,975	1,197,090	2,671,126	2,590,672
Total assets	<u>2,003,754</u>	<u>1,812,832</u>	<u>1,879,386</u>	<u>1,969,217</u>	<u>3,883,140</u>	<u>3,782,049</u>
Deferred Outflows of Resources	60,849	(9,708)	19,006	(20,682)	79,855	(30,390)
Total deferred outflows	<u>60,849</u>	<u>(9,708)</u>	<u>19,006</u>	<u>(20,682)</u>	<u>79,855</u>	<u>(30,390)</u>
Current liabilities	63,620	44,273	7,406	9,125	71,026	53,398
Long-term liabilities	188,583	94,416	15,001	20,841	203,584	115,257
Total liabilities	<u>252,203</u>	<u>138,689</u>	<u>22,407</u>	<u>29,966</u>	<u>274,610</u>	<u>168,655</u>
Deferred Inflows of Resources	216,416	199,169	99,368	89,667	315,784	288,836
Total deferred inflows	<u>216,416</u>	<u>199,169</u>	<u>99,368</u>	<u>89,667</u>	<u>315,784</u>	<u>288,836</u>
Net Position:						
Net Investment in Capital Assets	1,529,151	1,393,582	1,141,975	1,197,090	2,671,126	2,590,672
Restricted	-	18,490	-	-	-	18,490
Unrestricted	66,833	53,194	634,642	631,812	701,475	685,006
Total net position	<u>1,595,984</u>	<u>1,465,266</u>	<u>1,776,617</u>	<u>1,828,902</u>	<u>3,372,601</u>	<u>3,294,168</u>

TABLE II
CITY OF BREMOND, TEXAS
GOVERNMENT-WIDE STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	Sep-23	Sep-22	Sep-23	Sep-22	Sep-23	Sep-22
Revenues:						
Program Revenues:						
Charges for Services	242,243	146,514	359,748	356,491	601,991	503,005
Operating Grants	-	-	-	-	-	-
Capital Grants	151,080	455,856	-	102,748	151,080	558,604
General Revenues						
Operations Taxes	209,429	196,711	-	-	209,429	196,711
Debt Service Taxes	-	-	-	-	-	-
General Sales Taxes	322,638	247,873	-	-	322,638	247,873
Franchise Taxes	42,235	42,005	-	-	42,235	42,005
Penalty and Interest	-	-	-	-	-	-
Investment Earnings	131	29	601	601	732	630
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>967,756</u>	<u>1,088,988</u>	<u>360,349</u>	<u>459,840</u>	<u>1,328,105</u>	<u>1,548,828</u>
Expenses:						
General Government	454,956	529,575	412,634	396,330	867,590	925,905
Public Safety	136,344	102,526	-	-	136,344	102,526
Highways and Roads	124,320	113,444	-	-	124,320	113,444
Health and Sanitation	70,438	60,745	-	-	70,438	60,745
Culture and Recreation	50,980	62,552	-	-	50,980	62,552
Interest long-term debt	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Total Expenses	<u>837,038</u>	<u>868,842</u>	<u>412,634</u>	<u>396,330</u>	<u>1,249,672</u>	<u>1,265,172</u>
Increase in Net Position						
Before Transfers in Special ite	130,718	220,146	(52,285)	63,510	78,433	283,656
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Special Items	-	-	-	-	-	-
Change in Net Position	<u>130,718</u>	<u>220,146</u>	<u>(52,285)</u>	<u>63,510</u>	<u>78,433</u>	<u>283,656</u>
Prior Period Adjustment	-	-	-	-	-	-
Net Position - Beginning	1,465,266	1,245,120	1,828,902	1,765,392	3,294,168	3,010,512
Net Position - End	<u>\$ 1,595,984</u>	<u>\$ 1,465,266</u>	<u>\$ 1,776,617</u>	<u>\$ 1,828,902</u>	<u>\$ 3,372,601</u>	<u>\$ 3,294,168</u>

BUDGETARY HIGHLIGHTS

General Fund Budgetary Highlights

Revenues were \$138,505 higher than budgeted mainly due to grant revenues. Expenses were \$171,053 higher than budgeted mainly due to capital outlay expenditures.

Revenue Fund Budgetary Highlights

Revenues for Water & Sewer services were \$748 more than budgeted. Operating expenses were \$(12,425) less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the City has \$2,671,126 invested in a broad range of capital assets, including facilities and equipment for administration and maintenance.

Debt

As of September 30, 2023, the City had loan obligations outstanding of \$36,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the upcoming fiscal year ending September 30, 2023, the City's budget is fairly consistent with this year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditor with a general overview of the city's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City's business office at: City of Bremond, Texas, 201 S. Dallas, Bremond, Texas 76629 or at (254) 746-7730.

City of Bremond, Texas
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and equivalents	\$ 423,789	\$ 628,388	\$ 1,052,177	\$ 190,662
Restricted Cash	-	-	-	-
Net Pension Asset	50,814	42,715	42,715	3,000
Receivables (net allowance for uncollectibles)	474,603	66,308	117,122	-
Total current assets	<u>474,603</u>	<u>737,411</u>	<u>1,212,014</u>	<u>193,662</u>
Capital assets				
Land	48,627	54,148	102,775	-
Buildings	-	-	-	-
Machinery & equipment, net of depreciation	1,480,524	1,087,827	2,568,351	-
Total capital assets	<u>1,529,151</u>	<u>1,141,975</u>	<u>2,671,126</u>	<u>-</u>
Total assets	<u>2,003,754</u>	<u>1,879,386</u>	<u>3,883,140</u>	<u>193,662</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	60,849	19,006	79,855	-
LIABILITIES				
Accounts payable and accrued expenses	63,620	7,406	71,026	-
Long-term liabilities				
Current portion loan payable	-	-	-	-
Long-term loan payable	36,000	-	36,000	-
Net OPEB Liability	22,127	15,001	37,128	-
Net Pension Liability (Asset)	130,456	-	130,456	-
Total liabilities	<u>252,203</u>	<u>22,407</u>	<u>274,610</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	216,416	99,368	315,784	-
Total deferred inflows of resources	<u>216,416</u>	<u>99,368</u>	<u>315,784</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	1,529,151	1,141,975	2,671,126	-
Restricted	-	-	-	-
Unrestricted	66,833	634,642	701,475	193,662
Total net position	<u>\$ 1,595,984</u>	<u>\$ 1,776,617</u>	<u>\$ 3,372,601</u>	<u>\$ 193,662</u>

**City of Bremond, Texas
Statement of Activities
September 30, 2023**

Functions/Programs	Program Revenue					Net (Expense) Revenue & Change in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government				
			Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total	Component Units	
Primary Government										
Governmental activities										
General government	\$ 454,956	\$ 5,736	-	151,080	-	(298,140)	-	(298,140)	-	-
Public safety/Court	136,344	148,249	-	-	11,905	11,905	-	11,905	-	-
Highways and Roads	124,320	-	-	-	(124,320)	(124,320)	-	(124,320)	-	-
Health and Sanitation	70,438	88,258	-	-	17,820	17,820	-	17,820	-	-
Culture and Recreation	50,980	-	-	-	(50,980)	(50,980)	-	(50,980)	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>837,038</u>	<u>242,243</u>	-	<u>151,080</u>	-	<u>(443,715)</u>	-	<u>(443,715)</u>	-	-
Business-type activities										
Revenue fund	412,634	359,748	-	-	-	-	(52,886)	(52,886)	-	-
Total business-type activities	<u>412,634</u>	<u>359,748</u>	-	-	-	-	(52,886)	(52,886)	-	-
Total primary government	<u>1,249,672</u>	<u>601,991</u>	-	<u>151,080</u>	-	<u>(443,715)</u>	-	<u>(496,601)</u>	-	-
Component Units										
City of Bremond Economic Development Corp	\$ 90,003	\$ -	\$ -	\$ -	-	-	-	-	-	(277,339)
City of Bremond Infrastructure/Improvement Corp	187,336	-	-	-	-	-	-	-	-	-
Total components units	<u>\$ 277,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(277,339)</u>
General revenue										
Taxes										
Property taxes, levied for general purposes					209,429	209,429	-	209,429	-	-
Franchise taxes					42,235	42,235	-	42,235	-	-
Sales taxes					322,638	322,638	-	322,638	186,592	186,592
Grants and contributions not restricted to specific programs					-	-	-	-	-	-
Unrestricted investment earnings					131	131	601	732	-	-
Miscellaneous					-	-	-	-	-	-
Transfers					-	-	-	-	-	-
Total general revenues, special items, and transfers					<u>574,433</u>	<u>574,433</u>	<u>601</u>	<u>575,034</u>	<u>186,592</u>	<u>186,592</u>
Change in net position					<u>130,718</u>	<u>130,718</u>	<u>(52,285)</u>	<u>78,433</u>	<u>(90,747)</u>	<u>(90,747)</u>
Net position - beginning										284,409
Net position - ending					<u>\$ 1,465,266</u>	<u>\$ 1,465,266</u>	<u>\$ 1,828,902</u>	<u>\$ 3,294,168</u>	<u>\$ 284,409</u>	<u>\$ 193,662</u>
					<u>\$ 1,595,984</u>	<u>\$ 1,595,984</u>	<u>\$ 1,776,617</u>	<u>\$ 3,372,601</u>	<u>\$ 193,662</u>	<u>\$ 193,662</u>

City of Bremond, Texas
Balance Sheet
Government Funds
September 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 423,789	\$ -	\$ 423,789
Restricted Cash	-		-
Property Taxes receivable, net	16,180	-	16,180
Other receivables	34,634	-	34,634
Total assets	\$ 474,603	\$ -	\$ 474,603
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 63,620	\$ -	\$ 63,620
Unearned revenue	16,180	-	16,180
Total liabilities	79,800	-	79,800
Fund balances:			
Nonspendable	-		-
Restricted	-		-
Committed	-		-
Assigned	-		-
Unassigned	394,803	-	394,803
Total fund balances	394,803	-	394,803
Total liabilities and fund balances	\$ 474,603	\$ -	\$ 474,603

City of Bremond, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2023

Total fund balance, governmental funds	\$ 394,803
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	1,529,151
Deferred Outflows of Resources are not included in Govt Funds	60,849
Loan proceeds for police car	(36,000)
Net Pension Liability is not included in Governmental Funds	(130,456)
Net OPEB Liability is not included in governmental funds	(22,127)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transfers, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	16,180
Deferred Outflows of Resources are not included in Govt. Funds	<u>(216,416)</u>
Net position of governmental activities in the statement of net position	<u>\$ 1,595,984</u>

City of Bremond, Texas
Statement of Revenues and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 210,478	\$ -	\$ 210,478
Sales taxes	322,638	-	322,638
Franchise Fees	42,235	-	42,235
Fees and fines	148,249	-	148,249
Licenses and permits	5,736	-	5,736
Investment earnings	131	-	131
Charges for services	88,258	-	88,258
Grants	151,080	-	151,080
Miscellaneous	-	-	-
Total revenues	<u>968,805</u>	<u>-</u>	<u>968,805</u>
EXPENDITURES			
Current:			
General government	435,502	-	435,502
Public safety	81,221	-	81,221
Highways and roads	94,374	-	94,374
Health and sanitation	70,438	-	70,438
Culture and recreation	44,414	-	44,414
Capital outlay	241,801	-	241,801
Total expenditures	<u>967,750</u>	<u>-</u>	<u>967,750</u>
Excess (deficiency) of revenues over expenditures	<u>1,055</u>	<u>-</u>	<u>1,055</u>
OTHER FINANCING SOURCES (USES)			
Loan proceeds	36,000	-	36,000
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Net change in fund balances	<u>37,055</u>	<u>-</u>	<u>37,055</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>357,748</u>	<u>-</u>	<u>357,748</u>
Fund balances - ending	<u>\$ 394,803</u>	<u>\$ -</u>	<u>\$ 394,803</u>

City of Bremond, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds:	\$ 37,055
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
Total Pension expenseis not recognized in Governmental Funds	(14,780)
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increase in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase (decrease) net position.</p>	
	241,801
Difference in property tax revenue for governmental funds	1,049
<p>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.</p>	
	(106,232)
Loan proceeds for police cars not included in governmental activities	(36,000)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transfers, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.</p>	
	(2,099)
Loan Payments not included in government wide financial statements	9,924
Change in net position of governmental activities	\$ 130,718

**City of Bremond, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023**

	<u>Business Type Activities</u>	<u>Revenue Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 628,388	
Net Pension Asset	42,715	
Accounts receivable, net	66,308	
Total current assets	<u>737,411</u>	
Non-current assets:		
Capital assets:		
Land and Improvements	54,148	
Machinery and equipment, net of depreciation	1,087,827	
Total non-current assets	<u>1,141,975</u>	
Total assets	<u>1,879,386</u>	
Deferred Outflows of resources	19,006	
LIABILITIES		
Current liabilities:		
Accounts payable	7,406	
Total current liabilities	<u>7,406</u>	
Long-term liabilities:		
Net OPEB Liability	15,001	
Net Pension Liability	-	
Total Long-term liabilities	<u>15,001</u>	
Total liabilities	<u>22,407</u>	
Deferred Inflows of Resources	99,368	
NET POSITION		
Net Investment in Capital Assets	1,141,975	
Restricted		
Unrestricted	634,642	
Total net position	<u>\$ 1,776,617</u>	

City of Bremond, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-Type Activities
	Revenue Fund
REVENUES	
Charges for services	359,748
Miscellaneous	-
Total operating revenues	359,748
 OPERATING EXPENSES	
Personnel services	158,558
Contractual services	-
Utilities	38,816
Repairs and maintenance	52,948
Other supplies and expenses	85,691
Depreciation	76,621
Total operating expenses	412,634
Operating income (loss)	(52,886)
 NON-OPERATING REVENUES (EXPENSES)	
Interest income	601
Interest expense	-
Operating grants and contributions	-
Transfers out	-
Total non-operating revenue (expenses)	601
Income (loss) before contributions and transfers	(52,285)
Transfers in	-
Change in net position	(52,285)
Total net position - beginning	1,828,902
Total net position - ending	\$ 1,776,617

City of Bremond, Texas
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2023

	Business-Type Activities
	Revenue Fund
Cash flows from operating activities	
Cash receipts from customers	\$ 356,491
Cash receipts from grant revenues	-
Payments to employees	(108,448)
Payments to suppliers	(239,128)
Net cash provided by operating activities	8,915
Cash flows from noncapital financing activities	
Change in OPEB And Pension liability	811
Net transfer from other funds	-
Net cash provided (used) by noncapital financing activities	811
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	-
Debt principal payments	-
Net cash provided by capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	9,726
Cash and cash equivalents, beginning of year	509,172
Cash and cash equivalents, end of year	\$ 518,898
Reconciliation of operating income to net cash	
Provided by operating activities	
Operating income	(52,285)
Adjustments to reconcile operating income to	
Net cash provided by operating activities:	
Depreciation	76,621
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	-
(Increase) decrease in prepaid expenses	-
Increase (decrease) in accounts payable	(19,471)
Net cash provided by operating activities	\$ 4,865

City of Bremond, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	<u>Total Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>17</u>
Receivables	
Due from general fund	<u>-</u>
Total receivables	<u>-</u>
Investments:	
Investments - current	<u>89,593</u>
Total investments	<u>89,593</u>
Total assets	<u>\$ 89,610</u>
 NET POSITION	
Unrestricted net position	<u>\$ 89,610</u>

City of Bremond, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2023

	Total Pension Trust Fund
ADDITIONS	
Investment earnings:	
Interest	\$ 3,961
Total net investment earnings	3,961
Other additions:	
Sales tax revenue	-
Transfers in	-
Total other additions	-
Total additions	3,961
DEDUCTIONS	
Benefits	4,644
Total benefits	4,644
Other deductions:	
Transfers out	-
Total deductions	4,644
Change in net assets	(683)
Net assets - beginning	90,293
Net assets - ending	\$ 89,610

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Bremond, Texas (the “City”) is a municipal corporation under the applicable laws and regulations of the State of Texas. The City was incorporated and operates under an elected Mayor/Council from government. The City’s major operations include highway and streets, sanitation, public improvements, planning and zoning and general administrative services.

The financial statements of the City of Bremond, Texas are prepared in accordance with generally accepted accounting principles (GAAP). The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. REPORTING ENTITY

Generally accepted accounting principles require that these financial statements present the city of Bremond, Texas (the primary government) and its component units. The component unit discussed below is included in the City’s reporting entity because of its financial relationship with the City and the City’s ability to appoint its directors.

The component unit is presented using the discrete method. Its financial data is presented in a separate column as a government type fund because it is legally separate from the City.

Component Units

City of Bremond Economic Development Corporation (4A) was formed in 2001 pursuant to the Development Corporation Act of 1979, governed by Section 4A of the Act. It receives and utilizes the proceeds of a one-half cent sales tax to promote and assist in the economic development of the City of Bremond, which is then split in half with the street maintenance account. Directors are appointed and removable by the City Council of the City of Bremond. Three directors shall be members who are not employees or officers of the City, nor members of the City Council.

City of Bremond Infrastructure/Improvement Corporation (4B) was formed in 2001 pursuant to the Development Corporation Act of 1979, governed by Section 4B of the Act. It receives and utilizes the proceeds of a one-half cent sales tax to promote and assist in the economic development of the City of Bremond. Directors are appointed and removable by the City Council of the City of Bremond. Three directors shall be members who are not employees or officers of the City, nor members of the City Council.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the City of Bremond, Texas and its component units nonfiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes. State foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The Statement of Activities demonstrates how other people or entities that participate in programs the City operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. The “grants and contributions” columns include amounts paid by organizations outside the City to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the City’s functions. Taxes are always general revenues.

Interfund activities between governmental funds and proprietary funds appear as due to/due froms on the Governmental/Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories—governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for City operations, they are not included in the government-wide statements. The City considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund’s principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

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

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

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

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

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

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

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The City applies all GASB pronouncements as well as the Financial Accounting Standards Council pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The City reports the following major governmental funds:

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

The City reports the following major enterprise fund:

Revenue Fund – accounts for the operating activities of the City’s water and sewer services.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For Year Ended September 30, 2023
(continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. FUND ACCOUNTING (cont.)

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

Governmental Funds:

Special Revenue Funds – The City accounts for resources restricted to, or designated for, specific purposes by the City or a grantor in a special revenue fund. Most federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods. The City has two special revenue funds; Municipal Technology Fund and the Building Security Fund.

Debt Service Funds – The City accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. The City has no debt service funds.

Capital Projects Funds – The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted in a capital projects fund. The City has no capital projects funds.

Permanent Funds – The City accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the City’s programs. The City has not permanent funds.

Proprietary Funds:

Enterprise Funds – The City’s activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The City has not non-major enterprise funds.

Internal Service Funds – Revenues and expenses related to services provided to organizations inside the City on a cost reimbursement basis are accounted for in an internal service fund. The City has not internal service funds.

Fiduciary Funds:

Private Purpose Trust Funds – The City accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the City. The City has no private purpose trust funds.

Pension Trust Funds – These funds are used to account for local pension and other employee benefit funds that are provided by the City in lieu of or in addition to the Texas Municipal Retirement System. The City’s pension trust fund is firemen’s trust fund.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. FUND ACCOUNTING (cont.)

Investment Trust Fund – This fund is one in which the City holds assets in trust for other entities participating in an investment program managed by the City. The City has no investment trust fund.

Agency Funds – The City accounts for resources held for others in a custodial capacity in agency funds. The City has no agency funds.

E. NATURE AND PURPOSE OF CLASSIFICATION OF FUND EQUITY

The fund balance classifications for governmental Funds are:

Nonspendable- Includes fund balance amounts that cannot be spent because they are either not in spendable form or, for legal or contractual reasons, must be kept intact.

Restricted – 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 now enabling legislation.

Committed – Includes fund balance amounts that are self-imposed by the City to be used for a specific purpose.

Unassigned – Includes the residual positive fund balance within the general fund which has not been classified within the above mentioned categories.

F. GOVERNMENT-WIDE AND PROPRIETARY FUND NET POSITION

Net investment in capital assets – Consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – consist of assets that are restricted by the City’s creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the City’s parks endowment less related liabilities and deferred inflows or resources).

Unrestricted – all other net position is reported in this category.

G. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the City considers highly liquid investments to be cash equivalents if they have a maturity of three years or less when purchased.
2. The City reports purchase of supplies as expenditures. If any supplies are on hand at the end of the year, their total cost is recorded as inventory, and the expenditure is reduced. There was no inventory at year end.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

G. OTHER ACCOUNTING POLICIES (cont.)

3. 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 assets. 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.

4. Employees of the City are entitled to vacation and sick leave based on category/class of employment. Vacation and sick leave are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying general purpose financial statements.
5. Capital assets which include land buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Assets	Years
Buildings	5-40
Building Improvements	5-20
Infrastructure	40
Machinery and Equipment	3-7
Furniture and Fixtures	3-7
Computer Equipment	3-5

6. The City provides health insurance coverage for its full-time employees through Texas Municipal League. The City pays for 100% of premium for individual coverage. Additional coverage for dependents are paid in full by employees.
7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Page 11 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Page 13 provides a reconciliation of the governmental funds balance sheet to the statement of net position. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balances and the change in net position.

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Council adopts an “appropriated budget” for the General Fund and Revenue Fund. The City is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears on Page 32 and the other report is on Page 33.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements.

1. Prior to September 20, the City prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Council is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Council. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Council. Amendments are presented to the Council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Council, and are not made after fiscal year end. The City had no budget amendments during the year. All budget appropriations lapse at year end.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE IV – DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. As of September 30, 2023, the City had a signed depository contract with First Star Bank of Bremond, the City's depository bank.

At September 30, 2023, the carrying amount of the City's deposits (cash, certificates of deposits and interest-bearing savings accounts included in temporary investments) was \$1,052,177 and the bank balance was \$1,052,177. The City's cash deposits at September 30, 2023 and during the year ended September 30, 2023 were entirely covered by the FDIC Insurance or by pledged collateral held by the City's agent bank in the City's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings account, (5) repurchase agreements, (6) banker acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the act. The City is in substantial compliance with requirements of the Act and with local policies.

Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Cash or investments that are insured, registered or held by the City or by its agent in the City's name.

Category 2 - Cash or Investments that are uninsured and unregistered held by the counter-party's trust department or agent in the City's name.

Category 3 – Uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the City's name.

Based on these three levels of risk, all of the City's investments are classified as Category 1.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE IV – DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The City's investments at September 30, 2023 are shown below:

Name	Carrying Amount	Market Value	Category
Certificates of Deposit	\$228,821	\$ 228,821	1

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E, Texas Property Tax Code. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due on or before January 31 and the second installment, which bears interest at the State mandated rate, is due on, or before June 30. Accounts not paid as of July 1 are considered to be past due. Property tax revenues are considered available when they become due or past due and receivable within the current period.

The rate for the 2023 tax roll was .54902 per \$100 on 100% of market value. The assessed value was \$32,077,884. The tax office collected 94.00% of the current roll or \$192,585. Current property taxes receivable are \$6,750 and delinquent property taxes receivable are \$9,430.

C. DELINQUENT TAXES RECEIVABLE

Allowances for uncollectible tax receivables within the General Fund are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.

D. CAPITAL ASSET ACTIVITY

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

	<u>Capital Assets, Not Depreciated</u>		<u>Capital Assets Depreciated</u>		<u>Total</u>
	<u>Land</u>	<u>Construction In Progress</u>	<u>Buildings & Improvement</u>	<u>Machinery & Equipment</u>	
Primary Government					
Governmental Activities:					
Balance September 30, 2022	\$ 48,627	\$ -	\$ 1,109,100	\$ 749,274	#####
Increases	-	-	205,801	36,000	241,801
Decreases	-	-	-	-	-
Balance September 30, 2023	<u>\$ 48,627</u>	<u>\$ -</u>	<u>\$ 1,314,901</u>	<u>\$ 785,274</u>	#####
Accumulated Depreciation					
Balance September 30, 2022	-	-	(146,478)	(366,941)	(513,419)
Increases	-	-	(46,815)	(59,417)	(106,232)
Decreases	-	-	-	-	-
Balance September 30, 2023	<u>-</u>	<u>-</u>	<u>(193,293)</u>	<u>(426,358)</u>	<u>(619,651)</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 48,627</u>	<u>\$ -</u>	<u>\$ 1,121,608</u>	<u>\$ 358,916</u>	#####

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

NOTE IV – DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (cont.)

B. CAPITAL ASSET ACTIVITY (cont.)

	Capital Assets, Not Depreciated		Capital Assets, Depreciated		Total
	Land	Construction In Progress	Buildings & Improvement	Machinery & Equipment	
Business-type Activities:					
Balance September 30, 2022	54,148	-	2,949,466	188,743	3,192,357
Increases	-	-	21,506	-	21,506
Decreases	-	-	-	-	-
Balance September 30, 2023	54,148	-	2,970,972	188,743	3,213,863
Accumulated Depreciation					
Balance September 30, 2022	-	-	(1,852,554)	(142,713)	(1,995,267)
Increases	-	-	(76,621)	-	(76,621)
Decreases	-	-	-	-	-
Balance September 30, 2023	-	-	(1,929,175)	(142,713)	(2,071,888)
Business-type Activities					
Capital Assets Net	54,148	-	1,041,797	46,030	1,141,975

Depreciation expense was charged to governmental functions as follows:

General	14,598
Street	29,946
Police & Fire	55,123
Park	6,566
Water & Sewer	76,621
Total Depreciation Expense	<u>182,854</u>

C. Loans Payable

The City of Bremond entered into a 3 year loan agreement for a police car, with 1 annual payments of \$36,000 for a loan with 6.25% interest.

	Balances			Balance Sept. 30, 2023	Amounts Due Within One Year
	Oct. 1, 2022	Additions	Reductions		
Governmental Activities:					
Notes payable		36,000	-	36,000	-
Total General	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ -</u>

Year ended Sept. 30,	Governmental Activities	
	Principal	Interest
2024	-	1,719
2025	-	1,713
2026	36,000	1,713
Totals	<u>\$ 36,000</u>	<u>\$ 5,145</u>

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

E. DEFINED BENEFIT PENSION PLANS

1. Plan Description

The City participates as one of 860 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 (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 comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

2. Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employee-financial monetary credits with interest were used to purchase to annuity. Members may choose to receive their retirement benefit in one of seven payment 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 yearly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>5</u>
Total	21

3. Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.67 and 14.59 for 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were 57,971 and were equal to the required contributions.

4. Net Pension Liability

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

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. For cities with fewer than twenty employees, more conservative methods and assumptions are used. First, lower termination rates are used for smaller cities, with maximum multipliers of 75% for employers with less than 6 members, 85% for employers with 6 to 10 members, and 100% for employers with 11 to 15 members. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-district RP2000 Disabled Retire Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2010 through December 31, 2014, first used in the December 31, 2016 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2021 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Inc	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.23%
Private Equity	5.00%	8.50%
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.

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD
September 30, 2023

Total pension liability		
Service cost	\$	34,564
Interest (on the Total Pension Liability)		65,655
Changes of benefit terms		-
Difference between expected and actual experience		(6,760)
Changes of assumptions		-
Benefit payments, including refunds of employee contributions		(8,106)
Net change in total pension liability		85,353
Total pension liability - beginning		959,439
Tot pension liability - ending	\$	1,044,792
Plan fiduciary net position		
Contributions - employer	\$	40,181
Contributions - employee		17,790
Net investment income		(71,738)
Benefit payments including refunds of employee contributions		(8,106)
Administrative expense		(618)
Other		738
Net change in plan fiduciary net position		(21,753)
Plan fiduciary net position - beginning		978,804
Plan fiduciary net position - ending	\$	957,051
Net pension liability	\$	87,741
Plan fiduciary net position as a percentage of the total pension liability		91.60%
Covered-employee payroll		254,149
Net pension liability as a percentage of covered employee payroll		34.52%

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

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

	<u>1% Decrease in</u> <u>Discount Rate (5.75%)</u>	<u>Discount</u> <u>Rate (6.75%)</u>	<u>1% Increase in</u> <u>Discount Rate (7.75%)</u>
City of Bremond's net pension liability	\$ 221,792	\$ 87,741	\$ (24,068)

Premium 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.tmr.com

5. Pension Expense and Deferred Outflows and Resources and Deferred Inflows of Resources Related to Pensions
For the year ended September 30, 2023, the City recognized pension expense of (1,090).

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

Schedule of Pension Expense	
1. Total Service Cost	34,564
2. Interest on the Total Pension Liability	65,655
3. Changes in the Current Period Benefits including substantively automatic status	-
4. Employee Contributions reduction of expense	(17,790)
5. Projected earnings on plan investments	(66,069)
6. Administrative Expense	618
7. Other changes in Fiduciary Net Position	(738)
8. Recognition of Current year Outflow (Inflow) of resources-liabilities	(5,200)
9. Recognition of Current year Outflow (Inflow) of resources-assets	27,562
10. Amortization of Prior Year Outflows (Inflows) of resources-liabilities	(3,402)
11. Amortization of Prior Year Outflows (Inflows) of resources-assets	(11,391)
12. Total Pension Expense (Income)	<u>23,809</u>

CITY OF BREMOND
SCHEDULE OF OUTFLOWS AND INFLOWS - CURRENT AND FUTURE EXPENSE
SEPTEMBER 30, 2023

	<u>Recognition Period (or amortization yrs)</u>	<u>Total (Inflow) or Outflow of Resources</u>	<u>2022 Recognized in current pension expense</u>	<u>Deferred (Inflow) Outflow in future expense</u>
<u>Due to Liabilities:</u>				
Difference in expected and actual experience [actuarial (gains) or losses]	1.3000	\$ (6,760)	\$ (5,200)	\$ (1,560)
Difference in assumption changes [actuarial (gains) or losses]	1.3000	\$ -	\$ -	\$ -
			<u>\$ (5,200)</u>	<u>\$ (1,560)</u>
<u>Due to Assets:</u>				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.0000	\$ 137,807	\$ 27,562	\$ 110,245
			<u>\$ 27,562</u>	<u>\$ 110,245</u>
<u>Total:</u>				<u>\$ 108,685</u>

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	<u>Net deferred outflows (inflows) of resources</u>
2023	\$ 3,873
2024	15,749
2025	17,002
2026	27,559
2027	-
Thereafter	-
Total	<u>\$ 64,183</u>

CITY OF BREMOND, TEXAS
Notes to Financial Statements
For The Year Ended September 30, 2023
(continued)

E. DEFINED BENEFIT PENSION PLANS

Net Other Post Employment Benefits Liability.
 Actuarial Assumptions

Actuarial assumptions were developed from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. These assumptions were adopted in 2015 and first used in the December 31, 2015 valuation.

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

The Mortality Experience Investigation Study covering 2009 through 2011 is used as the basis for the post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs). Mortality Rates for service employees uses the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Inflation	2.50% per year
Overall payroll growth	3.50 to 10.5% per year including inflation
Discount rate	3.31%

Changes in the Net Other Post Employment Benefits Liability

	Increase (Decrease) Total OPEB Liability
Balance at 12/31/22	\$ 53,349
Changes for the year	
Service Cost	2,186
Interest on Total OPEB liability	990
Changes of benefit terms	0
Differences between expected and actual experience	1,072
Changes in assumption or other inputs	(19,147)
Benefit payments	(1,322)
Net changes	(16,221)
Total OPEB Liability – end of year	\$ 37,128
Total OPEB Liability as a Percentage of Covered Payroll	14.61%

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

The following presents the total OPEB liability of the City, calculated using the current discount rate of 3.31% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or -1 percentage point higher (4.31%) than the current rate. Because the SDBF is considered an unfunded trust, the relevant discount rate to calculate the total OPEB liability is based on the Fidelity Index's 20 year Municipal GO AA Index.

	1% Decrease in Discount Rate (2.31%)	1% Increase in Discount Rate (3.31%)	Discount Rate (4.31%)
Total OPEB liability	\$44,348	\$37,128	\$31,556

Note E. Other post-employment benefits

**SCHEDULE OF OUTFLOWS AND INFLOWS - OPEB CURRENT AND FUTURE EXPENSE
SEPTEMBER 30, 2023**

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2022 Recognized in current pension expense	Deferred (Inflow) Outflow in future expense
<u>Due to Liabilities:</u>				
Difference in expected and actual experience [actuarial (gains) or losses]	1.9600	\$ 1,072	\$ 547	\$ 525
Difference in assumption changes [actuarial (gains) or losses]	1.9600	\$ (19,147)	\$ (9,769)	\$ (9,378)
			<u>\$ (9,222)</u>	<u>\$ (8,853)</u>
<hr/>				
Contributions made subsequent to measurement date		city to provide	city to provide	city to provide
			<hr/> <hr/>	<hr/>
<u>Total:</u>				<u>\$ (8,853)</u>

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net deferred outflows (inflows) of resources
2023	\$ (4,751)
2024	76
2025	-
2026	-
2027	-
Thereafter	-
Total	<u>\$ (4,675)</u>

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. In order to determine the retiree portion of the City's Supplemental Death Benefit Plan contributions (that which is considered OPEB), the City should perform the following calculation:

Total covered payroll * retiree Portion of SDB Contribution (Rate)

F. SUBSEQUENT EVENTS

The date through which subsequent events have been evaluated is November 19, 2024, the date the financials were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Bremond, Texas
 Budget and Actual (with Variances)
 General Fund
 For the Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	226,700	226,700	210,478	(16,222)
Sales and miscellaneous taxes	320,000	320,000	322,638	2,638
Franchise fees	51,000	51,000	42,235	(8,765)
Fees and fines	100,000	100,000	148,249	48,249
Licenses and fees	7,900	7,900	5,736	(2,164)
Charges for services	83,500	83,500	88,258	4,758
Investment earnings	8,000	8,000	131	(7,869)
Grants	-	-	151,080	151,080
Miscellaneous	33,200	33,200	-	(33,200)
Total revenues	<u>830,300</u>	<u>830,300</u>	<u>968,805</u>	<u>138,505</u>
EXPENDITURES				
Current				
General government	583,697	583,697	435,502	(148,195)
Public safety	89,000	89,000	81,221	(7,779)
Highways and roads	40,000	40,000	94,374	54,374
Health and sanitation	69,000	69,000	70,438	1,438
Culture and recreation	15,000	15,000	44,414	29,414
Capital outlay	-	-	241,801	241,801
Total expenditures	<u>796,697</u>	<u>796,697</u>	<u>967,750</u>	<u>171,053</u>
Excess (deficiency) of revenues over expenditures	33,603	33,603	1,055	(32,548)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	36,000	36,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	<u>36,000</u>	-
Net change in fund balances	<u>33,603</u>	<u>33,603</u>	<u>37,055</u>	<u>3,452</u>
Prior period adjustment	-	-	-	-
Fund balances - beginning	<u>357,748</u>	<u>357,748</u>	<u>357,748</u>	-
Fund balances - ending	<u>\$ 391,351</u>	<u>\$ 391,351</u>	<u>\$ 394,803</u>	<u>\$ 3,452</u>

City of Bremond, Texas
 Budget and Actual (with Variances)
 Revenue Fund
 For the Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 359,000	\$ 359,000	\$ 359,748	\$ 748
Miscellaneous	-	-	-	-
Total operating revenues	<u>359,000</u>	<u>359,000</u>	<u>359,748</u>	<u>748</u>
OPERATING EXPENSES				
Personnel services	149,393	149,393	158,558	(9,165)
Contractual services	6,800	6,800	-	6,800
Charges for services	42,000	42,000	-	42,000
Utilities	30,700	30,700	38,816	(8,116)
Repairs and maintenance	34,500	34,500	52,948	(18,448)
Storage Tank renovations Water & Sewer Grant	25,000	25,000	-	25,000
Other supplies and expenses	60,045	60,045	85,691	(25,646)
Depreciation	-	-	-	-
Total operating expenses	<u>348,438</u>	<u>348,438</u>	<u>336,013</u>	<u>12,425</u>
Operating income (loss)	<u>10,562</u>	<u>10,562</u>	<u>23,735</u>	<u>13,173</u>
NON-OPERATING REVENUES (EXPENSES)				
Capital expenditures	(119,500)	(119,500)	-	(119,500)
Depreciation expense	-	-	(76,621)	(76,621)
Interest income	-	-	601	(601)
Interest expense	-	-	-	-
Operating grants and contributions	119,500	119,500	-	(119,500)
Total non-operating revenue (expenses)	<u>-</u>	<u>-</u>	<u>(76,020)</u>	<u>(76,020)</u>
Income (loss) before contributions and transfers	<u>10,562</u>	<u>10,562</u>	<u>(52,285)</u>	<u>(62,847)</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net assets	<u>10,562</u>	<u>10,562</u>	<u>(52,285)</u>	<u>(62,847)</u>
Total net position - beginning	<u>1,547,732</u>	<u>1,547,732</u>	<u>1,828,902</u>	<u>281,170</u>
Total net position - end	<u>\$ 1,558,294</u>	<u>\$ 1,558,294</u>	<u>\$ 1,776,617</u>	<u>\$ 218,323</u>

CITY OF BREMOND, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 YEARS (WILL ULTIMATELY BE DISPLAYED)

	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability								
Service cost	\$ 26,280	\$ 32,381	\$ 32,650	\$ 32,760	\$ 34,619	\$ 34,649	31,461	34,564
Interest (on the Total Pension Liability)	35,279	38,807	43,155	46,668	51,317	55,259	60,475	65,654
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(4,421)	5,556	(14,784)	79	(9,260)	(1,625)	(6,166)	(6,766)
Change of assumptions	25,413	-	-	-	(6,740)	-	-	-
Benefit payments, including refunds of employee contributions	(16,687)	(12,663)	(12,270)	(5,780)	(17,335)	(5,780)	(13,052)	(8,104)
Net Change in Total Pension Liability	65,864	64,081	48,751	73,727	52,601	82,503	72,718	85,354
Total Pension Liability - Beginning	499,194	565,058	629,139	677,890	751,617	804,218	886,721	959,439
Total Pension Liability - Ending (a)	565,058	629,139	677,890	751,617	804,218	886,721	959,439	1,044,793
Plan Fiduciary Net Position								
Contributions - employer	\$ 30,827	\$ 37,217	\$ 41,239	\$ 42,812	\$ 43,576	\$ 41,541	33,511	40,184
Contributions - employee	15,304	17,343	17,940	18,042	19,127	18,209	16,122	17,790
Net investment income	510	25,404	61,412	(16,527)	91,304	55,200	109,071	(71,738)
Benefit payments, including refunds of employee contributions	(16,687)	(12,663)	(12,270)	(5,780)	(17,335)	(5,780)	(13,052)	(8,104)
Administrative expense	(311)	(287)	(318)	(319)	(514)	(356)	(503)	(618)
Other	(14)	(15)	(16)	(14)	(16)	(13)	3	738
Net Change in Plan Fiduciary Net Position	29,629	66,999	107,987	38,214	136,142	108,801	145,152	(21,754)
Plan Fiduciary Net Position - Beginning	345,880	375,509	442,508	550,494	588,708	724,850	833,651	978,803
Plan Fiduciary net Position - Ending (b)	\$375,509	\$442,508	\$550,495	\$588,708	\$724,850	\$833,651	978,803	957,049
Net Pension Liability - Ending (a) - (b)	\$189,549	\$186,631	\$127,395	\$162,909	\$79,368	\$53,070	(19,364)	87,744
Plan Fiduciary Net Position as a Percentage								
of Total Pension Liability	66.45%	70.34%	81.21%	78.33%	90.13%	94.02%	102.02%	91.60%
Net Pension Liability as Percentage of								
Covered Employee Payroll	86.70%	75.33%	49.71%	63.20%	29.05%	20.40%	-8.41%	34.52%
Covered Employee Payroll	218,634	247,754	256,280	257,749	273,239	260,124	230,318	254,149

**CITY OF BREMOND, TEXAS
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS (WILL ULTIMATELY BE DESPLAYED)**

	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contrib	46,131	54,560	41,239	42,812	43,576	41,541	49,633	57,97
Contributions in relation to the determined contribution	46,131	54,560	41,239	42,812	43,576	41,541	49,633	57,97
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered employee payroll	218,634	247,754	256,280	257,749	273,239	260,124	230,318	254,14
Contribution as a percentage of employee payroll	21.10%	22.02%	16.09%	16.61%	15.95%	15.97%	21.55%	34.52

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

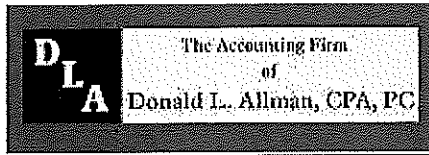
Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization period	11 years
Asset Valuation Method	10 Year smoothed market, 15% soft corridor
Inflation	2.50%
Salary Increases	3.5% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.



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CERTIFIED PUBLIC ACCOUNTANT

Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

City Council
City of Bremond

Members of the City Council
City of Bremond, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bremond, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Bremond, Texas' basic financial statements, and have issued our report thereon dated November 19, 2024..

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

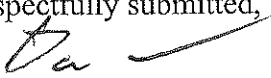
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Donald L. Allman, CPA, PC

Georgetown, Texas
November 19, 2024