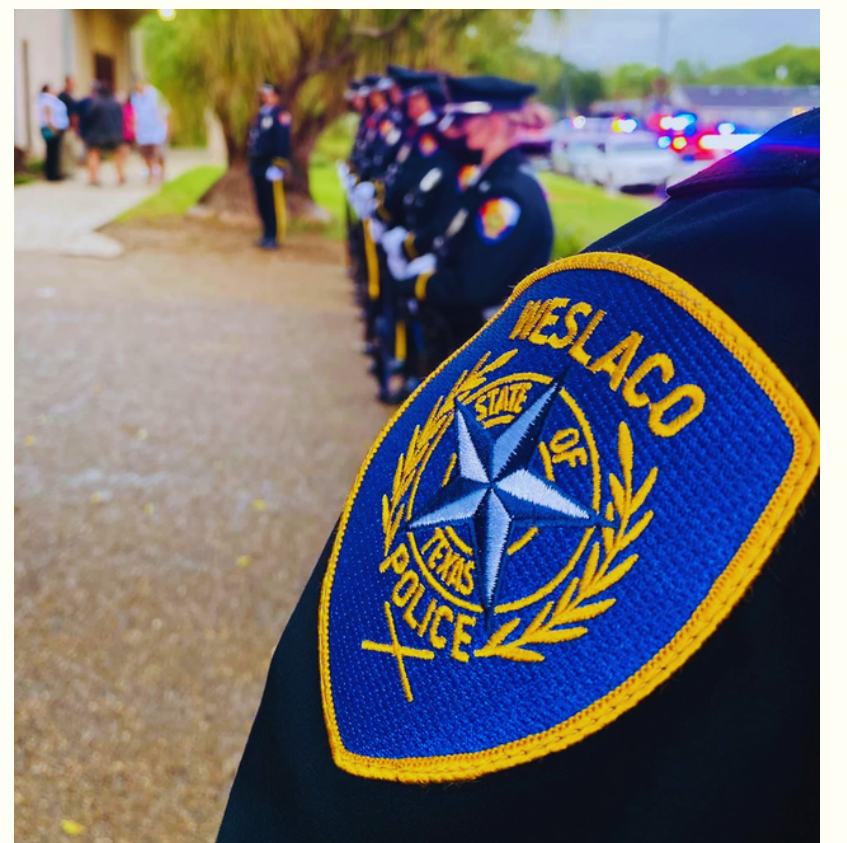


CITY OF WESLACO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

September 30, 2022

CITY OF WESLACO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2022

Issued by:

Martin Garza, City Manager

Rosalinda Cavazos, CPA, Finance Director



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City of Weslaco, Texas
City Officials

Mayor	David Suarez
Mayor Pro-tem	Jose “JP” Rodriguez
Commissioners	Letty Lopez Josh Pedraza Greg Kerr Israel Gonzalez Jr. Adrian Farias
City Manager	Martin Garza
Aviation Director/Assistant City Manager	Andrew Munoz
Finance Director	Rosalinda Cavazos
City Secretary	Norma A. Cantu
City Attorney	Juan E. Gonzalez
Chief Appraiser	Rolando Garza Hidalgo County Appraisal District
Collector of Taxes	Paul Villarreal County of Hidalgo
Chief of Police	Joel Rivera
Fire Chief	Antonio Lopez
Municipal Court Administrator	Rosa Badillo
Planning and Code Enforcement Director	Rebekah De La Fuente
Human Resources Director	Luz Galindo
Information Technology	J. Martin Vela
Parks and Recreation Director	Omar Rodriguez
Public Facilities Director	Pete Garcia, Jr.
Library Director	Arnold Becho

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City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Jose "JP" Rodriguez, Mayor Pro-Tem, District 3
Greg Kerr, Commissioner, At-Large
Israel Gonzalez, Jr., Commissioner, At-Large
Josh Pedraza, Commissioner, District 1
Letty Lopez, Commissioner, District 2
Adrian Farias, Commissioner, District 4

Martin Garza, City Manager

April 18, 2023

The Honorable Mayor David Suarez,
City Commission and
Citizens of the City of Weslaco

The Annual Comprehensive Financial Report (the "Annual Report") of the City of Weslaco, Texas (the City) for the fiscal year ended September 30, 2022, is submitted in accordance with Section 28 of the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report.

To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Carr, Riggs, & Ingram, LLC, has issued an unmodified ("clean") opinion of the City of Weslaco's financial statements for the year ended September 30, 2022. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the City of Weslaco

The City of Weslaco, Texas, established in 1919, is located in the southern tip of Texas in the heart of the Rio Grande Valley, which is considered to be one of the top growth areas in the state, and in the country. The City currently occupies a land area of 15 square miles and serves an estimated population of 42,907. The City is authorized to levy a property tax on both real and personal properties located within its boundaries.

The City of Weslaco has operated under the Council-Manager form of government since incorporation in 1928. Policy-making and legislative authority are vested in a City Commission consisting of a Mayor and six Commissioners. The City Commission is responsible, among other things, for enacting ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for implementing the policies and ordinances of the City Commission, for managing the day-to-day operations of the City, and for appointing the directors of the various departments. The Commission is elected on non-partisan basis. The Mayor and Commissioners serve three-year staggered terms, with two commissioners elected every year except for every third year when the Mayor is elected.

The City provides a full range of services, including police and fire protection; emergency medical services; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Water and wastewater services are also provided by the City. The City is also financially accountable for a legally separate economic development corporation, which is reported separately within the City of Weslaco's financial statements as a component unit. Additional information on this legally separate entity can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager during the budget process. The City Manager uses these requests to initiate a proposed budget. The City Manager then presents this proposed budget to the Commission for review. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the end of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department directors may, with City Manager's approval, make transfers of appropriations within their departments. Transfers of appropriations between departments, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 96 as part of the required supplementary information. For governmental and proprietary funds, other than the general fund, with appropriated annual budgets, this comparison is presented within the other supplementary section of this report beginning on page 106.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Located in the center of the Rio Grande Valley, the City of Weslaco continues to experience steady growth. Both property values and sales tax revenues reflect an increase in comparison to prior year and are expected to continue growing in the next few years.

According to the Texas Workforce Commission data link (TRACER), the unemployment rate had remained between 7 and 9 percent over the last few years. In 2020, the rate increased to 10.9 percent. This increase was attributed to the COVID-19 Pandemic. The largest employer is the Weslaco Independent School District with 2,817 employees.

Due to its strong and healthy economy, the City of Weslaco has maintained a credit rating of AA- from Standard and Poor's, and Moody's continues to maintain the City's rating at "A2".

Long-term Financial Planning. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 34.9% of total General Fund Revenues. The goal is always to maintain at least 25%. The unrestricted fund balance at September 30, 2022, exceeded the goal, and some excess funds were transferred to the Capital Improvement Project Fund, as planned. This fund, now going into its sixth year, allows the City to self-fund improvements such as sidewalks, traffic signals, park improvements, and street paving to avoid and/or decrease dependence on debt financing for such infrastructure.

The City Commission in the past six years had focused on evaluating the City's property tax rate. This focus was driven by the desire to give taxpayers the best value for their money as well as making Weslaco more attractive to business and residents looking to relocate. The City Commission reduced the tax rate by a penny in 2014, when it stood at \$0.6667 per \$100 value. This evaluation of the tax rate has continued each year since and now stands at our current \$0.6967 per \$100.00 valuation for the 2022 tax year. Further decreases are not planned at this time to allow for the goal of self-funding infrastructure improvements through the CIP Fund.

Cash Management Policies and Practices. Cash temporarily idle during the year was invested in TEXPOOL, during periods when their rates were higher than the depository banks' rates. All funds kept with the depository bank are collateralized at a minimum rate of 102% of the market value. The City continues to evaluate ways in which further earnings could be realized.

Pension and Other Post-Employment Benefits. The City of Weslaco contributes to a single employer defined benefit pension plan for its fire fighters. Every two years, an independent actuary engaged by the pension plan calculates the amount of benefits that can be paid to beneficiaries of the plan in light of the number of participants, contribution rates, and projected investment earnings, in order to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Weslaco fully funds each year's annual required contribution to the pension plan as determined by the actuary. The City also provides post medical insurance for fire fighter retirees paying for half of the premium up to the time the retiree is eligible for Medicare.

The City of Weslaco also provides pension benefits for its employees not covered by the firefighters' pension plan. These benefits are provided through a defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS). The City of Weslaco contributes based on a 2 to 1 ratio. The employees' current contribution rate is 7%.

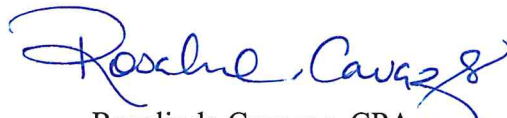
Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administration Departments. We would like to express our appreciation to all staff that assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Weslaco finances.

Respectfully submitted,



Martin Garza
City Manager



Rosalinda Cavazos, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Weslaco
Texas**

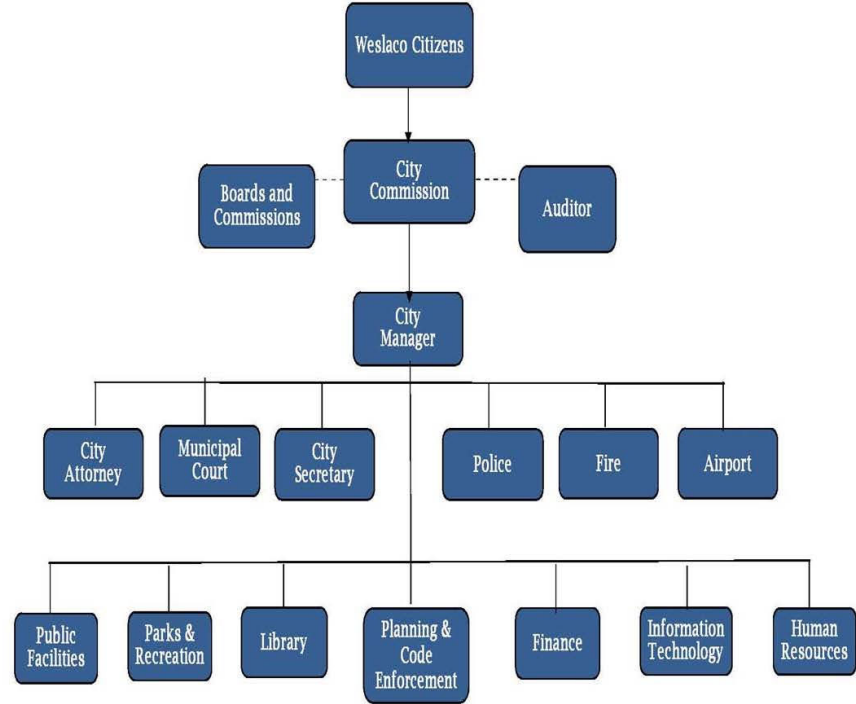
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

City of Weslaco
Organizational Chart





REPORT



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Commission
City of Weslaco, 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 unit, each major fund, and the aggregate remaining fund information of the City of Weslaco, Texas, as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the City of Weslaco, Texas' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 unit, each major fund, and the aggregate remaining fund information of the City of Weslaco, Texas, as of September 30, 2022, 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.

We did not audit the financial statements of the Weslaco Economic Development Corporation, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Weslaco Economic Development Corporation, is based solely on the report of the other auditors.

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 Weslaco, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance

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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 Weslaco, 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.

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 Weslaco, 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 Weslaco, 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

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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 Weslaco, Texas' basic financial statements. The other supplementary information, supplemental statements and schedules, bonded debt requirements, 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. The other supplementary information, supplemental statements and schedules, bonded debt requirements, and the schedule of expenditures of federal awards are 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 other supplementary information, supplemental statements and schedules, bonded debt requirement, 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2023, on our consideration of the City of Weslaco, 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 Weslaco, 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 Weslaco, Texas' internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Harlingen, Texas
April 18, 2023

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City of Weslaco, Texas

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Weslaco, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Weslaco for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-6 of this report.

FINANCIAL HIGHLIGHTS

The City's total net position increased \$12,404,261 as a result of this year's operations. Net position from governmental activities increased by \$7,633,895, while net position from business-type activities increased \$4,770,366. This reflects a 14.8% increase to ending total net position.

- **Governmental Activities – Revenues and Expenses Compared to Last Year –** Total revenues increased \$5,919,881 from last year, with the majority increases in collection of taxes, charges for services and grants. Sales and Franchise taxes showed a strong increase of \$1.3M or 9.2%, property tax revenues increased by \$1,030,133, and intergovernmental revenues increased by \$1.8M. Expenses increased \$602,044 from last year.
- **Business-Type Activities – Revenues and Expenses Compared to Last Year-** Overall total revenues saw an increase of \$1,584,524 from last year. Charges for all services increased by \$1,704,028 while grants decreased by \$126,453. Expenses decreased by \$88,086 in water and wastewater services. Solid waste expenses saw a decrease of \$287,315. Expenses from airport services increased due an airport expansion project and general increase in operating expenses by \$562,367.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. The government-wide financial statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the City, and the statements are presented on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

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

Activities of the City as a whole include governmental activities, and business-type activities. Governmental activities are those activities which are financed primarily through taxes and grants.

City of Weslaco, Texas

Management's Discussion and Analysis

Most of the City's basic services are reported as governmental activities. Business-type activities are those activities that are intended to recover all or a significant portion of their costs through user fees and charges. Utility system operations are a common example of business-type activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Weslaco Economic Development Corporation (EDC), which is a legally separate entity, and reported as a discretely presented component unit. The City Commission appoints the EDC board members and sets expenditure caps over which the City of Weslaco Commissioners' approval is required. Financial information for this discretely presented component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 25-27 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, 2021 Construction Fund, 2021B Construction Fund and Special Projects Fund which are the only reported major funds. Data from other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Hotel Occupancy Tax Fund, Capital Improvement Program Fund, and Fire Department Equipment Replacement Fund. In addition, the City also adopts an annual appropriated budget for its Water and Wastewater, Solid Waste, and Airport Proprietary Funds. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget in the required supplementary information of this report. All other budgetary comparison schedules have been provided for in the other supplementary information of this report.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

City of Weslaco, Texas

Management's Discussion and Analysis

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Wastewater Fund, for its Solid Waste Fund and for its Airport Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities section of the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund, the Solid Waste Fund, and the Airport Fund, all of which are considered to be major enterprise funds of the City of Weslaco.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Weslaco's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City recognizes two fiduciary funds: the Firemen's Relief and Retirement Fund, which is a pension trust fund, and the Marion Booth Endowment Fund, which is a private purpose trust fund.

The basic fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 39 of this report. In fiscal year 2022, the City adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board. These newly adopted accounting standards, and other recently issued accounting pronouncements, can be found in Note 1.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$96,173,920 at the close of the most recent fiscal year.

On September 30, 2022, the City had an outstanding bonds balance of \$81,551,000, excluding \$305,000 in the component unit. The City has unspent bond proceeds on its recently issued 2018, 2019, 2021, 2021A, and 2021B bonds to be used for its drainage projects and purchase of equipment as well as the recent issues that will be used for a new Public Safety building and construction and rehabilitation of Library. At the end of the current fiscal year, the City of Weslaco reported a negative balance of unrestricted net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The negative unrestricted net position is mainly due to the City's recognition of pension and OPEB liabilities in accordance with GASB Statement No. 68 and 75.

City of Weslaco, Texas Management's Discussion and Analysis

Table 1, below illustrates a comparative summary of the City's statement of net position at September 30, 2022 and 2021.

Table 1 City of Weslaco, Texas- Net Position Primary Government						
	Governmental Activities		Business-type Activities		Total	Total
	2022	2021	2022	2021	2022	2021
Current assets	\$ 58,874,139	\$ 59,708,920	\$ 4,443,502	\$ 4,108,322	\$ 63,317,641	\$ 63,817,242
Capital and right-to-use assets, net	69,712,635	60,167,997	103,464,027	98,856,874	173,176,662	159,024,871
Total assets	128,586,774	119,876,917	107,907,529	102,965,196	236,494,303	222,842,113
Deferred outflows of resources- deferred charge	651,918	721,152	1,789,486	1,997,310	2,441,404	2,718,462
Deferred outflows of resources- pensions	2,778,882	1,178,361	93,108	92,675	2,871,990	1,271,036
Deferred outflows of resources- OPEB	560,504	624,874	17,598	20,195	578,102	645,069
Total deferred outflows of resources	3,991,304	2,524,387	1,900,192	2,110,180	5,891,496	4,634,567
Total assets and deferred outflows of resources	\$ 132,578,078	\$ 122,401,304	\$ 109,807,721	\$ 105,075,376	\$ 242,385,799	\$ 227,476,680
Current liabilities	\$ 17,425,951	\$ 12,005,996	\$ 1,781,201	\$ 2,330,403	\$ 19,207,152	\$ 14,336,399
Non-current liabilities						
Due within one year	3,543,349	3,924,655	4,541,698	3,816,261	8,085,047	7,740,916
Due in more than one year	50,362,805	54,547,528	49,860,641	50,306,742	100,223,446	104,854,270
Municipal net pension liability	3,794,031	6,049,574	617,762	813,897	4,411,793	6,863,471
Firemen's net pension liability	6,175,754	3,656,800	-	-	6,175,754	3,656,800
OPEB liability- TMRS Supplemental death	1,021,137	959,152	90,448	85,058	1,111,585	1,044,210
OPEB liability- reitree health care	1,816,003	2,259,574	-	-	1,816,003	2,259,574
Total liabilities	84,139,030	83,403,279	56,891,750	57,352,361	141,030,780	140,755,640
Deferred inflows of resources- leases	545,344	-	287,163	-	832,507	-
Deferred inflows of resources- pensions	3,365,080	2,695,014	274,051	138,067	3,639,131	2,833,081
Deferred inflows of resources- OPEB	704,799	113,081	4,662	5,219	709,461	118,300
Total deferred inflows of resources	4,615,223	2,808,095	565,876	143,286	5,181,099	2,951,381
Net position						
Net investment in capital assets	44,125,792	38,744,671	53,432,408	49,661,132	97,558,200	88,405,803
Restricted	2,117,842	2,070,926	1,003,975	1,013,102	3,121,817	3,084,028
Unrestricted (deficit)	(2,419,809)	(4,625,667)	(2,086,288)	(3,094,505)	(4,506,097)	(7,720,172)
Total net position	43,823,825	36,189,930	52,350,095	47,579,729	96,173,920	\$ 83,769,659
Total liabilities, deferred inflows of resources and net position	\$ 132,578,078	\$ 122,401,304	\$ 109,807,721	\$ 105,075,376	\$ 242,385,799	\$ 227,476,680

Governmental Activities

The property tax levy increased by \$641,956 (4.8%) from the prior year due mostly to increases in valuation and new improvements added to the rolls. The tax rate remained the same at \$0.6967 per \$100 for the 2021 tax year levy. A concerted effort on the part of the City Commission will continue to maintain or reduce the tax rate, while continuing to provide the same level of services. It is believed that this approach to making the City more attractive to business provides the stimulus to invest in further improvements that result in increased values.

Total sales taxes of the City amounted to \$18,118,903 for the year which is an increase of \$1,728,871 or 11% over the last fiscal year. 25% of the total amount collected goes to the Weslaco Economic Development Corporation. The remainder stays in the General Fund where it makes up about 46.3% of General Fund revenues in support of governmental functions, such as public safety, library services and recreation.

City of Weslaco, Texas Management's Discussion and Analysis

Operating grants for governmental activities amounted to \$5,253,381 in the General Fund and Special Projects Fund, mostly due to federal funding received from COVID-19 Coronavirus State and Local Fiscal Recover Funds to aid in mitigating the COVID-19 pandemic. It is the practice of the City of Weslaco to seek opportunities for grants whenever possible to improve City services and quality of life in our community.

Table 2, below presents the cost of each of the City's programs, as well as the revenues generated to support those programs. The difference between the two is the change in net position.

Table 2 City of Weslaco, Texas- Changes in Net Position Primary Government						
	Governmental Activities		Business-type Activities		Total	Total
	2022	2021	2022	2021	2022	2021
Program Revenues:						
Charges for services	\$ 4,645,824	\$ 3,281,081	\$ 20,892,229	\$ 19,188,201	\$ 25,538,053	\$ 22,469,282
Operating grants and contributions	5,253,381	3,708,547	-	-	5,253,381	3,708,547
Capital grants and contributions	601,057	384,979	1,784,731	1,911,184	2,385,788	2,296,163
General Revenues:						
Property taxes	15,044,874	14,014,741	-	-	15,044,874	14,014,741
Non-property taxes	16,058,956	14,738,430	-	-	16,058,956	14,738,430
Unrestricted investment earnings	318,939	45,432	7,565	616	326,504	46,048
Gain on sale of capital assets	166,811	-	-	-	166,811	-
Other income	222,058	218,809	-	-	222,058	218,809
Total revenue	42,311,900	36,392,019	22,684,525	21,100,001	64,996,425	57,492,020
Expenses						
General government	7,788,269	7,972,617	-	-	7,788,269	7,972,617
Public safety	18,530,439	17,642,378	-	-	18,530,439	17,642,378
Emergency medical services	355,962	305,756	-	-	355,962	305,756
Public works	4,337,188	4,491,358	-	-	4,337,188	4,491,358
Culture and recreation	2,624,099	2,394,698	-	-	2,624,099	2,394,698
Interest on long term debt	1,000,568	1,227,674	-	-	1,000,568	1,227,674
Water and sewer services	-	-	11,606,716	11,694,802	11,606,716	11,694,802
Solid waste services	-	-	4,536,176	4,823,491	4,536,176	4,823,491
Airport	-	-	1,812,747	1,250,380	1,812,747	1,250,380
Total expenses	34,636,525	34,034,481	17,955,639	17,768,673	52,592,164	51,803,154
Increase in net position before						
Transfers and special items	7,675,375	2,357,538	4,728,886	3,331,328	12,404,261	5,688,866
Transfers	(41,480)	2,110,562	41,480	(2,110,562)	-	-
Change in net position	7,633,895	4,468,100	4,770,366	1,220,766	12,404,261	5,688,866
Net position- beginning	36,189,930	31,721,830	47,579,729	46,358,963	83,769,659	78,080,793
Net position- ending	\$ 43,823,825	\$ 36,189,930	\$ 52,350,095	\$ 47,579,729	\$ 96,173,920	\$ 83,769,659

Business-Type Activities

Business-type activities continue to account for about 54.4% of the City of Weslaco's net position. Water and sewer rates remained the same as prior years. Solid waste collection fees remained the same this year.

City of Weslaco, Texas

Management's Discussion and Analysis

The net position of the Water and Wastewater Fund increased by \$4,286,215 from current year operations which increased from the prior year change in net position of \$741,260. This was the result of increase in capital grants. Operating revenues increased by \$808,270 and operating expenses increased by \$96,356. Transfers to other funds also decreased by \$953,755 to make the current payments on long-term debt.

The net position of the Solid Waste Fund increased \$662,760 despite continued transfers to the capital improvement fund. Operating revenues increased by \$435,969 and operating expenses decreased by \$295,142. Transfers to other funds (to the Capital Improvements Program Fund) decreased by \$275,000.

The net position of the Airport Fund showed a negative effect of \$178,609, due mostly to a decrease in capital grants. The Airport Fund revenues increased by \$459,759, which is mainly due to increase in fuel sales and hangar rentals. Expenditures increase by \$563,885. Improvements continue at the Airport, yet the City will continue striving with a new business plan.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Weslaco's governmental funds reported combined ending fund balances of \$38,665,199. Approximately 30% of this total amount, or \$11,750,590 constitutes unassigned fund balance, which is available for spending at the government's discretion. This represents 30% of operating expenditures. The remainder of fund balance is non-spendable, restricted, or assigned to indicate that it is not available for new spending because it has already been assigned for a specific purpose or restricted for debt or future capital projects.

The General Fund is the chief operating fund of the City of Weslaco. At the end of the current fiscal year, the general fund's unassigned fund balance was \$11,750,590, which increased by \$3,344,913 from the prior unassigned fund balance of \$8,405,677, which was due to increase in revenues and decrease in expenditures from prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38% of the total General Fund expenditures, while total fund balance represents 38.3 % of the same amount. While it is recommended that the General Fund should have an unassigned fund balance of no less than 5% to 15% of operating expenditures, the City has placed the target unassigned fund balance in the General Fund at 25%.

The change in fund balances for General Fund is \$3,411,752, which was mainly attributed to increase in revenues of \$1,921,700 related to increase in sales and property taxes and decrease in expenditures of \$3,386,022 related to decrease capital outlay from prior year. In addition, there was an increase in other financing sources of \$166,811 for sale of capital assets and net transfer in of \$559,445.

The changes in fund balances for 2021 C.O. Construction Fund of (\$8,362,617) and 2021B C.O. Construction Fund of (\$72,830) is due to expenditures for capital projects.

City of Weslaco, Texas Management's Discussion and Analysis

The City Commission maintained the tax rate at \$0.6967 per \$100 assessed valuation for the 2021 tax year levy year. Sales tax revenues increased by 10.5% from prior year.

The debt service, 2019 Series debt service, 2021 Series debt service, and the 2021B Series debt service funds have a total combined fund balance of \$840,236, all of which is restricted for the repayment of debt service. The scheduled tax supported debt service payments for fiscal year 2022 was \$3,788,817, including interest paid of \$1,328,817.

Proprietary Funds

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

Unrestricted net position deficit of the Water and Wastewater Fund at the end of the year amounted to (\$1,134,411), which was an increase of 1,554,537 from last year. Operating revenues increased by \$808,270 and operating expenses increased by \$96,356. The result was operating income increased by \$711,914 compared to last year.

The unrestricted net position of the Solid Waste Fund amounted to \$1,248,374 at the end of the year, an increase of \$408,451 from the prior year. Operating revenue increased by \$435,969 from last year, while operating expenses decreased by \$295,142. It should be noted that there was an increase in net position of \$662,760 despite a transfers of \$850,000 to other funds.

The unrestricted net position deficit for the Airport Fund amounted to \$(2,200,251). The airport will continue making improvements, yet operations are back to normal. The Airport continued in the construction of additional hangers to accommodate demands.

General Fund Budgetary Highlights

The original budgeted revenue of \$29,012,292 represented a 3.6% increase over the previous year's budgeted amount. The 2022 budget was amended to recognize additional projected revenue, for a final revenue budget of \$31,895,485. Taxes represent about 79.9% of total General Fund budgeted revenue.

The original adopted General Fund expenditures were \$28,508,115. However, circumstances arose which required the expenditure of additional funds that were not foreseen prior to the commencement of the fiscal year. Each year the City performs a mid-year review of the budget. If it is determined that funds are available, certain amendments are proposed to the City Commission for their review and approval. These amendments increased the General Fund's appropriations by \$3,985,702, to \$32,493,817 of expenditures. The increase was attributed to overtime in the police and fire departments and capital outlay for the police department.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital and Right-to-Use Assets

The City of Weslaco's investment in capital assets for its governmental and business type activities as of September 30, 2022, amounts to \$173,176,662 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities,

City of Weslaco, Texas Management's Discussion and Analysis

roads and highways, construction in progress, and right-to-use lease assets. The City of Weslaco's investment in capital and right-to-use assets for the current fiscal year increased by 8.9%.

Table 3
City of Weslaco- Capital Assets
Primary Government

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land,	\$ 6,270,499	\$ 6,270,499	\$ 4,622,884	\$ 4,622,884	\$ 10,893,383	\$ 10,893,383
Infrastructure	7,629,307	7,629,307	-	-	7,629,307	7,629,307
Buildings	20,411,626	20,411,626	1,679,646	1,679,646	22,091,272	22,091,272
Equipment	26,207,527	25,104,781	23,379,313	16,988,793	49,586,840	42,093,574
Improvements	52,565,950	47,323,003	132,268,616	129,997,305	184,834,566	177,320,308
Right-to-use lease assets	50,991	-	6,602	-	57,593	-
Construction in progress	14,948,691	8,472,382	2,695,916	1,335,289	17,644,607	9,807,671
Totals at historical cost	128,084,591	115,211,598	164,652,977	154,623,917	292,737,568	269,835,515
Accumulated depreciation and amortization	(58,371,956)	(55,043,601)	(61,188,950)	(55,767,043)	(119,560,906)	(110,810,644)
Total capital assets, net	\$ 69,712,635	\$ 60,167,997	\$ 103,464,027	\$ 98,856,874	\$ 173,176,662	\$ 159,024,871

Additional information on the City of Weslaco's capital assets can be found in Note 6 starting on page 58 of this report.

Long-Term Debt

At year end of the current fiscal year, the City of Weslaco had total bonded debt outstanding of \$81,551,000, excluding \$305,000 in the component unit. Total bonded debt is comprised of debt backed by the full faith and credit of the government.

The City of Weslaco maintains an "AA-" rating from Standard and Poor's, which is the City's highest rating to date. Moody's rates the City at an "A2" for general obligation debt.

Additional information on the City of Weslaco's long-term debt can be found in Note 7 on page 60 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The employment rate for the City of Weslaco increased by 3% to 93% when compared to last year's 90%. The City has continued to see the labor market recover from the COVID-19 pandemic and has seen consistent growth in our commercial businesses. The employment rate compares to the state's average employment rate of 96%.

The property tax rate remained the same for the 2022 tax year, or fiscal year ending September 30, 2023. Sales tax is projected to increase by 4%. The 2022-2023 adopted budget is a fiscally responsible balanced budget.

City of Weslaco, Texas Management's Discussion and Analysis

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Weslaco's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 255 S Kansas Avenue, Weslaco, Texas 78596.

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FINANCIAL STATEMENTS



City of Weslaco, Texas

Statement of Net Position

September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 13,258,963	\$ 1,199,385	\$ 14,458,348	\$ 7,212,854
Cash and cash equivalents- restricted	6,522,869	323,949	6,846,818	-
Investments	28,923,445	-	28,923,445	-
Investments, restricted	-	2,187,452	2,187,452	-
Receivables, net	6,575,350	3,063,258	9,638,608	6,641
Leases receivables	548,186	287,723	835,909	1,144,743
Due from primary government	-	-	-	362,340
Internal balances	2,946,607	(2,946,607)	-	-
Notes receivables	-	-	-	2,649,996
Assets held for sale	-	-	-	5,817,232
Other prepaid items	7,685	-	7,685	-
Inventories	91,034	328,342	419,376	-
Capital assets				
Non-depreciable	28,848,497	7,318,800	36,167,297	-
Depreciable, net	40,833,543	96,138,625	136,972,168	4,909,028
Right-to-use leased assets, net	30,595	6,602	37,197	-
Total assets	128,586,774	107,907,529	236,494,303	22,102,834
Deferred Outflows of Resources				
Deferred charge on refunding	651,918	1,789,486	2,441,404	-
Deferred outflows related to pensions	2,778,882	93,108	2,871,990	-
Deferred outflows related to OPEB	560,504	17,598	578,102	-
Total Deferred Outflows of Resources	3,991,304	1,900,192	5,891,496	-
Total Assets and Deferred Outflows of Resources	\$ 132,578,078	\$ 109,807,721	\$ 242,385,799	\$ 22,102,834
Liabilities				
Accounts payable	\$ 3,320,350	\$ 1,275,169	\$ 4,595,519	\$ 117,503
Due to component unit	362,340	-	362,340	-
Accrued expenses	2,653,466	506,032	3,159,498	30,691
Unearned revenue	11,089,795	-	11,089,795	-
Non-current liabilities:				
Due within one year	3,543,349	4,541,698	8,085,047	528,552
Due in more than one year				
Other liabilities due in more than one year	50,362,805	49,860,641	100,223,446	1,903,328
Municipal net pension liability	3,794,031	617,762	4,411,793	-
Firemen's net pension liability	6,175,754	-	6,175,754	-
OPEB liability- TMRS SDB	1,021,137	90,448	1,111,585	-
OPEB liability- retiree health care	1,816,003	-	1,816,003	-
Total Liabilities	84,139,030	56,891,750	141,030,780	2,580,074
Deferred Inflows of Resources				
Deferred inflows related to leases	545,344	287,163	832,507	1,144,743
Deferred inflows related to pensions	3,365,080	274,051	3,639,131	-
Deferred inflows related to OPEB	704,799	4,662	709,461	-
Total Deferred Inflows of Resources	4,615,223	565,876	5,181,099	1,144,743
Net Position				
Net investment in capital assets	44,125,792	53,432,408	97,558,200	4,352,576
Restricted for:				
Debt service	840,236	1,003,975	1,844,211	320,000
Special revenue funds	1,277,606	-	1,277,606	-
Capital projects	-	-	-	-
Unrestricted	(2,419,809)	(2,086,288)	(4,506,097)	13,705,441
Total Net Position	43,823,825	52,350,095	96,173,920	18,378,017
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 132,578,078	\$ 109,807,721	\$ 242,385,799	\$ 22,102,834

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

City of Weslaco, Texas

Statement of Activities

For the Fiscal Year Ended September 30, 2022

			Program Revenues	
Functions/programs	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 7,788,269	\$ 1,708,132	\$ -	\$ -
Public safety	18,530,439	936,197	5,253,381	-
Emergency medical services	355,962	1,990,139	-	-
Public works	4,337,188	-	-	601,057
Culture and recreation	2,624,099	11,356	-	-
Interest on long-term debt	1,000,568	-	-	-
Total governmental activities	34,636,525	4,645,824	5,253,381	601,057
Business-type activities:				
Water and Wastewater services	11,606,716	13,896,469	-	1,348,631
Solid waste services	4,536,176	6,048,936	-	-
Airport	1,812,747	946,824	-	436,100
Total business-type activities	17,955,639	20,892,229	-	1,784,731
Total primary government	\$ 52,592,164	\$ 25,538,053	\$ 5,253,381	\$ 2,385,788
Component Unit:				
General government and administration	\$ 173,567	\$ -	\$ -	\$ -
Property management	694,434	190,513	-	-
Promotion and development	231,897	-	32,473	-
Development services	671,228	-	-	-
Debt forgiveness	1,943,850	-	-	-
Interest on long-term debt	144,023	-	-	-
Total componen unit	\$ 3,858,999	\$ 190,513	\$ 32,473	\$ -

General Revenues:

Taxes:

Ad valorem

Sales

Occupancy

Franchise and other

Investment earnings

Gain (loss) on sale/retirement

of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expenses) Revenue And Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (6,080,137)	\$ -	\$ (6,080,137)	\$ -
(12,340,861)	-	(12,340,861)	-
1,634,177	-	1,634,177	-
(3,736,131)	-	(3,736,131)	-
(2,612,743)	-	(2,612,743)	-
(1,000,568)	-	(1,000,568)	-
(24,136,263)	-	(24,136,263)	-
-	3,638,384	3,638,384	-
-	1,512,760	1,512,760	-
-	(429,823)	(429,823)	-
-	4,721,321	4,721,321	-
(24,136,263)	4,721,321	(19,414,942)	-
\$ -	\$ -	\$ -	\$ (173,567)
-	-	-	(503,921)
-	-	-	(199,424)
-	-	-	(671,228)
-	-	-	(1,943,850)
-	-	-	(144,023)
			(3,636,013)
15,044,874	-	15,044,874	-
13,589,177	-	13,589,177	4,529,726
496,320	-	496,320	-
1,973,459	-	1,973,459	-
318,939	7,565	326,504	147,554
166,811	-	166,811	-
222,058	-	222,058	56,324
(41,480)	41,480	-	-
31,770,158	49,045	31,819,203	4,733,604
7,633,895	4,770,366	12,404,261	1,097,591
36,189,930	47,579,729	83,769,659	17,280,426
\$ 43,823,825	\$ 52,350,095	\$ 96,173,920	\$ 18,378,017

City of Weslaco, Texas
Governmental Funds
Balance Sheet

September 30, 2022

	General Fund	2021 C.O. Construction Fund	2021B C.O Construction Fund	Special Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 624,351	\$ 879,510	\$ 2,040,823	\$ 7,933,605	\$ 1,780,674	\$ 13,258,963
Cash and cash equivalents- restricted	546,678	-	-	-	5,976,191	6,522,869
Investments	8,769,065	3,359,715	7,917,978	-	8,876,687	28,923,445
Receivables (net of allowance for uncollectibles):						
Ad valorem taxes	591,389	-	-	-	245,865	837,254
Sales taxes	1,449,359	-	-	-	-	1,449,359
Ambulance fees	1,932,758	-	-	-	-	1,932,758
Leases	-	-	-	-	548,186	548,186
Other	2,042,689	-	-	-	313,290	2,355,979
Due from other funds	3,204,592	50,000	-	-	22,514	3,277,106
Prepaid items	7,685	-	-	-	-	7,685
Inventories	91,034	-	-	-	-	91,034
Total Assets	\$ 19,259,600	\$ 4,289,225	\$ 9,958,801	\$ 7,933,605	\$ 17,763,407	\$ 59,204,638
Liabilities						
Accounts payable	\$ 1,280,434	\$ 1,364,983	\$ 31,631	\$ 694,761	\$ 310,881	\$ 3,682,690
Accrued salaries and payroll taxes	736,249.00	-	-	-	-	736,249
Other liabilities	1,277,443	-	-	-	-	1,277,443
Due to other funds	50,180	26,050	-	-	4,000	80,230
Payable from restricted assets	546,678	-	-	-	-	546,678
Unearned revenue	1,139,243	-	-	7,238,844	2,711,708	11,089,795
Total Liabilities	5,030,227	1,391,033	31,631	7,933,605	3,026,589	17,413,085
Deferred Inflows of Resources						
Leases	-	-	-	-	545,344	545,344
Unavailable revenue- ad valorem taxes	448,026	-	-	-	200,946	648,972
Unavailable revenue- EMS fees	1,932,038	-	-	-	-	1,932,038
Total Deferred Inflows of Resources	2,380,064	-	-	-	746,290	3,126,354
Fund Balances						
Nonspendable	98,719	-	-	-	-	98,719
Restricted	-	2,898,192	9,927,170	-	12,335,011	25,160,373
Assigned	-	-	-	-	1,655,517	1,655,517
Unassigned	11,750,590	-	-	-	-	11,750,590
Total Fund Balances	11,849,309	2,898,192	9,927,170	-	13,990,528	38,665,199
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,259,600	\$ 4,289,225	\$ 9,958,801	\$ 7,933,605	\$ 17,763,407	\$ 59,204,638

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

City of Weslaco, Texas

**Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position**

September 30, 2022

	Governmental Activities
Total fund balance-governmental funds	\$ 38,665,199
Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,581,010
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental fund balance sheet. This is the amount of governmental assets \$128,033,600 net of accumulated depreciation totaling \$(58,351,560).	69,682,040
Right-to-use leased assets of \$50,991, net of accumulated amortization of \$20,396 are not financial resources, and therefore are not reported as assets in governmental funds	30,595
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet.	(93,096)
Deferred outflows of resources related to amounts deferred on refundings of long-term debt are not reported in the governmental funds.	651,918
Internal service funds are used by management to charge the cost of certain activities. The assets and liabilities of certain internal service funds are included in the governmental activities statement of net position.	(250,269)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	(53,906,154)
Included in the noncurrent assets/(liabilities) is the recognition of the City's net pension (liability) required by GASB Statement No 68 in the amount of (\$3,794,031), a deferred resource outflows in the amount of \$748,907, and a deferred resource inflow in the amount of (\$2,906,131). This resulted in a (decrease) in net position.	(5,951,255)
Included in the noncurrent (liabilities) is the recognition of the City Firemen's net pension (liability) required by GASB 68 in the amount of (\$6,175,754), a deferred resource outflows in the amount of \$2,029,975 and a deferred resource inflow in the amount of (\$458,949). This resulted in a (decrease) in net position.	(4,604,728)
Included in the noncurrent (liabilities) is the recognition of the City's total OPEB liability required by GASB 75 in the amount of (\$2,837,140), a deferred resource outflow in the amount of \$560,504, and a deferred resource inflow in the amount of (\$704,799). This resulted in a (decrease) in net position.	(2,981,435)
Net position of governmental activities	\$ 43,823,825

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

City of Weslaco, Texas
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Fiscal Year Ended September 30, 2022

	General Fund	2021 C.O. Construction Fund	2021B C.O. Construction Fund	Special Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 11,024,439	\$ -	\$ -	\$ -	\$ 4,115,901	\$ 15,140,340
Nonproperty taxes	15,562,636	-	-	-	496,320	16,058,956
Fees and charges	2,432,881	-	-	-	63,892	2,496,773
Fines and forfeitures	569,233	-	-	-	-	569,233
Licenses and permits	869,148	-	-	-	-	869,148
Intergovernmental	2,866,953	-	-	2,386,428	601,057	5,854,438
Investment income	113,827	98,435	-	-	106,677	318,939
Lease revenue	-	-	-	-	28,609	28,609
Interest revenue	-	-	-	-	6,186	6,186
Miscellaneous	177,066	4,900	5,297	-	-	187,263
Total Revenues	33,616,183	103,335	5,297	2,386,428	5,418,642	41,529,885
Expenditures						
General government	6,501,530	303,963	-	211,333	167,358	7,184,184
Public safety	18,639,499	8,585,641	-	-	191,469	27,416,609
Public works	3,520,298	-	-	18,053	2,088,210	5,626,561
Culture and recreation	1,682,540	-	78,127	-	1,165,415	2,926,082
Economic development	388,499	-	-	-	-	388,499
Debt service:						
Principal	170,396	-	-	-	3,626,080	3,796,476
Interest and fees	27,925	179	-	-	1,713,750	1,741,854
Total Expenditures	30,930,687	8,889,783	78,127	229,386	8,952,282	49,080,265
Excess (deficiency) of revenues over expenditures	2,685,496	(8,786,448)	(72,830)	2,157,042	(3,533,640)	(7,550,380)
Other financing sources (uses):						
Sale of capital assets	166,811	-	-	-	-	166,811
Transfers in	2,345,346	423,831	-	-	1,556,117	4,325,294
Transfers out	(1,785,901)	-	-	(2,157,042)	(423,831)	(4,366,774)
Total other financing sources (uses)	726,256	423,831	-	(2,157,042)	1,132,286	125,331
Net change in fund balances	3,411,752	(8,362,617)	(72,830)	-	(2,401,354)	(7,425,049)
Fund balances at beginning of year	8,437,557	11,260,809	10,000,000	-	16,391,882	46,090,248
Fund balances at end of year	\$ 11,849,309	\$ 2,898,192	\$ 9,927,170	\$ -	\$ 13,990,528	\$ 38,665,199

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

City of Weslaco, Texas

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**

For the Fiscal Year Ended September 30, 2022

	Governmental Activities
Net change in fund balances-total governmental funds	\$ (7,425,049)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and amortization (\$3,954,868) exceeded capital outlay \$13,448,515 in the current period.	9,493,647
The change in compensated absences and accrued interest on long-term debt of \$18,442 and \$9,765 are reported as a increase to expenditures in the statement of activities but not in the governmental funds.	28,207
Bond premiums, discounts, insurance, and deferred charges are recognized in the funds in the year the bonds are sold, but they are recorded as an asset, deferred resource outflow or liability and amortized over the life of the bonds in the statement of activities.	427,497
Some revenues, such as property taxes, EMS fees, and grants will not be collected for several months after the City's fiscal year end, therefor, they are not considered "available" revenues in the governmental funds.	615,204
Repayment of bond, lease and note payable principal, and liabilities under chapter 380 agreements are reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,101,847
GASB Statement No 68 requires that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2021 caused the change in ending net position to increase in the amount of \$706,907. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$677,762). The City's reported TMRS net pension expense had to be recorded. The net pension expense increased the change in net position by \$667,562. The result of these changes is to increase the change in net position.	696,707
Firemen pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decrease net position.	(29,663)
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2021 caused the change in the ending net position to increase in the amount of \$21,981. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$21,231). The City's reported TMRS OPEB expense had to be recorded. The net OPEB expense (decreased) the change in net position by (\$86,194). In addition to this the City's reported Firemen Retiree Health Care OPEB expense had to be recorded. The net OPEB expense decreased the change in net position by (\$189,058). The result of these changes is to (decrease) the change in net position.	(274,502)
Change in net position of governmental activities	\$ 7,633,895

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

City of Weslaco, Texas
Proprietary Funds
Statement of Net Position

September 30, 2022

	Business-Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Totals	Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	\$ 1,080,189	\$ -	\$ 119,196	\$ 1,199,385	\$ -
Cash and cash equivalents- restricted	323,949	-	-	323,949	-
Investments- restricted	2,187,452	-	-	2,187,452	-
Receivables, net of allowances for uncollectibles	2,081,826	819,813	161,619	3,063,258	-
Leases	-	-	17,252	17,252	-
Due from other funds	-	2,000,000	-	2,000,000	-
Inventories	262,823	-	65,519	328,342	-
Total current assets	5,936,239	2,819,813	363,586	9,119,638	-
Non-current assets					
Leases receivable	-	-	270,471	270,471	-
Land	665,175	421,247	3,536,462	4,622,884	-
Buildings	362,324	668,781	648,541	1,679,646	-
Equipment	14,260,005	8,071,090	1,048,218	23,379,313	4,997,658
Improvements	-	-	-	-	70,864
Infrastructure	118,440,188	64,461	13,763,967	132,268,616	-
Right-to-use lease asset	3,718	-	2,884	6,602	-
Construction-in-progress	698,052	120,221	1,877,643	2,695,916	-
Total non-current assets	134,429,462	9,345,800	21,148,186	164,923,448	5,068,522
Accumulated depreciation and amortization	(51,433,341)	(3,175,169)	(6,580,440)	(61,188,950)	(5,068,522)
Total non-current assets, net	82,996,121	6,170,631	14,567,746	103,734,498	-
Total assets	88,932,360	8,990,444	14,931,332	112,854,136	-
Deferred outflows of resources					
Deferred outflows related to pensions	78,096	1,887	13,125	93,108	-
Deferred outflows related to OPEB	13,289	636	3,673	17,598	-
Deferred charge on refunding	1,789,486	-	-	1,789,486	-
Total deferred outflows of resources	1,880,871	2,523	16,798	1,900,192	-
Total assets and deferred outflows of resources	\$ 90,813,231	\$ 8,992,967	\$ 14,948,130	\$ 114,754,328	\$ -

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

City of Weslaco, Texas
Proprietary Funds
Statement of Net Position- Continued

September 30, 2022

	Business-Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Totals	Internal Service Fund
Liabilities					
Current Liabilities:					
Accounts payable	\$ 875,889	\$ 137,837	\$ 261,443	\$ 1,275,169	\$ -
Accrued salaries and other liabilities	183,270	95,646	27,376	306,292	-
Due to other funds	2,000,000	951,138	1,995,469	4,946,607	250,269
Current portion of long term debt	3,688,143	795,225	58,330	4,541,698	-
Accrued interest on bonds	199,740	-	-	199,740	-
Total current liabilities	6,947,042	1,979,846	2,342,618	11,269,506	250,269
Noncurrent liabilities:					
Compensated absences	86,761	49,782	31,302	167,845	-
Customer deposits	1,483,667	-	4,594	1,488,261	-
Revenue bonds payable, net of unamortized premiums	37,110,729	-	-	37,110,729	-
Financing arrangement	4,818,358	4,670,872	-	9,489,230	-
Lease liabilities	773	-	600	1,373	-
Note payable	-	-	1,289,515	1,289,515	-
Landfill closure	-	313,688	-	313,688	-
Net pension liability	543,286	8,321	66,155	617,762	-
OPEB liability	68,872	3,117	18,459	90,448	-
Total noncurrent liabilities	44,112,446	5,045,780	1,410,625	50,568,851	-
Total liabilities	51,059,488	7,025,626	3,753,243	61,838,357	250,269
Deferred inflows of resources					
Deferred inflows related to leases	-	-	287,163	287,163	-
Deferred inflows related to pensions	212,378	8,877	52,796	274,051	-
Deferred inflows related to OPEB	3,496	175	991	4,662	-
Total deferred inflows of resources	215,874	9,052	340,950	565,876	-
Net Position					
Net investment in capital assets	39,668,305	709,915	13,054,188	53,432,408	-
Restricted for:					
Revenue bond retirement	1,003,975	-	-	1,003,975	-
Construction	-	-	-	-	-
Unrestricted (deficit)	(1,134,411)	1,248,374	(2,200,251)	(2,086,288)	(250,269)
Total net position (deficit)	39,537,869	1,958,289	10,853,937	52,350,095	(250,269)
Total liabilities, deferred inflows of resources, and net position	\$ 90,813,231	\$ 8,992,967	\$ 14,948,130	\$ 114,754,328	\$ -

City of Weslaco, Texas
Proprietary Funds
Statement of Revenues, Expenses and
Changes in Net Position

For the Fiscal Year Ended September 30, 2022

	Business Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Total	Internal Service Fund
Operating Revenues:					
Water services	\$ 8,115,392	\$ -	\$ -	\$ 8,115,392	\$ -
Sewer services	5,702,108	-	-	5,702,108	-
Charges for services	-	6,048,936	927,005	6,975,941	-
Leases	-	-	17,640	17,640	-
Miscellaneous	78,969	-	2,179	81,148	-
Total operating revenues	13,896,469	6,048,936	946,824	20,892,229	-
Operating Expenses:					
Personal services	824,569	1,088,013	306,157	2,218,739	-
Other services and charges	2,329,335	1,157,010	155,362	3,641,707	-
Supplies	211,469	379,345	781,247	1,372,061	-
Contractual services	2,709,342	1,166,204	-	3,875,546	-
Depreciation and amortization	4,197,283	723,428	528,781	5,449,492	-
Total operating expenses	10,271,998	4,514,000	1,771,547	16,557,545	-
Operating income (loss)	3,624,471	1,534,936	(824,723)	4,334,684	-
Non-operating revenues (expenses)					
Investment income	6,351	-	1,214	7,565	-
Interest expense	(1,334,718)	(22,176)	(41,200)	(1,398,094)	-
Total non-operating (expenses)	(1,328,367)	(22,176)	(39,986)	(1,390,529)	-
Income (loss) before transfers and capital contributions	2,296,104	1,512,760	(864,709)	2,944,155	-
Transfers in (out) and capital contributions					
Capital Improvement fees	786,914	-	-	786,914	-
Capital grants	561,717	-	436,100	997,817	-
Transfers in	6,736,709	-	250,000	6,986,709	-
Transfers out	(6,095,229)	(850,000)	-	(6,945,229)	-
Total transfers and capital contributions	1,990,111	(850,000)	686,100	1,826,211	-
Change in net position	4,286,215	662,760	(178,609)	4,770,366	-
Net position (deficit) - beginning	35,251,654	1,295,529	11,032,546	47,579,729	(250,269)
Net position (deficit) - ending	\$ 39,537,869	\$ 1,958,289	\$ 10,853,937	\$ 52,350,095	\$ (250,269)

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

City of Weslaco, Texas
Proprietary Funds
Statement of Cash Flows

For the Fiscal Year Ended September 30, 2022

	Business Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Total	Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 13,959,143	\$ 6,005,681	\$ 1,218,949	\$ 21,183,773	\$ -
Payments to suppliers	(5,515,556)	(2,970,468)	(1,029,701)	(9,515,725)	-
Payments to employees	(615,460)	(1,032,862)	(324,070)	(1,972,392)	-
Internal activity-payments from/to other funds	-	(620,481)	216,807	(403,674)	-
Net cash provided by (used in) operating activities	7,828,127	1,381,870	81,985	9,291,982	-
Cash flows from noncapital financing activities					
Transfers from other funds	6,737,009	-	250,000	6,987,009	-
Transfers to other funds	(6,095,229)	(850,000)	-	(6,945,229)	-
Net cash provided by (used in) noncapital financing activities	641,780	(850,000)	250,000	41,780	-
Cash flows from capital and related financing activities					
Purchase of capital assets	(2,948,283)	(5,382,070)	(1,435,046)	(9,765,399)	-
Interest paid on debt	(2,006,818)	(22,176)	(41,200)	(2,070,194)	-
Capital lease proceeds	-	4,630,294	-	4,630,294	-
Principal paid on debt	(3,516,389)	(223,451)	(52,000)	(3,791,840)	-
Landfill closure costs	-	(22,736)	-	(22,736)	-
Capital grants	-	-	1,301,767	1,301,767	-
Capital improvement fees	786,914	-	-	786,914	-
Net cash provided by (used in) capital and related financing activities	(7,684,576)	(1,020,139)	(226,479)	(8,931,194)	-
Cash flow from investing activities:					
Interest on cash and investments	6,351	-	-	6,351	-
Purchase of investments	(895,223)	-	-	(895,223)	-
Net cash (used in) investing activities	(888,872)	-	-	(888,872)	-
Net (decrease) in cash and cash equivalents	(103,541)	(488,269)	105,506	(486,304)	-
Cash and cash equivalents, beginning of year	1,507,679	488,269	13,690	2,009,638	-
Cash and cash equivalents, end of year	\$ 1,404,138	\$ -	\$ 119,196	\$ 1,523,334	\$ -
Reconciliation of operating income (loss) to net cash provided by used in operating activities					
Operating income (loss)	\$ 3,624,171	\$ 1,534,936	\$ (824,723)	\$ 4,334,384	\$ -
Adjustments to reconcile income (loss) from operations to net cash from operating activities:					
Other nonoperating income	-	-	1,214	1,214	-
Depreciation	4,197,283	723,428	528,781	5,449,492	-
(Increase) decrease in accounts receivables	(46,233)	(43,255)	(17,252)	(106,740)	-
(Increase) decrease in inventories	6,073	-	(17,116)	(11,043)	-
(Increase) decrease in deferred outflows	209,447	81	460	209,988	-
Decrease (increase) in accounts payable	(271,183)	(267,990)	(75,976)	(615,149)	-
Decrease (increase) in accrued salaries and other liabilities	39,775	34,331	3,247	77,353	-
Decrease (increase) in due to other funds	-	(620,481)	216,807	(403,674)	-
Decrease (increase) in customer deposits	108,907	-	1,000	109,907	-
Decrease (increase) in compensated absences	1,375	22,895	(9,865)	14,405	-
Decrease (increase) in net pension liability	(147,101)	(7,355)	(41,679)	(196,135)	-
Decrease (increase) in OPEB liability	4,043	202	1,145	5,390	-
Decrease (increase) in deferred inflows	101,570	5,078	315,942	422,590	-
Total adjustments	4,203,956	(153,066)	906,708	4,957,598	-
Net cash provided (used) by operations	\$ 7,828,127	\$ 1,381,870	\$ 81,985	\$ 9,291,982	\$ -
<i>Supplemental disclosure of noncash activities</i>					
Contributed capital assets from Urban County	\$ 561,717	\$ -	\$ -	\$ 561,717	\$ -

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

City of Weslaco, Texas
Fiduciary Funds
Statement of Fiduciary Net Position

September 30, 2022

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement Fund	Marion Booth Endowment Fund
Assets		
Cash	\$ 6,477	\$ 283,914
Investments, at fair value:		
Certificates of deposit	-	240,421
Equities	10,673,510	-
Mutual funds	3,423,518	-
Corporate bonds	-	-
Money market mutual funds	461,691	-
Municipal bonds	-	-
Total Assets	\$ 14,565,196	\$ 524,335
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Net Position		
Net position restricted for pensions and other purposes	14,565,196	524,335
Total Net Position	14,565,196	524,335
Total Liabilities and Net Position	\$ 14,565,196	\$ 524,335

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

City of Weslaco, Texas
Fiduciary Funds
Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended September 30, 2022

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement Fund	Marion Booth Endowment Fund
Additions		
Contributions		
Employer contributions	\$ 683,821	\$ -
Plan member contributions	683,821	-
Total contributions	1,367,642	-
Investment income		
Net depreciation in fair value of investments	(2,224,686)	-
Interest and dividends	401,335	2,615
Other income	61	-
Total investment income/(loss)	(1,823,290)	2,615
Less investment expense	(87,081)	-
Net investment income/(loss)	(1,910,371)	2,615
Total additions/(reductions)	(542,729)	2,615
Deductions		
Benefits paid	774,643	-
Refunds of contributions	40,132	-
Administrative expenses	31,880	-
Total deductions	846,655	-
Net change in fiduciary net position	(1,389,384)	2,615
Net position, beginning of year	15,954,580	521,720
Net position, end of year	\$ 14,565,196	\$ 524,335

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

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NOTES TO FINANCIAL STATEMENTS



City of Weslaco, Texas

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Weslaco, Texas (the “City”) was incorporated September 18, 1919, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, solid waste, health and social services, culture and recreation, education, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member governing commission (the “Commission”). The accompanying financial statements present the City and its component unit, the entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

Discretely Presented Component Unit

The Economic Development Corporation of Weslaco (the “EDC”) was merged and incorporated under the provisions of the Development Corporation Act of 1979, as amended, for the purpose of promoting economic development within the City. The EDC has separate corporate powers that distinguish it as being a legally separate entity from the City. The City has the ability to impose its will, and has a financial benefit and financial accountability over the EDC. The EDC is governed by seven members who are appointed by and serve at the pleasure of the Mayor. A copy of the EDC’s financial statements can be obtained by contacting the Weslaco Economic Development Corporation at 275 S. Kansas, Weslaco, Texas 78596.

Government-Wide and Fund Financial Statements

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

City of Weslaco, Texas

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The proprietary, pension trust fund, and private-purpose trust funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has one discretely presented component unit. While the Economic Development Corporation of Weslaco is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's wastewater and sanitation services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *2021 C.O. Construction fund* is used to account for bond proceeds used to fund for acquisition and construction of capital activities related to City projects.

The *2021B C.O. Construction fund* is used to account for bond proceeds used to fund for acquisition and construction of capital activities related to City projects.

The *Special Projects fund* is used to account proceeds from the Coronavirus State and Local Fiscal Recovery Fund grant under the American Rescue Plan and related activity.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

The *Water and Wastewater Fund* is used to account for the provision of water and wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and wastewater system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

The *Solid Waste Fund* is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to solid waste customers.

The *Airport Fund* accounts for the provision of airport facilities to area residents. All activities necessary to provide such services are accounted for in this fund. The fund is financed primarily by the City of Weslaco operating grants, hangar rentals and tie-down fees.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

Internal Service Fund which is used to account for the capital acquisitions and leasing services provided to departments of the City.

The *pension trust funds* account for the activities of the Weslaco Firemen's Relief and Retirement Fund, which accumulate resources for pension benefit payments to qualified public safety employees.

The *private-purpose trust fund* accounts for contributions made on behalf of outside parties.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Hotel/Motel Tax- Special Revenue, Debt Service Fund, Capital Improvement Program, Storm Water Improvement Fund, 2019 Bond Series Fund and Fire Department Equipment Replacement- Capital Project Funds. Other capital projects funds are appropriated on a project-length basis. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year. In addition, the Water and Wastewater, Solid Waste, and Airport Proprietary Funds also employ formal budgetary integration as a management control device during the year. Budgets for these funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The City's Special Projects fund, which is reported as a major special revenue fund, did not have a legally adopted budget.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget or are canceled pursuant to state regulations.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

Excess of expenditures over appropriations

At September 30, 2022, expenditures exceeded appropriations in four departments in the General Fund. These amounts were attributed to underestimation of actual expenditures and unforeseen cost in overtime, supplies, utilities, and maintenance of city vehicles. The departments and the excess expenditures over appropriations are as follows:

Law	\$ 5,485
General government Non-departmental	\$ 3,974
Other Economic Development	\$ 341,793
Debt Service- principal and interest	\$ 21,468

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash of all funds, including restricted cash is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

Negative balances incurred in pooled cash at year-end are treated as inter-fund receivables of the General Fund and inter-fund payables of the deficit fund.

Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the TexPool public fund investment pool (Pool). The pool meets all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Other investments are carried at fair value as defined in GASB Statement No. 72 "*Fair Value Measurement and Application*". Consistent with GASB Statement No 72, the City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the City's Firemen's Relief and Retirement Fund Investments a detail of the fair value hierarchy of investments held by the City are disclosed in Note 3 to the financial statements.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and payables

Unbilled receivables – An amount for unbilled revenue is recorded in the Water and Wastewater Fund and Solid Waste Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Lease Receivables – The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Unearned revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when on fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are funds are netted as part of the reconciliation to the government-wide presentation.

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and capital activities– Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or future capital activities.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, leased assets, right-to-use assets, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reflected at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over one year of useful life. Infrastructure assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 50 years
Water and Wastewater System	30 - 50 years
Infrastructure	20 - 35 years
Machinery and Equipment	5 - 10 years
Improvements	20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred charge on refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*, each reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions and OPEB are an aggregate of items related to pensions and other post-employment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the net pension liability or OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three (3) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions and OPEB* are an aggregate of items related to pensions and other post-employment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The *deferred inflows related to leases* are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation leave up to 30 days except vacation leave accrued prior to December 1990, which shall be refunded in full.

Non-civil service employees who were hired before October 1, 2008 and who have completed ten years of employment are entitled to be paid up to 30 days of accumulated sick leave, 60 days for those employees with 11 to 20 years and 90 days for 21 years or more and any accumulated vacation up to 30 days, upon termination. Employees who were hired after October 1, 2008 shall be refunded in full one hundred and twenty (120) hours upon separation of employment, from accumulated vacation leave.

Civil service employees hired are entitled to be paid any accumulated vacation, but must complete five years of employment with the City to be entitled to be paid up to 90 days of accumulated sick leave upon termination. Sick leave in excess of maximum limits is not paid upon termination, but will be paid only upon illness while employed by the City.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City'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

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions (Continued)

reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit and the Firefighter Retiree Healthcare benefit has been determined using the flow of economic resources measurement focus and full accrual basis of accounting.

This includes for purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the applicable OPEB's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Information regarding the City's total OPEB liability related to the TMRS Supplemental Death Benefit is obtained from TMRS through a report prepared by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Information regarding the City's total OPEB liability related to the Firefighter Retiree Healthcare is obtained from a report prepared by the City's consulting actuary, Retirement Horizons, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied. The City reported deficit net position in the Internal Service Fund in the amount of (\$250,269).

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

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Net Position and Fund Balance (Continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Unassigned fund balance – fund balance of the General Fund that is not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of October 1. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1 or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

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

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

The principal operating revenues of the Water and Wastewater Fund, Solid Waste Fund, Airport Fund and internal service funds are charges to customers for sales and services. The Water and Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 18, 2023 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In 2022, the City implemented GASB Statement No., 87, *Leases*, which improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement was adopted in the current year, resulting in no material effect.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In May 2021, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Requirements

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The City is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

The City implemented GASB Statement No. 87, *Leases*, as of October 1, 2021. The City evaluated contracts that were formerly accounted for as operating leases to determine whether they meet the definition of a lease as defined in GASB No. 87. The contracts to lease copier equipment met the definition of a lease, and the City calculated and recognized right-to-use leased assets of \$57,593 and lease liabilities as of October 1, 2021. Also, the contracts to lease the airport hangars and City's buildings met the definition of a lease, and the City calculated and recognized lease receivable of \$325,666 and deferred inflow related to leases as of October 1, 2021. There were no impacts to the beginning net position related to the adoption of GASB No. 87.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS

It is the City's policy, as well as a requirement in its depository agreement, for deposits plus accrued interest thereon to be 102% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at September 30, 2022. At year-end, the respective bank balance totaled \$13,835,019. Of the total bank balance, \$500,000 was covered by Federal Deposit Insurance Corporation (FDIC). The remainder was covered by collateral with a value of \$14,701,671. The collateral was held at third party banks (safekeeping banks) in the City's name under a joint safekeeping agreement between various banks and the City.

Investments

State statutes, city bond ordinances, city resolutions, and an investment policy adopted by the City Commission authorize the City's investments. The City is authorized to invest in obligations of the United States of America, its agencies and instrumentalities, direct obligations of the State of Texas and agencies thereof, obligations of the states (agencies thereof, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating equivalent), certificates of deposit of state and national banks domiciled in Texas, fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged with a third party, joint pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by law, and commercial paper with a 270 day limit and an A1P1 rating by two rating agencies.

Investment with investment maturities, including accrued interest, as of September 30, 2022 are as follows:

	Investment Maturities (in years)		Greater than 1 year
	Value	1 or less	
Primary Government			
TexPool	\$ 31,110,897	\$ 31,110,897	\$ -

A reconciliation of cash and investments follows:

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and cash equivalents	\$ 13,258,963	\$ 1,199,385	14,458,348	\$ 7,212,854
Restricted cash	6,522,869	323,949	6,846,818	-
Total cash and cash equivalents	19,781,832	1,523,334	21,305,166	7,212,854
Investments:				
TexPool	28,923,445	-	28,923,445	-
TexPool - Restricted	-	2,187,452	2,187,452	-
Total investments	28,923,445	2,187,452	31,110,897	-
Total cash and investments	\$ 48,705,277	\$ 3,710,786	\$ 52,416,063	\$ 7,212,854

See Note 7 for components of cash and investment restrictions.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment.

Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations. The investment policy states that the dollar weighted average maturity of 12 months or less will be calculated using the stated final maturity date of each security.

Credit Risk

As of September 30, 2022, the investments in TexPool investment pools were rated AAAM by Standard and Poor's.

The City's investment policy limits authorized investments to certain Texas government investments pools, obligations of or guaranteed by the U. S. and State of Texas and their agencies thereof, certificates of deposit of Texas banks and fully collateralized repurchase agreements.

Public Funds Investment Pools

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

The City reports its local government investment pools at amortized cost as permitted by Section 150: *Investments* of the GASB Codification. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

Firemen's Relief and Retirement Fund Investments

The Firemen's Relief and Retirement Fund Investments are recorded at fair value as of September 30, 2022. The composition of these investments is as follows:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

	Fair Value
Equities	\$ 10,673,510
Mutual funds	3,423,518
Fixed income:	
Money market mutual funds	461,691
Total investments	\$ 14,558,719

The Firemen's fund has adopted the provisions of GASB Statement 72 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under generally accepted accounting principles. All investments of the Firemen's fund are valued using level 1 inputs, which are quoted prices in active markets for identical assets.

Because of the complexity of the portfolio, the Firemen's Board of Trustees relies on its consultant to provide the necessary guidance to accomplish the Plan's objective. The Board also understands that return objectives can be achieved while assuming market volatility. The Board is willing to forgo potential return in strong markets in return for protection against a severe decline during weak periods.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name. All investment securities are held in the Plan's name.

Concentration of Credit Risk

The allocation of assets among various asset classes is set by the Board with the objective of optimizing the investment return of the Plan within a framework of acceptable risk and diversification. For major asset classes (e.g., domestic equities, international equities, fixed income, alternative investments, private equity and real estate, and specialty), the investment policy establishes a minimum and maximum percentage allocation for each classification of investments.

Interest Rate Risk

The Plan invests in fixed income securities including, but not limited to, investments representing instruments with an obligated fixed rate of interest. Instruments may have an investment grade or noninvestment grade rating. Purchases and sales, investment selection and implementation of investment strategies are delegated to the discretion of the investment manager, subject to compliance with its management agreement and the Plan's Investment Policy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Interest rate risk is the greatest risk faced by an investor in the fixed income market. The price of a fixed income security typically moves in the opposite direction of the change in interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates, but rather mandates such limits within the Investment Management Services Contract.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Firemen's Relief and Retirement Fund Investments - Continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan does not have a formal policy limiting investment credit risk, but rather mandates such limits within the Investment Management Services Contract.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Realized and unrealized gains and losses on investments which result from changes in foreign currency exchange rates have been included in the net appreciation (depreciation) in fair value of investments.

NOTE 4: RECEIVABLES

Receivables at September 30, 2022, consist of the following:

	Primary Government								
	Governmental			Business-type				Total Primary Government	Component Unit
	General Fund	Other Governmental Funds	Total	Water and Wastewater	Solid Waste	Airport Fund	Total		
Ad valorem taxes	\$ 1,112,098	\$ 421,638	\$ 1,533,736	\$ -	\$ -	\$ -	\$ -	\$ 1,533,736	\$ -
Sales taxes	1,449,359	-	1,449,359	-	-	-	-	1,449,359	-
Customer charges	-	-	-	3,769,324	1,547,815	604	5,317,743	5,317,743	-
Hotel/Motel taxes	-	205,434	205,434	-	-	-	-	205,434	-
Ambulance fees	11,570,948	-	11,570,948	-	-	-	-	11,570,948	-
Leases	-	548,186	548,186	-	-	287,723	287,723	835,909	-
Other	2,125,242	132,453	2,257,695	-	-	161,015	161,015	2,418,710	6,641
Gross receivables	16,257,647	1,307,711	17,565,358	3,769,324	1,547,815	449,342	5,766,481	23,331,839	6,641
Less allowance for uncollectibles	(10,241,452)	(200,370)	(10,441,822)	(1,687,498)	(728,002)	-	(2,415,500)	(12,857,322)	-
Net total receivables	\$ 6,016,195	\$ 1,107,341	\$ 7,123,536	\$ 2,081,826	\$ 819,813	\$ 449,342	\$ 3,350,981	\$ 10,474,517	\$ 6,641

Property tax revenues are recognized when they become available in the fund statements. Available includes those property tax receivables expected to be collected within sixty days after year end.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of October 1. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1, or soon thereafter, and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

As an inducement to expand their business operations to the City's Industrial Park, the Economic Development Corporation of Weslaco, accepted notes from various businesses. These notes are for cash loans, and sale of industrial park lots. The loans carry various credit incentives up to the amounts of the loans and sometimes beyond the initial loans. The credits vary by individual entities. The credits involve construction of buildings, leasing of existing properties at the industrial park, employing local residents and the purchase of goods and services from merchants in the local area. All notes receivable carry incentives to the extent of the note receivable balance.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 4: RECEIVABLES (Continued)

The following is a summary of notes receivable payable to the EDC at September 30, 2022:

Loan to CIL Properties	\$ 50,035
Loan to CIL Hangars, LLC	129,466
Loan to Valley Striping	77,959
Promissory note from LRGVDC (Building Sale)	1,049,256
Promissory note from City of Weslaco	1,343,280
Total notes receivable	\$ 2,649,996

Total note receivable from SDI Weslaco Holdings, LLC (SDI) was \$2,213,255 at 8% interest rate. This note is secured by a Chapter 380 Economic Development Agreement between the City of Weslaco, Texas and SDI. SDI has assigned the annual payments due from the City to the Economic Development Corporation, of Weslaco, Texas until the note is paid in full. The note is payable in annual payments, until March 1, 2030. The 380 Agreement was to facilitate the construction of infrastructure improvements for a commercial development. The EDC spurred the development by advancing \$2,213,255 of the \$3,300,000 project. On January 1, 2022, the City of Weslaco and the Economic Development Corporation of Weslaco entered into a Compromise, Release and Settlement Agreement. The City of Weslaco was released from any further obligations to the Economic Development Corporation of Weslaco pertaining to SDI Weslaco Holdings, LLC. At September 30, 2022, the Economic Development Corporation of Weslaco has recognized a debt forgiveness of \$1,943,850. In the current year, the City of Weslaco made no payments under the 380 Agreement.

Notes with Economic Incentives

The economic incentive portion of the notes receivable balances have been recognized as expenditures in current year operations, as well as the long-term note receivable advance. As the entities earn their incentives, the note balances will be reduced accordingly, with an equal offset to unavailable revenue. That is to control compliance with the agreements. The long-term note receivable principal payments are recognized as revenues, with equal off-set to unavailable revenue. Note balances had equal unavailable revenue at September 30, 2022.

NOTE 5: LEASES RECEIVABLE

Leases – Lessor

The City accounts for leases in accordance with GASB Statement No. 87, *Leases*. For governmental activities, the City has the below two non-cancelable agreements, which expire between the years 2025 and 2028. For business-type activities, the City has thirteen non-cancelable agreements related to the use of airport hangars. Lease receivable balance for business type activities at September 30, 2022 is \$287,723.

On July 2021, the City entered into a lease agreement with Mid Valley Regional Communications Corporation. Under the lease, the vendor pays \$500 per month for four years in exchange for office space in the Public Works Facilities building. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4%. Lease receivable balance at September 30, 2022 is \$15,601.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 5: LEASES RECEIVABLE (Continued)

On July 2022, the City entered into a sub-lease agreement with Weslaco EDC. Under the lease, the EDC pays the City \$8,651 per month for six years in exchange for use of a portion of City Hall's premises. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discounted rate of 4%. Lease receivable balance at September 30, 2022 is \$532,585.

In the fiscal year 2022, the City recognized \$28,609 of lease revenue and \$6,186 of interest revenue under the lease for governmental activities and \$17,640 of lease revenue and \$1,235 of interest revenue under the lease for business-type activities.

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30, 2022 for governmental activities:

<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2023	\$ 89,566	\$ 20,246	\$ 109,812
2024	93,205	16,607	109,812
2025	95,486	12,826	108,312
2026	94,736	9,076	103,812
2027	98,612	5,200	103,812
2028-2032	76,581	1,279	77,860
Total	\$ 548,186	\$ 65,234	\$ 613,420

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30, 2022 for business-type activities:

Business-Type Activities			
<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2023	\$ 17,241	\$ 1,071	\$ 18,312
2024	16,472	921	17,393
2025	14,708	845	15,553
2026	14,757	796	15,553
2027	14,806	747	15,553
2028-2032	67,658	3,029	70,687
2033-2037	59,020	1,930	60,950
2038-2042	27,540	1,169	28,709
2043-2047	16,788	812	17,600
2048-2052	17,069	531	17,600
2053-2057	17,355	245	17,600
2058-2062	4,309	21	4,330
Total	\$ 287,723	\$ 12,117	\$ 299,840

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital and right-to-use asset activity for the year ended September 30, 2022 is as follows:

	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 6,270,499	\$ -	\$ -	\$ -	\$ 6,270,499
380 Agreements Infrastructure	7,629,307	-	-	-	7,629,307
Construction-in-progress	8,472,382	10,019,452	(3,543,143)	-	14,948,691
Total capital assets, not being depreciated	22,372,188	10,019,452	(3,543,143)	-	28,848,497
Capital assets being depreciated					
Buildings	20,411,626	-	-	-	20,411,626
Equipment	25,104,781	1,729,259	-	(626,513)	26,207,527
Improvements	47,323,003	1,699,804	3,543,143	-	52,565,950
	92,839,410	3,429,063	3,543,143	(626,513)	99,185,103
Less accumulated depreciation for:					
Buildings	9,275,760	510,291	-	-	9,786,051
Equipment	15,913,910	1,820,802	-	(626,513)	17,108,199
Improvements	29,853,931	1,603,379	-	-	31,457,310
Total accumulated depreciation	55,043,601	3,934,472	-	(626,513)	58,351,560
Total capital assets being depreciated, net	37,795,809	(505,409)	3,543,143	-	40,833,543
Right-to-use lease assets, being amortized					
Equipment	50,991	-	-	-	50,991
Right-to-use lease assets, being amortized	50,991	-	-	-	50,991
Less accumulated amortization for					
Equipment	-	20,396	-	-	20,396
Total accumulated amortization	-	20,396	-	-	20,396
Right-to-use lease assets being amortized, net	50,991	(20,396)	-	-	30,595
Governmental activities capital and right-to-use assets, net	\$ 60,218,988	\$ 9,493,647	\$ -	\$ -	\$ 69,712,635

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

Governmental activities	
General government	\$ 583,115
Public safety	997,028
Emergency medical services	339,749
Public works	1,531,269
Culture and recreation	503,707
Total depreciation and amortization expense - governmental activities	\$ 3,954,868

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Transfers/ Reclassification	Retirements	Ending Balance
Business-type Activities:					
Capital assets not being depreciated					
Land	\$ 4,622,884	\$ -	\$ -	\$ -	\$ 4,622,884
Construction in progress	1,335,289	1,568,558	(207,931)	-	2,695,916
Total capital assets not being depreciated	5,958,173	1,568,558	(207,931)	-	7,318,800
Capital assets being depreciated					
Buildings	1,679,646	-	-	-	1,679,646
Equipment	16,988,793	6,392,772	25,332	(27,584)	23,379,313
Improvements	129,997,305	2,088,712	182,599	-	132,268,616
Total capital assets being depreciated	148,665,744	8,481,484	207,931	(27,584)	157,327,575
Less accumulated depreciation for:					
Building	1,411,117	20,354	-	-	1,431,471
Equipment	8,291,019	1,435,023	-	(27,584)	9,698,458
Improvements	46,064,907	3,991,473	-	-	50,056,380
Total accumulated depreciation	55,767,043	5,446,850	-	(27,584)	61,186,309
Total capital assets being depreciated, net	92,898,701	3,034,634	207,931	-	96,141,266
Right-to-use lease assets, being amortized					
Equipment	6,602	-	-	-	6,602
Right-to-use lease assets, being amortized	6,602	-	-	-	6,602
Less accumulated amortization for					
Equipment	-	2,641	-	-	2,641
Total accumulated amortization	-	2,641	-	-	2,641
Right-to-use lease assets being amortized, net	6,602	(2,641)	-	-	3,961
Business-type activities capital and right-to-use assets, net	\$ 98,863,476	\$ 4,600,551	\$ -	\$ -	\$ 103,464,027

Depreciation and amortization expense was charged as direct expense to business-type functions of the primary government as follows:

Water and wastewater	\$ 4,197,282
Solid waste	723,428
Airport	528,781
Total depreciation expense- Business-type activities	\$ 5,449,491

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Transfers/ Reclassification	Retirements	Ending Balance
Component Unit:					
Capital assets being depreciated					
Buildings	\$ 4,991,305	\$ -	\$ -	\$ -	\$ 4,991,305
Machinery and equipment	198,232	56,694	-	(26,153)	228,773
Right-to-use lease asset	-	556,452	-	-	556,452
Total capital assets being depreciated	5,189,537	613,146	-	(26,153)	5,776,530
Less accumulated depreciation	732,799	160,856	-	(26,153)	867,502
Total capital assets being depreciated, net	4,456,738	452,290	-	-	4,909,028
Component Unit capital assets, net	\$ 4,456,738	\$ 452,290	\$ -	\$ -	\$ 4,909,028

Depreciation expense of \$160,856 was charged to general government functions.

NOTE 7: LONG-TERM DEBT

Business-Type Activities Bonded Debt

Business-type activities bonded debt as of September 30, 2022 is as follows:

\$15,750,000 Limited Tax Refunding Bonds, Series 2016, dated June 7, 2016, due in annual installments varying from \$290,000 to \$2,285,000 through August 15, 2032, bearing interest rates of 4.00%-5.00%.	10,370,000
\$19,545,000 Limited Tax Refunding Bonds, Series 2017, dated August 16, 2017, due in annual installments varying from \$500,000 to \$2,285,000 through February 15, 2027, bearing interest rates of 4.00%-5.00%.	17,815,000
\$9,685,000 Limited Tax Refunding Bonds, Series 2020, dated November 12, 2020, due in annual installments varying from \$75,000 to \$1,370,000 through February 15, 2034, bearing interest rates of 0.635%-2.262%.	9,435,000
Total Business-Type Activities Bonded Debt	\$37,620,000

Business-Type Activities Financing Arrangement

Business-type activities financing arrangement debt as of September 30, 2022 is as follows:

\$434,278 Kansas State Bank financing agreement dated January 18, 2019. The terms of the financing agreement include annual payments of \$58,552 beginning March 2019. The financing agreement was used to fund purchase of equipment.	\$ 247,917
\$7,446,877 Frost Municipal financing agreement dated December 1, 2017. The terms of the financing agreement include annual payments of \$606,289 beginning January 2019. The financing agreement was used to fund building lighting, HVAC upgrades, and replacing	

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

traffic light signals. A portion of this financing agreement and annual payments are recorded in the City's Governmental Activities.	5,017,781
\$570,485 Government Capital Corporation financing agreement dated June 16, 2020. The terms of the financing agreement include 5 annual payments of \$122,848 beginning July 2, 2021. The financing agreement was used to fund the purchase of a vehicle, tractor, and grapple truck.	350,756
\$594,398 Government Capital Corporation financing agreement dated August 26, 2021. The terms of the financing agreement include 5 annual payments of \$125,288 beginning August 1, 2022. The financing agreement was used to fund the purchase garbage bins.	479,667
\$201,540 Government Capital Corporation financing agreement dated June 21, 2022. The terms of the financing agreement include 5 annual payments of \$45,465 beginning July 1, 2023. The financing agreement was used to fund the purchase of grapple truck.	201,540
\$1,135,876 Frost Municipal financing agreement dated October 29, 2021. The terms of the financing agreement include 5 annual payments of \$238,689 beginning October 1, 2022. The financing agreement was used to fund the purchase garbage commercial containers.	1,135,876
\$3,292,878 Government Capital Corporation financing agreement dated September 21, 2021. The terms of the financing agreement include 10 annual payments of \$364,478 beginning October 8, 2022. The financing agreement was used to fund the purchase of garbage container handler and garbage trucks.	3,292,878
Total Business-Type Activities Financing Arrangement Debt	\$ 10,726,415

Business-type Activities Note Payable

Business-type activities Note Payable from direct borrowing as of September 30, 2022 is as follows:

A note dated November 20, 2019 and payable to the Economic Development Corporation of Weslaco for \$1,450,810. Interest on the note is payable on June 20 and December 20 of each year commencing on June 20, 2020 and annual principal payments of \$53,765 beginning December 20, 2020, continuing annually thereafter until December 20, 2024. The interest rate is a fixed 3.00%. The note is secured by a vendor's lien and superior title.	\$ 1,343,280
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Governmental Activities Bonded Debt

Governmental activities bonded debt as of September 30, 2022 is as follows:

\$3,940,000 Certificates of Obligation, Series 2018, dated October 1, 2018 due in annual installments of \$279,756 to \$288,471 through February 19, 2038, bearing interest at 3.0% to 5.0%.	\$ 3,380,000
\$11,915,000 Limited Tax Refunding Bonds, Series 2012, Dated August 15, 2013, due in annual installments varying from \$980,000 to \$1,470,000 through February 15, 2023, bearing interest rates of 2.00% - 3.00%.	1,470,000

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

\$6,750,000 Tax and Revenue Certificate of Obligation, Series 2013, dated September 19, 2013, due in annual installments varying from \$90,000 to \$570,000 through August 15, 2033, bearing interest rates of 2.00% - 5.00%.	390,000
\$3,735,000 Limited Tax Refunding Bonds, Series 2016, dated June 7, 2016, due in annual installments varying from \$265,000 to \$530,000 through February 15, 2027, bearing interest rates of 4.00%-5.00%.	2,305,000
\$8,850,000 General Obligation Bonds, Series 2019, dated September 15, 2019, due in annual installments varying from \$190,000 to \$670,000 through February 15, 2039, bearing interest rates of 1.00%-3.00%.	8,240,000
\$10,890,000 Tax and Revenue Certificate of Obligation, Series 2021, dated April 15, 2021, due in annual installments varying from \$85,000 to \$780,000 through February 15, 2041, bearing interest rates of 3.00%-5.00%.	10,890,000
\$3,331,000 Tax and Revenue Certificate of Obligation, Series 2021A, dated August 12, 2021, due in annual installments varying from \$110,000 to \$116,000 through February 15, 2051, with no interest.	3,221,000
\$8,795,000 Tax and Revenue Certificate of Obligation, Series 2021B, dated August 15, 2021, due in annual installments varying from \$285,000 to \$600,000 through February 15, 2043, bearing interest rates of 3.00%-5.00%.	8,795,000
\$5,385,000 Limited Tax Refunding Bonds, Series 2020, dated November 12, 2020, due in annual installments varying from \$145,000 to \$565,000 through February 15, 2033, bearing interest rates of 0.635%-2.212%.	5,240,000
Total Governmental Activities Bonded Debt	\$43,931,000

Governmental Activities Financing Arrangement

Governmental activities financing arrangement debt as of September 30, 2022 is as follows:

\$525,000 Frost Municipal financing agreement dated January 28, 2016. The terms of the financing agreement include annual payments of \$60,288 beginning October 2016. The financing agreement was used to purchase a fire truck.	224,490
\$670,000 Frost Municipal financing agreement dated December 12, 2016. The terms of the financing agreement include annual payments of \$76,883 beginning September 2017. The financing agreement was used to purchase a fire truck.	287,752
\$7,446,877 Frost Municipal financing agreement dated December 1, 2017. The terms of the financing agreement include annual payments of \$606,289 beginning January 2019. The financing agreement was used to fund building lighting, HVAC upgrades, and replacing traffic light signals. A portion of this financing agreement and annual payments are recorded in the City's Water and Wastewater fund.	720,281

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

\$225,000 City National Capital Finance agreement dated December 8, 2017. The terms of the financing agreement include annual payments of \$25,602 beginning December 2018. The financing agreement was used to purchase public safety equipment.	141,398
\$87,728 City National Capital Finance agreement dated February 28, 2018. The terms of the financing agreement include annual payments of \$19,074 beginning February 2019. The financing agreement was used to purchase a vehicle.	18,546
\$450,000 City National Capital Finance agreement dated April 7, 2018. The terms of the financing agreement include annual payments of \$98,035 beginning April 2019. The financing agreement was used to purchase police vehicles.	95,254
\$74,562 City National Capital Finance agreement dated January 18, 2019. The terms of the financing agreement include annual payments of \$16,374 beginning January 2020. The financing agreement was used to purchase vehicles.	30,898
\$878,233 Government Capital Corporation financing agreement dated August 3, 2021. The terms of the financing agreement include annual payments of \$99,940 beginning August 2022. The financing agreement was used to purchase a fire ladder truck.	798,951
Total Governmental Activities Financing Arrangement Debt	\$2,317,570

Leases-Lessee

The City has entered into an agreement to lease certain equipment. The lease agreement qualify as other than short-term leases under GASB 87 *Leases* and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Lease liabilities at September 30, 2022 are as follows:

Agreement with Kansas State Bank for copy machines for different departments of the City; monthly payments are \$2,020; lease liability measured using a discount rate of 4% due in 2024.	\$31,202
Total	\$31,202

Component Unit Debt

Component Unit bonded debt as of September 30, 2022 is as follows:

\$2,870,000 Economic Development Sales Tax Revenue Refunding Bond Series 2012, due in annual installments not exceeding \$305,000 beginning February 15, 2013 through February 15, 2023, with interest of 3.40%.	\$305,000
\$1,626,170 note payable dated May 4, 2021. The terms of the note include 20 principal and interest payments of \$54,473, beginning January 15, 2022. The note payable was for the purchase of land.	\$1,570,428
Total	\$1,875,428

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

Transactions for the year ended September 30, 2022 are summarized as follows:

	Balance October 1	Additions	Deletions	Balance September 30	Due Within One Year
Governmental Activities:					
Notes Payable	\$ 712,151	\$ -	\$ 712,151	\$ -	\$ -
Total notes from direct borrowings	712,151	-	712,151	-	-
General Obligation Bonds	8,440,000	-	200,000	8,240,000	210,000
Certificates of Obligation	38,061,000	-	2,370,000	35,691,000	2,535,000
Financing arrangement	2,811,227	-	493,657	2,317,570	404,900
Bond Premium	4,394,563	-	496,731	3,897,832	-
380 Agreement Infrastructure	306,250	-	306,250	-	-
Compensated Absences	3,746,992	1,422,946	1,441,388	3,728,550	372,855
Lease liabilities	50,991	-	19,789	31,202	20,594
Municipal net pension liability	6,049,574	-	2,255,543	3,794,031	-
Firemen's net pension liability	3,656,800	2,518,954	-	6,175,754	-
OPEB liability- SDB	959,152	61,985	-	1,021,137	-
OPEB liability- Retiree health care	2,259,574	-	443,571	1,816,003	-
Total Governmental Activities	71,448,274	4,003,885	8,739,080	66,713,079	3,543,349
Business-Type Activities:					
Notes Payable	\$ 1,397,045	\$ -	\$ 53,765	\$ 1,343,280	\$ 53,765
Total notes from direct borrowings	1,397,045	-	53,765	1,343,280	53,765
Certificate of Obligation and Refunding Bonds	40,705,000	-	3,085,000	37,620,000	3,230,000
Bond Premium	3,381,423	-	660,694	2,720,729	-
Financing arrangement	6,755,931	4,630,294	659,810	10,726,415	1,237,185
Compensated Absences	168,826	76,024	58,923	185,927	18,082
Lease liabilities	6,602	-	2,562	4,040	2,666
Customer deposits	1,378,354	109,906	-	1,488,260	-
Landfil Closure	336,424	23,550	46,286	313,688	-
Municipal net pension liability	813,897	-	196,135	617,762	-
OPEB liability- SDB	85,058	5,390	-	90,448	-
Total Business-Type Activities	55,028,560	4,845,164	4,763,175	55,110,549	4,541,698
Total Primary Government	\$ 126,476,834	\$ 8,849,049	\$ 13,502,255	\$ 121,823,628	\$ 8,085,047
Component Unit:					
Revenue Bonds	\$ 600,000	\$ -	\$ 295,000	\$ 305,000	\$ 305,000
Note Payable	1,626,170	-	55,742	1,570,428	134,256
Lease liabilities	-	643,142	86,690	556,452	89,296
Total Component Unit	\$ 2,226,170	\$ 643,142	\$ 437,432	\$ 2,431,880	\$ 528,552

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds and Certificates of Obligation

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds and Certificates of Obligation require the City to compute, at the time that taxes are levied, the rate of tax required to provide (in each year that bonds are outstanding) the funds to pay for interest and principal at maturity. The City is in compliance with this requirement. No General Obligation bonds were issued for the fiscal year ended September 30, 2022. No Certificates of Obligation were issued for the fiscal year ended September 30, 2022.

Revenue Bonds

Water and Wastewater Revenue Bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the Water and Sewer system.

The Revenue Bonds are collateralized by the revenue of the water and wastewater system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the Revenue Bond funds remaining revenue may then be used for any lawful purpose.

The ordinances also contain provisions which, among other items, restrict the issuance of additional Revenue Bonds unless the special fund noted above contain the required amounts and certain financial ratios are met. The City is in compliance with all significant financial requirements as of September 30, 2022.

Sales Tax Revenue Bonds are direct obligations issued on a pledge of the City's sales tax revenues allocated to the Economic Development Corporation, in accordance with state statutes.

No Revenue Bonds were issued for the fiscal year ended September 30, 2022.

Tax Notes

On March 1, 2014, the City issued the Tax and Revenue Certificate of Obligation Note, Series 2014 for \$9,075,000. The proceeds of the certificate will be used for financing, the design construction, equipping, renovation, and/or rehabilitation of the City's Waterworks and Wastewater Systems.

Defeased Bonds Outstanding

The City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. The balance of defeased debt outstanding as of September 30, 2022 amounted to \$47,020,000.

Bonds Authorized and Unissued - At September 30, 2022, the City had no General Obligations Bonds and Revenue Bonds which were authorized and unissued.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

The following table summarizes the restricted cash and investments as of September 30, 2022:

	Governmental Activities	Business-Type Activities	Primary Government
Restricted cash:			
Cash restricted for construction	\$ -	\$ 214,467	\$ 214,467
Cash restricted from PEG fee collection	546,678	-	546,678
Cash restricted for bond retirement	-	109,482	109,482
Cash in escrow	5,976,191	-	5,976,191
Total restricted cash	\$ 6,522,869	\$ 323,949	\$ 6,846,818
Restricted investments:			
Restricted for construction	\$ -	\$ 1,292,959	\$ 1,292,959
Restricted for bond retirement	-	894,493	894,493
Total restricted investments	\$ -	\$ 2,187,452	\$ 2,187,452

Debt service requirements to maturity for governmental activities and business-type activities are as follows:

General Obligation Bonds

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total Requirements
2023	\$ 210,000	\$ 345,950	\$ 555,950
2024	350,000	331,950	681,950
2025	370,000	313,950	683,950
2026	390,000	294,950	684,950
2027	410,000	274,950	684,950
2028-2032	2,335,000	1,078,050	3,413,050
2033-2037	2,860,000	558,400	3,418,400
2038-2039	1,315,000	53,100	1,368,100
Total	\$ 8,240,000	\$ 3,251,300	\$ 11,491,300

Certificates of Obligations and Refunding Bonds

Governmental Activities				Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2023	\$ 2,535,000	\$ 996,031	\$ 3,531,031	\$ 3,230,000	\$ 1,501,967	\$ 4,731,967
2024	1,910,000	911,206	2,821,206	3,500,000	1,354,237	4,854,237
2025	1,985,000	844,206	2,829,206	3,650,000	1,194,238	4,844,238
2026	2,060,000	632,875	2,692,875	3,830,000	1,012,039	4,842,039
2027	2,145,000	775,082	2,920,082	4,010,000	832,500	4,842,500
2028-2032	8,935,000	2,704,419	11,639,419	16,690,000	2,301,099	18,991,099
2033-2037	7,950,000	1,561,297	9,511,297	2,710,000	91,620	2,801,620
2038-2042	6,550,000	466,044	7,016,044	-	-	-
2043-2047	1,160,000	1,180,000	2,340,000	-	-	-
2048-2051	461,000	-	461,000	-	-	-
Total	\$ 35,691,000	\$ 10,071,161	\$ 45,762,161	\$ 37,620,000	\$ 8,287,700	\$ 45,907,700

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

Notes Payable

Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total Requirements
2023	\$ 53,765	\$ 39,492	\$ 93,257
2024	53,765	37,879	91,644
2025	53,765	18,536	72,301
2026	1,181,985	-	1,181,985
2027-2031	-	-	-
Total	\$ 1,343,280	\$ 95,907	\$ 1,439,187

Debt service requirements to maturity for the component unit are as follows:

Component Unit						
Notes Payable		Revenue Bonds			Total	
Year Ending September 30,	Principal	Interest				
2023	\$ 134,256	\$ 83,636	\$ 305,000	\$ 5,185	\$	528,077
2024	141,794	76,098	-	-		217,892
2025	149,755	68,137	-	-		217,892
2026	158,163	59,729	-	-		217,892
2027	986,460	26,565	-	-		1,013,025
Total	\$ 1,570,428	\$ 314,165	\$ 305,000	\$ 5,185	\$	2,194,778

Financing Arrangement

The following is a schedule of the future minimum payments under financing arrangement as of September 30, 2022:

Governmental Activities				
Year Ending September 30,	City National Capital Finance Agreement	Frost Municipal Agreement	Frost Municipal Agreement	Frost Municipal Agreement
2023	\$ 16,374	\$ 60,288	\$ 76,883	\$ 76,935
2024	16,374	60,288	76,883	76,935
2025	-	60,288	76,883	76,935
2026	-	60,288	76,883	76,935
2027	-	-	-	76,935
2028-2032	-	-	-	384,675
2033-2037	-	-	-	76,935
Total minimum payments	32,748	241,152	307,532	846,285
Less the amount representing Interest	(1,850)	(16,662)	(20,055)	(125,728)
Present value of net minimum payments	\$ 30,898	\$ 224,490	\$ 287,477	\$ 720,557

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

Year Ending September 30,	Governmental Activities					Total Requirements
	City National Capital Finance Agreement	City National Capital Finance Agreement	City National Capital Finance Agreement	Government Capital Corporation		
2023	\$ 25,602	\$ 19,074	\$ 98,035	\$ 99,940	\$	473,131
2024	25,602	-	-	99,940		356,022
2025	25,602	-	-	99,940		339,648
2026	25,602	-	-	99,940		339,648
2027	25,602	-	-	99,940		202,477
2028-2032	25,602	-	-	399,760		810,037
2033-2037	-	-	-	-		76,935
Total minimum payments	153,612	19,074	98,035	899,460		2,597,898
Less the amount representing Interest	(12,214)	(529)	(2,781)	(100,509)		(280,328)
Present value of net minimum payments	\$ 141,398	\$ 18,545	\$ 95,254	\$ 798,951	\$	2,317,570

Year Ending September 30,	Business-Type Activities				
	City National Capital Finance Agreement	Kansas State Bank Agreement	Government Capital Corporation	Frost Municipal Agreement	
2023	\$ 529,354	\$ 58,552	\$ 122,848	\$ 125,288	
2024	529,354	209,639	122,848	125,288	
2025	529,354	-	122,848	125,288	
2026	529,354	-	-	125,288	
2027	529,354	-	-	-	
2028-2032	2,646,770	-	-	-	
2033-2037	529,354	-	-	-	
Total minimum payments	5,822,894	268,191	368,544	501,152	
Less the amount representing Interest	(805,107)	(20,274)	(17,790)	(21,485)	
Present value of net minimum payments	\$ 5,017,787	\$ 247,917	\$ 350,754	\$ 479,667	

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

Year Ending September 30,	Business-Type Activities			Total Requirements
	Government Capital Corporation	Frost	Government Capital Corporation	
2023	\$ 45,465	\$ 238,689	\$ 364,478	\$ 1,484,674
2024	45,465	238,689	364,478	1,635,761
2025	45,465	238,689	364,478	1,426,122
2026	45,465	238,689	364,478	1,303,274
2027	45,465	238,689	364,478	1,177,986
2028-2032	-	-	1,822,390	4,469,160
2033-2037	-	-	-	529,354
Total minimum payments	227,325	1,193,445	3,644,780	12,026,331
Less the amount representing Interest	(25,788)	(57,570)	(351,902)	(1,299,916)
Present value of net minimum payments	\$ 201,537	\$ 1,135,875	\$ 3,292,878	\$ 10,726,415

The following is a schedule of the future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022 were as follows:

Leases

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 20,594	\$ 873	\$ 21,467
2024	10,608	124	10,732
Total	\$ 31,202	\$ 997	\$ 32,199

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 2,666	\$ 113	\$ 2,779
2024	1,374	16	1,390
Total	\$ 4,040	\$ 129	\$ 4,169

Component Unit

In September 2018, the Weslaco Economic Development Corporation entered into a long-term sub-lease agreement with the Board of Regents of the University of Texas Systems for the use of the University of Texas, Rio Grande Valley. The UTRGV Center for Innovation and Commercialization (CIC) offices are to be used by new business developers in providing the necessary resources and support systems to the Community. The UTRGV center also provides offices for the PHD business program. The leased property is a building with approximately 21,754 square feet. The term of the lease is 120 months with options to extend another 120 months in 60 month intervals for \$17,780 per month.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

The Weslaco Economic Development Corporation has been committed to receive the following:

Year Ending September 30,	Component Unit		
	Principal	Interest	Total
2023	\$ 182,476	\$ 30,891	\$ 213,367
2024	187,996	25,371	213,367
2025	193,684	19,683	213,367
2026	199,545	13,822	213,367
2027	205,583	7,784	213,367
Thereafter	175,459	2,346	177,805
Total	\$ 1,144,743	\$ 99,897	\$ 1,244,640

The Weslaco Economic Development Corporation also has an agreement with the City of Weslaco, Texas to reimburse the City of Weslaco, Texas for \$8,651 on a monthly basis for the term of its lease with the University of Texas Systems.

The Weslaco Economic Development Corporation has been committed to disburse the following:

Year Ending September 30,	Component Unit		
	Principal	Interest	Total
2023	\$ 89,296	\$ 14,516	\$ 103,812
2024	91,982	11,830	103,812
2025	94,749	9,063	103,812
2026	97,600	6,212	103,812
2027	100,538	3,274	103,812
2028	82,287	4,223	86,510
Total	\$ 556,452	\$ 49,118	\$ 605,570

NOTE 8: PROPERTY TAX

The State of Texas Constitution limits the City's ad valorem tax rate for all purposes to \$2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2022 was levied using a rate of \$.6967 per one hundred dollars of assessed valuation based on 100 percent of estimated market value.

Legislation has been passed by the Texas Legislature which affects the methods of property appraisal in the City. This legislation, with certain exceptions, exempts intangible personal property, household goods, and family-owned automobiles (unless specifically authorized by resolution of the governing body) from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county appraisal districts and for a state property board.

The appraisal of property within the city is the responsibility of the Hidalgo County Tax Appraisal District.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 8: PROPERTY TAX (Continued)

The Appraisal District is required under the Property Tax Code to appraise all property within the county on the basis of 100 percent of its market value. The value of real property within the Appraisal District must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on city property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate of the previous year by more than 8 percent, qualified voters of the city may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the effective tax rate.

The City bills and collects its own property taxes through a contractual agreement with the County of Hidalgo. Collections of the city taxes and remittance of them are accounted for in the County of Hidalgo Tax Collection Agency Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables. January 1 is the assessment date. March 31 is the end of the rendition period for the Appraisal District.

By September 30, the City adopts the tax rate. Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after July 1 to file suits on real estate property. As of July 1, 15% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2022, were 97.6% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred inflows at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

Inter-fund balances at September 30, 2022 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund							
	General Fund	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	2021 Bond Construction Fund	Other Governmental Funds	Internal Service Fund	Total
General Fund	\$ 31,455	\$ -	\$ 951,138	\$ 1,945,469	\$ 26,050	\$ 211	\$ 250,269	\$ 3,204,592
2021 C. O. Construction Fund	-	-	-	50,000	-	-	-	50,000
Other Governmental Funds	18,725	-	-	-	-	3,789	-	22,514
Solid Waste Fund	-	2,000,000	-	-	-	-	-	2,000,000
	\$ 50,180	\$ 2,000,000	\$ 951,138	\$ 1,995,469	\$ 26,050	\$ 4,000	\$ 250,269	\$ 5,277,106

Interfund balances are due to timing on cash transfers and to cover deficits at year end. These are expected to be funded once reimbursement is received in the respective funds. There is a long-term advance from the Solid Waste Fund to the Water and Wastewater fund adopted by resolution in September of 2015 to be repaid over future years.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: TRANSFERS

Transfers at September 30, 2022 consisted of the following:

Transfer Out Funds	Transfer in Funds					Total
	General Fund	2021B C.O. Construction Fund	Other Governmental Funds	Water and Wastewater Fund	Airport Fund	
General Fund	\$ 704,784	\$ -	\$ 831,117	\$ -	\$ 250,000	\$ 1,785,901
Other Governmental Funds	-	423,831	-	-	-	423,831
Special Projects Fund	150,000	-	-	2,007,042	-	2,157,042
Water and Wastewater Fund	1,365,562	-	-	4,729,667	-	6,095,229
Solid Waste Fund	125,000	-	725,000	-	-	850,000
	\$ 2,345,346	\$ 423,831	\$ 1,556,117	\$ 6,736,709	\$ 250,000	\$ 11,312,003

Transfers to the capital improvement fund and firemen's equipment replacement fund were made in accordance with ordinances to fund City projects and replace old equipment. In addition, there was a transfer out of the general fund to supplement the airport fund for expenditures in excess of revenues. There was a transfer from the solid waste into the capital improvement fund for the payment of certain capital improvements. There were transfers from water and wastewater and solid waste funds to the general fund in accordance with City policy to fund future projects.

NOTE 11: DEFINED BENEFIT - PENSION PLANS

A. Texas Municipal Retirement System (TMRS)

Plan Description

The City of Weslaco participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

At retirement, the benefits are calculated as if the sum of the employee's contributions, with interest, and the city-financing monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	174
Inactive employees entitled to but not yet receiving benefits	177
Active employees	<u>270</u>
	<u>621</u>

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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Weslaco, Texas were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.30% and 8.04% in calendar 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$1,076,121 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	1.85% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2021 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of 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>
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	<u>10.0%</u>	10.00%
Total	<u>100.0%</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 Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Schedule of Changes in Net Pension Liability

The change in the City's net pension liability for TMRS pension for the fiscal year ended September 30, 2022 is as follows:

	Increase (Decrease)		
	(a)	(b)	(a)-(b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2020	\$ 51,835,046	\$ 44,971,575	\$ 6,863,471
Changes for the year			
Service cost	1,768,001	-	1,768,001
Interest	3,482,576	-	3,482,576
Difference Between expected/actual experience	53,411	-	53,411
Changes of assumptions	-	-	-
Contributions- employer	-	1,044,441	(1,044,441)
Contributions- employee	-	880,855	(880,855)
Net investment income	-	5,857,310	(5,857,310)
Benefit payments, including refunds of employee contributions	(2,250,652)	(2,250,652)	-
Administrative expenses	-	(27,126)	27,126
Other charges	-	186	(186)
Net changes	3,053,336	5,505,014	(2,451,678)
Balance at December 31, 2021	\$ 54,888,382	\$ 50,476,589	\$ 4,411,793

Net pension liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$3,794,031 and \$617,762, respectively.

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 have been if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 12,298,811	\$ 4,411,793	\$ (2,046,895)

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

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

For the year ended September 30, 2022, the City recognized pension expense in the amount of \$318,832. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 44,830	\$ 180,640
Changes in actuarial assumptions	28,808	-
Differences between expected and actual investment earnings (net of current year amortization)	-	2,999,542
Contributions subsequent to measurement date	768,377	-
Total	\$ 842,015	\$ 3,180,182

Deferred outflows/inflows of resources related to pensions are allocated between the governmental activities and business-type activities in the statement of net position. Please see section D. Summary of Pension Plans within Note 11 for the aggregate amount of deferred outflows/inflows of resources, pension liabilities, and pension expenses.

\$768,377 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2023	\$ (585,763)
2024	\$ (1,332,722)
2025	\$ (623,715)
2026	\$ (564,344)

B. Firemen's Pension Plan

Plan Description

The Board of Trustees of the Weslaco Firemen's Relief and Retirement Fund is the administrator of a single-employer defined benefit pension plan. The Firemen's Relief and Retirement Fund is considered part of the City of Weslaco's financial reporting entity and is included in the City's financial reports as a pension trust fund.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

A stand-alone report for the Firemen’s Relief and Retirement fund is publicly available at City Hall located at 255 S. Kansas Avenue, Weslaco, Texas 78596, and complies with GASB Statement No. 67 *Financial Reporting for Pension Plans*, an amendment of GASB Statement No. 25.

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	35
Current employees	<u>69</u>
Total	<u>104</u>

The Firemen’s Relief and Retirement Fund provides service retirement, death, disability and withdrawal benefits. These benefits vest after twenty years of credited service. Employees may retire at age 55 with twenty years of service. The monthly benefit at retirement is equal to a base benefit of 2.65% of the highest 60-month average salary multiplied by his years of service, with a maximum of 20 years, but not less than \$1,000; plus a longevity benefit equal to \$132 for each year of service in excess of 20 years. Under this plan, Weslaco firefighters are required to contribute 12% of their pay to the fund. The City of Weslaco is required to make contributions which will equal 12% of pay.

The City of Weslaco Firemen’s Relief and Retirement Plan was organized under the Texas Local Fire Fighters Retirement Act (TLFFRA). TLFFRA allows for paid and part-paid fire departments and volunteer fire departments in participating cities to administer their own local retirement systems. The Act provides a general framework for the establishment of TLFFRA systems, including some investment restrictions, but leaves administration, plan design, contributions, and specific investments to each system’s local board. Systems operating under TLFFRA are entirely locally funded.

In 2013 the Office of the Fire Fighter’s Pension Commissioner was abolished under the Senate Bill 220 by the Texas Sunset Commission. Accordingly, the duties and responsibilities assigned to the Commissioner were transferred to the Texas Pension Review Board (PRB).

The Texas Pension Review Board (PRB) is mandated to oversee all Texas public retirement systems, both state and local, in regard to their actuarial soundness and compliance with state law. The PRB monitors the financial and actuarial soundness of 93 actuarially funded defined benefit public retirement systems in Texas, as well as their compliance with state law.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Weslaco Firemen’s Relief and Retirement Fund’s financial statements are prepared using the accrual basis of accounting. The fund operates on a fiscal year and employee and employer contributions are recognized as revenue in the period in which they are received by the fund.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Method Used to Value Investments

The Weslaco Firemen's Relief and Retirement Fund's investments are reported at fair value. There is no provision for the amortization of premium or discount in the purchase price of these assets. Investment income is recognized as it is received. Gains and losses on the sale of assets are recognized as of the transaction date.

Net Pension Liability

The City's Net Pension Liability (NPL) for the Firemen's Fund was measured as of September 30, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of September 30, 2022.

Actuarial Assumptions

Valuation date	September 30, 2022
Actuarial cost method	Entry age - normal
Remaining amortization period	14.5 years, closed
Asset valuation method	market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	3.25% per annum
Inflation	2.5%

There were no changes in actuarial assumptions or benefits from the prior valuation.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Equity	6.0%
Fixed Income	4.0%
Cash	0.0%

Discount rate: The discount rate used to measure the total pension liability was 7.25% net of investment expense. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal 12% of payroll and that member contributions would equal 12% of compensation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of benefit payments to determine the total pension liability.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Schedule of Changes in Net Pension Liability- The change in net pension liability for the Firemen's Fund for the fiscal year ended September 30, 2022 is as follows:

	Increase (Decrease)		
	(a)	(b)	(a)-(b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at September 30, 2021	\$ 19,611,380	\$ 15,954,580	\$ 3,656,800
Changes for the year			
Service cost	662,043	-	662,043
Interest	1,440,804	-	1,440,804
Difference Between expected/actual experience	(130,654)	-	(130,654)
Changes of assumptions	(27,848)	-	(27,848)
Contributions- employer	-	683,821	(683,821)
Contributions- employee	-	683,821	(683,821)
Net investment income	-	(1,910,371)	1,910,371
Benefit payments, including refunds of employee contributions	(814,775)	(814,775)	-
Administrative expenses	-	(31,880)	31,880
Changes in benefit terms	-	-	-
Net changes	1,129,570	(1,389,384)	2,518,954
Balance at September 30, 2022	\$ 20,740,950	\$ 14,565,196	\$ 6,175,754

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 7.25% as well as what the City's net pension liability would be if it were to be calculated using the discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City's net pension liability	\$ 9,362,192	\$ 6,175,754	\$ 3,560,614

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

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

For the year ended September 30, 2022 the City recognized pension expense in the amount of \$713,484. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 153,723	\$ 361,774
Changes in actuarial assumptions	208,112	97,175
Differences between expected and actual investment earnings (net of current year amortization)	1,668,140	-
Total	\$ 2,029,975	\$ 458,949

Please see section D. Summary of Pension Plans within Note 11 for total deferred outflows/inflows of resources from other pension liabilities.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2023	\$ 470,688
2024	\$ 343,285
2025	\$ 231,871
2026	\$ 598,156
2027	\$ (24,335)
Thereafter	\$ (48,639)

C. Other Plans

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In prior years the Internal Revenue code specified that the plan's assets were the property of the City until paid or made available to participants, subject only on an equal basis to the claims of the City's general creditors. A 1996 federal law now requires all assets and income of the Internal Revenue Code 457 deferred compensation plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Assets of the City's plan are administered by private corporations under contract with the City. The private administrators have amended the plans to comply with the federal law. Consequently, the plan's assets and liabilities have been removed from the City's financial statements.

D. Summary of Pension Plans

	City- TMRS	Firemen's Pension Plan	Total City- TMRS and Firemen's Pension Plan
Total pension liability	\$ 54,888,382	\$ 20,740,950	\$ 75,629,332
Plan fiduciary net position	50,476,589	14,565,196	65,041,785
Net pension liability	\$ 4,411,793	\$ 6,175,754	\$ 10,587,547
Deferred outflows of resources	\$ 842,015	\$ 2,029,975	\$ 2,871,990
Deferred inflows of resources	\$ 3,180,182	\$ 458,949	\$ 3,639,131
Pension expense	\$ 318,832	\$ 713,484	\$ 1,032,316

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS

A. TMRS Supplemental Death Benefit Fund (SDBF)

The City also participates in a single-employer, defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	135
Inactive employees entitled to but not yet receiving benefits	40
Active employees	<u>270</u>
	<u>445</u>

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees for the City of Weslaco were required to contribute 0.16% of their annual gross earnings during the fiscal year. The contribution rates for the City of Weslaco were 0.26% and 0.25% in calendar year 2021 and 2022, respectively. The City's contributions to the SDBF for the year ended September 30, 2022 were \$33,532, and were equal to the required contributions.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date:	12/31/2021
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount rate*	1.84%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*the discount rate was based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period of December 31, 2014 to December 31, 2018.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date. The following presents a summary of the changes in Total OPEB liability:

	Increase (Decrease)
	Total OPEB Liability
Balance at December 31, 2020	\$ 1,044,209
Changes for the year:	
Service cost	49,076
Interest	21,162
Difference between expected/actual experience	(15,956)
Changes of assumptions	34,486
Benefit payments, including refunds of employee contributions	(21,392)
Net changes	67,376
Balance at December 31, 2021	\$ 1,111,585

Total OPEB liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$1,021,137 and \$90,448, respectively.

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (0.84%) or 1 percentage point higher (2.84%) than the current rate.

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's total OPEB liability	\$ 1,363,655	\$ 1,111,585	\$ 917,511

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEBs

For the year ended September 30, 2022, the City recognized combined OPEB expense in the amount of \$115,080. At September 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 42,809
Changes in actuarial assumptions	194,445	15,475
Contributions subsequent to the measurement date	23,892	-
Total	\$ 218,337	\$ 58,284

Deferred outflows of resources related to the total OPEB liability related to the supplemental death benefit are allocated between the governmental activities and business-type activities in the statement of net position. Please see C. Summary of Other Post-Employment Benefits within Note 12 for the aggregate amount of deferred outflows/inflows of resources, OPEB liabilities, and OPEB expenses.

The \$23,892 which are reported as deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2023	\$ 41,577
2024	\$ 38,185
2025	\$ 39,561
2026	\$ 15,628
2027	\$ 1,210

B. Firefighter Retiree Health Care

As part of the City's collective bargaining agreement the City makes available health care benefits to all firefighters who retire from the City under a single-employer health insurance plan. All current full-time firefighters covered under the collective bargaining agreement are eligible for the plan after age 55 with at least 20 years of service. The City's coverage continues until the retiree is eligible for Medicare. Under the plan retired firefighters pay 50% of the insurance premium for their coverage with the other 50% coverage being paid by the City. Retired firefighters must pay 100% of the insurance premium coverage to cover their spouse.

Firefighters who are eligible for retirement, but instead choose to terminate employment, are not eligible for coverage under the plan. In addition, retirees who elect to opt-out of the plan do not receive any cash payment in lieu of participating in the plan.

Spouses and dependents are eligible for COBRA coverage for 18 months (or up to 36 months under certain

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

circumstances) following members retirement date. Spouse and dependent(s) are responsible for payment of the full premium amount. Retirees are required to enroll in Medicare once eligible. Retirees pay Medicare premiums. The City does not provide subsidized retiree vision or dental care coverage. Nor does the City provide subsidized retiree life insurance coverage. Life insurance coverage carried at the time of retirement is portable.

Employees covered by benefit terms

At the September 30, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Active employees	<u>68</u>
	<u>70</u>

Funding Policy and Annual Firefighter Retiree Health Care Plan Cost

The City's annual firefighter retiree health care plan cost is based upon the annual actuarially determined contribution of the employer ("ADC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ADC represents an accrual that, if expensed annually, will recognize the normal cost each year and an amount to amortize any unfunded actuarial liabilities (or funding excess) over thirty years. The City has not established a trust to fund the Firefighter Retiree Health Care Plan liability and intend to continue the pay-as-you-go funding method. The plan does not issue a separate financial report.

Actuarial assumptions:

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date: September 30, 2022

Methods and Assumptions

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	4.40% as of September 30, 2022
Inflation	2.5%
Salary Increases	3.25% per annum for wage inflation. 5.16% grading down to 0.00% per annum for longevity and promotion based on years of service
Mortality Rates	SOA Public Safety Mortality tables with generational mortality projection using Scale MP-2021 Separate rates for employees and retirees. Separate rates for males and females.
Health Care Trend Rates	7.25% for 2022 decreasing by 0.25% per year until the ultimate rate of 4.50% is reached in 2033.
Retirement Rates	50% for those retiring between age 55-59; 100% for those retiring at age 60. No participation after retiree reaches eligibility age for Medicare.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Other Information:

Notes: The discount rate changed from 2.19% as of October 1, 2021 to 4.40% as of September 30, 2022

Discount Rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.40% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.19% as of the prior measurement date.

Plan Assets: There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The City's Total OPEB Liability related to the Firefighter Retiree Health Care OPEB was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2022.

The following presents a summary of the changes in Total OPEB liability:

	Total OPEB Liability
Balance at September 30, 2021	\$ 2,259,574
Changes for the year:	
Service cost	183,187
Interest	52,922
Difference between expected/actual experience	(175,801)
Changes of assumptions	(477,652)
Contributions - employer	(26,227)
Changes in benefit terms	-
Net changes	(443,571)
Balance at September 30, 2022	\$ 1,816,003

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of Total OPEB Liability to the Discount Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.40%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (3.40%)	Discount Rate (4.40%)	1% Increase in Discount Rate (5.40%)
City's total OPEB liability	\$ 2,021,363	\$ 1,816,003	\$ 1,629,135

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease in trend	Current trend	1% Increase in trend
City's total OPEB liability	\$ 1,558,849	\$ 1,816,003	\$ 2,124,489

OPEB Expense and Deferred Inflows of Resources Related to Firefighter Retiree Health Care OPEB.

For the year ended September 30, 2022, the City recognized OPEB expense of \$215,285. At September 30, 2022, the City reported deferred inflows of resources related to Firefighter Retiree Health Care OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,957	\$ 162,276
Changes in assumptions	347,808	488,901
Total	\$ 359,765	\$ 651,177

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred inflows of resources related to Firefighter Retiree Health Care OPEB will be recognized in OPEB expense as follows:

2023	\$	(20,816)
2024	\$	(20,816)
2025	\$	(20,816)
2026	\$	(20,816)
2027	\$	(20,816)
Thereafter	\$	(187,332)

C. Summary of Other Post-Employment Benefits

	City TMRS SDBF Plan	Firefighter Retiree Health Care Plan	Total City- TMRS SDB and Firefighter Retiree Health Care Plan
Total OPEB liability	\$ 1,111,586	\$ 1,816,003	\$ 2,927,589
Plan fiduciary net position	-	-	-
Net pension liability	\$ 1,111,586	\$ 1,816,003	\$ 2,927,589
Deferred outflows of resources	\$ 218,337	\$ 359,765	\$ 578,102
Deferred inflows of resources	\$ 58,284	\$ 651,177	\$ 709,461
OPEB expense	\$ 115,080	\$ 215,285	\$ 330,365

City of Weslaco, Texas
Notes to Financial Statements

NOTE 13: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position reports deferred outflows of resources in connection with the consumption of net position that applies to a future period. The components of deferred outflows of resources are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Deferred outflows of resources:			
Pensions:			
Deferred outflows related to TMRS pension	\$ 748,907	\$ 93,108	\$ 842,015
Deferred outflows related to Firemen's pension	2,029,975	-	2,029,975
Total deferred outflows related to pensions	2,778,882	93,108	2,871,990
OPEB:			
Deferred outflows related to TMRS Supplemental Death Benefit OPEB	200,739	17,598	218,337
Deferred outflows related to Firefighter Retiree Health Care OPEB	359,765	-	359,765
Total deferred outflows related to OPEB	560,504	17,598	578,102
Other:			
Deferred outflows related to deferred charge on refunding	651,918	1,789,486	2,441,404
Total deferred outflows of resources	\$ 3,991,304	\$ 1,900,192	\$ 5,891,496

In addition to deferred outflows of resources, the governmental activities reported \$11,089,795 in unearned revenue related to deposits received on park dedication fees, Coronavirus State and Local Fiscal Recovery funds under the American Rescue Plan Act, and deposits from Texas Water Development fund grant proceeds.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 13: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

The statement of net position reports deferred inflows of resources in connection with an acquisition of net position that applies to a future period. The components of deferred inflows of resources are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Deferred inflows of resources:			
Pensions:			
Deferred inflows related to TMRS pension	\$ 2,906,131	\$ 274,051	\$ 3,180,182
Deferred inflows related to Firemen's pension	458,949	-	458,949
Total deferred inflows related to pensions	3,365,080	274,051	3,639,131
OPEB:			
Deferred inflows related to TMRS Supplemental Death Benefit OPEB	\$ 53,622	\$ 4,662	\$ 58,284
Deferred inflows related to Firefighter Retiree Health Care OPEB	651,177	-	651,177
Total deferred inflows related to OPEB	704,799	4,662	709,461
Other:			
Deferred outflows related to deferred charge on refunding	545,344	287,163	832,507
Total deferred inflows of resources	\$ 4,615,223	\$ 565,876	\$ 5,181,099

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The City reported deferred inflows of resources as of September 30, 2022 as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds	Component Unit
Deferred inflows of resources:				
Unavailable revenues- property taxes	\$ 448,026	\$ 200,946	\$ 648,972	\$ -
Unavailable revenues- EMS fees	1,932,038	-	1,932,038	-
Leases	-	545,344	545,344	-
Unavailalbe revenues- notes receivable	-	-	-	2,649,996
	\$ 2,380,064	\$ 746,290	\$ 3,126,354	\$ 2,649,996

NOTE 14: CITY ADVISORY NON-PROFIT CORPORATION

There are five non-profit corporations owned by the City of Weslaco that are used to attract and promote industry, hospital and housing facilities. The City Hospital and Housing Corporations (four) act as advisory boards which review and provide recommendations to the City Commission. There are no financial transactions involved. Weslaco Development Committee, Inc. dissolved during the 2002 fiscal year. The Weslaco Economic Development Corporation absorbed the Weslaco Development Committee, Inc. assets and liabilities. The EDC operations are reported as a discretely presented component unit.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 15: PROPRIETARY FUND-SANITARY LANDFILL

Recognition of closure and post-closure costs

State and federal EPA laws require final cover closure as well as post-closure care of the City of Weslaco landfill site in Alton, Texas. The Governmental Accounting Standards Board issued Statement No. 18-*Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*. This statement addresses the financial statement effect of the EPA rules and state rules and requires that all closure and post-closure costs be recognized during the operating life of the landfill. The City's landfill is currently inactive.

The closure and post-closure costs considered are based on this inactive state. If the landfill begins receiving wastes, the closure and post-closure and related liability balance will have to be revised based on the capacity of the landfill that will be used.

Approximately twenty-five percent of the landfill capacity has been used to date. Based on the current capacity used, \$313,688 was estimated as a closure and post-closure cost. This includes cost related to the transfer station, underground petroleum storage tanks, and landfill closure and post-closure costs and is adjusted for inflation. The landfill has been closed and post-closure costs liability is estimated at \$313,688. These costs are currently reflected in the financial statements of the Solid Waste Fund. As costs are incurred during the year, the liability will be reduced. The City met the state's financial assurance requirements during the current fiscal year. The landfill remains in an inactive status as of September 30, 2022. The post-closure costs include lab tests, gas monitoring, leachate disposal and general monitoring maintenance during its inactive status.

NOTE 16: COMMITMENTS

At September 30, 2022, the City had ongoing commitments related to the following:

Project	Original Amount	Expensed	Remaining Commitment
Governmental Activities:			
Stormwater improvements and RDF	\$ 4,967,700	\$ 574,119	\$ 4,393,581
North Side Park	3,425,000	2,953,155	471,845
Pleasant View Project	4,775,000	4,560,683	214,317
New Library & Rennovation	10,000,000	78,127	9,921,873
New Police and Fire Station	11,250,000	9,625,261	1,624,739
Total governmental Activities	34,417,700	17,791,345	16,626,355
Business-Type Activities:			
Hangar expansion and development project	1,905,366	1,869,051	36,315
Total business-type activities	1,905,366	1,869,051	36,315
Total Primary Government	\$ 36,323,066	\$ 19,660,396	\$ 16,662,670

Construction in progress amounts for which project contracts have not been finalized are not reflected in the schedule.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 16: COMMITMENTS (Continued)

The Economic Development Corporation of Weslaco extended economic incentives to the following entities as follows:

Incentives	Paid in Commitment	Paid in Prior Years	Paid in Current Year	Balance Due
A3H Foods II, LP	\$ 67,423	\$ 25,000	\$ 17,423	\$ 25,000
A3H Foods II, LP (Project Box)	150,000	-	-	150,000
Agree Limited PTP (Harbor Freight)	106,378	35,459	35,459	35,460
Build-A-Burger	26,133	-	11,133	15,000
Calixto Hernandez (Red Bill)	70,000	-	-	70,000
City of Weslaco (Alley)	30,000	4,750	-	25,250
City of Weslaco (Sports Complex)	500,000	200,000	100,000	200,000
Clean Label LLC (Project Falcon)	181,250	-	45,313	135,937
Clever Foods & Supplements, LLC	252,700	-	40,550	212,150
Dance Time (Project Angie)	5,000	-	-	5,000
De Figs (Project Park)	48,256	-	15,628	32,628
Kapal Millwork	51,764	48,114	-	3,650
La Abuela Mexican Food, Inc.	69,000	23,000	23,000	23,000
OL RE Holdings, Inc.	96,000	-	-	96,000
Payne Dealer Group (Airport)	70,900	-	-	70,900
RGV Solar Power Systems	50,000	25,000	-	25,000
RL Lozano Leasing (Project Myra)	93,263	-	44,508	48,755
South Point Plaza II	344,185	-	-	344,185
Shops at N Bridge	737,035	-	-	737,035
Water Tower Plaza, Inc	67,908	-	-	67,908
Z&L Enterprises (Tierra Santa Center)	163,326	-	54,442	108,884
Total Monetary Incentives	\$ 3,180,521	\$ 361,323	\$ 387,456	\$ 2,431,742

Subsequent year balances of \$2,431,742 are contingent on the business entities maintaining agreed upon employment levels and other conditions of the loan/grant incentives. This amount is not recognized as a liability in the financial statements.

NOTE 17: RISK MANAGEMENT

The City is exposed to various risks or torts; theft of, damage to, and destruction of assets; injuries to employees, citizens and the general public; and natural disasters. The City has purchased group health insurance, life insurance, general liability insurance, and workmen's compensation insurance. The City has also purchased insurance coverage for fire and extended coverage on buildings and contents; and fire, lightning, and windstorm insurance for its vehicles for damages in excess of certain limits. There were no significant reductions in insurance coverage from coverage in the prior year by major category risk. In addition, there were no material insurance settlements exceeding insurance coverage in any of the past three years.

NOTE 18: CONTINGENT LIABILITIES

The City participates in a number of federally assisted grant programs such as the Community Development Block Grants, and the Texas Department of Transportation. These programs are subject to program

City of Weslaco, Texas
Notes to Financial Statements

NOTE 18: CONTINGENT LIABILITIES (Continued)

compliance audits by the grantors or their representatives. The audit of these programs for/or including the year ended September 30, 2022 have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is involved in litigation claims against it from time to time that are generally incidental to its operations. However, it is the opinion of the City's management that the City's liability in those cases that are not covered by liability insurance will not be material to the financial statements for these contingent liabilities. The City is currently involved in one litigation claim that presents possible exposure not covered by liability insurance. The City is actively defending the case and the amount, if any, of ultimate liability has not yet been determined.

NOTE 19: ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

Sales Tax Rebate Agreements

In addition to the Chapter 380 Agreements, the City also offered sales rebates as additional incentives to the developer and retail establishments, locating within the SDI development project. These rebates are not recorded as a liability or commitment, as the individual amounts are not known until the sales taxes are collected. The total rebates have been set at \$10,500,000. These are to be reimbursed over the future years, beginning April 1, 2011. Total reimbursed sales tax proceeds to date is \$6,234,307, of which \$87,229 is current proceeds reimbursed. Total rebates balance owed is \$3,541,667.

NOTE 20: FUND BALANCES

Nonspendable – balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted – external parties have restricted these funds to be used for their intended purpose.

Committed – the City Commission has authorized the City to use these funds for specifically identified purposes.

Unassigned – the unassigned fund balance has no constraints.

The City of Weslaco reported fund balances in the following classifications as of September 30, 2022:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 20: FUND BALANCES (Continued)

	General Fund	2021 C.O. Construction Fund	2021B C.O. Construction Fund	Other Governmental Funds	Total	Component Unit
Nonspendable:						
Inventories	\$ 91,034	\$ -	\$ -	\$ -	\$ 91,034	\$ -
Prepaid items	7,685	-	-	-	7,685	-
Nonspendable total	98,719	-	-	-	98,719	-
Restricted for:						
Street improvements and other capital projects	-	2,898,192	9,927,170	10,217,169	23,042,531	-
Tourism	-	-	-	902,842	902,842	-
Library activities	-	-	-	14,364	14,364	-
Project development	-	-	-	360,400	360,400	-
Debt Service	-	-	-	840,236	840,236	-
Restricted total	-	2,898,192	9,927,170	12,335,011	25,160,373	-
Assigned:						
Assigned for debt service	-	-	-	-	-	320,000
Assigned for capital projects	-	-	-	1,655,517	1,655,517	-
Total assigned	-	-	-	1,655,517	1,655,517	320,000
Unassigned	11,750,590	-	-	-	11,750,590	12,950,389
Total Fund Balance	\$ 11,849,309	\$ 2,898,192	\$ 9,927,170	\$ 13,990,528	\$ 38,665,199	\$ 13,270,389

City of Weslaco, Texas
Notes to Financial Statements

NOTE 21: NET POSITION

Net position is composed of three categories: net investment in capital assets, restricted and unrestricted.

	Governmental Activities	Business-type Activities	Component Unit
Net investment in capital assets:			
Capital assets, net of accumulated depreciation	\$ 69,712,635	\$ 103,464,026	\$ 4,352,576
Less related liabilities	(46,279,772)	(49,692,569)	-
Less retainage payable	(416,691)	(724,833)	-
Less unamortized bond premium	(3,897,832)	(2,720,728)	-
Plus deferred charge on refunding	651,916	1,789,486	-
Plus unexpended bond proceeds	24,355,536	1,046,555	-
Net investment in capital assets	44,125,792	53,161,937	4,352,576
Restricted net position consists of the following:			
Debt service	840,236	1,003,975	320,000
Tourism	902,842	-	-
Library activities	14,364	-	-
Building depreciation fund	360,400	-	-
Restricted net position	2,117,842	1,003,975	320,000
Unrestricted net position (deficit)	(2,419,809)	(1,815,817)	13,705,441
Total net position	\$ 43,823,825	\$ 52,350,095	\$ 18,378,017

NOTE 22: RELATED PARTY TRANSACTIONS

On November 20, 2019, the City of Weslaco entered into a promissory note with the Economic Development Corporation of Weslaco for \$1,450,810 for the purchase of land. Interest on the note is payable on June 20 and December 20 of each year commencing on June 20, 2020 and annual principal payments of \$53,765 beginning December 20, 2020, continuing annually thereafter until December 20, 2024 at which time total principal plus interest is due. The interest rate is fixed at 3.00%. The note is secured by a vendor's lien and superior title.

Other City projects are supported by the Economic Development Corporation of Weslaco. This includes an annual payment of \$100,000 to the City of Weslaco for certain park project developments.

On January 1, 2022, the City of Weslaco and the Economic Development Corporation of Weslaco entered into a Compromise, Release and Settlement Agreement. The City of Weslaco will be released from any further obligation to the Economic Development Corporation of Weslaco pertaining to SDI Weslaco Holdings, LLC. At September 30, 2022, the Economic Development Corporation of Weslaco has recognized a debt forgiveness of \$1,943,850.



REQUIRED SUPPLEMENTARY INFORMATION



City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual
General Fund

For the Year Ended September 30, 2022

	Budget			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes - including penalty and interest	\$ 10,851,071	\$ 10,975,000	\$ 11,024,439	\$ 49,439
Nonproperty taxes	12,674,708	14,521,172	15,562,636	1,041,464
Fees and charges	2,512,145	2,286,222	2,432,881	146,659
Fines and forfeitures	627,522	627,522	569,233	(58,289)
Licenses and permits	706,442	902,442	869,148	(33,294)
Intergovernmental	1,410,211	2,331,634	2,866,953	535,319
Investment income	50,700	70,000	113,827	43,827
Miscellaneous	179,493	181,493	177,066	(4,427)
Total revenues	29,012,292	31,895,485	33,616,183	1,720,698
EXPENDITURES				
General government				
City Commission	215,246	282,946	272,043	10,903
City Manager	435,213	504,823	455,118	49,705
City Secretary	439,368	439,574	392,292	47,282
Finance	908,956	909,058	781,338	127,720
Human resources	340,863	385,651	328,396	57,255
Building Maintenance	883,235	960,679	740,600	220,079
Municipal Court	281,215	283,918	272,763	11,155
Planning & Code Enforcement	1,167,999	1,289,970	1,178,066	111,904
Information Technology	931,749	920,461	894,883	25,578
Law	291,500	367,693	373,178	(5,485)
Non-departmental activities	696,392	808,879	812,853	(3,974)
Total general government	6,591,736	7,153,652	6,501,530	652,122
Public safety				
Police Department	9,247,633	10,306,690	10,069,721	236,969
Fire Department	6,605,090	8,296,300	8,125,353	170,947
Emergency Medical Services Department	368,371	647,035	403,133	235,342
Emergency Management Department	50,766	60,093	41,292	18,801
Total public safety	16,271,860	19,310,118	18,639,499	662,059
Public works				
Public Works Administration	391,553	362,113	337,053	25,060
Streets Department	1,322,728	1,722,853	1,656,388	65,250
Drain Ditch Department	897,087	900,170	771,133	129,037
Fleet Maintenance Shop Department	317,203	319,795	318,558	1,237
Engineering	574,171	587,013	437,166	149,847
Total public works	3,502,742	3,891,944	3,520,298	370,431
Culture and Recreation				
Parks & Recreation Department	944,751	950,723	792,980	157,743
Library Department	947,222	963,821	889,560	74,261
Total culture and recreation	1,891,973	1,914,544	1,682,540	232,004
Other Economic Development	46,706	46,706	388,499	(341,793)
Debt service				
Principal retirement	176,853	150,608	170,396	(19,788)
Interest and fees	26,245	26,245	27,925	(1,680)
Total debt service	203,098	176,853	198,321	(21,468)
Total expenditures	28,508,115	32,493,817	30,930,687	1,553,355

City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual
General Fund- Continued

For the Year Ended September 30, 2022

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 30,000	\$ 30,000	\$ 166,811	\$ 136,811
Transfers in	1,490,561	1,640,561	2,345,346	704,785
Transfers out	(1,854,784)	(1,779,784)	(1,785,901)	6,117
Total other financing sources	(334,223)	(109,223)	726,256	835,479
NET CHANGE IN FUND BALANCE	\$ 169,954	\$ (707,555)	3,411,752	\$ 4,119,307
Fund balance -- beginning			8,437,557	
Fund balance -- ending			\$ 11,849,309	

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

City of Weslaco, Texas

Schedule of Changes in Net Pension Liability and Related Ratios- Texas Municipal Retirement System

For the Plan Years Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 1,768,002	\$ 1,688,972	\$ 1,548,576	\$ 1,489,094	\$ 1,511,814	\$ 1,414,112	\$ 1,184,809	\$ 1,162,103
Interest (on the total pension liability)	3,482,576	3,312,115	3,140,037	2,968,169	2,805,747	2,738,324	2,603,802	2,504,972
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	53,411	(282,741)	(156,422)	155,641	93,970	(1,124,865)	734,282	(303,648)
Changes of assumptions	-	-	112,715	-	-	-	828,135	-
Benefit payments, including refunds of employee contributions	(2,250,652)	(2,214,372)	(2,117,240)	(2,075,643)	(1,912,199)	(2,242,933)	(1,947,228)	(1,978,636)
Net change in total pension liability	3,053,337	2,503,974	2,527,666	2,537,261	2,499,332	784,638	3,403,800	1,384,791
Total pension liability – beginning	51,835,046	49,331,072	46,803,406	44,266,145	41,766,813	40,982,175	37,578,375	36,193,584
Total pension liability – ending (a)	\$ 54,888,383	\$ 51,835,046	\$ 49,331,072	\$ 46,803,406	\$ 44,266,145	\$ 41,766,813	\$ 40,982,175	\$ 37,578,375
Plan Fiduciary Net Position								
Contributions – employer	\$ 1,044,441	\$ 1,022,020	871,252	\$ 833,181	\$ 741,999	\$ 572,328	\$ 561,365	\$ 542,202
Contributions – employee	880,855	839,688	761,861	729,948	710,237	662,199	611,176	591,732
Net investment income	5,857,310	3,195,941	5,707,131	(1,157,250)	4,762,284	2,240,914	50,055	1,882,469
Benefit payments, including refunds of employee contributions	(2,250,652)	(2,214,372)	(2,117,240)	(2,075,643)	(1,912,199)	(2,242,933)	(1,947,228)	(1,978,636)
Administrative expense	(27,126)	(20,703)	(32,286)	(22,377)	(24,692)	(25,318)	(30,493)	(19,657)
Other	187	(808)	(971)	(1,169)	(1,251)	(1,365)	(1,506)	(1,616)
Net change in plan fiduciary net position	5,505,015	2,821,766	5,189,747	(1,693,310)	4,276,378	1,205,825	(756,631)	1,016,494
Plan fiduciary net position – beginning	44,971,575	42,149,809	36,960,062	38,653,372	34,376,994	33,171,169	33,927,800	32,911,306
Plan fiduciary net position – ending (b)	\$ 50,476,590	\$ 44,971,575	\$ 42,149,809	\$ 36,960,062	\$ 38,653,372	\$ 34,376,994	\$ 33,171,169	\$ 33,927,800
Net Pension Liability – Ending (a) – (b)	\$ 4,411,793	\$ 6,863,471	\$ 7,181,263	\$ 9,843,344	\$ 5,612,773	\$ 7,389,819	\$ 7,811,006	\$ 3,650,575
Plan fiduciary net position as a percentage of total pension liability	91.96%	86.76%	85.44%	78.97%	87.32%	82.31%	80.94%	90.29%
Covered payroll	\$ 12,583,645	\$ 11,995,540	\$ 10,851,968	\$ 10,427,824	\$ 10,119,236	\$ 9,452,621	\$ 8,731,090	\$ 8,453,317
Net pension liability as a percentage of covered payroll	35.06%	57.22%	66.17%	94.39%	55.47%	78.18%	89.46%	43.19%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of Weslaco, Texas

Schedule of Changes in Net Pension Liability and Related Ratios- Firemen's Pension

For the Plan Years Ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 662,043	\$ 678,796	\$ 594,954	\$ 555,465	\$ 497,258	\$ 463,644	\$ 421,208	\$ 398,097
Interest (on the total pension liability)	1,440,804	1,357,536	1,235,267	1,159,947	1,087,522	995,631	848,579	845,051
Changes of benefit terms	-	-	514,707	-	-	445,218	427,638	-
Difference between expected and actual experience	(130,654)	-	(270,772)	-	(99,445)	-	479,811	-
Changes of assumptions	(27,848)	-	286,156	-	-	-	(226,052)	-
Benefit payments, including refunds of employee contributions	(814,775)	(925,403)	(595,725)	(832,135)	(764,180)	(548,162)	(645,296)	(833,923)
Net change in total pension liability	1,129,570	1,110,929	1,764,587	883,277	721,155	1,356,331	1,305,888	409,225
Total pension liability – beginning	19,611,380	18,500,451	16,735,864	15,852,587	15,131,432	13,775,101	12,469,213	12,059,988
Total pension liability – ending (a)	\$ 20,740,950	\$ 19,611,380	\$ 18,500,451	\$ 16,735,864	\$ 15,852,587	\$ 15,131,432	\$ 13,775,101	\$ 12,469,213
Plan Fiduciary Net Position								
Contributions – employer	\$ 683,821	\$ 614,778	\$ 599,436	\$ 519,826	\$ 516,557	\$ 483,771	\$ 440,112	\$ 394,360
Contributions – employee	683,821	614,778	599,436	513,232	509,963	476,078	425,463	388,865
Net investment income	(1,910,371)	2,857,440	328,295	207,493	928,177	882,963	755,912	(127,198)
Benefit payments, including refunds of employee contributions	(814,775)	(925,403)	(595,725)	(832,135)	(764,180)	(548,162)	(645,296)	(833,923)
Administrative expense	(31,880)	(39,364)	(28,930)	(55,756)	(42,719)	(51,417)	(45,252)	(85,190)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(1,389,384)	3,122,229	902,512	352,660	1,147,798	1,243,233	930,939	(263,086)
Plan fiduciary net position – beginning	15,954,580	12,832,351	11,929,839	11,577,179	10,429,381	9,186,148	8,255,209	8,518,295
Plan fiduciary net position – ending (b)	\$ 14,565,196	\$ 15,954,580	\$ 12,832,351	\$ 11,929,839	\$ 11,577,179	\$ 10,429,381	\$ 9,186,148	\$ 8,255,209
Net Pension Liability – Ending (a) – (b)	\$ 6,175,754	\$ 3,656,800	\$ 5,668,100	\$ 4,806,025	\$ 4,275,408	\$ 4,702,051	\$ 4,588,953	\$ 4,214,004
Plan fiduciary net position as a percentage of total pension liability	70.22%	81.35%	69.36%	71.28%	73.03%	68.93%	66.69%	66.20%
Covered payroll	\$ 5,698,508	\$ 5,123,150	\$ 4,995,300	\$ 4,276,933	\$ 4,249,692	\$ 3,967,317	\$ 3,545,525	\$ 3,119,208
Net pension liability as a percentage of covered payroll	108.37%	71.38%	113.47%	112.37%	100.61%	118.52%	129.43%	135.10%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of Weslaco, Texas
Schedule of Contributions
For Texas Municipal Retirement System Pension Plan and
Firemen's Pension Plan

<i>For the years ended September 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015
Primary Government- Texas Municipal Retirement System								
Actuarial determined contribution	\$ 1,076,121	\$ 1,015,438	\$ 946,759	\$ 858,290	\$ 817,077	\$ 714,301	\$ 613,090	\$ 562,443
Contributions in relation to actuarially determined contribution	(1,076,121)	(1,015,438)	(946,759)	(858,290)	(817,077)	(714,301)	(613,090)	(562,443)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 13,264,669	\$ 12,147,463	\$ 11,267,095	\$ 10,731,656	\$ 10,428,523	\$ 9,900,449	\$ 9,710,623	\$ 8,538,660
Contributions as a percentage of covered payroll	8.11%	8.36%	8.40%	8.00%	7.84%	7.21%	6.31%	6.59%
Primary Government- Firemen's Pension								
Actuarial determined contribution	\$ 683,821	\$ 614,778	\$ 599,436	\$ 513,232	\$ 516,557	\$ 476,078	\$ 425,463	\$ 379,251
Contributions in relation to actuarially determined contribution	(683,821)	(614,778)	(599,436)	(519,826)	(516,557)	(483,771)	(440,112)	(394,360)
Contribution deficiency (excess)	-	-	-	(6,594)	-	(7,693)	(14,649)	(15,109)
Covered payroll	\$ 5,698,508	\$ 5,123,150	\$ 4,995,300	\$ 4,276,933	\$ 4,249,692	\$ 3,967,317	\$ 3,545,525	\$ 3,119,208
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	12.00%	12.16%	12.00%	12.00%	12.16%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of Weslaco, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios
Texas Municipal Retirement System- Supplemental Death Benefits Fund

For the Plan Year ended December 31,	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 49,076	\$ 39,585	\$ 24,960	\$ 27,112	\$ 22,262
Interest (on the total OPEB liability)	21,161	24,430	26,224	24,287	23,866
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(15,956)	(26,336)	(15,235)	(19,296)	-
Change of assumptions	34,486	141,575	144,552	(52,100)	60,004
Benefit payments, including refunds of employee contributions	(21,392)	(7,197)	(5,425)	(6,257)	(6,072)
Net Change in Total OPEB Liability	67,375	172,057	175,076	(26,254)	100,060
Total OPEB Liability - Beginning	1,044,210	872,153	697,077	723,331	623,272
Total OPEB Liability - Ending (a)	\$ 1,111,585	\$ 1,044,210	\$ 872,153	\$ 697,077	\$ 723,332
 Covered Employee Payroll	 \$ 12,583,645	 \$ 11,995,540	 \$ 10,851,968	 \$ 10,427,824	 \$ 10,119,236
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 8.83%	 8.70%	 8.04%	 6.68%	 7.15%

Notes to Schedule:

- (1) Schedule is intended to show 10 years. Additional years will be presented as the information becomes available.
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- (3) Due to the SDBF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

City of Weslaco, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios
Firefighter Retiree Health Care Plan

For the Plan Year ended September 30,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 183,187	\$ 156,366	\$ 194,173	\$ 148,081	\$ 152,688
Interest (on the total OPEB liability)	52,922	51,805	72,446	80,682	69,225
Changes of benefit terms	-	-	(847,947)	-	-
Difference between expected and actual experience	(175,801)	-	15,219	-	-
Change of assumptions	(477,652)	49,218	147,060	267,652	(73,262)
Benefit payments, including refunds of employee contributions	(26,227)	(18,976)	(14,704)	(12,780)	(5,084)
Net Change in Total OPEB Liability	(443,571)	238,413	(433,753)	483,635	143,567
Total OPEB Liability - Beginning	2,259,574	2,021,161	2,454,914	1,971,279	1,827,712
Total OPEB Liability - Ending (a)	\$ 1,816,003	\$ 2,259,574	\$ 2,021,161	\$ 2,454,914	\$ 1,971,279
 Covered Employee Payroll	 \$ 3,267,892	 \$ 3,107,641	 \$ 4,995,300	 \$ 4,276,933	 \$ 4,249,692
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 55.57%	 72.71%	 40.46%	 57.40%	 46.39%

Notes to Schedule:

- (1) Schedule is intended to show 10 years. Additional years will be presented as the information becomes available.
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- (3) Due to the Firefighter Retiree Health Care Plan being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

City of Weslaco, Texas
Notes to Schedule of Contributions
For Texas Municipal Retirement System Pension Plan and
Firemen's Pension Plan

Texas Municipal Retirement System Pension Plan

Valuation Date: Actuarially determined contribution rates are calculated as 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	14 Years
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience – based table based on rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(1) mortality tables, with the Public Safety table used for males and the general employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	1) Granted 30% ad hoc COLA. 2) Granted 50% ad hoc USC with transfer.

Firemen's Pension

Contributions to the fund are based on negotiations between the members and the City rather than an actuarially determined rate. The funding policy of the Weslaco Firemen's Relief and Retirement Fund requires contributions from both the City and the firefighters. The City's contribution rate is currently 12.0% of member payroll for firefighters. Each active member contributes 12.0% of member payroll.

The base benefit was increased from 2.5% to 2.65% per year of service, with a maximum of 20 years. This change increased the service retirement and pre-retirement death benefit. There have been no other plan changes since the prior valuation.

There were no changes to actuarial methods since the prior valuation. The mortality assumption was updated to the Society of Actuaries Public Safety 2010 tables with generational projection using Scale MP-2021. There have been no other assumption changes since the prior valuation. The investment rate of return was 7.25%.

City of Weslaco, Texas
Notes to Required Supplementary Information

Budgetary Information

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) The city manager prepares a proposed budget for the next succeeding fiscal year and submits it to the Commission prior to October 1. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the tax rates levied by the commission.
- d) The city manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device during the year for the General, Hotel/Motel Tax - Special Revenue, Debt Service Fund, and Capital Improvement Program, 2019 Bond Construction fund, and Fire Department Equipment Replacement- capital project funds. In addition, the Water and Wastewater, Solid Waste, and Airport Proprietary Funds and the Equipment Replacement Internal Service Fund also employ formal budgetary integration as a management control device during the year. Budgets for these funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The City's Special Projects fund, which is reported as a major special revenue fund, did not have a legally adopted budget.
- f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, and certain intragovernment amounts.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.



OTHER SUPPLEMENTARY INFORMATION



City of Weslaco, Texas

Non-Major Governmental Fund Statements and Component Unit

Special revenue fund: **Hotel/Motel Tax Fund** was established to account for monies collected from local hotel occupancy taxes. The funds are used for expenditures that enhance and promote tourism and benefit the convention and hotel industry.

Special revenue fund: **Library Fund** was established to account for monies that have been collected from the sole use of the city's Library through fund raising donations from various charitable organizations.

Special revenue fund: **Building Depreciation Fund** was established to account for monies that have been collected from the rental agreement between the City and Weslaco Economic Development Corporation for the Weslaco Business Visitor and Event Center.

Capital project fund: **Capital Improvement Fund** was established to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital project fund: **Fire Department Equipment Replacement fund** is used to fund an apparatus replacement program for all fire and emergency medical services.

Capital project fund: **2013 Certificate of Obligation Construction Fund** was established to account for improvements to streets, parks, downtown, and the City's cemetery.

Capital project fund: **Stormwater Improvement Fund** was established to account for improvements to drainage throughout the City.

Capital project fund: **2019 Bond Construction Fund** was established to account for improvements to drainage throughout the City.

Capital project fund: **Series 2021A TWDB Fund** was established to account for improvements to drainage throughout the City.

Debt Service Fund: **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City.

Debt Service Fund: **2019 Series Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on the 2019 Series General Obligation Bonds primarily from taxes levied by the City.

Debt Service Fund: **2021, 2021A, and 2021B Series Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on the 2020B Series Limited Tax and Certificates of Obligation City.

Weslaco Economic Development Corporation (EDC): The five-member board of directors is appointed by the City Commission. The EDC is authorized to administer the distribution of the proceeds of any development bonds issued and the proceeds of certain development sales taxes received on behalf of the City. The EDC's operational and capital budget must be approved by the City Commission.

City of Weslaco, Texas

Non-Major Governmental Funds Combining Balance Sheet

September 30, 2022

	Special Revenue Funds			Capital Projects Fund		
	Hotel/ Motel Tax Fund	Library Fund	Building Depreciation Fund	Capital Improvement Fund	Fire Department Equipment Replacement Fund	2013 Certificate of Obligation Construction Fund
Assets						
Cash and cash equivalents	\$ 28,697	\$ 585	\$ 352,990	\$ 75,015	\$ 2,562	\$ 81,004
Cash and cash equivalents- restricted	-	-	-	-	-	-
Investments	676,018	13,779	-	1,767,140	60,341	314,280
Receivables (net of allowance for uncollectibles):						
Ad valorem taxes	-	-	-	-	-	-
Leases	-	-	548,186	-	-	-
Other	205,434	-	4,568	25,000	-	-
Due from other funds	-	-	-	-	-	-
Total Assets	\$ 910,149	\$ 14,364	\$ 905,744	\$ 1,867,155	\$ 62,903	\$ 395,284
Liabilities						
Accounts payable	\$ 7,307	\$ -	\$ -	\$ 274,541	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	7,307	-	-	274,541	-	-
Deferred Inflows of Resources						
Leases	-	-	545,344	-	-	-
Unavailable revenue- ad valorem taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	545,344	-	-	-
Fund Balances						
Restricted	902,842	14,364	360,400	-	-	395,284
Assigned	-	-	-	1,592,614	62,903	-
Total Fund Balance	902,842	14,364	360,400	1,592,614	62,903	395,284
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 910,149	\$ 14,364	\$ 905,744	\$ 1,867,155	\$ 62,903	\$ 395,284

Capital Projects Fund				Debt Service Funds						
Stormwater Improvement Fund	Series 2021A TWDB Fund	2019 Bond Construction Fund	Total	Debt Service Fund	2019 Series Debt Service Fund	2021 Series Debt Service Fund	2021A Series Debt Service Fund	2021B Series Debt Service Fund	Total Non Major Governmental Funds	
\$ 65,224	\$ -	\$ 1,005,469	\$ 1,611,546	\$ 136,258	\$ 29,849	\$ -	\$ -	\$ 3,021	\$ 1,780,674	
-	5,976,191	-	5,976,191	-	-	-	-	-	5,976,191	
1,536,517	-	3,901,016	8,269,091	478,990	115,807	1,078	-	11,721	8,876,687	
-	-	-	-	222,692	12,183	10,990	-	-	245,865	
-	-	-	548,186	-	-	-	-	-	548,186	
78,288	-	-	313,290	-	-	-	-	-	313,290	
-	-	-	-	21,111	-	1,403	-	-	22,514	
\$ 1,680,029	\$ 5,976,191	\$ 4,906,485	\$ 16,718,304	\$ 859,051	\$ 157,839	\$ 13,471	\$ -	\$ 14,742	17,763,407	
\$ 2,033	\$ 27,000	\$ -	\$ 310,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,881	
-	79	-	79	-	3,921	-	-	-	4,000	
-	2,711,708	-	2,711,708	-	-	-	-	-	2,711,708	
2,033	2,738,787	-	3,022,668	-	3,921	-	-	-	3,026,589	
-	-	-	545,344	-	-	-	-	-	545,344	
-	-	-	-	186,121	6,070	8,755	-	-	200,946	
-	-	-	545,344	186,121	6,070	8,755	-	-	746,290	
1,677,996	3,237,404	4,906,485	11,494,775	672,930	147,848	4,716	-	14,742	12,335,011	
-	-	-	1,655,517	-	-	-	-	-	1,655,517	
1,677,996	3,237,404	4,906,485	13,150,292	672,930	147,848	4,716	-	14,742	13,990,528	
\$ 1,680,029	\$ 5,976,191	\$ 4,906,485	\$ 16,718,304	\$ 859,051	\$ 157,839	\$ 13,471	\$ -	\$ 14,742	\$ 17,763,407	

City of Weslaco, Texas
Non-Major Governmental Funds Combining
Statement of Revenues, Expenditures, and
Changes in Fund Balances

For the Fiscal Year Ended September 30, 2022

	Special Revenue Funds			Capital Projects Funds		
	Hotel/ Motel Tax Fund	Library Fund	Building Depreciation Fund	Capital Improvement Fund	Fire Department Equipment Replacement Fund	2013 Certificate of Obligation Construction Fund
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonproperty taxes	496,320	-	-	-	-	-
Fees and charges	-	-	63,892	-	-	-
Intergovernmental	-	-	-	600,000	-	-
Investment income	-	-	-	-	-	-
Lease revenue	-	-	28,609	-	-	-
Interest revenue	-	-	6,186	-	-	-
Total Revenue	496,320	-	98,687	600,000	-	-
Expenditures						
General government	-	-	-	167,308	-	-
Public safety	-	-	-	97,669	93,800	-
Public works	-	-	-	646,386	-	-
Culture and recreation	456,063	-	-	709,352	-	-
Debt service:						
Principal	-	-	-	712,152	343,928	-
Interest and fees	-	-	-	11,416	46,274	-
Total Expenditures	456,063	-	-	2,344,283	484,002	-
Excess (deficiency) of revenues over expenditures	40,257	-	98,687	(1,744,283)	(484,002)	-
Other financing sources (uses)						
Transfers in	-	-	-	1,275,000	281,117	-
Transfers out	-	-	-	(423,831)	-	-
Total other financing sources (uses)	-	-	-	851,169	281,117	-
Net change in fund balances	40,257	-	98,687	(893,114)	(202,885)	-
Fund balances- beginning of year	862,585	14,364	261,713	2,485,728	265,788	395,284
Fund balances at end of year	\$ 902,842	\$ 14,364	\$ 360,400	\$ 1,592,614	\$ 62,903	\$ 395,284

Capital Projects Funds				Debt Service Funds					
Stormwater Improvement Fund	Series 2021A TWDB Fund	2019 Bond Construction Fund	Total	Debt Service Fund	2019 Series Debt Service Fund	2021 Series Debt Service Fund	2021A Series Debt Service Fund	2021B Series Debt Service Fund	Total Non Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,931,020	\$ 652,432	\$ 532,449	\$ -	\$ -	\$ 4,115,901
-	-	-	496,320	-	-	-	-	-	496,320
-	-	-	63,892	-	-	-	-	-	63,892
1,057	-	-	601,057	-	-	-	-	-	601,057
16,866	22,492	49,217	88,575	18,102	-	-	-	-	106,677
-	-	-	28,609	-	-	-	-	-	28,609
-	-	-	6,186	-	-	-	-	-	6,186
17,923	22,492	49,217	1,284,639	2,949,122	652,432	532,449	-	-	5,418,642
-	-	-	167,308	50	-	-	-	-	167,358
-	-	-	191,469	-	-	-	-	-	191,469
308,583	77,000	1,056,241	2,088,210	-	-	-	-	-	2,088,210
-	-	-	1,165,415	-	-	-	-	-	1,165,415
-	-	-	1,056,080	2,260,000	200,000	-	110,000	-	3,626,080
-	79	-	57,769	440,110	356,199	527,733	126	331,813	1,713,750
308,583	77,079	1,056,241	4,726,251	2,700,160	556,199	527,733	110,126	331,813	8,952,282
(290,660)	(54,587)	(1,007,024)	(3,441,612)	248,962	96,233	4,716	(110,126)	(331,813)	(3,533,640)
-	-	-	1,556,117	(441,939)	-	-	110,126	331,813	1,556,117
-	-	-	(423,831)	-	-	-	-	-	(423,831)
-	-	-	1,132,286	(441,939)	-	-	110,126	331,813	1,132,286
(290,660)	(54,587)	(1,007,024)	(2,309,326)	(192,977)	96,233	4,716	-	-	(2,401,354)
1,968,656	3,291,991	5,913,509	15,459,618	865,907	51,615	-	-	14,742	16,391,882
\$ 1,677,996	\$ 3,237,404	\$ 4,906,485	\$ 13,150,292	\$ 672,930	\$ 147,848	\$ 4,716	\$ -	\$ 14,742	\$ 13,990,528

City of Weslaco, Texas
General Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 624,351	\$ 1,921,284
Cash and cash equivalents- restricted	546,678	479,963
Investments	8,769,065	4,132,039
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	591,389	664,305
Sales taxes	1,449,359	1,284,095
Ambulance fees	1,932,758	1,223,049
Other	2,042,689	904,138
Due from other funds	3,204,592	3,601,712
Prepaid items	7,685	1,978
Inventories	91,034	29,902
Total Assets	\$ 19,259,600	\$ 14,242,465
Liabilities		
Accounts payable	\$ 1,280,434	\$ 1,300,490
Accrued salaries and payroll taxes	736,249	936,004
Other liabilities	1,277,443	798,663
Due to to other funds	50,180	33,659
Payable from restricted assets	546,678	479,963
Unearned revenue	1,139,243	502,326
Total Liabilities	5,030,227	4,051,105
Deferred Inflows of Resources		
Unavailable revenue- ad valorem taxes	448,026	532,435
Unavailable revenue- EMS fees	1,932,038	1,221,368
Total Deferred Inflows of Resources	2,380,064	1,753,803
Fund Balances		
Nonspendable	98,719	31,880
Unassigned	11,750,590	8,405,677
Total Fund Balances	11,849,309	8,437,557
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,259,600	\$ 14,242,465

City of Weslaco, Texas
General Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Property taxes	\$ 11,024,439	\$ 10,351,876
Nonproperty taxes	15,562,636	14,256,638
Fees and charges	2,432,881	2,209,633
Fines and forfeitures	569,233	487,067
Licenses and permits	869,148	794,183
Intergovernmental	2,866,953	3,338,079
Investment income	113,827	38,477
Miscellaneous	177,066	218,530
Total Revenues	33,616,183	31,694,483
Expenditures		
General government	6,501,530	9,456,198
Public safety	18,639,499	18,436,559
Public works	3,520,298	3,166,813
Culture and recreation	1,682,540	1,498,336
Economic development	388,499	949,003
Debt service:		
Principal	170,396	775,172
Interest and fees	27,925	34,628
Total Expenditures	30,930,687	34,316,709
Excess (deficiency) of revenues over expenditures	2,685,496	(2,622,226)
Other financing sources (uses):		
Sale of capital assets	166,811	279
Transfers in	2,345,346	3,769,869
Transfers out	(1,785,901)	(4,755,187)
Total other financing sources (uses)	726,256	(985,039)
Net change in fund balances	3,411,752	(3,607,265)
Fund balances at beginning of year	8,437,557	12,044,822
Fund balances at end of year	\$ 11,849,309	\$ 8,437,557

City of Weslaco, Texas
Special Revenue Funds
Hotel/Motel Tax
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 28,697	\$ 655,824
Investments	676,018	-
Receivables (net of allowance for uncollectibles):		
Other	205,434	212,445
Total assets	\$ 910,149	\$ 868,269
Liabilities		
Accounts payable	\$ 7,307	\$ 5,684
Total liabilities	7,307	5,684
Fund balance		
Restricted	902,842	862,585
Total fund balance	902,842	862,585
Total liabilities and fund balance	\$ 910,149	\$ 868,269

City of Weslaco, Texas
Special Revenue Funds
Hotel/Motel Tax

**Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances**

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Nonproperty taxes	\$ 496,320	\$ 481,792
Total revenues	496,320	481,792
Expenditures		
Culture and recreation	456,063	322,128
Total expenditures	456,063	322,128
Net change in fund balances	40,257	159,664
Fund balances at beginning of year	862,585	702,921
Fund balances at end of year	\$ 902,842	\$ 862,585

City of Weslaco, Texas
Special Revenue Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
Hotel/Motel Tax Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance With Final Budget
	Original	Final	Actual	
Revenues				
Nonproperty taxes	\$ 350,000	\$ 350,000	\$ 496,320	\$ 146,320
Expenditures				
Culture and recreation				
Parks & recreation department	466,685	466,685	456,063	10,622
Net change in fund balances	\$ (116,685)	\$ (116,685)	\$ 40,257	\$ 156,942
Fund balances at beginning of year			862,585	
Fund balances at end of year			\$ 902,842	

City of Weslaco, Texas
Special Revenue Funds
Library Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 585	\$ 14,364
Investments	13,779	-
Total assets	\$ 14,364	\$ 14,364
Liabilities	\$ -	\$ -
Fund balance		
Restricted	14,364	14,364
Total fund balances	14,364	14,364
Total liabilities and fund balance	\$ 14,364	\$ 14,364

City of Weslaco, Texas
Special Revenue Funds
Library Fund

**Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances**

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues	\$ -	\$ -
Expenditures	-	-
Net change in fund balances	-	-
Fund balances at beginning of year	14,364	14,364
Fund balances at end of year	\$ 14,364	\$ 14,364

City of Weslaco, Texas
Special Revenue Funds
Building Depreciation Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 352,990	\$ 258,861
Receivables (net of allowance for uncollectibles):		
Leases	548,186	-
Other	4,568	2,852
Total assets	\$ 905,744	\$ 261,713
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Deferred Inflows of Resources		
Leases	545,344	-
Total Deferred Inflows of Resources	545,344	-
Fund balance		
Restricted	360,400	261,713
Total fund balance	360,400	261,713
Total liabilities, deferred inflows of resources, and fund balance	\$ 905,744	\$ 261,713

City of Weslaco, Texas
Special Revenue Funds
Building Depreciation Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Nonproperty taxes		
Fees and charges	\$ 63,892	\$ 94,161
Lease revenue	28,609	-
Interest revenue	6,186	-
Total revenues	98,687	94,161
Expenditures		
Culture and recreation	-	-
Total expenditures	-	-
Net change in fund balances	98,687	94,161
Fund balances at beginning of year	261,713	167,552
Fund balances at end of year	\$ 360,400	\$ 261,713

City of Weslaco, Texas
Special Revenue Funds
Special Projects Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 7,933,605	\$ 4,457,540
Total assets	\$ 7,933,605	\$ 4,457,540
Liabilities		
Accounts payable	\$ 694,761	\$ -
Unearned revenue	7,238,844	4,457,540
Total liabilities	7,933,605	4,457,540
Fund balance		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 7,933,605	\$ 4,457,540

City of Weslaco, Texas
Special Revenue Funds
Special Projects Fund

**Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances**

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Property taxes		
Intergovernmental	\$ 2,386,428	\$ 700,000
Total revenues	2,386,428	700,000
Expenditures	-	-
General government	211,333	-
Public works	18,053	-
Total Expenditures	229,386	-
Excess (deficiency) of revenues over expenditures	2,157,042	700,000
Other financing sources (uses):		
Transfers out	(2,157,042)	(700,000)
Total other financing sources (uses)	(2,157,042)	(700,000)
Net change in fund balances	-	-
Fund balances at beginning of year	-	-
Fund balances at end of year	\$ -	\$ -

City of Weslaco, Texas
Capital Projects Funds
2013 Certificates of Obligation Construction Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 81,004	\$ 189,005
Investments	314,280	206,279
Receivables (net of allowance for uncollectibles):		
Other	-	-
Total assets	\$ 395,284	\$ 395,284
Liabilities		
Accounts payable	\$ -	\$ -
Due to to other funds	-	-
Total liabilities	-	-
Fund balance		
Restricted	395,284	395,284
Total fund balances	395,284	395,284
Total liabilities and fund balance	\$ 395,284	\$ 395,284

City of Weslaco, Texas
Capital Projects Funds
2013 Certificates of Obligation Construction Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Intergovernmental	\$ -	\$ -
Total revenues	-	-
Expenditures		
General government	-	671,161
Total expenditures	-	671,161
Net change in fund balances	-	(671,161)
Fund balances at beginning of year	395,284	1,066,445
Fund balances at end of year	\$ 395,284	\$ 395,284

City of Weslaco, Texas
Capital Projects Funds
Capital Improvement Program Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 75,015	\$ 962,884
Investments	1,767,140	2,444,915
Accounts receivable	25,000	-
Total assets	\$ 1,867,155	\$ 3,407,799
Liabilities		
Accounts payable	\$ 274,541	\$ 498,240
Due to to other funds	-	423,831
Total liabilities	274,541	922,071
Fund balance		
Assigned	1,592,614	2,485,728
Total fund balances	1,592,614	2,485,728
Total liabilities and fund balance	\$ 1,867,155	\$ 3,407,799

City of Weslaco, Texas
Capital Projects Funds
Capital Improvement Program Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

For the Fiscal Years Ended September 30,

	2022	2021
Revenues		
Intergovernmental revenue	\$ 600,000	\$ 100,000
Miscellaneous revenue	-	125,000
Total Revenues	600,000	225,000
Expenditures		
General government	167,308	-
Public safety	97,669	24,602
Public works	646,386	379,217
Culture and recreation	709,352	2,209,650
Debt service:		
Principal	712,152	206,495
Interest and fees	11,416	21,150
Total expenditures	2,344,283	2,841,114
Deficiency of revenues over expenditures	(1,744,283)	(2,616,114)
Other financing sources (uses):		
Transfers in	1,275,000	3,932,831
Transfers out	(423,831)	-
Total other financing sources	851,169	3,932,831
Net change in fund balances	(893,114)	1,316,717
Fund balances at beginning of year	2,485,728	1,169,011
Fund balances at end of year	\$ 1,592,614	\$ 2,485,728

City of Weslaco, Texas
Capital Projects Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
Capital Improvement Program Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 600,000	\$ 500,000
Miscellaneous	-	-	-	-
Total Revenues	100,000	100,000	600,000	500,000
Expenditures				
General government				
Streets Department	700,000	700,000	162,811	537,189
Planning & Code Enforcement	40,000	40,000	4,497	35,503
Public safety				
Police Department	90,000	90,000	97,669	(7,669)
Fire Department	237,848	237,848	-	237,848
Public works				
Streets Department	330,000	330,000	646,386	(316,386)
Culture and Recreation				
Parks & Recreation Department	3,096,028	3,096,028	709,352	2,386,676
Debt service:				
Principal	-	-	712,152	(712,152)
Interest and fees	-	-	11,416	(11,416)
Total Expenditures	4,493,876	4,493,876	2,344,283	2,149,593
Deficiency of revenues over expenditures	(4,393,876)	(4,393,876)	(1,744,283)	2,649,593
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	1,275,000	1,275,000	1,275,000	-
Transfers out	-	-	(423,831)	(423,831)
Total other financing sources	1,275,000	1,275,000	851,169	(423,831)
Net change in fund balances	<u>\$ (3,118,876)</u>	<u>\$ (3,118,876)</u>	(893,114)	<u>\$ 2,225,762</u>
Fund balances at beginning of year			2,485,728	
Fund balances at end of year			<u>\$ 1,592,614</u>	

City of Weslaco, Texas
Capital Projects Funds
Fire Department Equipment Replacement Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 2,562	\$ 265,788
Investments	60,341	-
Total Assets	\$ 62,903	\$ 265,788
Liabilities	\$ -	\$ -
Fund Balance		
Assigned	62,903	265,788
Total Liabilities and Fund Balance	\$ 62,903	\$ 265,788

City of Weslaco, Texas
Capital Projects Funds
Fire Department Equipment Replacement Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Intergovernmental revenue	\$ -	82,747
Total Revenues	-	82,747
Expenditures		
Public safety	93,800	878,233
Debt service:		
Principal	343,928	256,935
Interest and fees	46,274	33,326
Total Expenditures	484,002	1,168,494
Deficiency of revenues over expenditures	(484,002)	(1,085,747)
Other financing sources (uses):		
Transfers in	281,117	186,880
Issuance of debt	-	878,233
Total other financing sources	281,117	1,065,113
Net change in fund balances	(202,885)	(20,634)
Fund balances at beginning of year	265,788	286,422
Fund balances at end of year	\$ 62,903	\$ 265,788

City of Weslaco, Texas
Capital Projects Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
Fire Department Equipment Replacement Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Public safety				
Fire Department	1,473,000	1,566,801	93,800	1,473,001
Debt service:				
Principal	351,591	351,591	343,928	7,663
Interest and fees	52,840	52,840	46,274	6,566
Total Expenditures	1,877,431	1,971,232	484,002	1,487,230
Deficiency of revenues over expenditures	(1,877,431)	(1,971,232)	(484,002)	1,487,230
Other financing sources (uses):				
Other financing sources	1,473,000	1,473,000	-	(1,473,000)
Transfers in	350,000	275,000	281,117	6,117
Total other financing sources	1,823,000	1,748,000	281,117	(1,466,883)
Net change in fund balance	\$ (54,431)	\$ (223,232)	(202,885)	\$ 20,347
Fund balance at beginning of year			265,788	
Fund balance at end of year			\$ 62,903	

City of Weslaco, Texas
Capital Projects Funds
Storm Water Improvement Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 65,224	\$ 1,873,842
Investments	1,536,517	-
Receivables (net of allowance for uncollectibles)		-
Other	78,288	77,231
Due from other funds	-	92,978
Total Assets	\$ 1,680,029	\$ 2,044,051
Liabilities		
Accounts Payable	2,033	\$ 75,395
Total Liabilities	2,033	75,395
Fund Balance		
Restricted	1,677,996	1,968,656
Total Liabilities and Fund Balance	\$ 1,680,029	\$ 2,044,051

City of Weslaco, Texas
Capital Projects Funds
Storm Water Improvement Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Intergovernmental revenue	\$ 1,057	\$ 77,231
Investment income	16,866	99
Total Revenues	17,923	77,330
Expenditures		
Public works	308,583	308,997
Total Expenditures	308,583	308,997
Deficiency of revenues over expenditures	(290,660)	(231,667)
Other financing sources (uses):		
Transfers in	-	100,000
Net change in fund balances	(290,660)	(131,667)
Fund balances at beginning of year	1,968,656	2,100,323
Fund balances at end of year	\$ 1,677,996	\$ 1,968,656

City of Weslaco, Texas
Capital Projects Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
Storm Water Improvement Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,057	\$ 1,057
Investment income	-	-	16,866	16,866
Total Revenues	-	-	17,923	17,923
Expenditures				
Public works				
Drain Ditch Department	743,200	743,200	308,583	434,617
Total Expenditures	743,200	743,200	308,583	434,617
Deficiency of revenues over expenditures	(743,200)	(743,200)	(290,660)	452,540
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ (743,200)	\$ (743,200)	(290,660)	\$ 452,540
Fund balance at beginning of year			1,968,656	
Fund balance at end of year			\$ 1,677,996	

City of Weslaco, Texas
Capital Projects Funds
2019 Bond Construction Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 1,005,469	\$ 2,937,571
Investments	3,901,016	3,206,038
Total Assets	\$ 4,906,485	\$ 6,143,609
Liabilities		
Accounts Payable	\$ -	\$ 137,122
Due to to other funds	-	92,978
Total Liabilities	-	230,100
Fund Balance		
Restricted	4,906,485	5,913,509
Total Liabilities and Fund Balance	\$ 4,906,485	\$ 6,143,609

City of Weslaco, Texas
Capital Projects Funds
2019 Bond Construction Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Investment income	\$ 49,217	\$ 512
Total Revenues	49,217	512
Expenditures		
Public works	1,056,241	2,943,057
Total Expenditures	1,056,241	2,943,057
Net change in fund balances	(1,007,024)	(2,942,545)
Fund balances at beginning of year	5,913,509	8,856,054
Fund balances at end of year	\$ 4,906,485	\$ 5,913,509

City of Weslaco, Texas
Capital Projects Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
2019 Bond Construction Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Investment income	\$ -	\$ -	\$ 49,217	\$ 49,217
Total Revenues	-	-	49,217	49,217
Expenditures				
Public works				
Drain Ditch Department	4,900,000	4,900,000	1,056,241	3,843,759
Total Expenditures	4,900,000	4,900,000	1,056,241	3,843,759
Net change in fund balance	\$ (4,900,000)	\$ (4,900,000)	(1,007,024)	\$ 3,892,976
Fund balance at beginning of year			5,913,509	
Fund balance at end of year			\$ 4,906,485	

City of Weslaco, Texas
Capital Projects Funds
2021 C.O. Construction Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 879,510	\$ 5,084,288
Investments	3,359,715	5,752,690
Due from other funds	50,000	423,831
Total Assets	\$ 4,289,225	\$ 11,260,809
Liabilities		
Accounts Payable	\$ 1,364,983	\$ -
Due to to other funds	26,050	-
Total Liabilities	1,391,033	-
Fund Balance		
Restricted	2,898,192	11,260,809
Total Liabilities and Fund Balance	\$ 4,289,225	\$ 11,260,809

City of Weslaco, Texas
Capital Projects Funds
2021 C.O. Construction Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Investment income	\$ 98,435	\$ 1,024
Miscellaneous	4,900	-
Total Revenues	103,335	1,024
Expenditures		
General government	303,963	603,651
Public safety	8,585,641	-
Interest and fees	179	137,092
Total Expenditures	8,889,783	740,743
Deficiency of revenues over expenditures	(8,786,448)	(739,719)
Other financing sources (uses):		
Transfers in	423,831	-
Transfers out	-	(423,831)
Proceeds from bond issuance	-	10,890,000
Proceeds from bond premium	-	1,534,359
Total other financing sources	423,831	12,000,528
Net change in fund balances	(8,362,617)	11,260,809
Fund balances at beginning of year	11,260,809	-
Fund balances at end of year	\$ 2,898,192	\$ 11,260,809

City of Weslaco, Texas
Capital Projects Funds
2021B C.O. Construction Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 2,040,823	\$ 4,781,506
Investments	7,917,978	5,218,494
Total Assets	\$ 9,958,801	\$ 10,000,000
Liabilities		
Accounts Payable	\$ 31,631	\$ -
Total Liabilities	31,631	-
Fund Balance		
Restricted	9,927,170	10,000,000
Total Liabilities and Fund Balance	\$ 9,958,801	\$ 10,000,000

City of Weslaco, Texas
Capital Projects Funds
2021B C.O. Construction Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Miscellaneous	\$ 5,297	\$ -
Total Revenues	5,297	-
Expenditures		
Culture and recreation	\$ 78,127	\$ -
Debt service:		
Interest and fees	-	144,632
Total Expenditures	78,127	144,632
Deficiency of revenues over expenditures	(72,830)	(144,632)
Other financing sources (uses):		
Transfers in	-	10,000,000
Transfers out	-	(10,014,742)
Proceeds from bond issuance	-	8,795,000
Proceeds from bond premium	-	1,364,374
Total other financing sources	-	10,144,632
Net change in fund balances	(72,830)	10,000,000
Fund balances at beginning of year	10,000,000	-
Fund balances at end of year	\$ 9,927,170	\$ 10,000,000

City of Weslaco, Texas
Capital Projects Funds
Series 2021A- TWDB Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents- restricted	\$ 5,976,191	\$ 6,003,699
Total Assets	\$ 5,976,191	\$ 6,003,699
Liabilities		
Accounts Payable	\$ 27,000	\$ -
Due to to other funds	79	-
Unearned revenue	2,711,708	2,711,708
Total Liabilities	2,738,787	2,711,708
Fund Balance		
Restricted	3,237,404	3,291,991
Total Liabilities and Fund Balance	\$ 5,976,191	\$ 6,003,699

City of Weslaco, Texas
Capital Projects Funds
Series 2021A- TWDB Fund

**Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances**

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Investment income	\$ 22,492	\$ -
Total Revenues	22,492	-
Expenditures		
Public works	77,000	-
Debt service:		
Interest and fees	79	39,009
Total Expenditures	77,079	39,009
Deficiency of revenues over expenditures	(54,587)	(39,009)
Other financing sources (uses):		
Proceeds from bond issuance	-	3,331,000
Total other financing sources	-	3,331,000
Net change in fund balances	(54,587)	3,291,991
Fund balances at beginning of year	3,291,991	-
Fund balances at end of year	\$ 3,237,404	\$ 3,291,991

City of Weslaco, Texas
Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 136,258	\$ 372,210
Investments	478,990	406,226
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	222,692	257,225
Due from other funds	21,111	34,370
Total assets	\$ 859,051	\$ 1,070,031
Liabilities	\$ -	\$ -
Total liabilities	-	-
Deferred inflows of resources		
Unavailable revenue- ad valorem taxes	186,121	204,124
Total deferred inflows of resources	186,121	204,124
Fund balance		
Restricted	672,930	865,907
Total liabilities, deferred inflows of resources and fund balances	\$ 859,051	\$ 1,070,031

City of Weslaco, Texas
Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Property taxes	\$ 2,931,020	\$ 3,153,026
Investment income	18,102	5,320
Total revenues	2,949,122	3,158,346
Expenditures		
General government	50	-
Debt service:		
Principal	2,260,000	2,335,000
Interest and fees	440,110	560,487
Total expenditures	2,700,160	2,895,487
Excess (deficiency) of revenues over expenditures	248,962	262,859
Other financing sources (uses):		
Transfers out	(441,939)	-
Proceeds from bond refunding	-	5,385,000
Payment to escrow agent	-	(5,305,982)
Total other financing sources (uses)	(441,939)	79,018
Net change in fund balance	(192,977)	341,877
Fund balances at beginning of year	865,907	524,030
Fund balances at end of year	\$ 672,930	\$ 865,907

City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
Debt Service Fund

For the Fiscal Year Ended September 30, 2021

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Property taxes	\$ 3,329,446	\$ 3,329,446	\$ 2,931,020	\$ (398,426)
Investment income	11,100	11,100	18,102	7,002
Total revenues	3,340,546	3,340,546	2,949,122	(391,424)
Expenditures				
General government	-	-	50	50
Debt service:				
Principal	2,260,000	2,260,000	2,260,000	-
Interest and fees	920,286	920,286	440,110	480,176
Total expenditures	3,180,286	3,180,286	2,700,160	(480,126)
 Excess (deficiency) of revenues over expenditures	 160,260	 160,260	 248,962	 88,702
 Other financing sources (uses):				
Transfers out	-	-	(441,939)	(441,939)
Proceeds from bond refunding	-	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)		-	(441,939)	(441,939)
 Net change in fund balance	 \$ 160,260	 160,260	 (192,977)	 \$ (353,237)
 Fund balance at beginning of year			865,907	
 Fund balance at end of year			\$ 672,930	

City of Weslaco, Texas
Series 2019 Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 29,849	\$ 23,042
Investments	115,807	25,149
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	12,183	13,176
Total assets	\$ 157,839	\$ 61,367
Liabilities		
Due to to other funds	\$ 3,921	\$ 1,873
Total liabilities	3,921	1,873
Deferred inflows of resources		
Unavailable revenue- ad valorem taxes	6,070	7,879
Total deferred inflows of resources	6,070	7,879
Fund balance		
Restricted	147,848	51,615
Total liabilities, deferred inflows of resources and fund balances	\$ 157,839	\$ 61,367

City of Weslaco, Texas
Series 2019 Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Property taxes	\$ 652,432	\$ 605,422
Total revenues	652,432	605,422
Expenditures		
Debt service:		
Principal	200,000	190,000
Interest and fees	356,199	365,950
Total expenditures	556,199	555,950
Net change in fund balance	96,233	49,472
Fund balances at beginning of year	51,615	2,143
Fund balances at end of year	\$ 147,848	\$ 51,615

City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual-
Series 2019 Debt Service Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Property taxes	\$ 614,253	\$ 614,253	\$ 652,432	\$ 38,179
Total revenues	614,253	614,253	652,432	38,179
Expenditures				
Debt service:				
Principal	200,000	200,000	200,000	-
Interest and fees	356,200	356,200	356,199	1
Total expenditures	556,200	556,200	556,199	(1)
Net change in fund balance	\$ 58,053	\$ 58,053	96,233	\$ 38,180
Fund balance at beginning of year			51,615	
Fund balance at end of year			\$ 147,848	

City of Weslaco, Texas
Series 2021 Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ -	\$ -
Investments	1,078	-
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	10,990	-
Due from other funds	1,403	-
Total assets	\$ 13,471	\$ -
Liabilities		
Due to to other funds	\$ -	\$ -
Total liabilities	-	-
Deferred inflows of resources		
Unavailable revenue- ad valorem taxes	8,755	-
Total deferred inflows of resources	8,755	-
Fund balance		
Restricted	4,716	-
Total Fund Balances	4,716	-
Total liabilities, deferred inflows of resources and fund balances	\$ 13,471	\$ -

City of Weslaco, Texas
Series 2021 Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues		
Property taxes	\$ 532,449	\$ -
Total revenues	532,449	-
Expenditures		
Debt service:		
Interest and fees	527,733	-
Total expenditures	527,733	-
Excess (deficiency) of revenues over expenditures	4,716	-
Other financing sources (uses):		
Transfers in	-	-
Net change in fund balance	4,716	-
Fund balances at beginning of year	-	-
Fund balances at end of year	\$ 4,716	\$ -

City of Weslaco, Texas
Series 2021A Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ -	\$ -
Total assets	\$ -	\$ -
Liabilities		
Due to to other funds	\$ -	\$ -
Total liabilities	-	-
Fund balance		
Restricted	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ -

City of Weslaco, Texas
Series 2021A Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues	\$ -	\$ -
Expenditures		
Debt service:		
Principal	110,000	-
Interest and fees	126	-
Total expenditures	110,126	-
Excess (deficiency) of revenues over expenditures	(110,126)	-
Other financing sources (uses):		
Transfers in	110,126	-
Net change in fund balance	-	-
Fund balances at beginning of year	-	-
Fund balances at end of year	\$ -	\$ -

City of Weslaco, Texas
Series 2021B Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 3,021	\$ 7,049
Investments	11,721	7,693
Total assets	\$ 14,742	\$ 14,742
Liabilities		
Due to to other funds	\$ -	\$ -
Total liabilities	-	-
Fund balance		
Restricted	14,742	14,742
Total liabilities, deferred inflows of resources and fund balances	\$ 14,742	\$ 14,742

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City of Weslaco, Texas
Series 2021B Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Revenues	\$ -	\$ -
Expenditures		
Debt service:		
Interest and fees	331,813	-
Total expenditures	331,813	-
Excess (deficiency) of revenues over expenditures	(331,813)	-
Other financing sources (uses):		
Transfers in	331,813	14,742
Net change in fund balance	-	14,742
Fund balances at beginning of year	14,742	-
Fund balances at end of year	\$ 14,742	\$ 14,742

City of Weslaco, Texas
Enterprise Funds
Water and Wastewater Fund
Comparative Statements of Net Position

<i>September 30,</i>	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 1,080,189	\$ 754,049
Cash and cash equivalents- restricted	323,949	753,630
Investments- restricted	2,187,452	1,292,229
Receivables, net of allowances for uncollectibles	2,081,826	2,035,593
Inventories	262,823	268,896
Total current assets	5,936,239	5,104,397
Non-current assets		
Land	665,175	665,175
Buildings	362,324	362,324
Equipment	14,260,005	13,290,689
Infrastructure	118,440,188	116,168,877
Right-to-use lease assets	3,718	-
Construction-in-progress	698,052	459,981
Total non-current assets	134,429,462	130,947,046
Accumulated depreciation and amortization	(51,433,341)	(47,263,642)
Total non-current assets, net	82,996,121	83,683,404
Total assets	88,932,360	88,787,801
Deferred outflows of resources		
Deferred outflows related to pensions	78,096	77,771
Deferred outflows related to OPEB	13,289	15,237
Deferred charge on refunding	1,789,486	1,997,310
Total deferred outflows of resources	1,880,871	2,090,318
Total assets and deferred outflows of resources	\$ 90,813,231	\$ 90,878,119

City of Weslaco, Texas
Enterprise Funds
Water and Wastewater Fund
Comparative Statements of Net Position- Continued

<i>September 30,</i>	2022	2021
Liabilities		
Current liabilities:		
Accounts payable	\$ 875,889	\$ 1,147,072
Accrued salaries and other liabilities	183,270	143,495
Due to other funds	2,000,000	2,000,000
Current portion of long term debt	3,688,143	3,529,348
Accrued interest on bonds	199,740	211,146
Total current liabilities	6,947,042	7,031,061
Noncurrent liabilities:		
Compensated absences	86,761	85,386
Customer deposits	1,483,667	1,374,760
Financing arrangement	4,818,358	5,264,315
Lease liabilities	773	-
Revenue bonds payable, net of unamortized premiums	37,110,729	41,001,423
Net pension liability	543,286	690,387
OPEB liability	68,872	64,829
Total noncurrent liabilities	44,112,446	48,481,100
Total liabilities	51,059,488	55,512,161
Deferred inflows of resources		
Deferred inflows related to pensions	212,378	110,390
Deferred inflows related to OPEB	3,496	3,914
Total deferred inflows of resources	215,874	114,304
Net Position		
Net investment in capital assets	39,668,305	36,941,090
Restricted for:		
Revenue bond retirement	1,003,975	999,512
Unrestricted	(1,134,411)	(2,688,948)
Total net position	39,537,869	35,251,654
Total liabilities, deferred inflows of resources, and net position	\$ 90,813,231	\$ 90,878,119

City of Weslaco, Texas
Enterprise Funds
Water and Wastewater Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Operating revenues:		
Water services	\$ 8,115,392	\$ 7,567,573
Sewer services	5,702,108	5,463,388
Miscellaneous	78,969	57,238
Total operating revenues	13,896,469	13,088,199
Operating expenses:		
Personal services	824,569	815,468
Other services and charges	2,329,635	2,229,124
Supplies	211,469	177,035
Contractual services	2,709,342	2,859,902
Depreciation and amortization	4,197,283	4,094,113
Total operating expenses	10,272,298	10,175,642
Operating income	3,624,171	2,912,557
Non-operating revenues (expenses)		
Investment income	6,351	616
Interest and fees expense	(1,334,718)	(1,519,160)
Total non-operating revenues (expenses)	(1,328,367)	(1,518,544)
Income (loss) before transfers and capital contributions	2,295,804	1,394,013
Transfers in (out) and capital contributions		
Transfers in	6,737,009	5,683,422
Transfers out	(6,095,229)	(7,048,984)
Capital improvement fees	786,914	707,367
Capital grants	561,717	5,442
Total transfers and capital contributions	1,990,411	(652,753)
Change in net position	4,286,215	741,260
Net position- beginning	35,251,654	34,510,394
Net position- ending	\$ 39,537,869	\$ 35,251,654

City of Weslaco, Texas
Enterprise Funds Water and Wastewater Fund
Comparative Statements Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Cash flows from operating activities		
Cash received from customers	\$ 13,959,143	\$ 13,437,958
Payments to suppliers	(5,515,556)	(5,061,798)
Payments to employees	(615,460)	(1,041,423)
Internal activity-payments from/to other funds	-	(259,258)
Net cash provided by operating activities	7,828,127	7,075,479
Cash flows from noncapital financing activities		
Transfers from other funds	6,737,009	5,683,422
Transfers to other funds	(6,095,229)	(7,048,984)
Net cash used in noncapital financing activities	641,780	(1,365,562)
Cash flows from capital and related financing activities		
Purchase of capital assets	(2,948,283)	(930,601)
Refunding bonds issued	-	9,685,000
Payment to refunded bond escrow agent	-	(8,770,000)
Interest paid on debt	(2,006,818)	(2,603,857)
Principal paid on debt	(3,516,389)	(3,646,890)
Capital improvement fees	786,914	707,367
Net cash used in capital and related financing activities	(7,684,576)	(5,558,981)
Cash flow from investing activities:		
Interest on cash and investments	6,351	616
Purchase of investments	(895,223)	(729,548)
Net cash provided by (used) in investing activities	(888,872)	(728,932)
Net (decrease) in cash and cash equivalents	(103,541)	(577,996)
Cash and cash equivalents, beginning of year	1,507,679	2,085,675
Cash and cash equivalents, end of year	\$ 1,404,138	\$ 1,507,679
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 3,624,171	\$ 2,912,557
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	4,197,283	4,094,113
(Increase) decrease in accounts receivables	(46,233)	249,449
(Increase) decrease in inventories	6,073	(14,366)
(Increase) decrease in prepaid items	-	18,996
(Increase) decrease in deferred outflows	209,447	(218,791)
Decrease (increase) in accounts payable	(271,183)	199,633
Decrease (increase) in accrued salaries and other liabilities	39,775	(9,920)
Decrease (increase) in due to other funds	-	(259,258)
Decrease (increase) in customer deposits	108,907	100,310
Decrease (increase) in compensated absences	1,375	6,579
Decrease (increase) in net pension liability	(147,101)	(19,068)
Decrease (increase) in OPEB liability	4,043	10,324
Decrease (increase) in deferred inflows	101,570	4,921
Total adjustments	4,203,956	4,162,922
Net cash provided by operations	\$ 7,828,127	\$ 7,075,479
<i>Supplemental disclosure of noncash activities</i>		
Contributed capital assets from Urban County	\$ 561,717	\$ 5,442
Initiation of capital lease	-	-

City of Weslaco, Texas
Enterprise Funds
Schedule of Revenues, Expenses, and
Changes in Net Position- Budget and Actual-
Water and Wastewater Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Operating revenues:				
Water services	\$ 8,158,800	\$ 8,348,800	\$ 8,115,392	\$ (233,408)
Sewer services	5,323,000	5,543,000	5,702,108	159,108
Miscellaneous	72,988	80,988	78,969	(2,019)
Total operating revenues	13,554,788	13,972,788	13,896,469	(76,319)
Operating expenses:				
Water treatment				
Personnel services	-	-	(33,221)	33,221
Other services and charges	248,500	248,710	842,434	(593,724)
Contractual services	1,071,200	1,176,568	1,090,680	85,888
Supplies	405,000	644,375	9,084	635,291
Depreciation	-	-	104,349	(104,349)
Total water treatment	1,724,700	2,069,653	2,013,326	56,327
Water distribution				
Personnel services	416,692	416,934	381,032	35,902
Other services and charges	378,250	278,250	323,668	(45,418)
Supplies	29,750	37,275	74,079	(36,804)
Depreciation	-	-	1,282,541	(1,282,541)
Total water distribution	824,692	732,459	2,061,320	(1,328,861)
Water meter division				
Personnel services	113,401	109,280	107,021	2,259
Other services and charges	18,765	18,765	36,121	(17,356)
Supplies	7,500	16,481	22,236	(5,755)
Depreciation	-	-	370,940	(370,940)
Total water meter division	139,666	144,526	536,318	(391,792)
Utility billing				
Personnel services	186,659	186,680	176,693	9,987
Other services and charges	204,385	268,189	289,593	(21,404)
Supplies	8,570	13,590	11,949	1,641
Total utility billing	399,614	468,459	478,235	(9,776)
Waste water treatment				
Other services and charges	423,250	423,250	353,085	70,165
Contractual services	952,750	976,493	806,081	170,412
Supplies	9,000	14,000	13,551	449
Depreciation	-	-	1,060,756	(1,060,756)
Total waste water treatment	1,385,000	1,413,743	2,233,473	(819,730)
Waste water collection				
Personnel services	187,339	211,008	193,044	17,964
Other services and charges	476,550	529,550	484,734	44,816
Contractual services	960,921	909,664	812,581	97,083
Supplies	83,900	83,900	80,570	3,330
Depreciation	-	-	1,378,697	(1,378,697)
Total waste water collection	1,708,710	1,734,122	2,949,626	(1,215,504)
Total operating expenses	6,182,382	6,562,962	10,272,298	(3,709,336)
Operating income	7,372,406	7,409,826	3,624,171	(3,785,655)

City of Weslaco, Texas
Enterprise Funds
Schedule of Revenues, Expenses, and
Changes in Net Position- Budget and Actual-
Water and Wastewater Fund (Continued)

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Non-operating revenues (expenses)				
Investment income	1,000	1,000	6,351	5,351
Interest expense	(152,175)	(152,175)	(1,334,718)	1,182,543
Total non-operating revenues (expenses)	(151,175)	(151,175)	(1,328,367)	1,187,894
Income before transfers and capital contributions	7,221,231	7,258,651	2,295,804	(2,597,761)
Transfers in (out) and capital contributions				
Transfers in	5,245,167	5,244,667	6,737,009	1,492,342
Transfers (out)	(3,442,517)	(3,442,517)	(6,095,229)	(2,652,712)
Capital improvement fees	665,000	745,000	786,914	(41,914)
Capital grants	-	-	561,717	(561,717)
Total transfers and capital contributions	2,467,650	2,547,150	1,990,411	(556,739)
Change in net position	<u>\$ 9,688,881</u>	<u>\$ 9,805,801</u>	4,286,215	<u>\$ (3,154,500)</u>
Net position- beginning			35,251,654	
Net position- ending			<u>\$ 39,537,869</u>	

City of Weslaco, Texas
Enterprise Funds Solid Waste Fund
Comparative Statements of Net Position

<i>September 30,</i>	2022	2021
Assets		
Current assets		
Cash and cash equivalents- restricted	\$ -	\$ 488,269
Receivables, net of allowances for uncollectibles	819,813	776,558
Due from other funds	2,000,000	2,000,000
Total current assets	2,819,813	3,264,827
Non-current assets		
Land	421,247	421,247
Buildings	668,781	668,781
Equipment	8,071,090	2,753,446
Infrastructure	64,461	64,461
Construction-in-progress	120,221	55,795
Total non-current assets	9,345,800	3,963,730
Accumulated depreciation	(3,175,169)	(2,451,741)
Total non-current assets, net	6,170,631	1,511,989
Total assets	8,990,444	4,776,816
Deferred outflows of resources		
Deferred outflows related to pensions	1,887	1,871
Deferred outflows related to OPEB	636	733
Total deferred outflows of resources	2,523	2,604
Total assets and deferred outflows of resources	\$ 8,992,967	\$ 4,779,420
Liabilities		
Current liabilities:		
Accounts payable	\$ 137,837	\$ 405,827
Accrued salaries and other liabilities	95,646	61,315
Due to other funds	951,138	1,571,619
Current portion of long term debt	795,225	228,831
Total current liabilities	1,979,846	2,267,592
Noncurrent liabilities:		
Compensated absences	49,782	26,887
Financine arrangement	4,670,872	830,423
Landfill closure	313,688	336,424
Net pension liability	8,321	15,676
OPEB liability	3,117	2,915
Total noncurrent liabilities	5,045,780	1,212,325
Total liabilities	7,025,626	3,479,917
Deferred inflows of resources		
Deferred inflows related to pensions	8,877	3,778
Deferred inflows related to OPEB	175	196
Total deferred inflows of resources	9,052	3,974
Net position		
Net investment in capital assets	709,915	455,606
Unrestricted	1,248,374	839,923
Total net position	1,958,289	1,295,529
Total liabilities, deferred inflows of resources, and net position	\$ 8,992,967	\$ 4,779,420

City of Weslaco, Texas
Enterprise Funds
Solid Waste Fund

**Comparative Statements of Revenues, Expenses
and Changes in Net Position**

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Operating Revenues:		
Charges for services	\$ 6,048,936	\$ 5,588,971
Miscellaneous	-	23,996
Total operating revenues	6,048,936	5,612,967
Operating Expenses:		
Personal services	1,088,013	338,544
Other services and charges	1,157,010	483,704
Supplies	379,345	54,908
Contractual services	1,166,204	3,833,263
Depreciation	723,428	98,723
Total operating expenses	4,514,000	4,809,142
Operating income (loss)	1,534,936	803,825
Non-operating revenues (expenses)		
Interest expense	(22,176)	(14,349)
Income (loss) before transfers	1,512,760	789,476
Transfers in (out)		
Transfers out	(850,000)	(1,125,000)
Change in net position	662,760	(335,524)
Net position- beginning	1,295,529	1,631,053
Net position- ending	\$ 1,958,289	\$ 1,295,529

City of Weslaco, Texas
Enterprise Funds Solid Waste Fund
Comparative Statements of Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Cash flows from operating activities		
Cash received from customers	\$ 6,005,681	\$ 5,656,959
Payments to suppliers	(2,970,468)	(4,308,496)
Payments to employees	(1,032,862)	(318,340)
Internal activity-payments from/to other funds	(620,481)	680,910
Net cash provided by operating activities	1,381,870	1,711,033
Cash flows from noncapital financing activities		
Transfers to other funds	(850,000)	(1,125,000)
Net cash used in noncapital financing activities	(850,000)	(1,125,000)
Cash flows from capital and related financing activities		
Purchase of capital assets	(5,382,070)	(533,661)
Capital lease proceeds	4,630,294	594,698
Interest paid on debt	(22,176)	(14,349)
Principal paid on debt	(223,451)	(108,500)
Landfill closure costs	(22,736)	(35,952)
Net cash provided by (used in) capital and related financing activities	(1,020,139)	(97,764)
 Net increase in cash and cash equivalents	 (488,269)	 488,269
Cash and cash equivalents, beginning of year	488,269	-
Cash and cash equivalents, end of year	\$ -	\$ 488,269
 Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,534,936	\$ 803,825
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	723,428	98,723
(Increase) decrease in accounts receivables	(43,255)	43,992
(Increase) decrease in deferred outflows	81	24
Increase (decrease) in accounts payable	(267,990)	63,355
Increase (decrease) in accrued expenses and other liabilities	34,331	12,093
Increase (decrease) in due to other funds	(620,481)	680,910
Increase (decrease) in compensated absences	22,895	8,302
Increase (decrease) in net pension liability	(7,355)	(953)
Increase (decrease) in OPEB liability	202	516
Increase (decrease) in deferred inflows related to pensions	5,099	227
Increase (decrease) in deferred inflows related to OPEB	(21)	19
Total adjustments	(153,066)	907,208
Net cash provided by operations	\$ 1,381,870	\$ 1,711,033

City of Weslaco, Texas
Enterprise Funds Schedule of Revenues, Expenses and
Changes in Net Position- Budget and Actual-
Solid Waste Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Operating revenues:				
Garbage fees	\$ 4,565,717	\$ 4,454,358	\$ 4,591,701	\$ 137,343
Brush fees	1,332,500	1,300,000	1,352,034	52,034
Recycling services	5,000	15,000	16,460	1,460
Miscellaneous	85,000	88,000	88,741	741
Total operating revenues	5,988,217	5,857,358	6,048,936	191,578
Operating expenses:				
Solid waste collection				
Personnel services	780,209	780,209	718,978	61,231
Other services and charges	847,396	847,396	924,969	(77,573)
Contractual services	791,791	1,031,791	1,166,204	(134,413)
Supplies	470,000	470,000	258,635	211,365
Depreciation	-	-	613,897	(613,897)
Total solid waste collection	2,889,396	3,129,396	3,682,683	(553,287)
Recycling				
Personnel services	109,463	109,463	102,457	7,006
Other services and charges	3,800	3,800	6,137	(2,337)
Supplies	20,500	20,500	42,910	(22,410)
Depreciation	-	-	28,418	(28,418)
Total recycling	133,763	133,763	179,922	(46,159)
Landfill				
Other services and charges	48,000	48,000	23,783	24,217
Total landfill	48,000	48,000	23,783	24,217
Brush collection				
Personnel services	315,750	315,750	266,578	49,172
Other services and charges	256,679	246,179	202,121	44,058
Supplies	77,350	77,850	77,800	50
Depreciation	-	-	81,113	(81,113)
Total brush collection	649,779	639,779	627,612	12,167
Total operating expenses	3,720,938	3,950,938	4,514,000	(563,062)
Operating income	2,267,279	1,906,420	1,534,936	(371,484)
Non-operating revenues (expenses)				
Interest expense	106,926	106,926	(22,176)	(129,102)
Total non-operating revenues (expenses)	106,926	106,926	(22,176)	(129,102)
Income (loss) before transfers and captial contributions	2,374,205	2,013,346	1,512,760	(500,586)
	-	-	-	-
Transfers in (out)				
Transfers out	(850,000)	(850,000)	(850,000)	-
Total transfers	(850,000)	(850,000)	(850,000)	-
Change in net position	\$ 1,524,205	\$ 1,163,346	662,760	\$ (500,586)
Net position- beginning			1,295,529	
Net position- ending			\$ 1,958,289	

City of Weslaco, Texas
Enterprise Funds
Airport Fund
Comparative Statements of Net Position

<i>September 30,</i>	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 119,196	\$ 100
Cash and cash equivalents- restricted	-	13,590
Receivables, net of allowances for uncollectibles	161,619	1,027,286
Leases receivable	17,252	-
Inventories	65,519	48,403
Total current assets	363,586	1,089,379
Non-current assets		
Leases receivable	270,471	-
Land	3,536,462	3,536,462
Buildings	648,541	648,541
Equipment	1,048,218	944,658
Infrastructure	13,763,967	13,763,967
Right-to-use lease assets	2,884	
Construction-in-progress	1,877,643	819,513
Total non-current assets	21,148,186	19,713,141
Accumulated depreciation and amortization	(6,580,440)	(6,051,660)
Total non-current assets, net	14,567,746	13,661,481
Total assets	14,931,332	14,750,860
Deferred outflows of resources		
Deferred outflows related to pensions	13,125	13,033
Deferred outflows related to OPEB	3,673	4,225
Total deferred outflows of resources	16,798	17,258
 Total assets and deferred outflows of resources	 \$ 14,948,130	 \$ 14,768,118
Liabilities		
Current liabilities:		
Accounts payable	\$ 261,443	\$ 337,419
Accrued salaries and other liabilities	27,376	24,129
Due to other funds	1,995,469	1,778,662
Current portion of long term debt	58,330	58,082
Total current liabilities	2,342,618	2,198,292
Noncurrent liabilities:		
Compensated absences	31,302	40,250
Notes payable	1,289,515	1,343,280
Lease liability	600	-
Customer deposits	4,594	3,594
Net pension liability	66,155	107,834
OPEB liability	18,459	17,314
Total noncurrent liabilities	1,410,625	1,512,272
Total liabilities	3,753,243	3,710,564
Deferred inflows of resources		
Deferred inflows related to leases	287,163	-
Deferred inflows related to pensions	52,796	23,899
Deferred inflows related to OPEB	991	1,109
Total deferred inflows of resources	340,950	25,008
Net Position		
Net investment of capital assets	13,054,188	12,264,436
Restricted for:		
Construction	-	13,590
Unrestricted	(2,200,251)	(1,245,480)
Total net position	10,853,937	11,032,546
Total liabilities, deferred inflows of resources, and net position	 \$ 14,948,130	 \$ 14,768,118

City of Weslaco, Texas
Enterprise Funds
Airport Fund

**Comparative Statements of Revenues, Expenses
and Changes in Net Position**

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Operating revenues:		
Charges for services	\$ 927,005	\$ 451,544
Lease revenue	17,640	-
Miscellaneous	2,179	35,491
Total operating revenues	946,824	487,035
Operating expenses:		
Personal services	306,157	267,196
Other services and charges	155,362	184,798
Supplies	781,247	355,396
Depreciation	528,781	400,272
Total operating expenses	1,771,547	1,207,662
Operating income (loss)	(824,723)	(720,627)
Non-operating revenues (expenses)		
Interest revenue	1,214	-
Interest expense	(41,200)	(42,718)
Income (loss) before transfers and capital contributions	(864,709)	(763,345)
Transfers in (out) and capital grants		
Capital grants	436,100	1,198,375
Transfers in	250,000	380,000
Total transfers and capital contributions	686,100	1,578,375
Change in net position	(178,609)	815,030
Net position- beginning	11,032,546	10,217,516
Net position- ending	\$ 10,853,937	\$ 11,032,546

City of Weslaco, Texas
Enterprise Funds
Airport Fund
Comparative Statements of Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Cash flows from operating activities		
Cash received from customers	\$ 1,218,949	\$ 487,035
Payments to suppliers	(1,029,701)	(251,322)
Payments to employees	(324,070)	(269,109)
Internal activity-payments from/to other funds	216,807	1,171,207
Net cash provided by (used in) operating activities	81,985	1,137,811
Cash flows from noncapital financing activities		
Transfers from other funds	250,000	380,000
Net cash provided by noncapital financing activities	250,000	380,000
Cash flows from capital and related financing activities		
Purchase of capital assets	(1,435,046)	(1,755,224)
Notes payable proceeds received	-	-
Capital grants	1,301,767	306,420
Principal paid on debt	(52,000)	(53,765)
Interest paid on debt	(41,200)	(42,718)
Net cash provided by (used) in capital and related financing activities	(226,479)	(1,545,287)
Net increase (decrease) in cash and cash equivalents	105,506	(27,476)
Cash and cash equivalents, beginning of year	13,690	41,166
Cash and cash equivalents, end of year	\$ 119,196	\$ 13,690
Reconciliation of operating loss to net cash used in operating activities		
Operating (loss)	\$ (824,723)	\$ (720,627)
Adjustments to reconcile (loss)		
from operations to net cash from operating activities		
Other nonoperating income	1,214	-
Depreciation	528,781	400,272
(Increase) decrease in accounts receivables	(17,252)	-
(Increase) decrease in inventories	(17,116)	(9,830)
(Increase) decrease in deferred outflows	460	134
Increase (decrease) in accounts payable	(75,976)	298,702
Increase (decrease) in accrued salaries and other liabilities	3,247	(8,639)
Increase (decrease) in due to other funds	216,807	1,171,207
Increase (decrease) in customer deposits	1,000	-
Increase (decrease) in compensated absences	(9,865)	7,675
Increase (decrease) in net pension liability	(41,679)	(5,402)
Increase (decrease) in OPEB liability	1,145	2,925
Increase (decrease) in deferred inflows related to leases	287,163	-
Increase (decrease) in deferred inflows related to pensions	28,897	1,285
Increase (decrease) in deferred inflows related to OPEB	(118)	109
Total adjustments	906,708	1,858,438
Net cash provided by (used in) operations	\$ 81,985	\$ 1,137,811

City of Weslaco, Texas
Enterprise Funds
Schedule of Revenues, Expenses and
Changes in Net Position- Budget and Actual-
Airport Fund

For the Fiscal Year Ended September 30, 2022

	Budget			Variance
	Original	Final	Actual	With Final Budget
Operating revenues:				
Fuel sales	\$ 320,350	\$ 785,768	\$ 821,293	\$ 35,525
Hangar rentals	123,300	229,196	122,783	(106,413)
Miscellaneous	1,500	3,041	2,748	(293)
Total operating revenues	445,150	1,018,005	946,824	(71,181)
Operating expenses:				
Airport operations				
Personnel services	270,179	341,496	306,157	35,339
Other charges and services	91,350	140,670	114,979	25,691
Supplies	275,150	766,728	781,247	(14,519)
Depreciation	-	-	528,781	(528,781)
Total airport operations	636,679	1,248,894	1,731,164	(482,270)
Airport grant programs				
Other charges and services	100,000	107,200	40,383	66,817
Total airport grant programs	100,000	107,200	40,383	66,817
Total operating expenses	736,679	1,356,094	1,771,547	(415,453)
Operating (loss)	(291,529)	(338,089)	(824,723)	(486,634)
Non-operating revenues (expenses)				
Investment income	-	-	1,214	(1,214)
Interest expense	(94,870)	(94,870)	(41,200)	53,670
Total non-operating revenues (expenses)	(94,870)	(94,870)	(39,986)	54,884
Income (loss) before transfers and captial contributions	(386,399)	(432,959)	(864,709)	(431,750)
Transfers in (out) and capital grants				
Transfers in	250,000	250,000	250,000	-
Capital grants	50,000	50,000	436,100	386,100
Total transfers and capital contributions	300,000	300,000	686,100	386,100
Change in net position	\$ (86,399)	\$ (132,959)	(178,609)	\$ (45,650)
Net position- beginning			11,032,546	
Net position- ending			\$ 10,853,937	

City of Weslaco, Texas
Internal Service Fund
Equipment Replacement Fund
Comparative Statements of Net Position

<i>September 30,</i>	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ -
Total current assets	-	-
Non-current assets		
Equipment	4,997,658	4,997,658
Improvements	70,864	70,864
Total non-current assets	5,068,522	5,068,522
Accumulated depreciation	(5,068,522)	(5,068,522)
Total non-current assets, net	-	-
Total assets	\$ -	\$ -
Liabilities		
Current liabilities:		
Due to other funds	\$ 250,269	\$ 250,269
Total liabilities	250,269	250,269
Net Position		
Net investment in capital assets	-	-
Unrestricted (deficit)	(250,269)	(250,269)
Total net position	(250,269)	(250,269)
Total liabilities and net position	\$ -	\$ -

City of Weslaco, Texas
Internal Service Fund-
Equipment Replacement Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Operating Revenues		
Miscellaneous	\$ -	\$ -
Total operating revenues	-	-
Operating Expenses:		
Depreciation	-	10,532
Total operating expenses	-	10,532
Operating (loss)	-	(10,532)
Non-operating revenues (expenses)		
Interest expense	-	-
(loss) before transfers	-	(10,532)
Transfers in (out)		
Transfers in	-	-
Change in net position	-	(10,532)
Net position- beginning	(250,269)	(239,737)
Net position- ending	\$ (250,269)	\$ (250,269)

City of Weslaco, Texas
Internal Service Fund-
Equipment Replacement Fund
Comparative Statements of Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Cash flows from operating activities		
Cash received from customers	\$ -	\$ -
Net cash provided by operating activities	-	-
Cash flows from noncapital financing activities		
Transfers from other funds	-	-
Net cash provided by noncapital financing activities	-	-
Cash flows from capital and related financing activities		
Retirement of capital leases	-	-
Interest paid on notes	-	-
Net cash used in capital and related financing activities	-	-
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
Reconciliation of operating loss to net cash provided by operating activities		
Operating (loss)	\$ -	\$ (10,532)
Adjustments to reconcile (loss) from operations to net cash from operating activities		
Depreciation	-	10,532
Increase (decrease) in due to other funds	-	-
Total adjustments	-	10,532
Net cash provided by operations	\$ -	\$ -

City of Weslaco, Texas
Fiduciary Funds
Firemen's Relief and Retirement
Pension Trust Fund
Comparative Statements of Fiduciary Net Position

<i>September 30,</i>	2022	2021
Assets		
Cash	\$ 6,477	\$ 8,296
Investments, at fair value:		
Equities	10,673,510	12,302,653
Mutual funds	3,423,518	3,167,419
Money market mutual funds	461,691	476,212
Total assets	\$ 14,565,196	\$ 15,954,580
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Net position		
Net position restricted for pensions	14,565,196	15,954,580
Total net position	14,565,196	15,954,580
Total liabilities and net position	\$ 14,565,196	\$ 15,954,580

City of Weslaco, Texas
Fiduciary Funds
Firemen's Relief and Retirement
Pension Trust Fund

Comparative Statements of Changes in Fiduciary Net Position

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Additions		
Contributions		
Employer contributions	\$ 683,821	\$ 614,778
Plan member contributions	683,821	614,778
Total contributions	1,367,642	1,229,556
Investment income		
Net depreciation in fair value of investments	(2,224,686)	2,592,870
Interest and dividends	401,335	322,495
Other income	61	4,355
Total investment income/(loss)	(1,823,290)	2,919,720
Less investment expense	(87,081)	(62,281)
Net investment income/(loss)	(1,910,371)	2,857,439
Total additions/(reductions)	(542,729)	4,086,995
Deductions		
Benefits paid	774,643	668,099
Refunds of contributions	40,132	257,309
Administrative expenses	31,880	39,364
Total deductions	846,655	964,772
Net change in fiduciary net position	(1,389,384)	3,122,223
Net position, beginning of year	15,954,580	12,832,357
Net position, end of year	\$ 14,565,196	\$ 15,954,580

City of Weslaco, Texas
Fiduciary Funds
Marion Booth Endowment Fund
Private Purpose Trust Fund
Comparative Statements of Fiduciary Net Position

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 283,914	\$ 280,672
Investments	240,421	241,048
Total assets	\$ 524,335	\$ 521,720
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Net position		
Net position restricted for other purposes	524,335	521,720
Total net position	524,335	521,720
Total liabilities and net position	\$ 524,335	\$ 521,720

City of Weslaco, Texas
Fiduciary Funds
Marion Booth Endowment Fund
Private Purpose Trust Fund

Comparative Statements of Changes in Fiduciary Net Position

<i>For the Fiscal Years Ended September 30,</i>	2022	2021
Additions		
Interest income	\$ 2,615	\$ 11,396
Total additions	2,615	11,396
Deductions		
Administrative expenses	-	-
Total deductions	-	-
Net change in fiduciary net position	2,615	11,396
Net Position, beginning of year	521,720	510,324
Net position, end of year	\$ 524,335	\$ 521,720

City of Weslaco, Texas
Component Unit
Economic Development Corporation of Weslaco
Comparative Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 7,212,854	\$ 5,279,131
Accounts receivable, net	6,641	3,500
Due from City of Weslaco	362,340	321,024
Assets held for resale	5,817,232	5,446,826
Long-term note receivables	2,649,996	4,764,862
Total Assets	\$ 16,049,063	\$ 15,815,343
Liabilities		
Accounts payable	\$ 128,678	\$ 725,001
Accrued salaries and payroll taxes	-	1,174
Total Liabilities	128,678	726,175
Deferred Inflows of Resources		
Unavailable revenue- non-current receivables	2,649,996	4,764,862
Total deferred inflows of resources	2,649,996	4,764,862
Fund Balances		
Restricted for:		
Debt service	320,000	320,000
Unassigned	12,950,389	10,004,306
Total Fund Balances	13,270,389	10,324,306
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,049,063	\$ 15,815,343

City of Weslaco, Texas
Component Unit
Economic Development Corporation of Weslaco
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Year Ended September 30,</i>	2022	2021
Revenues		
Nonproperty taxes	\$ 4,529,726	\$ 4,097,508
Program income	394,002	664,943
Investment income	147,554	116,370
Miscellaneous	56,324	46,410
Total Revenues	5,127,606	4,925,231
Expenditures		
Development Services	1,523,580	2,504,241
Capital outlay	56,694	18,564
Debt service:		
Principal	437,432	280,000
Interest and fees	163,817	25,213
Total Expenditures	2,181,523	2,828,018
Excess (deficiency) of revenues over expenditures	2,946,083	2,097,213
Other financing sources (uses):		
Note proceeds	-	1,626,170
Capital Lease	(1,965,004)	-
Other Financing Sources: Capital Lease	1,965,004	-
Total other financing sources (uses)	-	1,626,170
Net change in fund balances	2,946,083	3,723,383
Fund balances at beginning of year	10,324,306	6,600,923
Fund balances at end of year	\$ 13,270,389	\$ 10,324,306

City of Weslaco, Texas
Component Unit
Economic Development Corporation of Weslaco
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position

September 30, 2022

Fund balances of component unit	\$	13,270,389
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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 the funds		4,352,576
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Long term note receivables are not available to pay for current period expenditures and therefore are not reported as available resources and deferred in the funds		2,649,996
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Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the component unit balance sheet.		(19,516)
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Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the component unit balance sheet.		(2,431,880)
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GASB 87, Leases Recognition		556,452
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Net position of governmental activities	\$	18,378,017
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City of Weslaco, Texas
Component Unit
Economic Development Corporation of Weslaco
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the
Statement of Activities

For the Fiscal Year Ended September 30, 2022

Net change in fund balances	\$ 2,946,083
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Amounts reported for governmental activities in the statement of activities are different because:

The component unit reports capital outlays as expenditures. However in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by of depreciation (\$160,856) exceeded capital outlay \$56,694 in the current period.	(104,162)
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	(2,114,866)
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The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in treatment of long-term debt and related items. Long term principal payments \$437,432 are less than capital lease proceeds (\$643,142).	(205,710)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the component unit. Interest expense in the statement of activities differs from the amount reported in governmental funds due to the change in accrued interest \$19,794 being calculated for bonds and notes payable.	19,794
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Other reconciling items related to GASB 87, Leases	556,452
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Change in net position of governmental activities:	\$ 1,097,591
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SUPPLEMENTAL STATEMENTS AND SCHEDULES



City of Weslaco, Texas
Schedule of Taxes Receivable – By Funds
At September 30, 2022

Tax Year	General Fund			I & S Fund	
	Total	%	Amount	%	Amount
2011 & Prior	\$ 388,705	Various	\$ 269,846	Various	\$ 118,859
2012	39,534	72.00%	28,463	28.00%	11,071
2013	43,845	72.90%	31,963	27.10%	11,882
2014	45,827	71.91%	32,953	28.09%	12,874
2015	52,734	82.16%	43,328	17.84%	9,406
2016	55,093	83.79%	46,160	16.21%	8,933
2017	66,483	77.19%	51,316	22.81%	15,167
2018	97,620	77.14%	75,305	22.86%	22,315
2019	124,273	73.33%	91,131	26.67%	33,142
2020	163,101	73.33%	119,604	26.67%	43,497
2021	350,232	72.71%	254,668	27.29%	95,564
	<u>1,427,447</u>		<u>1,044,737</u>		<u>382,710</u>
Less					
Allowances for uncollectible	(696,482)		(520,709)		(175,773)
Net Amount	<u>\$ 730,965</u>		<u>\$ 524,028</u>		<u>\$ 206,937</u>

City of Weslaco, Texas
Analysis of Tax Collections, Adjustments,
and Allocation to Funds
October 1, 2021 to September 30, 2022

TAX COLLECTIONS AND ADJUSTMENTS

Tax Year	Uncollected 10/1/21	Current Assessments & Correction	Collections	Adjustments	Uncollected 9/30/22
2011 & Prior	\$ 486,448	\$ -	\$ 47,106	\$ (50,637)	\$ 388,705
2012	44,593	-	4,723	(336)	39,534
2013	49,488	-	4,412	(1,231)	43,845
2014	51,900	-	5,726	(347)	45,827
2015	60,649	-	7,500	(415)	52,734
2016	64,837	-	9,292	(452)	55,093
2017	90,023	-	15,477	(8,062)	66,484
2018	140,305	-	39,213	(3,473)	97,619
2019	212,015	-	84,552	(3,190)	124,273
2020	330,842	-	151,984	(15,757)	163,101
2021	-	14,176,268	14,426,929	600,893	350,232
Total	\$ 1,531,100	\$ 14,176,268	\$ 14,796,914	\$ 516,993	\$ 1,427,447

ALLOCATION TO FUNDS

Tax Year	Collections	General Fund		I & S Fund	
		%	\$	%	\$
2011 & Prior	\$ 47,106	Various	\$ 33,151	Various	\$ 13,955
2012	4,723	72.00%	3,401	28.00%	1,322
2013	4,412	72.90%	3,216	27.10%	1,196
2014	5,726	71.91%	4,118	28.09%	1,608
2015	7,500	82.16%	6,162	17.84%	1,338
2016	9,292	83.79%	7,786	16.21%	1,506
2017	15,477	77.19%	11,947	22.81%	3,530
2018	39,213	77.14%	30,249	22.86%	8,964
2019	84,552	73.33%	62,002	26.67%	22,550
2020	151,984	73.33%	111,450	26.67%	40,534
2021	14,426,929	72.71%	10,489,820	27.29%	3,937,109
Total	\$ 14,796,914		\$ 10,763,302		\$ 4,033,612



BONDED DEBT REQUIREMENTS



City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2012

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payments		Principal Due		Outstanding 30-Sep
		15-Feb	15-Aug	15-Feb		
2022	2.250%	\$ -	\$ -	\$ -		\$ 1,470,000
2023	2.250%	24,550	-	1,470,000		-
Total		\$ 24,550	\$ -	\$ 1,470,000		

City of Weslaco, Texas
Tax and Revenue Certificates of Obligation, Series 2013

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2022	3.500%	\$ -	\$ -	\$ -	\$ 390,000
2023	3.500%	6,825	6,825	390,000	-
Total		\$ 6,825	\$ 6,825	\$ 390,000	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2016

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	5.00%	\$ -	\$ -	\$ -	\$ 2,305,000
2023	5.00%	54,975	46,725	330,000	1,975,000
2024	5.00%	46,725	35,350	455,000	1,520,000
2025	5.00%	35,350	23,350	480,000	1,040,000
2026	5.00%	23,350	10,600	510,000	530,000
2027	4.00%	10,600	-	530,000	-
Total		\$ 171,000	\$ 116,025	\$ 2,305,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2018

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2022	5.00%	\$ -	\$ -	\$ -	\$ 3,380,000
2023	5.00%	65,378	65,378	150,000	3,230,000
2024	5.00%	61,628	61,628	160,000	3,070,000
2025	5.00%	57,628	57,628	165,000	2,905,000
2026	5.00%	53,503	53,503	175,000	2,730,000
2027	5.00%	49,128	49,128	185,000	2,545,000
2028	4.00%	44,503	44,503	195,000	2,350,000
2029	4.00%	40,603	40,603	200,000	2,150,000
2030	3.00%	36,603	36,603	210,000	1,940,000
2031	3.25%	33,453	33,453	215,000	1,725,000
2032	3.25%	29,959	29,959	220,000	1,505,000
2033	3.38%	26,384	26,384	230,000	1,275,000
2034	3.38%	22,503	22,503	235,000	1,040,000
2035	3.50%	18,538	18,538	245,000	795,000
2036	3.50%	14,250	14,250	255,000	540,000
2037	3.63%	9,788	9,788	265,000	275,000
2038	3.63%	9,969	-	275,000	-
Total		\$ 573,818	\$ 563,849	\$ 3,380,000	

City of Weslaco, Texas
General Obligation Bonds, Series 2019

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2022	5.00%	\$ -	\$ -	\$ -	\$ 8,240,000
2023	5.00%	175,600	170,350	210,000	8,030,000
2024	5.00%	170,350	161,600	350,000	7,680,000
2025	5.00%	161,600	152,350	370,000	7,310,000
2026	5.00%	152,350	142,600	390,000	6,920,000
2027	5.00%	142,600	132,350	410,000	6,510,000
2028	5.00%	132,350	121,600	430,000	6,080,000
2029	4.00%	121,600	112,600	450,000	5,630,000
2030	4.00%	112,600	103,300	465,000	5,165,000
2031	4.00%	103,300	93,600	485,000	4,680,000
2032	4.00%	93,600	83,500	505,000	4,175,000
2033	4.00%	83,500	73,000	525,000	3,650,000
2034	4.00%	73,000	62,000	550,000	3,100,000
2035	4.00%	62,000	50,600	570,000	2,530,000
2036	4.00%	50,600	38,700	595,000	1,935,000
2037	4.00%	38,700	26,300	620,000	1,315,000
2038	4.00%	26,300	13,400	645,000	670,000
2039	4.00%	13,400	-	670,000	-
Total		\$ 1,713,450	\$ 1,537,850	\$ 8,240,000	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2020

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	0.00%	\$ -	\$ -	\$ -	\$ 5,240,000
2023	0.00%	175,600	170,350	-	5,240,000
2024	1.0%	170,350	161,600	490,000	4,750,000
2025	1.10%	161,600	152,350	500,000	4,250,000
2026	1.40%	152,350	142,600	500,000	3,750,000
2027	1.50%	142,600	132,350	510,000	3,240,000
2028	1.76%	132,350	121,600	515,000	2,725,000
2029	1.86%	121,600	112,600	525,000	2,200,000
2030	1.96%	112,600	103,300	535,000	1,665,000
2031	2.06%	103,300	93,600	545,000	1,120,000
2032	2.16%	93,600	83,500	555,000	565,000
2033	2.21%	83,500	73,000	565,000	-
Total		\$ 1,449,450	\$ 1,346,850	\$ 5,240,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2021

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	0.00%	\$ -	\$ -	\$ -	\$ 10,890,000
2023	5.00%	197,900	195,775	85,000	10,805,000
2024	5.00%	195,775	185,525	410,000	10,395,000
2025	5.00%	185,525	174,650	435,000	9,960,000
2026	5.00%	174,650	163,275	455,000	9,505,000
2027	5.00%	163,275	151,275	480,000	9,025,000
2028	5.00%	151,275	138,650	505,000	8,520,000
2029	5.00%	138,650	125,400	530,000	7,990,000
2030	5.00%	125,400	111,525	555,000	7,435,000
2031	3.00%	111,525	102,825	580,000	6,855,000
2032	3.00%	102,825	93,900	595,000	6,260,000
2033	3.00%	93,900	84,675	615,000	5,645,000
2034	3.00%	84,675	75,150	635,000	5,010,000
2035	3.00%	75,150	65,325	655,000	4,355,000
2036	3.00%	65,325	55,275	670,000	3,685,000
2037	3.00%	55,275	44,850	695,000	2,990,000
2038	3.00%	44,850	34,125	715,000	2,275,000
2039	3.00%	34,125	23,100	735,000	1,540,000
2040	3.00%	23,100	11,700	760,000	780,000
2041	3.00%	11,700	-	780,000	
Total		\$ 2,034,900	\$ 1,837,000	\$ 10,890,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2021A

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2022	0.000%	\$ -	\$ -	\$ -	\$ 3,221,000
2023	0.000%	-	-	110,000	3,111,000
2024	0.000%	-	-	110,000	3,001,000
2025	0.000%	-	-	110,000	2,891,000
2026	0.000%	-	-	110,000	2,781,000
2027	0.000%	-	-	110,000	2,671,000
2028	0.000%	-	-	110,000	2,561,000
2029	0.000%	-	-	110,000	2,451,000
2030	0.000%	-	-	110,000	2,341,000
2031	0.000%	-	-	110,000	2,231,000
2032	0.000%	-	-	110,000	2,121,000
2033	0.000%	-	-	110,000	2,011,000
2034	0.000%	-	-	110,000	1,901,000
2035	0.000%	-	-	110,000	1,791,000
2036	0.000%	-	-	110,000	1,681,000
2037	0.000%	-	-	110,000	1,571,000
2038	0.000%	-	-	110,000	1,461,000
2039	0.000%	-	-	110,000	1,351,000
2040	0.000%	-	-	110,000	1,241,000
2041	0.000%	-	-	110,000	1,131,000
2042	0.000%	-	-	110,000	1,021,000
2043	0.000%	-	-	110,000	911,000
2044	0.000%	-	-	110,000	801,000
2045	0.000%	-	-	110,000	691,000
2046	0.000%	-	-	115,000	576,000
2047	0.000%	-	-	115,000	461,000
2048	0.000%	-	-	115,000	346,000
2049	0.000%	-	-	115,000	231,000
2050	0.000%	-	-	115,000	116,000
2051	0.000%	-	-	116,000	-
Total		\$ -	\$ -	\$ 3,221,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2021B

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	0.000%	\$ -	\$ -	\$ -	\$ 8,795,000
2023	0.000%	165,850	165,850	-	8,795,000
2024	5.000%	165,850	158,725	285,000	8,510,000
2025	5.000%	158,725	151,350	295,000	8,215,000
2026	5.000%	151,350	143,600	310,000	7,905,000
2027	5.000%	143,600	135,350	330,000	7,575,000
2028	5.000%	135,350	126,725	345,000	7,230,000
2029	5.000%	126,725	117,600	365,000	6,865,000
2030	5.000%	117,600	108,100	380,000	6,485,000
2031	4.000%	108,100	100,100	400,000	6,085,000
2032	4.000%	100,100	91,800	415,000	5,670,000
2033	4.000%	91,800	83,200	430,000	5,240,000
2034	4.000%	83,200	74,200	450,000	4,790,000
2035	4.000%	74,200	64,800	470,000	4,320,000
2036	3.000%	64,800	57,525	485,000	3,835,000
2037	3.000%	57,525	50,025	500,000	3,335,000
2038	3.000%	50,025	42,300	515,000	2,820,000
2039	3.000%	42,300	34,350	530,000	2,290,000
2040	3.000%	34,350	26,175	545,000	1,745,000
2041	3.000%	26,175	17,700	565,000	1,180,000
2042	3.000%	17,700	9,000	580,000	600,000
2043	3.000%	9,000	-	600,000	-
Total		\$ 1,924,325	\$ 1,758,475	\$ 8,795,000	

City of Weslaco, Texas
Water and Sewer Limited Tax Refunding Bonds, Series 2020

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	0.000%	\$ -	\$ -	\$ -	\$ 9,435,000
2023	0.819%	94,809	94,809	80,000	9,355,000
2024	0.999%	94,481	94,481	80,000	9,275,000
2025	1.099%	94,082	94,082	75,000	9,200,000
2026	1.399%	93,669	93,669	85,000	9,115,000
2027	1.499%	93,075	93,075	90,000	9,025,000
2028	1.762%	92,400	92,400	1,210,000	7,815,000
2029	1.862%	81,740	81,740	1,235,000	6,580,000
2030	1.962%	70,242	70,242	1,265,000	5,315,000
2031	2.062%	57,833	57,833	1,285,000	4,030,000
2032	2.162%	44,584	44,584	1,320,000	2,710,000
2033	2.212%	30,315	30,315	1,340,000	1,370,000
2034	2.262%	15,495	15,495	1,370,000	-
Total		\$ 862,725	\$ 862,725	\$ 9,435,000	

City of Weslaco, Texas
Tax and Revenue Certificates of Obligation, Series 2014

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2022	4.500%	\$ -	\$ -	\$ -	\$ -
Total		\$ -	\$ -	\$ -	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2016

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	5.000%	\$ -	\$ -	\$ -	\$ 10,370,000
2023	5.000%	-	201,100	1,870,000	8,500,000
2024	5.000%	201,100	151,975	1,965,000	6,535,000
2025	5.000%	151,975	100,100	2,075,000	4,460,000
2026	5.000%	100,100	45,600	2,180,000	2,280,000
2027	4.000%	45,600	-	2,280,000	-
Total		\$ 498,775	\$ 498,775	\$ 10,370,000	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2017

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2022	4.000%	\$ -	\$ -	\$ -	\$ 17,815,000
2023	4.000%	431,700	431,700	1,280,000	16,535,000
2024	4.000%	406,100	406,100	1,455,000	15,080,000
2025	5.000%	377,000	377,000	1,500,000	13,580,000
2026	5.000%	339,500	339,500	1,565,000	12,015,000
2027	5.000%	300,375	300,375	1,640,000	10,375,000
2028	5.000%	259,375	259,375	1,875,000	8,500,000
2029	5.000%	212,500	212,500	1,970,000	6,530,000
2030	5.000%	163,250	163,250	2,070,000	4,460,000
2031	5.000%	111,500	111,500	2,175,000	2,285,000
2032	5.000%	57,125	57,125	2,285,000	-
Total		\$ 2,658,425	\$ 2,658,425	\$ 17,815,000	

City of Weslaco, Texas

Economic Development Sales Tax Revenue Refunding Bonds, Series 2012

As of September 30, 2022

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2022	3.40%	\$ -	\$ -	\$ -	\$ 305,000
2023	3.40%	5,185	-	305,000	-
		\$ 5,185	\$ -	\$ 305,000	



STATISTICAL SECTION



City of Weslaco, Texas Statistical Section

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

CONTENTS

Financial Trends

Tables I-IV

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

Tables V-VIII

These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.

Debt Capacity

Schedules IX-XII

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

Tables XIII-XVII

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

Tables XVIII- XX

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.

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

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CITY OF WESLACO, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
TABLE I

Fiscal Year Ending September 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012		
Governmental activities													
Net investment in capital assets	\$ 44,125,792	\$ 38,744,671	\$ 34,782,635	\$ 32,298,614	\$ 28,246,600	\$ 26,444,251	\$ 23,122,052	\$ 20,001,901	\$ 11,915,869	\$ 6,236,897	\$ 13,564,135		
Restricted	2,117,842	2,070,926	1,411,010	1,134,772	1,052,578	952,339	1,211,727	1,787,280	11,967,344	13,059,262	5,760,438		
Unrestricted	(2,419,809)	(4,625,667)	(4,471,815)	(7,151,192)	(3,905,194)	588,485	3,639,565	6,148,950	729,653	9,294,414	4,806,131		
Total governmental activities net position	\$ 43,823,825	\$ 36,189,930	\$ 31,721,830	\$ -	\$ 26,282,194	\$ -	\$ 25,393,984	\$ 27,985,075	\$ 27,973,344	\$ 27,938,131	\$ 24,612,866	\$ 28,590,573	\$ 24,130,704
Business-type activities													
Net investment in capital assets	\$ 53,432,408	\$ 49,661,132	\$ 47,636,213	\$ 47,630,121	\$ 46,083,251	\$ 40,509,740	\$ 39,969,259	\$ 38,975,364	\$ 34,020,461	\$ 12,912,376	\$ (1,310,318)		
Restricted	1,003,975	1,013,102	1,012,923	1,010,581	1,025,206	1,020,601	1,212,612	1,623,104	2,019,837	19,656,819	27,959,653		
Unrestricted	(2,086,288)	(3,094,505)	(2,290,173)	(2,567,221)	(1,122,171)	3,647,000	2,750,097	2,884,140	2,798,504	3,095,455	5,769,530		
Total business-type activities net position	\$ 52,350,095	\$ 47,579,729	\$ 46,358,963	\$ -	\$ 46,073,481	\$ -	\$ 45,986,286	\$ 45,177,341	\$ 43,931,968	\$ 43,482,608	\$ 38,838,802	\$ 35,664,650	\$ 32,418,865
Primary Government													
Net investment in capital assets	\$ 97,558,200	\$ 88,405,803	\$ 82,418,848	\$ 79,928,735	\$ 74,329,851	\$ 66,953,991	\$ 63,091,311	\$ 58,977,265	\$ 45,936,330	\$ 19,149,273	\$ 12,253,817		
Restricted	3,121,817	3,084,028	2,423,933	2,145,353	2,077,784	1,972,940	2,424,339	3,410,384	13,987,181	32,716,081	33,720,091		
Unrestricted	(4,506,097)	(7,720,172)	(6,761,988)	(9,718,413)	(5,027,365)	4,235,485	6,389,662	9,033,090	3,528,157	12,391,770	10,575,661		
Total primary government net position	\$ 96,173,920	\$ 83,769,659	\$ 78,080,793	\$ -	\$ 72,355,675	\$ -	\$ 71,380,270	\$ 73,162,416	\$ 71,905,312	\$ 71,420,739	\$ 63,451,668	\$ 64,257,124	\$ 56,549,569

Source: Government-wide Statement of Activities

Fiscal 2014 net position has been restated to reflect the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date"

Fiscal year 2015 Governmental Activities net position has been restated to reflect prior period adjustments related to GASB 68 implementation

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit

Fiscal year 2018 has been restated to reflect the implementation of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" and other certain prior period adjustments.

CITY OF WESLACO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
TABLE II

For the Fiscal Year ended September 30.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses											
Governmental activities:											
General government	\$ 7,788,269	\$ 7,972,617	\$ 7,411,268	\$ 7,783,921	\$ 6,439,519	\$ 7,877,473	\$ 7,793,661	\$ 7,475,817	\$ 4,699,927	\$ 4,077,130	\$ 4,079,035
Public safety	18,530,439	17,642,378	17,299,968	16,488,279	15,315,946	15,375,565	13,374,018	11,530,338	10,217,398	10,714,272	10,195,023
Emergency medical service	1,547,482	305,756	200,937	185,668	151,728	144,283	137,335	101,226	269,969	332,102	462,305
Health	-	-	-	-	-	-	-	-	-	90,067	88,459
Public works	3,145,668	4,491,358	4,652,366	4,498,314	6,299,328	5,129,113	3,409,500	2,927,110	3,056,584	3,039,309	2,626,866
Culture and recreation	2,624,099	2,394,698	2,282,570	2,319,476	2,367,348	2,197,967	2,195,306	1,793,425	1,660,311	1,692,154	1,693,692
Development services	-	-	-	-	-	-	-	-	2,724,236	3,364,499	3,256,023
Interest on long-term debt	1,000,568	1,227,674	1,195,174	1,299,788	919,744	828,514	1,134,675	1,009,379	1,182,183	1,187,398	2,326,416
Total governmental activities expenses	34,636,525	34,034,481	33,042,283	-	32,575,446	-	31,493,613	31,552,915	28,044,495	24,837,295	24,496,931
Business-type activities:											
Water and Wastewater	11,606,716	11,694,802	11,700,765	10,599,018	10,412,234	10,639,686	11,042,489	9,955,440	8,687,380	9,435,022	9,054,734
Solid Waste	4,536,176	4,823,491	4,590,974	4,483,587	4,368,411	3,850,543	4,147,973	4,348,050	4,117,588	4,044,683	4,047,757
Airport	1,812,747	1,250,380	1,172,619	1,035,359	925,905	850,901	687,702	668,097	536,560	507,619	505,452
Total business-type activities expenses	17,955,639	17,768,673	17,464,358	-	16,117,964	-	15,706,550	15,341,130	15,878,164	14,971,587	13,607,943
Total primary government expenses	\$ 52,592,164	\$ 51,803,154	\$ 50,506,641	\$ -	\$ 48,693,410	\$ -	\$ 47,200,163	\$ 46,894,045	\$ 43,922,659	\$ 39,808,882	\$ 38,335,762
Program Revenues											
Governmental activities:											
Fees, fines, and charges for services:											
General government	\$ 1,708,132	\$ 1,580,212	\$ 1,384,500	\$ 1,468,352	\$ 959,157	\$ 896,763	\$ 714,548	\$ 725,949	\$ 588,302	\$ 405,601	\$ 381,323
Public Safety	936,197	800,253	633,021	811,163	978,002	1,156,105	853,586	653,606	748,737	842,122	919,126
Emergency medical services	1,990,139	895,395	1,390,260	1,979,726	1,487,343	1,501,101	1,350,052	1,693,132	1,250,542	1,223,157	976,167
Other activities	-	-	-	-	-	-	-	-	155,378	394,360	399,142
Culture and recreation	11,356	5,221	18,568	33,373	43,670	76,676	85,163	73,359	-	-	-
Operating grants and contributions	5,253,381	3,708,547	6,120,352	889,479	648,763	585,580	484,336	273,122	233,899	99,359	16,179
Capital grants and contributions	601,057	384,979	435,057	625,616	446,200	137,739	571,469	1,065,726	463,568	454,010	724,994
Total governmental activities program revenues	10,500,262	7,374,607	9,981,758	-	5,807,709	-	4,563,135	4,353,964	4,059,154	4,484,894	3,440,426
Business-type activities:											
Charges for services:											
Water and Wastewater	13,896,469	13,088,199	12,865,310	12,276,613	12,297,037	12,205,565	10,806,055	12,121,383	11,744,692	12,160,485	11,034,905
Solid Waste	6,048,936	5,612,967	5,375,985	5,122,745	5,095,028	5,044,351	4,725,450	5,225,429	4,860,177	4,752,518	4,646,565
Airport	946,824	487,035	302,725	321,909	215,430	245,143	183,291	159,919	207,034	156,302	110,894
Capital grants and contributions	1,784,731	1,911,184	1,381,244	911,329	1,001,408	2,325,711	1,658,319	4,148,622	481,853	664,218	2,424,601
Total business-type activities program revenues	22,676,960	21,099,385	19,925,264	-	18,632,596	-	18,608,903	19,820,770	17,373,115	21,655,353	17,293,756
Total primary government program revenues	\$ 33,177,222	\$ 28,473,992	\$ 29,907,022	\$ -	\$ 24,440,305	\$ -	\$ 23,172,038	\$ 24,174,734	\$ 21,432,269	\$ 26,140,247	\$ 20,734,182
Net (Expense)/Revenue											
Governmental activities	\$ (24,136,263)	\$ (26,659,874)	\$ (23,060,525)	\$ (26,767,737)	\$ (26,930,478)	\$ (27,198,951)	\$ (23,985,341)	\$ (20,352,401)	\$ (20,370,182)	\$ (21,078,322)	\$ (21,310,888)
Business-type activities	4,721,321	3,330,712	2,460,906	2,514,632	2,902,353	4,479,640	1,494,951	6,683,766	3,952,228	3,746,199	4,609,022
Total primary government net expense	\$ (19,414,942)	\$ (23,329,162)	\$ -	\$ (24,253,105)	\$ -	\$ (24,028,125)	\$ (22,719,311)	\$ (22,490,390)	\$ (13,668,635)	\$ (16,417,954)	\$ (16,701,866)

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit
Fiscal year 2015 Governmental Activities net position has been restated to reflect prior period adjustments related to implementation of GASB 68.

CITY OF WESLACO, TEXAS
CHANGES IN NET POSITION- CONTINTUED
LAST TEN FISCAL YEARS
(accrual basis of accounting)
TABLE II- CONTINUED

For the Fiscal Years Ended September 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:											
Taxes:											
Ad valorem	\$ 15,044,874	\$ 14,014,741	\$ 13,107,912	\$ 12,127,801	\$ 12,002,082	\$ 11,615,301	\$ 11,264,052	\$ 10,352,897	\$ 9,767,217	\$ 9,823,287	\$ 9,710,670
Sales	13,589,177	12,292,524	10,402,522	10,063,222	9,356,472	8,929,546	8,682,523	8,779,266	11,441,937	11,182,267	10,578,320
Occupancy	496,320	481,792	381,039	349,728	365,473	444,151	351,911	384,439	419,960	382,934	336,419
Franchise and other	1,973,459	1,964,114	1,906,926	1,992,390	1,926,341	1,890,883	1,893,085	1,855,156	1,664,769	1,640,932	1,631,134
Intergovernmental	-	-	-	-	-	-	-	-	-	16,149	4,421
Investment earnings	318,939	45,432	200,243	272,670	191,883	103,608	60,217	31,839	130,602	89,278	66,619
Gain (loss) on sale/retirement of capital assets	166,811	-	-	55,829	-	44,939	-	-	56,720	(348,529)	116,255
Miscellaneous	222,058	218,809	320,215	353,746	858,322	353,902	721,662	232,759	377,674	226,739	249,246
Rescindment of contingency	-	-	-	-	-	-	-	-	-	-	-
Absences	-	-	-	-	-	-	-	-	-	-	191,261
Transfers	(41,480)	2,110,562	2,181,304	2,440,561	2,051,045	3,236,311	1,047,104	2,041,310	1,021,140	1,021,140	1,021,140
Total governmental activities	\$ 31,770,158	\$ 31,127,974	28,500,161	27,655,947	26,751,618	26,618,641	24,020,554	23,677,666	24,880,019	24,034,197	23,905,485
Business-type activities											
Investment earnings	7,565	616	5,880	13,124	7,672	2,044	1,513	1,350	4,013	19,609	13,629
Transfers	41,480	(2,110,562)	(2,181,304)	(2,440,561)	(2,051,045)	(3,236,311)	(1,047,104)	(2,041,310)	(1,021,140)	(1,021,140)	(1,021,140)
Total business-type activities	49,045	(2,109,946)	(2,175,424)	(2,427,437)	(2,043,373)	(3,234,267)	(1,045,591)	(2,039,960)	(1,017,127)	(1,001,531)	(1,007,511)
Total primary government	31,819,203	29,018,028	26,324,737	25,228,510	24,708,245	23,384,374	\$ 22,974,963	\$ 21,637,706	\$ 23,862,892	\$ 23,032,666	\$ 22,897,974
Change in Net Position											
Governmental activities	7,633,895	4,468,100	\$ 5,439,636	\$ 888,210	\$ (178,860)	\$ (580,310)	\$ 35,213	\$ 3,325,265	\$ 4,509,837	\$ 2,955,875	\$ 2,594,597
Business-type activities	4,770,366	1,220,766	285,482	87,195	858,980	1,245,373	449,360	4,643,806	2,935,101	2,744,668	3,601,511
Total primary government	\$ 12,404,261	\$ 5,688,866	\$ 5,725,118	\$ 975,405	\$ 680,120	\$ 665,063	\$ 484,573	\$ 7,969,071	\$ 7,444,938	\$ 5,700,543	\$ 6,196,108

CITY OF WESLACO, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(modified accrual basis of accounting)
TABLE III

For the Fiscal Years Ended September 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund											
Post GASB 54											
Nonspendable	\$ 98,719	\$ 31,880	\$ 19,361	\$ 5,138	\$ 17,350	\$ 18,308	\$ 37,392	\$ 34,790	\$ 180,110	\$ 33,249	\$ -
Restricted	-	-	-	-	179,110	-	104,886	466,288	466,288	696,765	65,791
Assigned	-	-	2,874,000	2,874,000	2,874,000	-	-	-	-	-	-
Unassigned	11,750,590	8,405,677	9,151,461	7,965,191	6,353,316	7,511,496	7,939,293	8,523,908	6,478,642	4,738,640	1,627,107
Total General Fund	\$ 11,849,309	\$ 8,437,557	\$ 12,044,822	\$ 10,844,329	\$ 9,423,776	\$ 7,529,804	\$ 8,081,571	\$ 9,024,986	\$ 7,125,040	\$ 5,468,654	\$ 1,692,898
All Other Governmental Funds											
Post GASB 54											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,311	\$ -	\$ -	\$ -	\$ -
Restricted	25,160,373	34,901,175	13,433,832	15,407,807	2,408,585	3,617,027	3,958,733	5,512,740	1,793,631	1,691,574	1,772,642
Assigned	1,655,517	2,751,516	1,455,433	2,240,127	3,043,229	2,001,223	1,950,380	1,250,000	-	-	-
Unassigned, reported in:											
Special revenue funds	-	-	-	-	-	-	-	-	3,127,878	2,936,214	2,308,622
Capital projects funds	-	-	-	-	-	-	-	-	6,399,437	7,701,460	1,166,502
Total all other governmental funds	\$ 26,815,890	\$ 37,652,691	\$ 14,889,265	\$ 17,647,934	\$ 5,451,814	\$ 5,618,250	\$ 5,943,424	\$ 6,762,740	\$ 11,320,946	\$ 12,329,248	\$ 5,247,766

Source: Information obtained from the City's Annual Financial Report

CITY OF WESLACO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
TABLE IV

For the Fiscal Years Ended September 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues											
Taxes:											
Property taxes	\$ 15,140,340	\$ 14,110,324	\$ 13,103,915	\$ 12,087,125	\$ 12,131,253	\$ 11,645,836	\$ 11,273,279	\$ 10,550,931	\$ 9,932,967	\$ 10,011,483	\$ 9,710,637
Sales	13,589,177	12,292,524	10,402,522	10,063,222	9,356,472	8,929,546	8,682,523	8,779,266	11,441,937	11,182,267	10,578,320
Occupancy	496,320	481,792	381,039	349,728	365,473	444,151	351,911	384,439	419,960	382,934	336,419
Franchise and other	1,973,459	1,964,114	1,906,926	1,992,390	1,926,341	1,890,883	1,893,085	1,855,156	1,664,769	1,640,932	1,631,134
Charges for services	2,496,773	2,303,794	2,385,039	3,094,960	2,051,705	2,003,126	1,644,414	3,471,864	2,783,840	2,832,851	2,540,973
Program income	-	-	-	-	-	-	-	-	360,576	389,134	341,845
Intergovernmental	5,854,438	4,298,057	6,225,877	1,390,095	893,763	723,319	1,055,805	1,338,849	697,467	569,518	745,594
Lease revenue	28,609	-	-	-	-	-	-	-	-	-	-
Licenses and permits	869,148	794,183	653,513	693,682	719,740	664,177	493,175	479,501	446,828	405,601	381,323
Investment income	325,125	45,432	200,243	272,670	191,883	103,608	60,217	31,839	130,602	89,278	66,619
Fines and forfeitures	569,233	487,067	356,116	503,972	696,728	752,327	698,250	523,767	636,486	668,891	772,752
Contributions	-	-	-	-	-	-	-	-	2,736	50	500
Miscellaneous	187,263	343,530	320,215	478,746	1,059,521	314,916	889,172	394,982	374,938	527,110	248,746
Total revenues	41,529,885	37,120,817	35,935,405	30,926,590	29,392,879	27,471,889	27,041,831	27,810,594	28,893,106	28,700,049	27,354,862
Expenditures											
General government	7,184,184	10,731,010	6,725,386	6,237,293	6,049,070	6,395,390	6,133,070	5,991,720	4,617,587	3,697,885	3,797,404
Public Safety	27,416,609	19,339,394	19,054,681	15,972,317	15,490,747	15,250,314	12,165,292	10,476,065	10,483,329	10,699,897	10,327,350
Public Works	5,626,561	6,798,084	5,543,843	4,745,924	5,665,443	4,377,328	2,104,864	1,790,960	1,558,496	1,556,054	1,299,033
Health	-	-	-	-	-	-	-	-	-	85,956	84,348
Culture and recreation	2,926,082	4,030,114	2,026,864	1,952,185	2,368,834	2,136,834	1,709,199	1,376,551	1,311,421	1,428,512	1,447,298
Economic development	388,499	949,003	591,644	590,635	576,780	581,915	589,640	593,849	1,568,220	2,144,101	1,923,521
Nondepartmental	-	-	-	-	-	-	-	-	565,216	477,223	395,172
Capital outlay	-	-	-	-	-	949,108	4,530,211	4,692,755	2,390,421	823,384	2,416,513
Debt service											
Principal	3,796,476	3,763,602	3,719,209	3,409,100	3,094,444	3,347,137	2,389,617	2,418,462	2,711,314	2,526,603	2,004,577
Interest and fiscal charges	1,741,854	1,336,274	1,153,870	1,051,561	755,633	782,830	786,594	890,033	1,152,048	1,197,893	1,352,412
Advance refunding escrow	-	-	-	-	-	-	77,555	-	-	-	-
Total expenditures	49,080,265	46,947,481	38,815,497	33,959,015	34,000,161	33,820,856	30,486,042	28,230,395	26,358,052	24,637,508	25,047,628
Excess of revenues over (under) expenditures	(7,550,380)	(9,826,664)	(2,880,092)	(3,032,425)	(4,607,282)	(6,348,967)	(3,444,211)	(419,801)	2,535,054	4,062,541	2,307,234
Other Financing Sources (Uses)											
Proceeds from sale of capital assets	\$ 166,811	\$ 279	\$ 194,261	\$ 55,829	\$ 92,117	\$ 300,741	\$ -	\$ -	\$ 56,720	\$ 56,950	\$ 124,435
Debt Proceeds	-	29,279,233	440,000	14,257,349	4,506,702	2,184,974	4,450,281	658,299	-	22,157,515	1,155,000
Premium on bond	-	2,898,733	-	-	-	-	701,808	-	-	-	-
Bond redemption	-	-	-	-	-	-	(4,392,713)	-	-	(14,630,000)	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	(366,731)	(30,323)
380 Agreement expenditures	-	-	-	-	-	-	-	-	(738,139)	(581,949)	(780,562)
Accrued 380 Agreement Interest	-	-	-	-	-	-	-	-	-	-	(949,937)
Sales Tax rebates	-	-	-	-	-	-	-	-	(580,488)	(645,082)	(843,934)
Payment to escrow agent	-	(5,305,982)	-	-	-	-	-	-	-	-	-
Transfers in	4,325,294	18,004,322	4,496,390	4,780,188	5,065,169	4,686,079	2,208,425	2,419,014	-	-	-
Transfers out	(4,366,774)	(15,893,760)	(2,315,086)	(2,444,268)	(3,329,170)	(1,699,768)	(1,286,321)	(2,460,758)	(700,000)	(700,000)	(480,000)
Total other financing sources (uses)	125,331	28,982,825	2,815,565	16,649,098	6,334,818	5,472,026	1,681,480	616,555	(1,961,907)	5,290,703	(1,805,321)
Net change in fund balances	\$ (7,425,049)	\$ 19,156,161	\$ (64,527)	\$ 13,616,673	\$ 1,727,536	\$ (876,941)	\$ (1,762,731)	\$ 196,754	\$ 573,147	\$ 9,353,244	\$ 501,913
Debt service as a percentage of noncapital expenditures	15.5%	13.8%	14.9%	15%	13%	14%	14%	16%	19%	19%	17%

CITY OF WESALCO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
TABLE V

Fiscal Year	Tax Roll Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 9,559,563	\$ 9,095,317	95.14%	\$ 396,349	\$ 9,491,666	99.29%
2014	2013	9,667,300	9,119,003	94.33%	457,270	9,576,273	99.06%
2015	2014	9,952,186	9,682,147	97.29%	166,261	9,848,408	98.96%
2016	2015	10,995,171	10,562,367	96.06%	269,174	10,831,541	98.51%
2017	2016	11,408,682	10,983,948	96.28%	340,955	11,324,903	99.27%
2018	2017	11,812,045	11,481,619	97.20%	309,561	11,791,180	99.82%
2019	2018	11,895,615	11,480,754	96.51%	315,948	11,796,702	99.17%
2020	2019	12,922,263	12,512,099	96.83%	255,004	12,767,103	98.80%
2021	2020	13,752,353	13,421,511	97.59%	167,741	13,589,252	98.81%
2022	2021	14,777,161	14,426,929	97.63%	-	14,426,929	97.63%

Source: Hidalgo County Tax Assessor-Collector
www.hidalgocountytax.org

CITY OF WESLACO, TEXAS
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
TABLE VI

FISCAL YEAR	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	TAX-EXEMPT	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT OVERLAPPING TAX RATE
2012	\$ 769,592,896	\$ 652,146,592	\$ 335,597,711	\$ 1,421,739,488	2.6978
2013	792,847,612	670,099,750	336,299,548	1,462,947,362	2.6996
2014	851,914,723	646,031,643	336,831,403	1,497,946,366	2.7113
2015	804,694,927	675,552,726	388,852,013	1,480,247,653	2.7363
2016	905,060,888	755,965,371	413,829,808	1,661,026,259	2.7357
2017	934,058,109	799,468,448	410,195,911	1,733,526,557	2.7357
2018	1,001,015,474	810,655,535	483,054,753	1,811,671,009	2.7357
2019	1,038,039,659	847,999,734	497,055,323	1,886,039,393	2.7357
2020	1,045,958,898	971,674,532	517,227,567	2,017,633,430	2.6142
2021	1,174,765,965	1,006,464,872	524,183,252	2,181,230,837	2.5995
2022	1,363,555,171	1,061,416,675	546,024,406	2,424,971,846	2.5596

Source: Hidalgo County Appraisal District
www.hidalgoad.org

CITY OF WESLACO, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT CALENDAR YEAR AND NINE YEARS AGO
TABLE VII

TAXPAYER	2021			2012		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE
H E Butt Grocery Company	\$ 39,146,847	1	1.79%	\$ 35,099,188	1	2.49%
H E B Weslaco Transportation	21,280,869	2	0.98%	17,650,492	2	1.25%
Wal-Mart Real Estate Business	19,058,634	3	0.87%	8,748,862	5	0.62%
AEP Texas Central Co	16,815,110	4	0.77%	5,798,030	11	0.41%
G3C Weslaco Westgate	15,000,000	5	0.69%			
Capcor Weslaco LTD	14,937,779	6	0.68%	9,390,047	4	0.67%
Weslaco Palm Plaza	9,942,092	7	0.46%	5,889,553	10	0.42%
Weslaco Micro-Hospital LLC	9,700,000	8	0.44%			
Jazman RGV Group	9,448,432	9	0.43%			
Weslaco Motors LLP	8,264,010	10	0.38%			
Lowes Home Centers Inc #2980	7,766,284	11	0.36%	5,557,220	12	0.39%
BOYD Weslaco LTD	7,658,518	12	0.35%			
JCPenney #1101	7,485,894	13	0.34%	6,747,644	8	0.48%
WesFar Apartments LLC	7,255,544	14	0.33%			
HD Development Properties LP	7,161,621	15	0.33%	4,575,883	19	0.32%
Wal-mart Property Tax Department	7,092,545	16	0.33%	8,197,802	7	0.58%
Weslaco Ford/Mercury Inc	6,862,533	17	0.31%			
RST Texas Retail Estate LP	6,413,313	18	0.29%			
Ranchero Village	6,153,884	19	0.28%			
HIC Texas LLC	6,101,502	20	0.28%			
Clearview Weslaco LLP				11,392,186	3	0.81%
John Knox Villages				8,623,391	6	0.61%
Reyna Family Land Dev LTD				7,688,620	9	0.54%
RGV Express LTD				5,548,064	13	0.39%
Lowes Home Centers Inc				5,265,200	14	0.37%
Capital One National Association				5,035,561	15	0.36%
Home Depot Centers Inc				4,779,756	16	0.34%
Reyna Ezequiel Jr. Livia				4,724,839	17	0.33%
535 US Highway 83 Investors				4,652,113	18	0.33%
Academy Sports & Outdoors				4,483,292	20	0.32%
TOTAL	\$ 233,545,411		10.71%	\$ 169,847,743		12.04%

Source:
www.hidalgo.org

CITY OF WESLACO, TEXAS
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
TABLE VIII

		City Direct Rates			OVERLAPPING RATES					
FISCAL YEAR	TAX YEAR	MAINTENANCE & OPERATION	INTEREST & SINKING	(PER \$100) CITY	(Per \$100) WISD	STC	(Per \$100) Hidalgo Co	(Per \$100) DD #1	(Per \$100) STISD	(Per \$100) Total
PROPERTY TAX RATES										
2013	2012	0.5016	0.1951	0.6967	1.1397	0.1507	0.5900	0.0733	0.0492	2.6996
2014	2013	0.5006	0.1861	0.6867	1.1397	0.1500	0.5900	0.0957	0.0492	2.7113
2015	2014	0.4866	0.1901	0.6767	1.1397	0.1850	0.5900	0.0957	0.0492	2.7363
2016	2015	0.5560	0.1207	0.6767	1.1397	0.1850	0.5900	0.0951	0.0492	2.7357
2017	2016	0.5586	0.1081	0.6667	1.1597	0.1850	0.5800	0.0951	0.0492	2.7357
2018	2017	0.5146	0.1521	0.6667	1.1597	0.1850	0.5800	0.0951	0.0492	2.7357
2019	2018	0.5143	0.1524	0.6667	1.1597	0.1850	0.5800	0.0951	0.0492	2.7357
2020	2019	0.5109	0.1858	0.6967	1.0189	0.1718	0.5750	0.1026	0.0492	2.6142
2021	2020	0.5109	0.1858	0.6967	0.9807	0.1715	0.5750	0.1264	0.0492	2.5995
2022	2021	0.5066	0.1901	0.6967	0.9593	0.1615	0.5750	0.1179	0.0492	2.5596
TAX LEVIES										
2013	2012			\$ 9,559,563	\$ 21,597,467	\$ 43,100,124	\$ 165,736,613	\$ 19,880,682	\$ 14,279,092	\$ 274,153,542
2014	2013			9,667,300	21,552,277	42,899,924	165,736,613	25,956,088	14,279,092	280,091,295
2015	2014			9,952,186	23,002,324	54,881,207	171,956,770	27,107,682	14,792,577	301,692,745
2016	2015			10,995,171	23,464,321	56,775,623	179,965,377	28,837,880	15,689,081	315,727,453
2017	2016			11,478,848	24,406,360	59,677,412	189,058,158	30,258,335	16,467,923	331,347,036
2018	2017			11,812,045	25,578,128	61,936,282	182,090,796	31,810,341	17,291,319	330,518,911
2019	2018			11,895,615	28,008,489	70,877,607	217,365,496	34,953,292	19,071,850	382,172,348
2020	2019			12,988,669	26,647,494	69,667,829	228,197,205	40,061,569	20,145,138	397,707,904
2021	2020			13,752,353	28,185,044	75,497,305	247,989,143	53,562,014	21,836,228	440,822,087
2022	2021			14,777,161	29,387,164	79,207,815	277,191,975	55,784,493	24,357,531	480,706,139

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**CITY OF WESLACO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2022
TABLE IX**

	GROSS DEBT Less SINKING FUND	ESTIMATED % DEBT APPLICABLE TO CITY OF WESLACO	CITY OF WESLACO SHARE OF DEBT
City of Weslaco, Texas	\$ 50,177,604	100.00%	\$ 50,177,604
Total Direct Debt	50,177,604		50,177,604
Weslaco Ind School Dist	61,010,440	71.05%	43,347,918
Hidalgo County	367,135,000	5.31%	19,494,869
Hidalgo Co Drainage Dist #1	240,946,000	5.53%	13,324,314
South Texas College	112,069,693	4.99%	5,592,278
Total overlapping debt	781,161,133		81,759,379

Total direct and overlapping debt: **\$ 131,936,983**

Percent of Assessed Valuation: 5.44%

Direct Overlapping Debt per Capita: \$ 3,216

POPULATION: 41,024

ASSESSED VALUATION \$ 2,424,971,846

CITY OF WESLACO, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
TABLE X

Legal Debt Margin Calculation to Fiscal Year 2019

Assessed Value	\$ 2,424,971,846
Debt Limit (10% of assessed value)	242,497,185
Debt applicable to limit:	
General outstanding debt	102,592,068
Less: Amount set aside for repayment of general obligation debt	(685,729)
Total net debt applicable to limit	<u>101,906,339</u>
Legal debt margin	<u>140,590,846</u>

	2013	2014	2015	2016
Debt Limit	\$ 139,051,427	\$ 159,911,825	\$ 151,195,149	\$ 166,102,626
Total net debt applicable to limit	<u>26,487,380</u>	<u>24,605,645</u>	<u>23,040,965</u>	<u>19,704,803</u>
Legal debt margin	<u>\$ 112,564,047</u>	<u>\$ 135,306,180</u>	<u>\$ 128,154,184</u>	<u>\$ 146,397,823</u>
Total net debt applicable to the limit as a percentage of debt limit	19.05%	15.39%	15.24%	11.86%

Note: In 1955, the State Legislature enacted the 10% debt limit rate for school districts in Texas and has subsequently been used by municipalities as a general rule in computing debt margin.

	2017		2018		2019		2020		2021		2022
\$	173,352,656	\$	181,167,101	\$	188,603,939	\$	201,763,343	\$	218,123,084	\$	242,497,185
	18,296,141		16,806,190		90,541,350		90,391,763		106,098,144		101,906,339
\$	155,056,515	\$	164,360,911	\$	98,062,589	\$	111,371,580	\$	112,024,940	\$	140,590,846
	10.55%		9.28%		48.01%		44.80%		48.64%		42.02%

CITY OF WESLACO, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 TABLE XI

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Plus: CIP Fee (1) Non- Operating	Net Available	Debt Service		Coverage
					Principal	Interest	
2013	\$ 11,475,677	\$ 6,655,622	\$ 684,808	\$ 5,504,863	\$ 480,224	\$ 97,652	9.53
2014	10,649,451	7,330,737	727,055	4,045,768	492,312	82,233	7.04
2015	11,372,511	6,702,152	703,986	5,374,345	532,148	65,993	8.99
2016	10,504,921	7,162,537	649,682	3,992,065	545,981	48,918	6.71
2017	11,207,113	8,364,535	689,843	3,532,421	560,500	31,398	5.97
2018	11,429,958	5,886,226	684,998	6,228,730	574,676	13,410	10.59
2019	12,148,004	8,870,739	642,214	3,919,479	138,151	2,152	27.94
2020	12,801,566	8,575,221	696,141	4,922,486	-	-	-
2021	12,832,171	8,722,810	707,367	4,816,728	-	-	-
2022	13,463,270	8,886,974	786,914	5,363,210	-	-	-

CITY OF WESLACO, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
TABLE XII

Governmental Activities											
Fiscal Year	General Obligation Bonds	Certificate of Obligation	Financing Arrangement	Lease Liabilities	Bond Premiums	Notes Payable	380 Agreement Infrastructure	Total Governmental Activities	Percentage of Personal Income	Per Capita	
2013	\$ 208,000	\$ 26,443,550	\$ -	\$ -	\$ 610,724	\$ -	\$ 5,452,691	\$ 32,714,965	5.65%	\$ 881.97	
2014	-	24,894,102	1,693,177	-	563,767	-	4,714,552	31,865,598	5.41%	847.47	
2015	2,006,250	21,110,000	1,947,164	-	516,809	-	4,094,605	29,674,828	4.84%	751.76	
2016	1,532,231	19,285,000	2,099,678	-	1,171,661	-	3,719,205	27,807,775	4.04%	694.62	
2017	1,037,731	17,800,000	2,983,316	-	1,000,740	431,333	2,820,616	26,073,736	3.62%	646.06	
2018	527,407	16,425,000	3,921,594	-	1,017,845	395,458	4,804,646	27,091,950	3.49%	658.03	
2019	8,850,000	18,800,000	3,199,442	-	2,071,103	357,091	4,211,673	37,489,309	4.83%	910.58	
2020	8,630,000	16,670,000	2,494,617	-	1,832,879	756,053	3,588,327	33,971,876	4.32%	816.06	
2021	8,440,000	38,061,000	2,811,227	-	4,394,563	712,152	306,250	54,725,192	6.21%	1,275.44	
2022	8,240,000	35,691,000	2,317,570	31,202	3,897,832	-	-	50,177,604	6.19%	1,223.13	

Business-Type Activities											
Fiscal Year	General Obligation Bonds	Certificate of Obligation	Revenue Bonds	Lease Liabilities	Financing Arrangement	Notes Payable	Tax Notes	Bond Premiums	Total Business-Type Activities	Percentage of Personal Income	Per Capita
2013	\$ 870,768	\$ 2,090,000	\$ 44,790,000	\$ -	\$ -	\$ -	\$ 8,040,000	\$ 1,366,793	\$ 57,157,561	9.86%	\$ 1,540.93
2014	768,456	1,700,000	44,325,000	-	-	-	7,735,000	1,800,466	56,328,922	9.56%	1,498.07
2015	529,308	19,230,000	34,700,000	-	-	-	6,545,000	1,699,141	62,703,449	10.23%	1,588.47
2016	404,029	49,260,000	870,000	-	-	-	4,810,000	4,734,806	60,078,835	8.74%	1,500.73
2017	273,745	48,090,000	440,000	-	-	-	2,620,000	6,909,104	58,332,849	8.10%	1,445.39
2018	138,853	48,090,000	-	-	6,501,903	-	-	6,082,019	60,812,775	7.83%	1,477.08
2019	-	45,880,000	-	-	6,532,513	-	-	5,233,304	57,645,817	7.42%	1,400.16
2020	-	43,015,000	-	-	6,692,281	1,450,810	-	4,424,653	55,582,744	7.07%	1,335.19
2021	-	40,705,000	-	-	6,755,391	1,397,045	-	3,381,423	52,238,859	5.93%	1,217.49
2022	-	37,620,000	-	4,040	10,726,415	1,343,280	-	2,720,729	52,414,464	6.47%	1,277.65

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit

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CITY OF WESLACO, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
TABLE XIII

Governmental Activities

Fiscal Year	General Obligation Bonds	Certificate of Obligation	Financing Arrangement	Lease Liabilities	Bond Premiums	Notes Payable	Debt Service Restricted Net Assets	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ 208,000	\$ 26,443,550	\$ -	\$ -	\$ 610,724	\$ -	\$ 949,798	\$ 26,312,476	1.80%	\$ 709.37
2014	-	24,894,102	1,693,177	-	563,767	-	996,317	26,154,729	1.75%	695.59
2015	2,006,250	21,110,000	1,947,164	-	516,809	-	798,285	24,781,938	1.67%	627.80
2016	1,532,231	19,285,000	2,099,678	-	1,171,661	-	540,114	23,548,456	1.42%	588.23
2017	1,037,731	17,800,000	2,983,316	-	1,000,740	431,333	146,217	23,106,903	1.33%	572.55
2018	527,407	16,425,000	3,921,594	-	1,017,845	395,458	400,508	21,886,796	1.21%	531.61
2019	8,850,000	18,800,000	3,199,442	-	2,071,103	357,091	382,103	32,895,533	1.74%	799.00
2020	8,630,000	16,670,000	2,494,617	-	1,832,879	756,053	524,030	29,859,519	1.48%	717.28
2021	8,440,000	38,061,000	2,811,227	-	4,394,563	712,152	865,907	53,553,035	2.46%	1,248.12
2022	8,240,000	35,691,000	2,317,570	31,202	3,897,832	-	685,729	49,491,875	2.04%	1,206.41

Business-Type Activities

Fiscal Year	General Obligation Bonds	Certificate of Obligation	Revenue Bonds	Lease Liabilities	Financing Arrangement	Tax Notes	Bond Premiums	Debt Service Restricted Net Assets	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ 870,768	\$ 2,090,000	\$ 44,790,000	\$ -	\$ -	\$ 8,040,000	\$ 1,366,793	\$ 949,798	\$ 56,207,763	3.84%	\$ 1,515.32
2014	768,456	1,700,000	44,325,000	-	-	7,735,000	1,800,466	996,317	55,332,605	3.69%	1,471.57
2015	529,308	19,230,000	34,700,000	-	-	6,545,000	1,699,141	798,285	61,905,164	4.18%	1,568.25
2016	404,029	49,260,000	870,000	-	-	4,810,000	4,734,806	540,114	59,538,721	3.58%	1,487.24
2017	273,745	48,090,000	440,000	-	-	2,620,000	6,909,104	146,217	58,186,632	3.36%	1,441.76
2018	138,853	48,090,000	-	-	6,501,903	-	6,082,019	400,508	60,412,267	3.33%	1,467.35
2019	-	45,880,000	-	-	6,532,513	-	5,233,304	382,103	57,263,714	3.04%	1,390.87
2020	-	43,015,000	-	-	6,692,281	-	4,424,653	524,030	53,607,904	2.66%	1,287.75
2021	-	40,705,000	-	-	6,755,391	-	3,381,423	865,907	49,975,907	2.29%	1,164.75
2022	-	37,620,000	-	4,040	10,726,415	-	2,720,729	685,729	50,385,455	2.08%	1,228.19

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit.

**CITY OF WESLACO, TEXAS
TAXABLE SALES BY INDUSTRY
LAST TEN CALENDAR YEARS
TABLE XIV**

Description	CALENDAR YEAR			
	2012	2013	2014	2015
Agriculture, Forestry, Fishing, Hunting	\$ -	\$ -	\$ 3,207	\$ 481
Construction	2,839,442	4,144,701	3,219,615	4,096,068
Manufacturing	944,415	1,374,389	2,222,116	2,378,251
Wholesale Trade	12,488,875	12,138,082	11,505,002	10,535,297
Retail trade	317,956,827	321,405,175	331,306,451	321,305,069
Transportation and warehousing	1,637,871	303,218	276,655	-
Information	9,086,834	13,229,751	13,421,501	12,686,024
Finance and insurance	1,999,036	2,177,332	2,641,731	1,607,030
Real estate, rental and leasing	2,783,960	2,881,418	2,356,502	2,654,053
Professional, scientific and technical	1,072,369	838,393	989,140	1,137,739
Administration, support, waste management, and remediation	6,176,976	5,830,822	5,368,529	2,194,032
Educational Services	57,033	60,791	166,539	94,791
Health care and social assistance	560,036	560,511	691,519	1,256,497
Arts, entertainment, and recreation	1,692,620	1,952,878	2,581,663	3,673,234
Accommodation and food service	82,835,766	86,549,881	96,841,186	109,219,280
Other Services	10,287,220	10,073,577	10,221,189	10,775,234
Other	15,201	17,086	19,870	22,000
Total	\$ 452,434,481	\$ 463,538,005	\$ 483,832,415	\$ 483,635,080
City Direct Sales Tax	2.00%	2.00%	2.00%	2.00%

Source:

<https://mycpa.cpa.state.tx.us/allocation/QtrSalesReportByResults>

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300
4,826,488	4,674,526	9,760,889	12,862,191	8,583,655	6,115,796
2,445,955	2,072,963	2,107,094	5,557,368	8,228,047	8,567,787
19,201,140	16,838,228	15,259,410	17,620,327	17,633,729	23,534,067
309,212,380	305,882,008	328,057,738	329,808,142	357,890,403	436,915,317
281,022	-	-	411,291	428,271	908,468
12,326,179	13,508,709	14,393,780	14,811,056	10,350,939	11,273,411
2,651,045	2,878,573	3,251,223	3,255,107	3,205,528	3,043,096
5,278,955	6,528,384	7,465,029	8,590,041	10,322,724	10,001,775
1,024,656	1,018,046	993,481	837,433	622,393	731,516
1,768,350	2,109,445	2,299,598	3,143,185	3,306,945	4,086,472
350,578	318,639	330,995	480,058	175,074	406,213
941,118	704,434	767,353	674,483	544,620	571,053
3,377,805	4,406,081	4,652,256	5,176,107	4,392,666	5,478,564
111,418,585	115,038,118	122,294,284	130,022,066	127,354,464	165,774,766
11,543,232	11,810,678	15,390,148	15,836,736	14,349,648	14,169,417
6,560	16,481	14,056	2,721	2,157	17,756
\$ 486,654,048	\$ 487,805,313	\$ 527,037,334	\$ 549,088,312	\$ 567,391,263	\$ 691,597,774
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

CITY OF WESLACO, TEXAS
SALES TAX REVENUE PAYERS BY INDUSTRY
CALENDAR YEARS 2021 AND 2012
TABLE XV

	2021				2012			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Construction	85	6.28%	\$ 122,316	0.88%	54	4.84%	\$ 56,789	0.63%
Manufacturing	82	6.06%	\$ 171,356	1.24%	38	3.41%	\$ 18,888	0.21%
Wholesale Trade	66	4.87%	\$ 470,681	3.40%	55	4.93%	\$ 249,778	2.76%
Retail trade	589	43.50%	\$ 8,738,306	63.17%	509	45.61%	\$ 6,359,137	70.28%
Transportation and warehousing	8	0.59%	\$ 18,169	0.13%	6	0.54%	\$ 32,757	0.36%
Information	19	1.40%	\$ 225,468	1.63%	18	1.61%	\$ 181,737	2.01%
Finance and insurance	23	1.70%	\$ 60,862	0.44%	23	2.06%	\$ 39,981	0.44%
Real estate, rental and leasing	19	1.40%	\$ 200,036	1.45%	20	1.79%	\$ 55,679	0.62%
Professional, scientific and technical	36	2.66%	\$ 14,630	0.11%	47	4.21%	\$ 21,447	0.24%
Administration, support, waste management, and remediation	38	2.81%	\$ 81,729	0.59%	49	4.39%	\$ 123,540	1.37%
Educational Services	8	0.59%	\$ 8,124	0.06%	5	0.45%	\$ 1,141	0.01%
Health care and social assistance	15	1.11%	\$ 11,421	0.08%	10	0.90%	\$ 11,201	0.12%
Arts, entertainment, and recreation	23	1.70%	\$ 109,571	0.79%	19	1.70%	\$ 33,852	0.37%
Accommodation and food service	216	15.95%	\$ 3,315,495	23.97%	144	12.90%	\$ 1,656,715	18.31%
Other Services	117	8.64%	\$ 283,388	2.05%	110	9.86%	\$ 205,744	2.27%
Other	10	0.74%	\$ 355	0.00%	9	0.81%	\$ 304	0.00%
Total	1,354	100.00%	\$ 13,831,909	100.00%	1,116	100.00%	\$ 9,048,690	100.00%

Note: The tax liability was calculated from amounts reported by the Comptroller's Office as sales subject to sales tax. Because of amounts retained by the state for administration and timing differences due to accounts under audit, the totals will not necessarily compare with actual sales tax rebates received by the City.

**CITY OF WESLACO, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
TABLE XVI**

FISCAL YEAR	CITY DIRECT RATE	STATE RATE	TOTAL TAX RATE
2013	2.00%	6.25%	8.25%
2014	2.00%	6.25%	8.25%
2015	2.00%	6.25%	8.25%
2016	2.00%	6.25%	8.25%
2017	2.00%	6.25%	8.25%
2018	2.00%	6.25%	8.25%
2019	2.00%	6.25%	8.25%
2020	2.00%	6.25%	8.25%
2021	2.00%	6.25%	8.25%
2022	2.00%	6.25%	8.25%

CITY OF WESLACO, TEXAS
MISCELLANEOUS STATISTICAL FACTS
SEPTEMBER 30, 2022
TABLE XVII

<u>Date of Incorporation:</u>	1919		
<u>Date of Adoption of City Charter:</u>	December 14, 1927		
<u>Form of Government:</u>	Single Member District		
<u>Area:</u>	14.72 Square Miles		
Miles of Street:		City:	
Graded	1.65	Number of City Employees	340
Paved	230	Number of Street Lights	1620
Miles of Sewers:		Municipal Water Plant:	
Storm	103.30	Number of Connections:	12,610
Sanitary	223.40	Miles of Water Mains	140.3
Building Permits:		Average Daily:	Gallons
Permits Issued	3046	Consumption	5,482,000
Estimated Cost	\$ 103,022,389	Daily Plant Capacity	15,300,000
Fire Protection:		Water Sold for Year	17,057,517
Number of Stations	3	Population:	
Number of Employees	74	1940 Census	6,883
Number of Volunteers	0	1950 Census	7,487
Police Protection		1960 Census	15,649
Number of Sub-station	1	1970 Census	15,313
Number of Stations	1	1980 Census	19,331
Number of Employees	110	1990 Census	25,608
Recreation		2000 Census	26,935
Parks-Number of Acres (Developed)	224.61	2010 Census	35,670
Parks-Number of Acres (Undeveloped)	9.31	2020 Census	40,160
Skateboard Parks	1	2021-Estimated	42,907
Tennis Courts	10	2022-Estimated	41,024
Golf Courses	1	Number of Hospitals/ER's	
Swimming Pools	0	KNAPP Medical Center	1 No. of beds 227
Parks	8	South Texas ER	1 No. of beds 14
Education:		Valley Baptist Micro-Hospital	1 No. of beds 22
Public/Private Schools		Airports	1
Weslaco ISD, Grades PreK-12			
High School	3		
Alternative Schools	2		
Middle Schools	4		
Elementary Schools	11		
IDEA Public Schools, Grades PreK-12			
South Texas ISD, Grades 9-12			
Horizon Montessori II, Grades K-8			
San Martin De Porres Catholic School, Grades PreK-5			
Mid Valley Christian School, Grades PreK-12			
Colleges/Universities		Source:	
South Texas College Mid Valley Campus		City of Weslaco	
UTRGV-Robert C. Vackar College of Business & Entrepreneurship		Finance Department	
Texas A&M University of Kingsville Citrus Center		www.weslacoedc.com	
Texas A&M University AgriLife Research & Extension Center		Weslaco ISD	
South Texas Vo-Tech			
Valley Grande Institute for Academic Studies			

CITY OF WESLACO, TEXAS
DEMOGRAPHIC AND ECONOMICS STATISTICS
LAST TEN CALENDAR YEARS
TABLE XVIII

CALENDAR YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2012	36,846	\$ 570,744,540	\$ 15,490	11.4%
2013	37,093	579,466,846	15,622	10.2%
2014	37,601	589,433,276	15,676	8.2%
2015	39,474	612,754,902	15,523	10.0%
2016	40,033	687,726,907	17,179	9.7%
2017	40,358	720,148,152	17,844	7.3%
2018	41,171	776,443,889	18,859	7.4%
2019	41,629	786,455,068	18,892	9.9%
2020	42,907	881,653,036	20,548	9.5%
2021	41,024	810,224,000	19,750	8.3%

Source: www.census.gov

Source: www.wfsolutions.org

CITY OF WESLACO, TEXAS
OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(dollars in thousands)
TABLE XIX

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building permits issued	1,935	1,998	2,001	2,039	2,099	2,309	1,688	591	3,369	3,046
Building inspections conducted	3,260	3,985	4,670	4,991	5,066	5,117	6,179	745	6,534	7,880
Police										
Physical Arrests-Adults	2,747	2,308	2,572	2,531	2,693	2,774	2,460	1,607	1,568	1,574
Physical Arrests-Juveniles	385	474	306	274	352	363	318	151	117	242
Fire										
Fire responses	1,696	1,751	2,097	1,897	1,876	2,197	2,410	2,311	2,674	2,833
EMS responses	5,251	5,919	5,443	5,880	6,424	6,511	6,614	8,607	6,992	7,307
Library										
Volumes in collection	66,368	69,903	72,514	76,787	80,723	83,145	90,066	92,098	94,909	95,408
Total volumes borrowed	46,606	53,185	53,416	52,469	49,769	50,267	55,688	44,365	53,641	42,831
Water										
New connections	126	74	121	168	281	281	377	349	307	416
Average daily consumption (million of gallons)	5.29	4.80	5.26	5.81	5.23	5.23	5.15	5.63	5.34	5.48
Peak daily consumption (million of gallons)	6.80	7.95	6.17	6.74	5.15	5.15	6.45	6.60	6.34	7.58
Wastewater										
Average daily wastewater treatment (million of gallons)	4.92	3.79	3.68	3.68	4.10	4.10	3.67	4.00	4.46	4.08
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol Units	56	59	59	59	60	60	75	75	83	83
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Street (miles)	223.00	223.00	223.00	223.00	223.00	223.00	227.00	227.00	227.00	230.00
Streetlights	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,620
Parks & Recreation										
Acreage (Developed)	171.97	171.97	171.97	171.97	171.97	171.97	171.97	175.93	175.93	224.61
Acreage (Undeveloped)	-	-	-	-	-	-	57.99	57.99	57.99	9.31
Playgrounds	16	16	16	16	16	16	16	16	16	16
Golf courses (private)	2	2	2	2	2	2	2	2	2	1
Water										
Water main (miles)	128.0	129.6	129.6	129.6	129.6	129.6	131.0	131.5	137.0	140.3
Fire hydrants	-	1,670	1,670	1,670	1,670	1,670	1,682	1,693	1,702	1,726
Storage capacity (million of gallons)	2.39	6.39	6.39	6.39	6.39	6.39	6.39	15.30	15.30	15.30
Wastewater										
Sanitary sewer (miles)	213.00	213.31	213.31	213.31	213.31	213.31	214.20	214.80	215.50	223.40
Storm Sewer (miles)	96.00	96.39	96.39	96.39	96.39	96.39	97.30	97.50	100.00	103.30
Treatment capacity (million of gallons)	7.25	8.25	8.25	8.25	8.25	8.25	8.25	7.40	7.40	7.40

CITY OF WESLACO, TEXAS
TOP TEN PRINCIPAL EMPLOYERS
CALENDAR YEAR 2020 AND 2011
TABLE XX

EMPLOYER	2020			2011		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Weslaco ISD	2,358	1	43.91%	2,817	1	44.71%
Knapp Medical Center	900	2	16.76%	1,000	2	15.87%
HEB (2 Locations)	450	3	8.38%	407	4	6.46%
Woodcrafters	375	4	6.98%	592	3	9.40%
Wal-Mart	260	6	4.84%	260	7	4.13%
Payne Auto Group	250	7	4.66%	389	5	6.17%
City of Weslaco	233	5	4.34%	260	6	4.13%
South Texas College	214	8	3.99%	214	8	3.40%
Valley Grande Manor	180	9	3.35%	161	10	2.56%
Texas A&M Ag	150	10	2.79%			
Texas Department of Public Safety				200	9	3.17%
Total	5,370		100.00%	6,300		100.00%

Source: Municipal Advisory County of Texas

<https://mactexas.com/IssuerAccess/Report/TopTenEmployers/101824>

CITY OF WESLACO, TEXAS
FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
TABLE XXI

Full - time Equivalent Employees as of September 30

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	31	35	48	44	46	48	48	51	53	58
Legislative	2	2	2	2	2	2	2	2	2	2
Other	29	33	46	42	44	46	46	49	51	56
Public Safety	140	136	152	162	167	171	178	182	185	186
Public Works	22	42	45	45	44	44	44	44	45	45
Health & Welfare	2	2	3	3	3	4	4	5	5	5
Recreation	2	7	12	12	12	14	11	11	13	19
Refuse Collection	3	1	1	1	2	4	2	2	8	25
Library	17	16	16	16	15	15	15	15	15	16
Water	31	22	23	17	15	14	15	15	15	17
Wastewater	14	11	12	3	4	4	5	5	5	4
Airport	3	3	3	3	4	4	4	4	4	6
Museum	0	0	0	0	0	0	0	0	0	0
Total	265	275	315	306	312	322	326	334	347	381



COMPLIANCE SECTION



**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**

Honorable Mayor and
Members of the City Commission
City of Weslaco, 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 unit, each major fund, and the aggregate remaining fund information of the City of Weslaco, Texas, as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the City of Weslaco, Texas' basic financial statements and have issued our report thereon dated April 18, 2023. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component unit, as described in our report on the City of Weslaco, Texas' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Weslaco, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Weslaco, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Weslaco, 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Carr, Riggs & Ingram, L.L.C.

Harlingen, Texas
April 18, 2023

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and
Members of the City Commission
City of Weslaco, Texas

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited the City of Weslaco's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of The City of Weslaco's major federal programs for the year ended September 30, 2022. The City of Weslaco's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Weslaco complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Weslaco and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Weslaco's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Weslaco's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Weslaco's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Weslaco's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Weslaco's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Weslaco's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Weslaco's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Harlingen, Texas

April 18, 2023

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City of Weslaco, Texas
Schedule of Findings and Questioned Costs

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified?	_____ yes	<u> X </u> no
* Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified?	_____ yes	<u> X </u> no
* Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	<u> X </u> no
Identification of major programs:		

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

City of Weslaco, Texas
Schedule of Findings and Questioned Costs

**Section II – Findings Relating to the Financial Statement Audit as required to be reported in accordance
with Generally Accepted Government Auditing Standards**

None reported

Section III– Findings Relating to Internal Control Over Major Programs

None reported

**City of Weslaco, Texas
Schedule of Findings and Questioned Costs
Corrective Action Plan**

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

None reported.

City of Weslaco, Texas
Schedule of Findings and Questioned Costs
Summary Schedule of Prior Audit Findings

STATUS OF PRIOR YEAR'S FINDINGS/COMPLIANCE

Reference Number: (2021-001)

Expenditures in excess of budget appropriations

Status:

Finding has been resolved, no further corrective action is currently deemed necessary.

City of Weslaco, Texas

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2022

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) Federal Assistance Listing Number	(3) Pass-through Entity Identifying Number	(4) Provided to Subrecipients	(5) Federal Expenditures
U.S. Department of Commerce				
Economic Development Cluster				
Economic Adjustment Assistance*	11.307		-	\$ 395,619
Total Economic Development Cluster				395,619
Total U.S. Department of Commerce			-	395,619
U.S. Department of the Interior				
Passed Through Texas Parks and Wildlife				
Outdoor Recreation Acquisition, Development and Planning	15.916	48-001161	-	500,000
Total Passed Through Texas Parks and Wildlife				500,000
Total U.S. Department of the Interior				500,000
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	4143201	-	28,581
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1579	-	5,948
Total COVID-19 Coronavirus Emergency Supplemental Funding Program			-	34,529
Recovery Act- Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810		-	19,000
Equitable Sharing Program	16.922		-	21,257
Equitable Sharing Program	16.922		-	21,412
Total Equitable Sharing Program				42,669
Public Safety Partnership and Community Policing Grants	16.710	2020SVWX0124	-	330,450
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03410-UHPX	-	53,136
Total Public Safety Partnership and Community Policing Grants				383,586
Passed through Office of the Governor				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-BJ-BX-0825	-	3,243
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01906-JAGX	-	12,010
Total Edward Byrne Memorial Justice Assistance Grant Program			-	15,253
Project Safe Neighborhoods	16.609	4271601	-	23,188
Crime Victim Assistance	16.575	3814603	-	61,520
Total Passed through Office of the Governor			-	99,961
Total U.S. Department of Justice			-	579,745
U.S. Department of Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	17460025442	-	2,386,429
Total U.S. Department of Treasury			-	2,386,429
US DEPARTMENT OF HOMELAND SECURITY				
Passed through Texas Department of Emergency Management				
Hazard Mitigation Grant Program	97.039	DR-4377-0005	-	1,057
Passed through Office of the Governor				
Homeland Security Grant Program	97.067	3173406	-	109,516
Homeland Security Grant Program	97.067	3173407	-	182,037
Total passed through Office of the Governor			-	291,553
Total U.S. Department of Homeland Security			-	292,610
TOTAL EXPENDITURES OF FEDERAL AWARDS			-	\$ 4,154,403

* Clustered Programs

The accompanying notes are an integral part of this schedule

City of Weslaco, Texas

Notes on Accounting Policies for Federal Awards

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Weslaco, Texas, for the year ended September 30, 2022. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Weslaco, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Sub-recipients

During the year ended September 30, 2022, the City of Weslaco, Texas had no sub-recipients.

Federal Loans and Loan Guarantees

During the year ended September 30, 2022, the City had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance

During the year ended September 30, 2022, the City had no federally funded insurance.

Noncash Awards

During the year ended September 30, 2022, the City did not have any federal awards in the form of noncash assistance.

Indirect Cost Rate

The Uniform Guidance allows an organization to elect a 10% de minimus indirect cost rate. For the year ended September 30, 2022, the City did not elect to use this rate.