

CITY OF WESLACO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2023

Issued by:

Martin Garza, City Manager

Rosalinda Cavazos, CPA, Finance Director



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City of Weslaco, Texas
City Officials

Mayor	Adrian Gonzalez
Mayor Pro-tem	Adrian Farias
Commissioners	Letty Lopez Josh Pedraza Greg Kerr Israel Gonzalez Jr. Jose “JP” Rodriguez
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	Ricardo Mendoza
Parks and Recreation Director	Omar Rodriguez
Public Facilities Director	David Arce
Library Director	Arnold Becho

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City of Weslaco

"The City on the Grow"



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

Martin Garza, City Manager

April 10, 2024

The Honorable Mayor Adrian Gonzalez,
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, 2023, 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, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's 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 98 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 107.

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 39.5% of total General Fund Revenues. The goal is always to maintain at least 25%. The unrestricted fund balance at September 30, 2023, 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 \$0.6867 per \$100.00 valuation for the 2023 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**

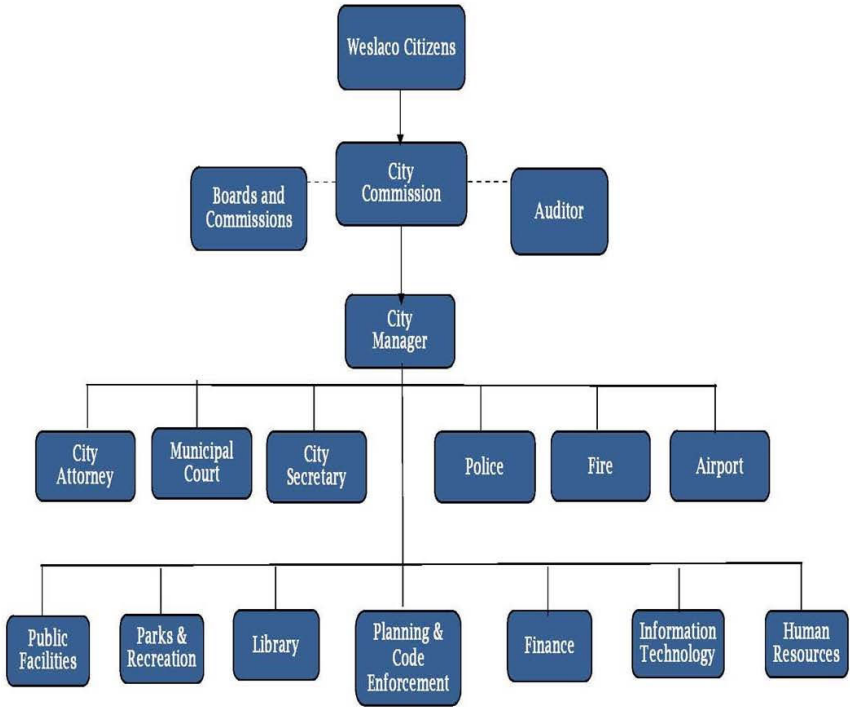
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

**City of Weslaco
Organizational Chart**





REPORT



INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, 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 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

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

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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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, 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 10, 2024, 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 10, 2024

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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, 2023. 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 \$10,060,617 as a result of this year's operations. Net position from governmental activities increased by \$5,664,455, while net position from business-type activities increased \$4,396,162. This reflects a 10.5% increase to ending total net position.

- **Governmental Activities – Revenues and Expenses Compared to Last Year** – Total revenues increased \$2,906,441 from last year, with the majority increases in collection of taxes, investment earnings, and capital grants and contributions. Investment earnings showed a strong increase of \$2.1M or 655%, sales and franchise taxes increased by \$1,057,462, and property tax revenues increased by \$1,378,331. Expenses increased \$4,013,014 from last year.
- **Business-Type Activities – Revenues and Expenses Compared to Last Year** – Overall total revenues saw an increase of \$1,488,899 from last year. Charges for all services increased by \$1,895,870, while grants decreased by \$457,786. Expenses increased by \$2,433,354 in water and wastewater services due to operations, personnel charges, contractual services, and depreciation, \$39,424 in solid waste expenses due to operations, and \$253,192 in airport services due to operations.

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 sixteen 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, 2023 Construction Fund, 2021B Construction Fund, Special Projects Fund, and Debt Service Fund which are the only reported major funds. Data from other eleven 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 2023, 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 \$106,234,537 at the close of the most recent fiscal year.

On September 30, 2023, the City had an outstanding bonds balance of \$87,386,000. The City has unspent bond proceeds on its recently issued 2018, 2019, 2021A, 2021B, and 2023 bonds to be used for its drainage projects and purchase of equipment as well as the recent issues that will be used for the 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 Statements 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, 2023 and 2022.

Table 1 City of Weslaco, Texas- Net Position Primary Government						
	Governmental Activities		Business-type Activities		Total	Total
	2023	2022	2023	2022	2023	2022
Current assets	\$ 67,699,556	\$ 58,874,139	\$ 5,734,948	\$ 4,443,502	\$ 73,434,504	\$ 63,317,641
Capital and right-to-use assets, net	75,747,975	69,712,635	102,195,423	103,464,027	177,943,398	173,176,662
Total assets	143,447,531	128,586,774	107,930,371	107,907,529	251,377,902	236,494,303
Deferred outflows of resources- deferred charge	582,684	651,918	1,581,662	1,789,486	2,164,346	2,441,404
Deferred outflows of resources- pensions	4,364,047	2,778,882	368,549	93,108	4,732,596	2,871,990
Deferred outflows of resources- OPEB	478,270	560,504	13,447	17,598	491,717	578,102
Total deferred outflows of resources	5,425,001	3,991,304	1,963,658	1,900,192	7,388,659	5,891,496
Total assets and deferred outflows of resources	\$ 148,872,532	\$ 132,578,078	\$ 109,894,029	\$ 109,807,721	\$ 258,766,561	\$ 242,385,799
Current liabilities	\$ 15,696,657	\$ 17,425,951	\$ 2,213,786	\$ 1,781,201	\$ 17,910,443	\$ 19,207,152
Non-current liabilities						
Due within one year	3,972,055	3,543,349	4,989,958	4,541,698	8,962,013	8,085,047
Due in more than one year	59,742,518	50,362,805	44,335,323	49,860,641	104,077,841	100,223,446
Municipal net pension liability	10,740,202	3,794,031	1,221,778	617,762	11,961,980	4,411,793
Firemen's net pension liability	4,742,152	6,175,754	-	-	4,742,152	6,175,754
OPEB liability- TMRS Supplemental death	714,424	1,021,137	63,777	90,448	778,201	1,111,585
OPEB liability- reitree health care	1,933,289	1,816,003	-	-	1,933,289	1,816,003
Total liabilities	97,541,297	84,139,030	52,824,622	56,891,750	150,365,919	141,030,780
Deferred inflows of resources- leases	447,599	545,344	269,523	287,163	717,122	832,507
Deferred inflows of resources- pensions	430,115	3,365,080	25,299	274,051	455,414	3,639,131
Deferred inflows of resources- OPEB	965,241	704,799	28,328	4,662	993,569	709,461
Total deferred inflows of resources	1,842,955	4,615,223	323,150	565,876	2,166,105	5,181,099
Net position						
Net investment in capital assets	49,090,564	44,125,792	57,547,527	53,432,408	106,638,091	97,558,200
Restricted	2,901,080	2,117,842	1,213,268	1,003,975	4,114,348	3,121,817
Unrestricted (deficit)	(2,503,364)	(2,419,809)	(2,014,538)	(2,086,288)	(4,517,902)	(4,506,097)
Total net position	49,488,280	43,823,825	56,746,257	52,350,095	106,234,537	\$ 96,173,920
Total liabilities, deferred inflows of resources and net position	\$ 148,872,532	\$ 132,578,078	\$ 109,894,029	\$ 109,807,721	\$ 258,766,561	\$ 242,385,799

Governmental Activities

The property tax levy increased by \$1,926,748 (13.6%) 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 2022 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 \$19,528,853 for the year, which is an increase of \$1,409,949 or 7.8% 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 41.6% 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 \$4,664,946 in the General Fund and Special Projects Fund, mostly due to federal funding received from COVID-19 Coronavirus State and Local Fiscal Recover Funds. 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				Total 2023	Total 2022
	Governmental Activities		Business-type Activities			
	2023	2022	2023	2022		
Program Revenues:						
Charges for services	\$ 4,025,184	\$ 4,645,824	\$ 22,788,099	\$ 20,892,229	\$ 26,813,283	\$ 25,538,053
Operating grants and contributions	2,427,910	5,253,381	-	-	2,427,910	5,253,381
Capital grants and contributions	2,367,036	601,057	1,326,945	1,784,731	3,693,981	2,385,788
General Revenues:						
Property taxes	16,423,205	15,044,874	-	-	16,423,205	15,044,874
Non-property taxes	17,172,984	16,058,956	-	-	17,172,984	16,058,956
Unrestricted investment earnings	2,407,808	318,939	58,380	7,565	2,466,188	326,504
Gain on sale of capital assets	-	166,811	-	-	-	166,811
Other income	394,214	222,058	-	-	394,214	222,058
Total revenue	45,218,341	42,311,900	24,173,424	22,684,525	69,391,765	64,996,425
Expenses						
General government	8,067,839	7,788,269	-	-	8,067,839	7,788,269
Public safety	20,591,805	18,530,439	-	-	20,591,805	18,530,439
Emergency medical services	282,982	355,962	-	-	282,982	355,962
Public works	5,313,459	4,337,188	-	-	5,313,459	4,337,188
Culture and recreation	2,951,145	2,624,099	-	-	2,951,145	2,624,099
Interest on long term debt	1,442,309	1,000,568	-	-	1,442,309	1,000,568
Water and sewer services	-	-	14,040,070	11,606,716	14,040,070	11,606,716
Solid waste services	-	-	4,575,600	4,536,176	4,575,600	4,536,176
Airport	-	-	2,065,939	1,812,747	2,065,939	1,812,747
Total expenses	38,649,539	34,636,525	20,681,609	17,955,639	59,331,148	52,592,164
Increase in net position before Transfers	6,568,802	7,675,375	3,491,815	4,728,886	10,060,617	12,404,261
Transfers	(904,347)	(41,480)	904,347	41,480	-	-
Change in net position	5,664,455	7,633,895	4,396,162	4,770,366	10,060,617	12,404,261
Net position- beginning	43,823,825	36,189,930	52,350,095	47,579,729	96,173,920	83,769,659
Net postion- ending	\$ 49,488,280	\$ 43,823,825	\$ 56,746,257	\$ 52,350,095	\$ 106,234,537	\$ 96,173,920

Business-Type Activities

Business-type activities continue to account for about 53.4% 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 \$4,318,929 from current year operations, which increased from the prior year change in net position of \$4,286,215. This was the result of an increase in transfers from other funds, including \$2,144,908 from special projects fund for water and sewer capital projects, \$1,000,000 from other governmental funds, and \$6,151,727 from other funds within the water and wastewater fund. Operating revenues increased by \$1,622,474 and operating expenses increased by \$2,522,504. Transfers to other funds increased by \$1,422,059 to make the current payments on long-term debt.

The net position of the Solid Waste Fund increased \$601,914 despite continued transfers to the capital improvement fund. Operating revenues increased by \$253,578 and operating expenses decreased by \$45,326. Transfers to other funds (to the Capital Improvements Program Fund) increased by \$275,000.

The net position of the Airport Fund showed a negative effect of \$524,681, due mostly to a decrease in capital grants and increase in other services expenses. The Airport Fund revenues increased by \$19,818, which is mainly due to increase in fuel sales and hangar rentals. Expenditures increase by \$254,805. 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 \$49,691,942. Approximately 28% of this total amount, or \$13,905,285 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 \$13,905,285, which increased by \$2,154,695 from the prior unassigned fund balance of \$11,750,590, which was due to increase in revenues 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 41.5% of the total General Fund expenditures, while total fund balance represents 41.9 % 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 \$2,201,792, which was mainly attributed to increase in revenues of \$1,669,556 related to increase in sales and property taxes and investment income from prior year. In addition, there was an increase in other financing sources of \$389,173 for proceeds from issuance of debt and net transfer out of (\$159,165).

City of Weslaco, Texas Management's Discussion and Analysis

The changes in fund balances for 2023 C.O. Construction Fund of \$11,802,262 and 2021B C.O. Construction Fund of \$141,405 is due to bond proceeds and increases in investment income.

The City Commission maintained the tax rate at \$0.6967 per \$100 assessed valuation for the 2022 tax year levy year. Sales tax revenues increased by 7.8% from prior year.

The debt service and 2019 Series debt service have a total combined fund balance of \$1,188,434, all of which is restricted for the repayment of debt service. The scheduled tax supported debt service payments for fiscal year 2023 was \$4,179,042, including interest paid of \$1,434,042.

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 (\$1,637,689), which was an increase of \$503,278 from last year. Operating revenues increased by \$1,622,474 and operating expenses increased by \$2,522,504. The result was operating income decreased by \$900,030 compared to last year.

The unrestricted net position of the Solid Waste Fund amounted to \$1,841,504 at the end of the year, an increase of \$593,130 from the prior year. Operating revenue increased by \$253,578 from last year, while operating expenses decreased by \$45,326. It should be noted that there was an increase in net position of \$601,914 despite a transfers of \$1,125,000 to other funds.

The unrestricted net position (deficit) for the Airport Fund amounted to \$(2,218,353). The airport will continue making improvements, yet operations are back to normal. The Airport completed the construction of additional hangers to accommodate demands.

General Fund Budgetary Highlights

The original budgeted revenue of \$32,135,939 represented a 5.2% increase over the previous year's budgeted amount. The 2023 budget was amended to recognize additional projected revenue for a final revenue budget of \$34,384,226. Taxes represent about 78.7% of total General Fund budgeted revenue.

The original adopted General Fund expenditures were \$30,289,948. 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 \$3,511,347, to \$33,801,295 of expenditures. The increase was attributed to overtime in several departments due to an increase in community events, additional investment in streets, parks, and animal control efforts, and the additional one-time expenditure of moving cost to our new Public Safety Building.

City of Weslaco, Texas Management's Discussion and Analysis

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, 2023, amounts to \$177,943,398 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, 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 2.8%.

Table 3
City of Weslaco- Capital Assets
Primary Government

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
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
Water rights	-	-	269,431	-	269,431	-
Buildings	20,411,626	20,411,626	1,679,646	1,679,646	22,091,272	22,091,272
Equipment	28,228,190	26,207,527	24,762,185	23,379,313	52,990,375	49,586,840
Improvements	56,918,053	52,565,950	137,170,542	132,268,616	194,088,595	184,834,566
Right-to-use subscription assets	277,373	-	-	-	277,373	-
Right-to-use lease assets	50,991	50,991	6,602	6,602	57,593	57,593
Construction in progress	18,594,168	14,948,691	703,382	2,695,916	19,297,550	17,644,607
Totals at historical cost	138,380,207	128,084,591	169,214,672	164,652,977	307,594,879	292,737,568
Accumulated depreciation and amortization	(62,632,232)	(58,371,956)	(67,019,249)	(61,188,950)	(129,651,481)	(119,560,906)
Total capital assets, net	\$ 75,747,975	\$ 69,712,635	\$ 102,195,423	\$ 103,464,027	\$ 177,943,398	\$ 173,176,662

Additional information on the City of Weslaco's capital assets can be found in Note 6 starting on page 59 of this report.

Long-Term Debt

At year end of the current fiscal year, the City of Weslaco had total bonded debt outstanding of \$87,386,000. 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 61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The employment rate for the City of Weslaco remained constant at 93% when compared to prior year. 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 95.8%.

City of Weslaco, Texas Management's Discussion and Analysis

The property tax rate decreased by \$0.01 for the 2023 tax year, or fiscal year ending September 30, 2024. Sales tax is conservatively projected to increase by 1%. The 2023-2024 adopted budget is a fiscally responsible balanced budget.

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, 2023

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	\$ 2,072,016	\$ 136,759	\$ 2,208,775	\$ 3,778,372
Cash and cash equivalents- restricted	6,652,468	35,185	6,687,653	-
Investments	50,224,296	-	50,224,296	5,235,190
Investments, restricted	-	3,726,213	3,726,213	-
Receivables, net	5,625,373	3,611,027	9,236,400	34,840
Leases receivables	449,969	270,503	720,472	962,267
Due from primary government	-	-	-	414,723
Land Escrow	-	-	-	250,000
Internal balances	2,529,618	(2,529,618)	-	-
Notes receivables	-	-	-	2,444,031
Grant Receivable	-	-	-	1,500,000
Assets held for sale	-	-	-	18,268,268
Other prepaid items	1,032	-	1,032	-
Inventories	144,784	484,879	629,663	-
Capital assets				
Non-depreciable	32,493,974	5,595,697	38,089,671	-
Depreciable, net	43,058,887	96,598,405	139,657,292	4,680,117
Right-to-use subscription assets, net	184,915	-	184,915	-
Right-to-use leased assets, net	10,199	1,321	11,520	-
Total assets	143,447,531	107,930,371	251,377,902	37,567,808
Deferred Outflows of Resources				
Deferred charge on refunding	582,684	1,581,662	2,164,346	-
Deferred outflows related to pensions	4,364,047	368,549	4,732,596	-
Deferred outflows related to OPEB	478,270	13,447	491,717	-
Total Deferred Outflows of Resources	5,425,001	1,963,658	7,388,659	-
Total Assets and Deferred Outflows of Resources	\$ 148,872,532	\$ 109,894,029	\$ 258,766,561	\$ 37,567,808
Liabilities				
Accounts payable	\$ 2,856,934	\$ 1,695,979	\$ 4,552,913	\$ 1,201,481
Due to component unit	414,723	-	414,723	-
Accrued expenses	3,656,201	517,807	4,174,008	15,531
Unearned revenue	8,768,799	-	8,768,799	-
Non-current liabilities:				
Due within one year	3,972,055	4,989,958	8,962,013	309,874
Due in more than one year				
Other liabilities due in more than one year	59,742,518	44,335,323	104,077,841	12,644,320
Municipal net pension liability	10,740,202	1,221,778	11,961,980	-
Firemen's net pension liability	4,742,152	-	4,742,152	-
OPEB liability- TMRs SDB	714,424	63,777	778,201	-
OPEB liability- retiree health care	1,933,289	-	1,933,289	-
Total Liabilities	97,541,297	52,824,622	150,365,919	14,171,206
Deferred Inflows of Resources				
Deferred inflows related to leases	447,599	269,523	717,122	962,267
Deferred inflows related to pensions	430,115	25,299	455,414	-
Deferred inflows related to OPEB	965,241	28,328	993,569	-
Total Deferred Inflows of Resources	1,842,955	323,150	2,166,105	962,267
Net Position				
Net investment in capital assets	49,090,564	57,547,527	106,638,091	4,212,961
Restricted for:				
Debt service	1,188,434	1,213,268	2,401,702	-
Tourism	1,022,916	-	1,022,916	-
Library activities	14,364	-	14,364	-
Building depreciation fund	445,769	-	445,769	-
Capital projects	229,597	-	229,597	-
Project development	-	-	-	18,268,268
Unrestricted	(2,503,364)	(2,014,538)	(4,517,902)	(46,894)
Total Net Position	49,488,280	56,746,257	106,234,537	22,434,335
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 148,872,532	\$ 109,894,029	\$ 258,766,561	\$ 37,567,808

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, 2023

			Program Revenues	
Functions/programs	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 8,067,839	\$ 1,657,685	\$ -	\$ -
Public safety	20,591,805	850,289	2,427,910	30,000
Emergency medical services	282,982	1,493,955	-	-
Public works	5,313,459	-	-	2,337,036
Culture and recreation	2,951,145	23,255	-	-
Interest on long-term debt	1,442,309	-	-	-
Total governmental activities	38,649,539	4,025,184	2,427,910	2,367,036
Business-type activities:				
Water and Wastewater services	14,040,070	15,518,943	-	1,003,401
Solid waste services	4,575,600	6,302,514	-	-
Airport	2,065,939	966,642	-	323,544
Total business-type activities	20,681,609	22,788,099	-	1,326,945
Total primary government	\$ 59,331,148	\$ 26,813,283	\$ 2,427,910	\$ 3,693,981
Component Unit:				
General government and administration	\$ 243,682	\$ -	\$ -	\$ -
Property management	813,735	229,099	1,500,000	-
Promotion and development	282,210	-	35,969	-
Development services	3,086,144	-	-	-
Interest on long-term debt	77,293	-	-	-
Total componen unit	\$ 4,503,064	\$ 229,099	\$ 1,535,969	\$ -

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	
\$ (6,410,154)	\$ -	\$ (6,410,154)	\$ -
(17,283,606)	-	(17,283,606)	-
1,210,973	-	1,210,973	-
(2,976,423)	-	(2,976,423)	-
(2,927,890)	-	(2,927,890)	-
(1,442,309)	-	(1,442,309)	-
(29,829,409)	-	(29,829,409)	-
-	2,482,274	2,482,274	-
-	1,726,914	1,726,914	-
-	(775,753)	(775,753)	-
-	3,433,435	3,433,435	-
(29,829,409)	3,433,435	(26,395,974)	-
\$ -	\$ -	\$ -	\$ (243,682)
-	-	-	915,364
-	-	-	(246,241)
-	-	-	(3,086,144)
-	-	-	(77,293)
			(2,737,996)
16,423,205	-	16,423,205	-
14,646,639	-	14,646,639	4,889,047
538,170	-	538,170	-
1,988,175	-	1,988,175	-
2,407,808	58,380	2,466,188	237,805
-	-	-	1,103,219
394,214	-	394,214	564,243
(904,347)	904,347	-	-
35,493,864	962,727	36,456,591	6,794,314
5,664,455	4,396,162	10,060,617	4,056,318
43,823,825	52,350,095	96,173,920	18,378,017
\$ 49,488,280	\$ 56,746,257	\$ 106,234,537	\$ 22,434,335

City of Weslaco, Texas
Governmental Funds
Balance Sheet

September 30, 2023

	General Fund	2023 C.O. Construction Fund	2021B C.O. Construction Fund	Special Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 561,402	\$ 237,728	\$ 186,708	\$ 114,385	\$ 13,988	\$ 957,805	\$ 2,072,016
Cash and cash equivalents- restricted	592,703	-	-	-	-	6,059,765	6,652,468
Investments	12,704,985	12,617,895	9,909,901	5,397,330	742,429	8,851,756	50,224,296
Receivables (net of allowance for uncollectibles):							
Ad valorem taxes	541,180	-	-	-	238,724	13,754	793,658
Sales taxes	1,631,556	-	-	-	-	-	1,631,556
Ambulance fees	1,817,212	-	-	-	-	-	1,817,212
Leases	-	-	-	-	-	449,969	449,969
Other	1,045,503	-	-	-	-	337,444	1,382,947
Due from other funds	3,692,910	-	-	-	69,412	1,038,274	4,800,596
Prepaid items	1,032	-	-	-	-	-	1,032
Inventories	144,784	-	-	-	-	-	144,784
Total Assets	\$ 22,733,267	\$ 12,855,623	\$ 10,096,609	\$ 5,511,715	\$ 1,064,553	\$ 17,708,767	\$ 69,970,534
Liabilities							
Accounts payable	\$ 1,957,181	\$ 25,527	\$ 28,034	\$ 280,311	\$ -	\$ 980,604	\$ 3,271,657
Accrued salaries and payroll taxes	922,682.00	-	-	-	-	-	922,682
Other liabilities	1,921,907	-	-	-	-	-	1,921,907
Due to other funds	78,052	1,027,834	-	-	-	914,823	2,020,709
Payable from restricted assets	592,703	-	-	-	-	-	592,703
Unearned revenue	1,055,284	-	-	5,001,807	-	2,711,708	8,768,799
Total Liabilities	6,527,809	1,053,361	28,034	5,282,118	-	4,607,135	17,498,457
Deferred Inflows of Resources							
Leases	-	-	-	-	-	447,599	447,599
Unavailable revenue- ad valorem taxes	337,685	-	-	-	173,414	4,765	515,864
Unavailable revenue- EMS fees	1,816,672	-	-	-	-	-	1,816,672
Total Deferred Inflows of Resources	2,154,357	-	-	-	173,414	452,364	2,780,135
Fund Balances							
Nonspendable	145,816	-	-	-	-	-	145,816
Restricted	-	11,802,262	10,068,575	229,597	891,139	11,590,437	34,582,010
Assigned	-	-	-	-	-	1,058,831	1,058,831
Unassigned	13,905,285	-	-	-	-	-	13,905,285
Total Fund Balances	14,051,101	11,802,262	10,068,575	229,597	891,139	12,649,268	49,691,942
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,733,267	\$ 12,855,623	\$ 10,096,609	\$ 5,511,715	\$ 1,064,553	\$ 17,708,767	\$ 69,970,534

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, 2023

	Governmental Activities
Total fund balance-governmental funds	\$ 49,691,942
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.	2,332,536
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 \$138,051,843 net of accumulated depreciation totaling \$(62,498,982).	75,552,861
Right-to-use leased assets of \$50,991, net of accumulated amortization of \$40,792 are not financial resources, and therefore are not reported as assets in governmental funds	10,199
Right-to-use subscription assets of \$277,373, net of accumulated amortization of \$92,458 are not financial resources, and therefore are not reported as assets in governmental funds	184,915
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.	(218,909)
Deferred outflows of resources related to amounts deferred on refundings of long-term debt are not reported in the governmental funds.	582,684
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.	(63,714,573)
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 (\$10,740,202), a deferred resource outflow in the amount of \$3,916,477, and a deferred resource inflow in the amount of (\$45,487). This resulted in a (decrease) in net position.	(6,869,212)
Included in the noncurrent (liabilities) is the recognition of the City Firemen's net pension (liability) required by GASB No. 68 in the amount of (\$4,742,152), a deferred resource outflow in the amount of \$447,570 and a deferred resource inflow in the amount of (\$384,628). This resulted in a (decrease) in net position.	(4,679,210)
Included in the noncurrent (liabilities) is the recognition of the City's total OPEB liability required by GASB No. 75 in the amount of (\$2,647,713), a deferred resource outflow in the amount of \$478,270, and a deferred resource inflow in the amount of (\$965,241). This resulted in a (decrease) in net position.	(3,134,684)
Net position of governmental activities	\$ 49,488,280

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, 2023

	General Fund	2023 C.O. Construction Fund	2021B C.O Construction Fund	Special Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 11,084,732	\$ -	\$ -	\$ -	\$ 4,766,185	\$ 705,396	\$ 16,556,313
Nonproperty taxes	16,634,814	-	-	-	-	538,170	17,172,984
Fees and charges	2,626,681	-	-	-	-	8,973	2,635,654
Fines and forfeitures	531,870	-	-	-	-	-	531,870
Licenses and permits	973,026	-	-	-	-	-	973,026
Intergovernmental	2,427,910	-	-	2,237,036	-	130,000	4,794,946
Investment income	650,912	328,622	262,897	229,597	55,659	880,121	2,407,808
Lease revenue	-	-	-	-	-	97,745	97,745
Interest revenue	-	-	-	-	-	20,246	20,246
Miscellaneous	275,191	-	-	-	-	1,032	276,223
Total Revenues	35,205,136	328,622	262,897	2,466,633	4,821,844	2,381,683	45,466,815
Expenditures							
General government	6,974,337	-	-	76,969	-	364,406	7,415,712
Public safety	19,807,340	1,053,361	-	15,159	-	4,076,398	24,952,258
Public works	4,260,936	-	-	-	-	953,897	5,214,833
Culture and recreation	1,887,393	-	121,367	-	-	2,329,320	4,338,080
Economic development	288,667	-	-	-	-	-	288,667
Debt service:							
Principal	268,328	-	-	-	2,535,000	470,972	3,274,300
Interest and fees	23,724	148,674	125	-	1,088,093	383,388	1,644,004
Total Expenditures	33,510,725	1,202,035	121,492	92,128	3,623,093	8,578,381	47,127,854
Excess (deficiency) of revenues over expenditures	1,694,411	(873,413)	141,405	2,374,505	1,198,751	(6,196,698)	(1,661,039)
Other financing sources (uses):							
Proceeds from bond issuance	-	11,810,000	-	-	-	-	11,810,000
Proceeds from bond premium	-	865,675	-	-	-	-	865,675
Issuance of debt	666,546	-	-	-	-	249,908	916,454
Transfers in	1,870,086	-	-	-	-	2,399,726	4,269,812
Transfers out	(2,029,251)	-	-	(2,144,908)	(1,000,000)	-	(5,174,159)
Total other financing sources (uses)	507,381	12,675,675	-	(2,144,908)	(1,000,000)	2,649,634	12,687,782
Net change in fund balances	2,201,792	11,802,262	141,405	229,597	198,751	(3,547,064)	11,026,743
Fund balances at beginning of year	11,849,309	-	9,927,170	-	692,388	16,196,332	38,665,199
Fund balances at end of year	\$ 14,051,101	\$ 11,802,262	\$ 10,068,575	\$ 229,597	\$ 891,139	\$ 12,649,268	\$ 49,691,942

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, 2023

	Governmental Activities
Net change in fund balances-total governmental funds	\$ 11,026,743
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 (\$4,260,276) exceeded capital outlay \$10,295,616 in the current period.	6,035,340
The change in compensated absences and accrued interest on long-term debt of \$90,122 and \$125,813 are reported as a increase to expenditures in the statement of activities but not in the governmental funds.	(215,935)
Issuances of debt and bond proceeds are recorded as other financing sources in the governmental funds while they are recorded as long term debt in the statement of net position.	(13,592,129)
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.	437,418
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.	(248,474)
Repayment of bond, lease, financing arrangements, 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.	3,367,180
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 12/31/2022 caused the change in ending net position to increase in the amount of \$754,782. 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 (\$706,907). The City's reported TMRS net pension expense had to be recorded. The net pension expense (decreased) the change in net position by (\$965,832). The result of these changes is to decrease the change in net position.	(917,957)
Firemen pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decrease net position.	(74,482)
GASB Statement No. 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2022 caused the change in the ending net position to increase in the amount of \$33,587. 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 (\$21,980). The City's reported TMRS OPEB expense had to be recorded. The net OPEB expense (decreased) the change in net position by (\$24,793). 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 (\$140,063). The result of these changes is to (decrease) the change in net position.	(153,249)
Change in net position of governmental activities	\$ 5,664,455

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, 2023

	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	\$ 135,209	\$ 144	\$ 1,406	\$ 136,759	\$ -
Cash and cash equivalents- restricted	33,610	1,575	-	35,185	-
Investments- restricted	3,711,946	-	14,267	3,726,213	-
Receivables, net of allowances for uncollectibles	2,539,659	887,770	183,598	3,611,027	-
Leases	-	-	16,472	16,472	-
Due from other funds	-	2,000,000	-	2,000,000	-
Inventories	419,812	-	65,067	484,879	-
Total current assets	6,840,236	2,889,489	280,810	10,010,535	-
Non-current assets					
Leases receivable	-	-	254,031	254,031	-
Land	665,175	421,247	3,536,462	4,622,884	-
Buildings	362,324	668,781	648,541	1,679,646	-
Equipment	15,622,058	8,091,909	1,048,218	24,762,185	4,997,658
Improvements	-	-	-	-	70,864
Infrastructure	121,217,604	246,706	15,706,232	137,170,542	-
Water rights	269,431	-	-	269,431	-
Right-to-use lease asset	3,718	-	2,884	6,602	-
Construction-in-progress	657,582	45,800	-	703,382	-
Total non-current assets	138,797,892	9,474,443	21,196,368	169,468,703	5,068,522
Accumulated depreciation and amortization	(55,829,165)	(4,084,871)	(7,105,213)	(67,019,249)	(5,068,522)
Total non-current assets, net	82,968,727	5,389,572	14,091,155	102,449,454	-
Total assets	89,808,963	8,279,061	14,371,965	112,459,989	-
Deferred outflows of resources					
Deferred outflows related to pensions	291,563	8,773	68,213	368,549	-
Deferred outflows related to OPEB	10,072	532	2,843	13,447	-
Deferred charge on refunding	1,581,662	-	-	1,581,662	-
Total deferred outflows of resources	1,883,297	9,305	71,056	1,963,658	-
Total assets and deferred outflows of resources	\$ 91,692,260	\$ 8,288,366	\$ 14,443,021	\$ 114,423,647	\$ -

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, 2023

	Business-Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Totals	Internal Service Fund
Liabilities					
Current Liabilities:					
Accounts payable	\$ 1,410,495	\$ 197,360	\$ 88,124	\$ 1,695,979	\$ -
Accrued salaries and other liabilities	175,751	117,342	42,812	335,905	-
Due to other funds	2,000,000	355,141	2,174,477	4,529,618	250,269
Current portion of long term debt	4,117,575	814,520	57,863	4,989,958	-
Accrued interest on bonds	181,902	-	-	181,902	-
Total current liabilities	7,885,723	1,484,363	2,363,276	11,733,362	250,269
Noncurrent liabilities:					
Compensated absences	55,741	80,653	31,770	168,164	-
Customer deposits	1,561,556	-	4,594	1,566,150	-
Revenue bonds payable, net of unamortized premiums	33,022,519	-	-	33,022,519	-
Financing arrangement	4,208,890	3,865,164	-	8,074,054	-
Note payable	-	-	1,235,750	1,235,750	-
Landfill closure	-	268,686	-	268,686	-
Net pension liability	1,011,399	23,422	186,957	1,221,778	-
OPEB liability	48,202	2,450	13,125	63,777	-
Total noncurrent liabilities	39,908,307	4,240,375	1,472,196	45,620,878	-
Total liabilities	47,794,030	5,724,738	3,835,472	57,354,240	250,269
Deferred inflows of resources					
Deferred inflows related to leases	-	-	269,523	269,523	-
Deferred inflows related to pensions	19,595	2,658	3,046	25,299	-
Deferred inflows related to OPEB	21,837	767	5,724	28,328	-
Total deferred inflows of resources	41,432	3,425	278,293	323,150	-
Net Position					
Net investment in capital assets	44,281,219	718,699	12,547,609	57,547,527	-
Restricted for:					
Revenue bond retirement	1,213,268	-	-	1,213,268	-
Unrestricted (deficit)	(1,637,689)	1,841,504	(2,218,353)	(2,014,538)	(250,269)
Total net position (deficit)	43,856,798	2,560,203	10,329,256	56,746,257	(250,269)
Total liabilities, deferred inflows of resources, and net position	\$ 91,692,260	\$ 8,288,366	\$ 14,443,021	\$ 114,423,647	\$ -

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

For the Fiscal Year Ended September 30, 2023

	Business Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Total	Internal Service Fund
Operating Revenues:					
Water services	\$ 8,353,818	\$ -	\$ -	\$ 8,353,818	\$ -
Sewer services	5,981,261	-	-	5,981,261	-
Charges for services	-	6,278,478	948,249	7,226,727	-
Leases	-	-	17,640	17,640	-
Miscellaneous	1,183,864	24,036	753	1,208,653	-
Total operating revenues	15,518,943	6,302,514	966,642	22,788,099	-
Operating Expenses:					
Personal services	893,207	1,373,236	411,110	2,677,553	-
Other services and charges	2,746,524	1,761,351	326,251	4,834,126	-
Supplies	456,897	424,385	764,218	1,645,500	-
Contractual services	4,302,050	-	-	4,302,050	-
Depreciation and amortization	4,395,824	909,702	524,773	5,830,299	-
Total operating expenses	12,794,502	4,468,674	2,026,352	19,289,528	-
Operating income (loss)	2,724,441	1,833,840	(1,059,710)	3,498,571	-
Non-operating revenues (expenses)					
Investment income	57,308	-	1,072	58,380	-
Interest expense	(1,245,568)	(106,926)	(39,587)	(1,392,081)	-
Total non-operating (expenses)	(1,188,260)	(106,926)	(38,515)	(1,333,701)	-
Income (loss) before transfers and capital contributions	1,536,181	1,726,914	(1,098,225)	2,164,870	-
Transfers in (out) and capital contributions					
Capital Improvement fees	801,620	-	-	801,620	-
Capital grants	201,781	-	323,544	525,325	-
Transfers in	9,296,635	-	250,000	9,546,635	-
Transfers out	(7,517,288)	(1,125,000)	-	(8,642,288)	-
Total transfers and capital contributions	2,782,748	(1,125,000)	573,544	2,231,292	-
Change in net position	4,318,929	601,914	(524,681)	4,396,162	-
Net position (deficit) - beginning	39,537,869	1,958,289	10,853,937	52,350,095	(250,269)
Net position (deficit) - ending	\$ 43,856,798	\$ 2,560,203	\$ 10,329,256	\$ 56,746,257	\$ (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, 2023

	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	\$ 15,138,999	\$ 6,234,557	\$ 950,854	\$ 22,324,410	\$ -
Payments to suppliers	(7,127,854)	(2,132,995)	(1,263,336)	(10,524,185)	-
Payments to employees	(661,171)	(1,311,862)	(379,013)	(2,352,046)	-
Internal activity-payments from/to other funds	-	(595,997)	179,008	(416,989)	-
Net cash provided by (used in) operating activities	7,349,974	2,193,703	(512,487)	9,031,190	-
Cash flows from noncapital financing activities					
Transfers from other funds	9,296,635	-	250,000	9,546,635	-
Transfers to other funds	(7,517,288)	(1,125,000)	-	(8,642,288)	-
Net cash provided by (used in) noncapital financing activities	1,779,347	(1,125,000)	250,000	904,347	-
Cash flows from capital and related financing activities					
Purchase of capital assets	(4,166,649)	(128,643)	(48,182)	(4,343,474)	-
Interest paid on debt	(1,851,616)	(106,926)	(39,587)	(1,998,129)	-
Principal paid on debt	(3,680,809)	(786,413)	(54,832)	(4,522,054)	-
Landfill closure costs	-	(45,002)	-	(45,002)	-
Capital grants	-	-	301,565	301,565	-
Capital improvement fees	801,620	-	-	801,620	-
Net cash provided by (used in) capital and related financing activities	(8,897,454)	(1,066,984)	158,964	(9,805,474)	-
Cash flow from investing activities:					
Interest on cash and investments	57,308	-	-	57,308	-
Purchase of investments	(1,524,494)	-	(14,267)	(1,538,761)	-
Net cash (used in) investing activities	(1,467,186)	-	(14,267)	(1,481,453)	-
Net increase/(decrease) in cash and cash equivalents	(1,235,319)	1,719	(117,790)	(1,351,390)	-
Cash and cash equivalents, beginning of year	1,404,138	-	119,196	1,523,334	-
Cash and cash equivalents, end of year	\$ 168,819	\$ 1,719	\$ 1,406	\$ 171,944	\$ -
Reconciliation of operating income (loss) to net cash provided by used in operating activities					
Operating income (loss)	\$ 2,724,441	\$ 1,833,840	\$ (1,059,710)	\$ 3,498,571	\$ -
Adjustments to reconcile income (loss) from operations to net cash from operating activities:					
Other nonoperating income	-	-	1,072	1,072	-
Depreciation and amortization	4,395,824	909,702	524,773	5,830,299	-
(Increase) decrease in accounts receivables	(457,833)	(67,957)	780	(525,010)	-
(Increase) decrease in inventories	(156,989)	-	452	(156,537)	-
(Increase) decrease in deferred outflows	(2,426)	(6,782)	(54,258)	(63,466)	-
Decrease (increase) in accounts payable	534,606	59,523	(173,319)	420,810	-
Decrease (increase) in accrued salaries and other liabilities	(7,519)	21,696	15,436	29,613	-
Decrease (increase) in due to other funds	-	(595,997)	179,008	(416,989)	-
Decrease (increase) in customer deposits	77,889	-	-	77,889	-
Decrease (increase) in compensated absences	(31,020)	30,871	468	319	-
Decrease (increase) in net pension liability	468,113	15,101	120,802	604,016	-
Decrease (increase) in OPEB liability	(20,670)	(667)	(5,334)	(26,671)	-
Decrease (increase) in deferred inflows	(174,442)	(5,627)	(62,657)	(242,726)	-
Total adjustments	4,625,533	359,863	547,223	5,532,619	-
Net cash provided (used) by operations	\$ 7,349,974	\$ 2,193,703	\$ (512,487)	\$ 9,031,190	\$ -
<i>Supplemental disclosure of noncash activities</i>					
Contributed capital assets from Urban County	\$ 201,781	\$ -	\$ -	\$ 201,781	\$ -

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, 2023

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement Fund	Marion Booth Endowment Fund
Assets		
Cash	\$ 6,589	\$ 3,950
Investments, at fair value:		
Certificates of deposit	-	536,283
Equities	12,655,972	-
Mutual funds	71,541	-
Corporate bonds	2,734,526	-
Money market mutual funds	259,775	-
Municipal bonds	1,435,804	-
Total Assets	\$ 17,164,207	\$ 540,233
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Net Position		
Net position restricted for pensions and other purposes	17,164,207	540,233
Total Net Position	17,164,207	540,233
Total Liabilities and Net Position	\$ 17,164,207	\$ 540,233

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, 2023

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement Fund	Marion Booth Endowment Fund
Additions		
Contributions		
Employer contributions	\$ 679,584	\$ -
Plan member contributions	679,584	-
Total contributions	1,359,168	-
Investment income		
Net appreciation in fair value of investments	2,047,969	-
Interest and dividends	400,376	15,898
Total investment income	2,448,345	15,898
Less investment expense	(80,201)	-
Net investment income	2,368,144	15,898
Total additions	3,727,312	15,898
Deductions		
Benefits paid	804,059	-
Refunds of contributions	257,402	-
Administrative expenses	66,840	-
Total deductions	1,128,301	-
Net change in fiduciary net position	2,599,011	15,898
Net position, beginning of year	14,565,196	524,335
Net position, end of year	\$ 17,164,207	\$ 540,233

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 *2023 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 *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.

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, 2023, 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, and IT equipment and software. The departments and the excess expenditures over appropriations are as follows:

Information Technology	\$ 317,439
Debt Service- principal	\$ 19,788

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.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 I30: *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.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 10, 2024 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 2023, the City implemented GASB Statement No., 96, *Subscription-Based Information Technology Arrangements*, which 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 costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. 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:

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 No. 96, *Subscription-Based Information Technology Arrangements*, as of October 1, 2022. Due to implementation of GASB 96, the District calculated and recognized right-to-use subscription assets of \$277,373 and subscription liabilities of \$277,373. There were no impacts to the beginning net position related to the implementation of GASB 96.

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, 2023. At year-end, the respective bank balance totaled \$2,620,720. Of the total bank balance, \$500,000 was covered by Federal Depository Insurance Corporation (FDIC). The remainder was covered by collateral with a value of \$13,270,572. 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, 2023 are as follows:

	Investment Maturities (in years)		Greater than 1 year
	Value	1 or less	
Primary Government			
TexPool	\$ 53,950,509	\$ 53,950,509	\$ -

A reconciliation of cash and investments follows:

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and cash equivalents	\$ 2,072,016	\$ 136,759	2,208,775	\$ 3,778,372
Restricted cash	6,652,468	35,185	6,687,653	-
Total cash and cash equivalents	8,724,484	171,944	8,896,428	3,778,372
Investments:				
TexPool	50,224,296	-	50,224,296	-
TexPool - Restricted	-	3,726,213	3,726,213	-
Certificates of deposit	-	-	-	5,235,190
Total investments	50,224,296	3,726,213	53,950,509	5,235,190
Total cash and investments	\$ 58,948,780	\$ 3,898,157	\$ 62,846,937	\$ 9,013,562

See Note 7 for components of cash and investment restrictions.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The table on previous page does not include investments in fiduciary funds related to the firemen's pension and investments in private purpose trust fund.

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, 2023, 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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Firemen's Relief and Retirement Fund Investments

The Firemen's Relief and Retirement Fund Investments are recorded at fair value as of September 30, 2023. The composition of these investments is as follows:

	Fair Value	Level 1	Level 2
Equities	\$ 12,655,972	\$ 12,655,972	\$ -
Mutual funds	71,541	71,541	-
Fixed income:			
Money market mutual funds	259,775	259,775	-
Municipal bonds	1,435,804	-	1,435,804
Corporate bonds	2,734,526	2,553,481	181,045
Total fixed income	4,430,105	15,540,769	1,616,849
Total investments	\$ 17,157,618		

Level 1 inputs are quoted prices in active markets for identical assets	\$ 15,540,769
Level 2 inputs are significant other observable inputs	1,616,849
Total investments	\$ 17,157,618

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

Equities, Mutual Funds, and Money Market Mutual Funds: The fair value of these investments are based on quoted market prices in active markets and are included in the Level 1 of the fair value hierarchy. We believe the market is an actively traded market given the high level of daily trading volume for these investments.

Fixed income – Municipal Bonds: These bonds are classified in Level 2 of the fair value hierarchy, while underlying securities have observable Level 2 significant other pricing units, are not publicly quoted and are based on market-corroborated data.

Fixed income – Corporate Bonds: These bonds are classified either in Level 1 or Level 2 of the fair value hierarchy depending on if the investments are based on quoted market prices in active markets or based on underlying securities that have observable Level 2 significant other pricing units that are not publicly quoted and are based on market-corroborated data.

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.

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Firemen's Relief and Retirement Fund Investments - Continued

Level 2 (L2): Inputs to the valuation methodology included:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quotes prices that are observed for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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. The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2023, consist of the following:

Primary Government									
Governmental					Business-type				Total Primary Government
General Fund	Debt Service Fund	Other Governmental Funds	Total	Water and Wastewater	Solid Waste	Airport Fund	Total		
Ad valorem taxes	\$ 1,113,443	\$ 430,184	\$ 24,357	\$ 1,567,984	\$ -	\$ -	\$ -	\$ -	
Sales taxes	1,631,556	-	-	1,631,556	-	-	-	-	
Customer charges	-	-	-	-	4,400,217	1,674,657	7,101	6,081,975	
Hotel/Motel taxes	-	-	232,200	232,200	-	-	-	-	
Ambulance fees	10,982,846	-	-	10,982,846	-	-	-	-	
Leases	-	-	449,969	449,969	-	-	270,503	270,503	
Grant	-	-	-	-	-	-	-	-	
Other	1,128,055	-	129,841	1,257,896	-	-	176,497	176,497	
Gross receivables	14,855,900	430,184	836,367	16,122,451	4,400,217	1,674,657	454,101	6,528,975	
Less allowance for uncollectibles	(9,820,449)	(191,460)	(35,200)	(10,047,109)	(1,860,558)	(786,887)	-	(2,647,445)	
Net total receivables	\$ 5,035,451	\$ 238,724	\$ 801,167	\$ 6,075,342	\$ 2,539,659	\$ 887,770	\$ 454,101	\$ 3,881,530	

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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 4: RECEIVABLE (Continued)

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.

The following is a summary of notes receivable payable to the EDC at September 30, 2023:

Loan to CIL Hangars, LLC	\$ 115,434
Loan to Valley Striping	67,952
Promissory note from LRGVDC (Building Sale)	971,130
Promissory note from City of Weslaco	1,289,515
Total notes receivable	\$ 2,444,031

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, 2023.

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, 2023 is \$270,503.

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, 2023 is \$10,124.

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, 2023 is \$439,845.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 5: LEASES RECEIVABLE (Continued)

In the fiscal year 2023, the City recognized \$97,745 of lease revenue and \$20,246 of interest revenue under the lease for governmental activities and \$17,640 of lease revenue and \$1,072 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, 2023 for governmental activities:

<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
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	67,930	1,279	69,209
Total	\$ 449,969	\$ 44,988	\$ 494,957

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30, 2023 for business-type activities:

Business-Type Activities			
<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
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	13,980	697	14,677
2029-2033	66,983	2,804	69,787
2034-2038	53,385	1,734	55,119
2039-2043	23,205	1,077	24,282
2044-2048	16,844	756	17,600
2049-2053	17,126	474	17,600
2054-2058	16,053	187	16,240
2059-2063	2,184	7	2,191
Total	\$ 270,503	\$ 11,045	\$ 281,548

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, 2023 is as follows:

	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	14,948,691	7,253,970	(3,608,493)	-	18,594,168
Total capital assets, not being depreciated	28,848,497	7,253,970	(3,608,493)	-	32,493,974
Capital assets being depreciated					
Buildings	20,411,626	-	-	-	20,411,626
Equipment	26,207,527	2,020,663	-	-	28,228,190
Improvements	52,565,950	743,610	3,608,493	-	56,918,053
Total capital assets, being depreciated	99,185,103	2,764,273	3,608,493	-	105,557,869
Less accumulated depreciation for:					
Buildings	9,786,051	510,291	-	-	10,296,342
Equipment	17,108,199	1,998,551	-	-	19,106,750
Improvements	31,457,310	1,638,580	-	-	33,095,890
Total accumulated depreciation	58,351,560	4,147,422	-	-	62,498,982
Total capital assets being depreciated, net	40,833,543	(1,383,149)	3,608,493	-	43,058,887
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	-	-	40,792
Total accumulated amortization	20,396	20,396	-	-	40,792
Right-to-use lease assets being amortized, net	30,595	(20,396)	-	-	10,199
Right-to-use subscription assets, being amortized					
Subscription-based information technology	-	277,373	-	-	277,373
Total	-	277,373	-	-	277,373
Less accumulated amortization for					
Subscription-based information technology	-	92,458	-	-	92,458
Right-to-use subscription assets being amortized, net	-	184,915	-	-	184,915
Governmental activities capital and right-to-use lease and subscription assets, net	\$ 69,712,635	\$ 6,035,340	\$ -	\$ -	\$ 75,747,975

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

Governmental activities	
General government	\$ 645,914
Public safety	1,134,637
Emergency medical services	391,234
Public works	1,638,276
Culture and recreation	450,215
Total depreciation and amortization expense - governmental activities	\$ 4,260,276

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
Water rights	-	269,431	-	-	269,431
Construction in progress	2,695,916	1,408,456	(3,400,990)	-	703,382
Total capital assets not being depreciated	7,318,800	1,677,887	(3,400,990)	-	5,595,697
Capital assets being depreciated					
Buildings	1,679,646	-	-	-	1,679,646
Equipment	23,379,313	1,382,872	-	-	24,762,185
Intangible asset	-	-	-	-	-
Improvements	132,268,616	1,500,936	3,400,990	-	137,170,542
Total capital assets being depreciated	157,327,575	2,883,808	3,400,990	-	163,612,373
Less accumulated depreciation for:					
Building	1,431,471	20,354	-	-	1,451,825
Equipment	9,698,458	1,698,144	-	-	11,396,602
Improvements	50,056,380	4,109,161	-	-	54,165,541
Total accumulated depreciation	61,186,309	5,827,659	-	-	67,013,968
Total capital assets being depreciated, net	96,141,266	(2,943,851)	3,400,990	-	96,598,405
Right-to-use lease assets, being amortized					
Equipment	6,602	-	-	-	6,602
Total	6,602	-	-	-	6,602
Less accumulated amortization for					
Equipment	2,641	2,640	-	-	5,281
Total accumulated amortization	2,641	2,640	-	-	5,281
Right-to-use lease assets being amortized, net	3,961	(2,640)	-	-	1,321
Business-type activities capital and right-to-use assets, net	\$ 103,464,027	\$ (1,268,604)	\$ -	\$ -	\$ 102,195,423

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

Business-type activities:	
Water and wastewater	\$ 4,395,824
Solid waste	909,702
Airport	524,773
Total depreciation expense- Business-type activities	\$ 5,830,299

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	228,773	8,963	-	-	237,736
Right-to-use lease asset	556,452	-	-	-	556,452
Total capital assets being depreciated	5,776,530	8,963	-	-	5,785,493
Less accumulated depreciation	867,502	237,874	-	-	1,105,376
Total capital assets being depreciated, net	4,909,028	(228,911)	-	-	4,680,117
Component Unit capital assets, net	\$ 4,909,028	\$ (228,911)	\$ -	\$ -	\$ 4,680,117

Depreciation expense of \$237,874 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, 2023 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%.	\$8,500,000
\$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%.	16,535,000
\$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%.	9,355,000
Total Business-Type Activities Bonded Debt	\$34,390,000

Business-Type Activities Financing Arrangement

Business-type activities financing arrangement debt as of September 30, 2023 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.	\$ 200,572
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City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

\$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 Governmental Activities.	4,619,210
\$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.	236,729
\$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.	362,898
\$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.	164,444
\$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.	916,167
\$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.	2,990,635
Total Business-Type Activities Financing Arrangement Debt	\$ 9,490,655

Business-type Activities Note Payable

Business-type activities Note Payable from direct borrowing as of September 30, 2023 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. \$ 1,289,515

Governmental Activities Bonded Debt

Governmental activities bonded debt as of September 30, 2023 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%. \$ 3,230,000

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

\$11,810,000 Certificate of Obligation, Series 2023, dated February 15, 2023 due in annual installments varying from \$355,000 to \$1,370,000 through February 15, 2043, bearing interest at 4.00% - 5.00%.	11,810,000
\$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%.	1,975,000
\$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%.	8,030,000
\$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%.	10,805,000
\$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.	3,111,000
\$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	\$52,996,000

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.	\$170,641
\$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.	218,676
\$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.	660,727

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.	119,218
\$249,908 Kansas State Bank financing agreement dated February 24, 2023. The terms of the financing agreement include annual payments of \$57,276 beginning February 2024. The financing agreement was used to purchase two remounted ambulances.	249,910
\$168,079 Stryker Flex Financing agreement dated December 14, 2021. The terms of the financing agreement include annual payments of \$33,616 beginning November 2022. The financing agreement was used to purchase public safety equipment.	134,463
\$221,093 Deere Credit Finance agreement dated August 29, 2023. The terms of the financing agreement include annual payments of \$60,116 beginning September 2023. The financing agreement was used to purchase a mower tractor.	160,977
\$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.	15,524
\$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.	717,003
Total Governmental Activities Financing Arrangement Debt	\$2,447,139

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, 2023 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.	\$10,608
Total	\$10,608

Subscription-Based Information Technology Arrangements

The City has two software arrangements that require recognition under GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The City now recognizes a subscription liability and an intangible right-to-use subscription asset for the Microsoft software used throughout the departments and government software used for ordinances and resolutions at the City.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

Subscription liabilities at September 30, 2023 are as follows:

Agreement with SHI Government Solutions for use of Microsoft software for different departments of the City; annual payments are \$83,521; lease liability measured using a discount rate of 5% due in 2025.	\$166,004
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Agreement with CiviPlus for ordinance/resolution software for the City; annual payments are \$9,708; lease liability measured using a discount rate of 5% due in 2025.	\$19,295
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Total	\$185,299
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Component Unit Debt

Component Unit notes payable as of September 30, 2023 is as follows:

A Master line of credit with Texas Regional Bank for up to \$12,000,000 for the development of Mid Valley International Industrial Park including monthly interest payment at 2.95% for 5 years.	\$11,408,409
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\$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.	\$1,078,629
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Total	\$12,487,038
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City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

Transactions for the year ended September 30, 2023 are summarized as follows:

	Balance October 1	Additions	Deletions	Balance September 30	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 8,240,000	\$ -	\$ 210,000	\$ 8,030,000	\$ 350,000
Certificates of Obligation	35,691,000	11,810,000	2,535,000	44,966,000	2,690,000
Financing arrangement	2,317,570	639,081	509,512	2,447,139	447,122
Bond Premium	3,897,832	865,675	506,652	4,256,855	-
Compensated Absences	3,728,550	664,541	574,419	3,818,672	381,867
Lease liabilities	31,202	-	20,594	10,608	10,608
Subscription liabilities	-	277,373	92,074	185,299	92,457
Municipal net pension liability	3,794,031	6,946,171	-	10,740,202	-
Firemen's net pension liability	6,175,754	-	1,433,602	4,742,152	-
OPEB liability- SDB	1,021,137	-	306,713	714,424	-
OPEB liability- Retiree health care	1,816,003	117,286	-	1,933,289	-
Total Governmental Activities	66,713,079	21,320,127	6,188,566	81,844,640	3,972,054
Business-Type Activities:					
Notes Payable	1,343,280	-	53,765	1,289,515	53,765
Total notes from direct borrowings	1,343,280	-	53,765	1,289,515	53,765
Certificate of Obligation and Refunding Bonds	37,620,000	-	3,230,000	34,390,000	3,500,000
Bond Premium	2,720,729	-	588,210	2,132,519	-
Financing arrangement	10,726,415	-	1,235,760	9,490,655	1,416,601
Compensated Absences	185,927	42,592	42,137	186,382	18,218
Lease liabilities	4,040	-	2,666	1,374	1,374
Customer deposits	1,488,260	77,890	-	1,566,150	-
Landfil Closure	313,688	11,293	56,295	268,686	-
Municipal net pension liability	617,762	604,016	-	1,221,778	-
OPEB liability- SDB	90,448	-	26,671	63,777	-
Total Business-Type Activities	55,110,549	735,791	5,235,504	50,610,836	4,989,958
Total Primary Government	\$ 121,823,628	\$ 22,055,918	\$ 11,424,070	\$ 132,455,476	\$ 8,962,012
Component Unit:					
Revenue Bonds	\$ 305,000	\$ -	\$ 305,000	\$ -	\$ -
Note Payable	1,570,428	11,858,409	941,799	12,487,038	161,869
Lease liabilities	556,452	-	89,296	467,156	91,982
Total Component Unit	\$ 2,431,880	\$ 11,858,409	\$ 1,336,095	\$ 12,954,194	\$ 253,851

Compensated absences, lease liabilities, other postemployment benefits, subscription liabilities and the net pension liabilities will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences, lease, and subscription liabilities and outstanding notes and revenue bonds will be liquated by the respective enterprise fund.

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, 2023. The City issued Series 2023 Certificates of Obligation for the fiscal year ended September 30, 2023.

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, 2023.

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, 2023.

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.

Bonds Authorized and Unissued - At September 30, 2023, 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, 2023:

	Governmental Activities	Business-Type Activities	Primary Government
Restricted cash:			
Cash restricted for construction	\$ -	\$ 21,435	\$ 21,435
Cash restricted from PEG fee collection	592,703	-	592,703
Cash restricted for bond retirement	-	13,750	13,750
Cash in escrow	6,059,765	-	6,059,765
Total restricted cash	\$ 6,652,468	\$ 35,185	\$ 6,687,653
Restricted investments:			
Restricted for construction	\$ -	\$ 2,526,694	\$ 2,526,694
Restricted for bond retirement	-	1,199,519	1,199,519
Total restricted investments	\$ -	\$ 3,726,213	\$ 3,726,213

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
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	430,000	253,950	683,950
2029-2033	2,430,000	980,600	3,410,600
2034-2038	2,980,000	441,600	3,421,600
2039	670,000	13,400	683,400
Total	\$ 8,030,000	\$ 2,905,350	\$ 10,935,350

Certificates of Obligations and Refunding Bonds

Governmental Activities				Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2024	\$ 2,690,000	\$ 1,722,706	\$ 4,412,706	\$ 3,500,000	\$ 1,354,237	\$ 4,854,237
2025	3,060,000	1,332,331	4,392,331	3,650,000	1,194,238	4,844,238
2026	2,415,000	1,085,250	3,500,250	3,830,000	1,012,039	4,842,039
2027	2,515,000	1,209,332	3,724,332	4,010,000	832,500	4,842,500
2028	2,060,000	1,502,763	3,562,763	3,085,000	703,551	3,788,551
2029-2033	11,485,000	4,224,756	15,709,756	14,945,000	1,658,179	16,603,179
2034-2038	10,535,000	2,546,125	13,081,125	1,370,000	30,990	1,400,990
2039-2043	9,295,000	697,475	9,992,475	-	-	-
2044-2048	565,000	565,000	1,130,000	-	-	-
2049-2053	346,000	-	346,000	-	-	-
Total	\$ 44,966,000	\$ 14,885,738	\$ 59,851,738	\$ 34,390,000	\$ 6,785,733	\$ 41,175,733

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
2024	\$ 53,765	\$ 37,879	\$ 91,644
2025	53,765	18,536	72,301
2026	1,181,985	-	1,181,985
Total	\$ 1,289,515	\$ 56,415	\$ 1,345,930

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

Component Unit			
Notes Payable			
Year Ending September 30,	Principal	Interest	Total
2024	\$ 161,869	\$ 56,023	\$ 217,892
2025	170,957	46,935	217,892
2026	180,554	37,338	217,892
2027	198,163	59,729	257,892
2028	11,614,869	59,729	11,674,598
2029	160,626	26,565	187,191
Total	\$ 12,487,038	\$ 286,319	\$ 12,773,357

Financing Arrangement

The following is a schedule of the future minimum payments under financing arrangement as of September 30, 2023:

Governmental Activities					
Year Ending September 30,	City National Capital Finance Agreement	Frost Municipal Agreement	Frost Municipal Agreement	Frost Municipal Agreement	Kansas State Bank Agreement
2024	\$ 16,374	\$ 60,288	\$ 76,883	\$ 76,935	\$ 57,276
2025	-	60,288	76,883	76,935	57,276
2026	-	60,288	76,883	76,935	57,276
2027	-	-	-	76,935	57,276
2028	-	-	-	76,935	57,276
2029-2033	-	-	-	384,675	-
Total minimum payments	16,374	180,864	230,649	769,350	286,380
Less the amount representing Interest	(850)	(10,223)	(11,973)	(108,623)	(36,470)
Present value of net minimum payments	\$ 15,524	\$ 170,641	\$ 218,676	\$ 660,727	\$ 249,910

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	Deere Credit Financing	Stryker Flex Financing Agreement	Government Capital Corporation		
2024	\$ 25,602	\$ 60,116	\$ 33,616	\$ 99,940		\$ 507,030
2025	25,602	60,116	33,616	99,940		490,656
2026	25,602	60,116	33,616	99,940		490,656
2027	25,602	-	33,615	99,940		293,368
2028	25,602	-	-	99,940		259,753
2029-2033		-	-	299,820		684,495
Total minimum payments	128,010	180,348	134,463	799,520		2,725,958
Less the amount representing Interest	(8,792)	(19,371)	-	(82,517)		(278,819)
Present value of net minimum payments	\$ 119,218	\$ 160,977	\$ 134,463	\$ 717,003	\$	2,447,139

Year Ending September 30,	Business-Type Activities			
	City National Capital Finance Agreement	Kansas State Bank Agreement	Government Capital Corporation	Frost Municipal Agreement
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	529,354	-	-	-
2029-2033	2,646,770	-	-	-
Total minimum payments	5,293,540	209,639	245,696	375,864
Less the amount representing Interest	(674,330)	(9,067)	(8,967)	(12,966)
Present value of net minimum payments	\$ 4,619,210	\$ 200,572	\$ 236,729	\$ 362,898

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	
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	-	-	364,478	893,832
2029-2033	-	-	1,457,912	4,104,682
Total minimum payments	181,860	954,756	3,280,302	10,541,657
Less the amount representing Interest	(17,416)	(38,589)	(289,667)	(1,051,002)
Present value of net minimum payments	\$ 164,444	\$ 916,167	\$ 2,990,635	\$ 9,490,655

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, 2023 were as follows:

Leases

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 10,608	\$ 124	\$ 10,732
Total	\$ 10,608	\$ 124	\$ 10,732

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 1,374	\$ 16	\$ 1,390
Total	\$ 1,374	\$ 16	\$ 1,390

Subscription-Based Information Technology Arrangements

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 92,457	\$ 772	\$ 93,229
2025	92,842	387	93,229
Total	\$ 185,299	\$ 1,159	\$ 186,458

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (Continued)

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.

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

Year Ending September 30,	Component Unit		
	Principal	Interest	Total
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
2028	175,459	2,346	177,805
Total	\$ 962,267	\$ 69,006	\$ 1,031,273

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
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	\$ 467,156	\$ 34,602	\$ 501,758

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, 2023 was levied using a rate of \$.6967 per one hundred dollars of assessed valuation based on 100 percent of estimated market value.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 8: PROPERTY TAX (Continued)

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.

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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

Inter-fund balances at September 30, 2023 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund							
	General Fund	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	2023 Bond Construction Fund	Other Governmental Funds	Internal Service Fund	Total
General Fund	\$ 5,495	\$ -	\$ 355,141	\$ 2,174,477	\$ -	\$ 907,528	\$ 250,269	\$ 3,692,910
Debt Service Fund	69,412	-	-	-	-	-	-	69,412
Other Governmental Funds	3,145	-	-	-	1,027,834	7,295	-	1,038,274
Solid Waste Fund	-	2,000,000	-	-	-	-	-	2,000,000
	<u>\$ 78,052</u>	<u>\$ 2,000,000</u>	<u>\$ 355,141</u>	<u>\$ 2,174,477</u>	<u>\$ 1,027,834</u>	<u>\$ 914,823</u>	<u>\$ 250,269</u>	<u>\$ 6,800,596</u>

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.

NOTE 10: TRANSFERS

Transfers at September 30, 2023 consisted of the following:

Transfer Out Funds	Transfer in Funds						Total
	General Fund	2023 C.O. Construction Fund	Other Governmental Funds	Water and Wastewater Fund	Airport Fund		
General Fund	\$ 379,525	\$ -	\$ 1,399,726	\$ -	\$ 250,000		\$ 2,029,251
Debt Service Fund	-	-	-	1,000,000	-		1,000,000
Special Projects Fund	-	-	-	2,144,908	-		2,144,908
Water and Wastewater Fund	1,365,561	-	-	6,151,727	-		7,517,288
Solid Waste Fund	125,000	-	1,000,000	-	-		1,125,000
	<u>\$ 1,870,086</u>	<u>\$ -</u>	<u>\$ 2,399,726</u>	<u>\$ 9,296,635</u>	<u>\$ 250,000</u>		<u>\$ 13,816,447</u>

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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS

A. Texas Municipal Retirement System (TMRS)

Plan Description

The City of Weslaco participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) 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 Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	191
Inactive employees entitled to but not yet receiving benefits	182
Active employees	<u>278</u>
	<u>651</u>

Contributions

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

Employees for the City of Weslaco, Texas were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.04% and 8.09% in calendar 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$1,116,734 and were equal to the required contributions.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Net Pension Liability

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

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	2.75% per year adjusted down for population declines if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees 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, 2022 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:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Global Public Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
Total	100.0%	

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.

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, 2023 is as follows:

	Increase (Decrease)		
	(a)	(b)	(a)-(b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2021	\$ 54,888,382	\$ 50,476,590	\$ 4,411,792
Changes for the year			
Service cost	1,862,066	-	1,862,066
Interest	3,670,011	-	3,670,011
Difference Between expected/actual experience	333,039	-	333,039
Changes of assumptions	-	-	-
Contributions- employer	-	1,063,236	(1,063,236)
Contributions- employee	-	925,743	(925,743)
Net investment income	-	(3,680,213)	3,680,213
Benefit payments, including refunds of employee contributions	(2,897,759)	(2,897,759)	-
Administrative expenses	-	(31,884)	31,884
Other charges	-	38,046	(38,046)
Net changes	2,967,357	(4,582,831)	7,550,188
Balance at December 31, 2022	\$ 57,855,739	\$ 45,893,759	\$ 11,961,980

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Net pension liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$10,740,202 and \$1,221,778, 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	\$ 20,207,138	\$ 11,961,980	\$ 5,220,091

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

For the year ended September 30, 2023, the City recognized pension expense in the amount of \$2,113,055. At September 30, 2023, 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)	\$ 269,701	\$ 70,786
Changes in actuarial assumptions	838	-
Differences between expected and actual investment earnings (net of current year amortization)	3,194,072	-
Contributions subsequent to measurement date	820,415	-
Total	\$ 4,285,026	\$ 70,786

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.

\$820,415 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

Fiscal Year Ending September 30,	
2024	\$ 173,093
2025	\$ 882,100
2026	\$ 921,154
2027	\$ 1,417,478

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.

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).

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

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 100 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.

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, 2023, 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:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

<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.

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, 2023 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	\$ 20,740,950	\$ 14,565,196	\$ 6,175,754
Changes for the year			
Service cost	709,516	-	709,516
Interest	1,517,354	-	1,517,354
Difference Between expected/actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions- employer	-	679,584	(679,584)
Contributions- employee	-	679,584	(679,584)
Net investment income	-	2,361,192	(2,361,192)
Benefit payments, including refunds of employee contributions	(1,061,461)	(1,061,461)	-
Administrative expenses	-	(59,888)	59,888
Changes in benefit terms	-	-	-
Net changes	1,165,409	2,599,011	(1,433,602)
Balance at September 30, 2022	\$ 21,906,359	\$ 17,164,207	\$ 4,742,152

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:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City's net pension liability	\$ 8,107,632	\$ 4,742,152	\$ 1,980,070

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

For the year ended September 30, 2023, the City recognized pension expense in the amount of \$754,066. At September 30, 2023, 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)	\$ 107,139	\$ 312,494
Changes in actuarial assumptions	182,098	72,134
Differences between expected and actual investment earnings (net of current year amortization)	158,333	-
Total	\$ 447,570	\$ 384,628

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,	
2024	\$ 83,936
2025	\$ (27,478)
2026	\$ 338,807
2027	\$ (283,684)
2028	\$ (16,213)
Thereafter	\$ (32,426)

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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: DEFINED BENEFIT - PENSION PLANS (Continued)

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.

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	\$ 57,855,739	\$ 21,906,359	\$ 79,762,098
Plan fiduciary net position	45,893,759	17,164,207	63,057,966
Net pension liability	\$ 11,961,980	\$ 4,742,152	\$ 16,704,132
Deferred outflows of resources	\$ 4,285,026	\$ 447,570	\$ 4,732,596
Deferred inflows of resources	\$ 70,786	\$ 384,628	\$ 455,414
Pension expense	\$ 2,113,055	\$ 754,066	\$ 2,867,121

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

Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	40
Active employees	<u>278</u>
	<u>463</u>

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. 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. As such, contributions fund the covered active member and retiree deaths on a pay-as-you-go basis.

Employees for the City of Weslaco were required to contribute 0.18% of their annual gross earnings during the fiscal year. The contribution rates for the City of Weslaco were 0.25% and 0.36% in calendar year 2022 and 2023, respectively. The City's contributions to the SDBF for the year ended September 30, 2023 were \$45,722, and were equal to the required contributions.

Actuarial assumptions:

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

Valuation date:	12/31/2022
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount rate*	4.05%
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, 2022.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period of December 31, 2014 to December 31, 2018.

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2022, 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, 2021	\$ 1,111,584
Changes for the year:	
Service cost	59,512
Interest	20,806
Difference between expected/actual experience	(11,012)
Changes of assumptions	(381,529)
Benefit payments, including refunds of employee contributions	(21,160)
Net changes	(333,383)
Balance at December 31, 2022	\$ 778,201

Total OPEB liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$714,424 and \$63,777, 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 4.05%, 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 (3.05%) or 1 percentage point higher (5.05%) than the current rate.

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's total OPEB liability	\$ 924,824	\$ 778,201	\$ 663,013

OPEB Expense and Deferred Outflows of Resources Related to OPEBs

For the year ended September 30, 2023, the City recognized combined OPEB expense in the amount of \$48,107. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 37,985
Changes in actuarial assumptions	129,946	316,133
Contributions subsequent to the measurement date	36,508	-
Total	\$ 166,454	\$ 354,118

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 \$36,508 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2024	\$ (35,601)
2025	\$ (34,225)
2026	\$ (58,158)
2027	\$ (72,576)
2028	\$ (23,612)

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 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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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.

Other Information:

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

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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, 2023, 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, 2022	\$ 1,816,003
Changes for the year:	
Service cost	109,517
Interest	83,484
Difference between expected/actual experience	-
Changes of assumptions	(47,561)
Contributions - employer	(28,154)
Changes in benefit terms	-
Net changes	117,286
Balance at September 30, 2023	\$ 1,933,289

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	\$ 2,151,912	\$ 1,933,289	\$ 1,734,352

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	\$ 1,659,527	\$ 1,933,289	\$ 2,261,698

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$168,217. At September 30, 2023, the City reported deferred outflows of resources and 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	\$ 10,870	\$ 148,753
Changes in assumptions	314,393	490,698
Total	\$ 325,263	\$ 639,451

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:

2024	\$	(24,779)
2025	\$	(24,779)
2026	\$	(24,779)
2027	\$	(24,779)
2028	\$	(24,779)
Thereafter	\$	(190,293)

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	\$ 778,202	\$ 1,933,289	\$ 2,711,491
Plan fiduciary net position	-	-	-
Net pension liability	\$ 778,202	\$ 1,933,289	\$ 2,711,491
Deferred outflows of resources	\$ 166,454	\$ 325,263	\$ 491,717
Deferred inflows of resources	\$ 354,118	\$ 639,451	\$ 993,569
OPEB expense	\$ 48,017	\$ 168,217	\$ 216,234

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	\$ 3,916,477	\$ 368,549	\$ 4,285,026
Deferred outflows related to Firemen's pension	447,570	-	447,570
Total deferred outflows related to pensions	4,364,047	368,549	4,732,596
OPEB:			
Deferred outflows related to TMRS Supplemental Death Benefit OPEB	153,007	13,447	166,454
Deferred outflows related to Firefighter Retiree Health Care OPEB	325,263	-	325,263
Total deferred outflows related to OPEB	478,270	13,447	491,717
Other:			
Deferred outflows related to deferred charge on refunding	582,684	1,581,662	2,164,346
Total deferred outflows of resources	\$ 5,425,001	\$ 1,963,658	\$ 7,388,659

In addition to deferred outflows of resources, the governmental activities reported \$8,768,799 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	\$ 45,487	\$ 25,299	\$ 70,786
Deferred inflows related to Firemen's pension	384,628	-	384,628
Total deferred inflows related to pensions	430,115	25,299	455,414
OPEB:			
Deferred inflows related to TMRS Supplemental Death Benefit OPEB	\$ 325,790	\$ 28,328	\$ 354,118
Deferred inflows related to Firefighter Retiree Health Care OPEB	639,451	-	639,451
Total deferred inflows related to OPEB	965,241	28,328	993,569
Other:			
Deferred inflows related to leases	447,599	269,523	717,122
Total deferred inflows of resources	\$ 1,842,955	\$ 323,150	\$ 2,166,105

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, 2023 as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds	Component Unit
Deferred inflows of resources:				
Unavailable revenues- property taxes	\$ 383,973	\$ 192,836	\$ 576,809	\$ -
Unavailable revenues- EMS fees	1,816,672	-	1,816,672	-
Leases	-	447,599	447,599	-
Unavailable revenues- notes receivable	-	-	-	2,444,031
	\$ 2,200,645	\$ 640,435	\$ 2,841,080	\$ 2,444,031

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, \$268,686 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 \$268,686. 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, 2023. 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, 2023, the City had ongoing commitments related to the following:

Project	Original Amount	Expensed	Remaining Commitment
Governmental Activities:			
Stormwater improvements and RDF	\$ 4,461,190	\$ 778,680	\$ 3,682,510
New Library & Renovation	10,000,000	199,494	980,506
New Police and Fire Station	15,150,000	14,628,423	521,577
Drainage Project (Border & Tahoe)	420,000	30,300	389,700
Lift Station #12	2,500,000	-	2,500,000
Fire Station #3 - Rehabilitation	550,000	24,950	525,050
Valley Nature Center - Roof Replacement	500,000	-	500,000
Total governmental Activities	33,581,190	15,661,847	9,099,343
Total Primary Government	\$ 33,581,190	\$ 15,661,847	\$ 9,099,343

City of Weslaco, Texas
Notes to Financial Statements

NOTE 16: COMMITMENTS (Continued)

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

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

Incentives	Commitment	Paid in Prior Years	Paid in Current Year	Balance Due
A3H Foods II, LP (Project Ahmed)	\$ 150,000	\$ -	\$ -	\$ 150,000
Agree Limited PTP (Harbor Freight)	106,378	70,918	-	35,460
Aaron Garcia	23,221	-	-	23,221
City of Weslaco (Sports Complex)	500,000	300,000	100,000	100,000
Clean Label LLC (Project Falcon)	181,250	45,313	45,313	90,624
Clever Foods & Supplements, LLC (Energy)	252,700	40,550	83,050	129,100
Clever Foods & Supplements, LLC (Eagle 2.0)	384,000	-	-	384,000
De Figs (Project Park)	46,756	15,628	22,628	8,500
Johnson Controls	352,000	-	-	352,000
Kapal Equipment, LLC	31,328	-	8,828	22,500
Kapal Millwork	62,414	48,114	-	14,300
La Abuela Mexican Food, Inc.	69,000	46,000	-	23,000
Magx Science Holdings, LLC	387,450	-	-	387,450
OL RE Holdings, Inc.	96,000	-	32,000	64,000
Payne Dealer Group (Airport)	70,900	-	-	70,900
RL Lozano Leasing (Project Myra)	40,262	26,841	-	13,421
South Point Plaza II	344,185	-	-	344,185
Shops at N Bridge	737,035	-	97,407	639,628
Shops at Westgate	455,532	-	-	455,532
Tortilleria & Carniceria Progreso, LLC	49,000	-	-	49,000
Z&L Enterprises (Tierra Santa Center)	190,326	54,442	63,442	72,442
Total Monetary Incentives	\$ 4,529,737	\$ 647,806	\$ 452,668	\$ 3,429,263

Subsequent year balances of \$3,429,263 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.

City of Weslaco, Texas

Notes to Financial Statements

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 compliance audits by the grantors or their representatives. The audit of these programs for/or including the year ended September 30, 2023 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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 20: FUND BALANCES (Continued)

The City of Weslaco reported fund balances in the following classifications as of September 30, 2023:

	General Fund	2023 C.O. Construction Fund	2021B C.O. Construction Fund	Special Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:							
Inventories	\$ 144,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,784
Prepaid items	1,032	-	-	-	-	-	1,032
Nonspendable total	145,816	-	-	-	-	-	145,816
Restricted for:							
Street improvements and other capital projects	-	11,802,262	10,068,575	229,597	-	9,810,093	31,910,527
Tourism	-	-	-	-	-	1,022,916	1,022,916
Library activities	-	-	-	-	-	14,364	14,364
Project development	-	-	-	-	-	445,769	445,769
Debt Service	-	-	-	-	891,139	297,295	1,188,434
Restricted total	-	11,802,262	10,068,575	229,597	891,139	11,590,437	34,582,010
Assigned:							
Assigned for capital projects	-	-	-	-	-	1,058,831	1,058,831
Total assigned	-	-	-	-	-	1,058,831	1,058,831
Unassigned	13,905,285	-	-	-	-	-	13,905,285
Total Fund Balance	\$ 14,051,101	\$ 11,802,262	\$ 10,068,575	\$ 229,597	\$ 891,139	\$ 12,649,268	\$ 49,691,942

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	\$ 75,747,975	\$ 102,195,423	\$ 4,212,961
Less related liabilities	(55,639,046)	(45,170,998)	-
Less retainage payable	(588,603)	-	-
Less unamortized bond premium	(4,256,855)	(2,132,519)	-
Plus deferred charge on refunding	582,684	1,581,662	-
Plus unexpended bond proceeds	33,244,409	1,073,959	-
Net investment in capital assets	49,090,564	57,547,527	4,212,961
Restricted net position consists of the following:			
Debt service	1,188,434	1,213,268	-
Tourism	1,022,916	-	-
Library activities	14,364	-	-
Building depreciation fund	445,769	-	-
Capital projects	229,597	-	-
Project development	-	-	18,268,268
Restricted net position	2,901,080	1,213,268	18,268,268
Unrestricted net position (deficit)	(2,503,364)	(2,014,538)	(46,894)
Total net position	\$ 49,488,280	\$ 56,746,257	\$ 22,434,335

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.



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, 2023

	Budget			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes - including penalty and interest	\$ 11,122,348	\$ 11,174,201	\$ 11,084,732	\$ (89,469)
Nonproperty taxes	13,861,155	15,897,065	16,634,814	737,749
Fees and charges	2,298,130	2,567,316	2,626,681	59,365
Fines and forfeitures	624,058	625,060	531,870	(93,190)
Licenses and permits	751,800	1,072,019	973,026	(98,993)
Intergovernmental	1,558,367	2,192,432	2,427,910	235,478
Investment income	22,000	593,000	650,912	57,912
Miscellaneous	127,520	263,133	275,191	12,058
Total revenues	30,365,378	34,384,226	35,205,136	820,910
EXPENDITURES				
General government				
City Commission	223,746	236,413	215,464	20,949
City Manager	530,662	558,786	524,138	34,648
City Secretary	439,865	430,340	383,893	46,447
Finance	824,473	829,107	763,727	65,380
Human resources	406,828	447,416	408,317	39,099
Building Maintenance	885,602	978,222	970,769	7,453
Municipal Court	282,646	297,348	277,139	20,209
Planning & Code Enforcement	1,241,043	897,767	848,554	49,213
Information Technology	1,001,066	975,215	1,292,654	(317,439)
Law	291,500	410,505	394,804	15,701
Non-departmental activities	951,110	941,110	894,876	46,234
Total general government	7,078,541	7,002,229	6,974,337	27,894
Public safety				
Police Department	9,853,856	11,120,024	10,628,191	236,969
Fire Department	7,025,042	8,308,724	8,222,249	170,947
Emergency Medical Services Department	374,225	407,214	393,558	235,342
Emergency Management Department	50,139	54,028	46,926	235,342
Animal Control	-	585,227	516,416	18,801
Total public safety	17,303,262	20,475,217	19,807,340	897,401
Public works				
Public Works Administration	397,429	294,706	257,722	25,060
Streets Department	1,444,665	1,842,062	1,900,205	65,250
Drain Ditch Department	1,236,178	1,227,699	1,281,095	129,037
Fleet Maintenance Shop Department	372,992	382,119	371,774	1,237
Engineering	477,397	489,535	450,140	149,847
Total public works	3,928,661	4,236,121	4,260,936	370,431
Culture and Recreation				
Parks & Recreation Department	977,209	1,080,744	1,033,346	47,398
Library Department	927,783	932,492	854,047	78,445
Total culture and recreation	1,904,992	2,013,236	1,887,393	125,843
Other Economic Development	379,525	379,525	288,667	90,858
Debt service				
Principal retirement	238,425	248,540	268,328	(19,788)
Interest and fees	37,045	26,930	23,724	3,206
Total debt service	275,470	275,470	292,052	(16,582)
Total expenditures	30,870,451	34,381,798	33,510,725	1,495,845
EXCESS OF REVENUES OVER EXPENDITURES	(505,073)	2,428	1,694,411	1,691,983

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, 2023

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Other financing source	250,000	250,000	-	(250,000)
Issuance of debt	-	-	666,546	666,546
Transfers in	1,870,086	1,870,086	1,870,086	-
Transfers out	(1,479,525)	(1,994,525)	(2,029,251)	34,726
Total other financing sources	670,561	155,561	507,381	351,820
NET CHANGE IN FUND BALANCE	\$ 165,488	\$ 157,989	2,201,792	\$ 2,043,803
Fund balance -- beginning			11,849,309	
Fund balance -- ending			\$ 14,051,101	

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,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 1,862,066	\$ 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)	3,670,011	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	333,039	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	(2,897,759)	(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	2,967,357	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	54,888,383	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)	\$ 57,855,740	\$ 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	\$ 1,063,236	\$ 1,044,441	\$ 1,022,020	871,252	\$ 833,181	\$ 741,999	\$ 572,328	\$ 561,365	\$ 542,202
Contributions – employee	925,743	880,855	839,688	761,861	729,948	710,237	662,199	611,176	591,732
Net investment income	(3,680,213)	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	(2,897,759)	(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	(31,884)	(27,126)	(20,703)	(32,286)	(22,377)	(24,692)	(25,318)	(30,493)	(19,657)
Other	38,047	187	(808)	(971)	(1,169)	(1,251)	(1,365)	(1,506)	(1,616)
Net change in plan fiduciary net position	(4,582,830)	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	50,476,590	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)	\$ 45,893,760	\$ 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)	\$ 11,961,980	\$ 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	79.32%	91.96%	86.76%	85.44%	78.97%	87.32%	82.31%	80.94%	90.29%
Covered payroll	\$ 13,224,901	\$ 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	90.45%	35.06%	57.22%	66.17%	94.39%	55.47%	78.18%	89.46%	43.19%

GASB No. 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

<i>For the Plan Years Ended September 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 709,516	\$ 662,043	\$ 678,796	\$ 594,954	\$ 555,465	\$ 497,258	\$ 463,644	\$ 421,208	\$ 398,097
Interest (on the total pension liability)	1,517,354	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	(1,061,461)	(814,775)	(925,403)	(595,725)	(832,135)	(764,180)	(548,162)	(645,296)	(833,923)
Net change in total pension liability	1,165,409	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	20,740,950	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)	\$ 21,906,359	\$ 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	\$ 679,584	\$ 683,821	\$ 614,778	\$ 599,436	\$ 519,826	\$ 516,557	\$ 483,771	\$ 440,112	\$ 394,360
Contributions – employee	679,584	683,821	614,778	599,436	513,232	509,963	476,078	425,463	388,865
Net investment income	2,361,192	(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	(1,061,461)	(814,775)	(925,403)	(595,725)	(832,135)	(764,180)	(548,162)	(645,296)	(833,923)
Administrative expense	(59,888)	(31,880)	(39,364)	(28,930)	(55,756)	(42,719)	(51,417)	(45,252)	(85,190)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,599,011	(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	14,565,196	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)	\$ 17,164,207	\$ 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)	\$ 4,742,152	\$ 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	78.35%	70.22%	81.35%	69.36%	71.28%	73.03%	68.93%	66.69%	66.20%
Covered payroll	\$ 5,663,200	\$ 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	83.74%	108.37%	71.38%	113.47%	112.37%	100.61%	118.52%	129.43%	135.10%

GASB No. 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>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary Government- Texas Municipal Retirement System									
Actuarial determined contribution	\$ 1,116,734	\$ 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	(1,116,734)	(1,076,121)	(1,015,438)	(946,759)	(858,290)	(817,077)	(714,301)	(613,090)	(562,443)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 13,826,652	\$ 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	8.08%	8.11%	8.36%	8.40%	8.00%	7.84%	7.21%	6.31%	6.59%

<i>For the years ended September 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary Government- Firemen's Pension									
Actuarial determined contribution	\$ 679,584	\$ 683,821	\$ 614,778	\$ 599,436	\$ 513,232	\$ 516,557	\$ 476,078	\$ 425,463	\$ 379,251
Contributions in relation to actuarially determined contribution	(679,584)	(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	\$ 5,663,200	\$ 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%	12.00%	12.16%	12.00%	12.00%	12.16%

GASB No. 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,	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 59,512	\$ 49,076	\$ 39,585	\$ 24,960	\$ 27,112	\$ 22,262
Interest (on the total OPEB liability)	20,806	21,161	24,430	26,224	24,287	23,866
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(11,012)	(15,956)	(26,336)	(15,235)	(19,296)	-
Change of assumptions	(381,530)	34,486	141,575	144,552	(52,100)	60,004
Benefit payments, including refunds of employee contributions	(21,160)	(21,392)	(7,197)	(5,425)	(6,257)	(6,072)
Net Change in Total OPEB Liability	(333,384)	67,375	172,057	175,076	(26,254)	100,060
Total OPEB Liability - Beginning	1,111,585	1,044,210	872,153	697,077	723,331	623,272
Total OPEB Liability - Ending (a)	\$ 778,201	\$ 1,111,585	\$ 1,044,210	\$ 872,153	\$ 697,077	\$ 723,332
 Covered Employee Payroll	 \$ 13,224,901	 \$ 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	 5.88%	 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,	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 109,517	\$ 183,187	\$ 156,366	\$ 194,173	\$ 148,081	\$ 152,688
Interest (on the total OPEB liability)	83,484	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	(47,561)	(477,652)	49,218	147,060	267,652	(73,262)
Benefit payments, including refunds of employee contributions	(28,154)	(26,227)	(18,976)	(14,704)	(12,780)	(5,084)
Net Change in Total OPEB Liability	117,286	(443,571)	238,413	(433,753)	483,635	143,567
Total OPEB Liability - Beginning	1,816,003	2,259,574	2,021,161	2,454,914	1,971,279	1,827,712
Total OPEB Liability - Ending (a)	\$ 1,933,289	\$ 1,816,003	\$ 2,259,574	\$ 2,021,161	\$ 2,454,914	\$ 1,971,279
 Covered Employee Payroll	 \$ 3,374,098	 \$ 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	 57.30%	 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	20 Years (longest amortization ladder)
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(10) 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: There were no benefit changes during the year.

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: **2021 C.O. Construction Fund** was established to account for improvements to capital activities related to City projects.

Capital project fund: **Series 2021A TWDB 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.

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.

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, 2023

	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	\$ 66,789	\$ 1,204	\$ 441,443	\$ 77,068	\$ 78,821	\$ 50,381
Cash and cash equivalents- restricted	-	-	-	-	-	-
Investments	729,697	13,160	-	841,994	60,341	314,280
Receivables (net of allowance for uncollectibles):						
Ad valorem taxes	-	-	-	-	-	-
Leases	-	-	449,969	-	-	-
Other	232,200	-	1,956	25,000	-	-
Due from other funds	-	-	-	7,299	-	-
Total Assets	\$ 1,028,686	\$ 14,364	\$ 893,368	\$ 951,361	\$ 139,162	\$ 364,661
Liabilities						
Accounts payable	\$ 5,770	\$ -	\$ -	\$ 31,692	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	5,770	-	-	31,692	-	-
Deferred Inflows of Resources						
Leases	-	-	447,599	-	-	-
Unavailable revenue- ad valorem taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	447,599	-	-	-
Fund Balances						
Restricted	1,022,916	14,364	445,769	-	-	364,661
Assigned	-	-	-	919,669	139,162	-
Total Fund Balance	1,022,916	14,364	445,769	919,669	139,162	364,661
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,028,686	\$ 14,364	\$ 893,368	\$ 951,361	\$ 139,162	\$ 364,661

Capital Projects Fund					Debt Service Funds	
Stormwater Improvement Fund	2021 C.O. Construction Fund	Series 2021A TWDB Fund	2019 Bond Construction Fund	Total	2019 Series Debt Service Fund	Total Non Major Governmental Funds
\$ 141,338	\$ -	\$ -	\$ 95,488	\$ 952,532	\$ 5,273	\$ 957,805
-	-	6,059,765	-	6,059,765	-	6,059,765
1,544,165	-	-	5,068,227	8,571,864	279,892	8,851,756
-	-	-	-	-	13,754	13,754
-	-	-	-	449,969	-	449,969
78,288	-	-	-	337,444	-	337,444
-	1,027,834	-	-	1,035,133	3,141	1,038,274
<u>\$ 1,763,791</u>	<u>\$ 1,027,834</u>	<u>\$ 6,059,765</u>	<u>\$ 5,163,715</u>	<u>\$ 17,406,707</u>	<u>\$ 302,060</u>	<u>17,708,767</u>
\$ 2,034	\$ 926,109	\$ 14,999	\$ -	\$ 980,604	\$ -	\$ 980,604
-	886,074	28,749	-	914,823	-	914,823
-	-	2,711,708	-	2,711,708	-	2,711,708
2,034	1,812,183	2,755,456	-	4,607,135	-	4,607,135
-	-	-	-	447,599	-	447,599
-	-	-	-	-	4,765	4,765
-	-	-	-	447,599	4,765	452,364
1,761,757	(784,349)	3,304,309	5,163,715	11,293,142	297,295	11,590,437
-	-	-	-	1,058,831	-	1,058,831
1,761,757	(784,349)	3,304,309	5,163,715	12,351,973	297,295	12,649,268
<u>\$ 1,763,791</u>	<u>\$ 1,027,834</u>	<u>\$ 6,059,765</u>	<u>\$ 5,163,715</u>	<u>\$ 17,406,707</u>	<u>\$ 302,060</u>	<u>\$ 17,708,767</u>

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, 2023

	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	538,170	-	-	-	-	-
Fees and charges	-	-	8,973	-	-	-
Intergovernmental	-	-	-	100,000	30,000	-
Investment income	-	-	-	-	-	-
Lease revenue	-	-	97,745	-	-	-
Interest revenue	-	-	20,246	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenue	538,170	-	126,964	100,000	30,000	-
Expenditures						
General government	-	-	-	86,542	-	17,800
Public safety	-	-	-	130,964	255,214	-
Public works	-	-	-	735,810	-	12,823
Culture and recreation	418,096	-	41,595	1,869,629	-	-
Debt service:						
Principal	-	-	-	-	260,972	-
Interest and fees	-	-	-	-	37,189	-
Total Expenditures	418,096	-	41,595	2,822,945	553,375	30,623
Excess (deficiency) of revenues over expenditures	120,074	-	85,369	(2,722,945)	(523,375)	(30,623)
Other financing sources (uses)						
Issuance of debt	-	-	-	-	249,908	-
Transfers in	-	-	-	2,050,000	349,726	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	2,050,000	599,634	-
Net change in fund balances	120,074	-	85,369	(672,945)	76,259	(30,623)
Fund balances- beginning of year	902,842	14,364	360,400	1,592,614	62,903	395,284
Fund balances/(deficits) at end of year	\$ 1,022,916	\$ 14,364	\$ 445,769	\$ 919,669	\$ 139,162	\$ 364,661

Capital Projects Funds					Debt Service Funds	
Stormwater Improvement Fund	2021 C.O. Construction Fund	Series 2021A TWDB Fund	2019 Bond Construction Fund	Total	2019 Series Debt Service Fund	Total Non Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 705,396	\$ 705,396
-	-	-	-	538,170	-	538,170
-	-	-	-	8,973	-	8,973
-	-	-	-	130,000	-	130,000
113,323	267,993	241,575	257,230	880,121	-	880,121
-	-	-	-	97,745	-	97,745
-	-	-	-	20,246	-	20,246
-	-	1,032	-	1,032	-	1,032
113,323	267,993	242,607	257,230	1,676,287	705,396	2,381,683
-	260,064	-	-	364,406	-	364,406
-	3,690,220	-	-	4,076,398	-	4,076,398
29,562	-	175,702	-	953,897	-	953,897
-	-	-	-	2,329,320	-	2,329,320
-	-	-	-	260,972	210,000	470,972
-	250	-	-	37,439	345,949	383,388
29,562	3,950,534	175,702	-	8,022,432	555,949	8,578,381
83,761	(3,682,541)	66,905	257,230	(6,346,145)	149,447	(6,196,698)
-	-	-	-	249,908	-	249,908
-	-	-	-	2,399,726	-	2,399,726
-	-	-	-	-	-	-
-	-	-	-	2,649,634	-	2,649,634
83,761	(3,682,541)	66,905	257,230	(3,696,511)	149,447	(3,547,064)
1,677,996	2,898,192	3,237,404	4,906,485	16,048,484	147,848	16,196,332
\$ 1,761,757	\$ (784,349)	\$ 3,304,309	\$ 5,163,715	\$ 12,351,973	\$ 297,295	\$ 12,649,268

City of Weslaco, Texas
General Fund
Comparative Balance Sheets

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 561,402	\$ 624,351
Cash and cash equivalents- restricted	592,703	546,678
Investments	12,704,985	8,769,065
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	541,180	591,389
Sales taxes	1,631,556	1,449,359
Ambulance fees	1,817,212	1,932,758
Other	1,045,503	2,042,689
Due from other funds	3,692,910	3,204,592
Prepaid items	1,032	7,685
Inventories	144,784	91,034
Total Assets	\$ 22,733,267	\$ 19,259,600
Liabilities		
Accounts payable	\$ 1,957,181	\$ 1,280,434
Accrued salaries and payroll taxes	922,682	736,249
Other liabilities	1,921,907	1,277,443
Due to to other funds	78,052	50,180
Payable from restricted assets	592,703	546,678
Unearned revenue	1,055,284	1,139,243
Total Liabilities	6,527,809	5,030,227
Deferred Inflows of Resources		
Unavailable revenue- ad valorem taxes	337,685	448,026
Unavailable revenue- EMS fees	1,816,672	1,932,038
Total Deferred Inflows of Resources	2,154,357	2,380,064
Fund Balances		
Nonspendable	145,816	98,719
Restricted	-	-
Restricted	-	-
Assigned	-	-
Unassigned	13,905,285	11,750,590
Total Fund Balances	14,051,101	11,849,309
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,733,267	\$ 19,259,600

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>	2023	2022
Revenues		
Property taxes	\$ 11,084,732	\$ 11,024,439
Nonproperty taxes	16,634,814	15,562,636
Fees and charges	2,626,681	2,432,881
Fines and forfeitures	531,870	569,233
Licenses and permits	973,026	869,148
Intergovernmental	2,427,910	2,866,953
Investment income	650,912	113,827
Miscellaneous	275,191	177,066
Total Revenues	35,205,136	33,616,183
Expenditures		
General government	6,974,337	6,501,530
Public safety	19,807,340	18,639,499
Public works	4,260,936	3,520,298
Culture and recreation	1,887,393	1,682,540
Economic development	288,667	388,499
Debt service:		
Principal	268,328	170,396
Interest and fees	23,724	27,925
Total Expenditures	33,510,725	30,930,687
Excess (deficiency) of revenues over expenditures	1,694,411	2,685,496
Other financing sources (uses):		
Sale of capital assets	-	166,811
Issuance of debt	666,546	-
Transfers in	1,870,086	2,345,346
Transfers out	(2,029,251)	(1,785,901)
Total other financing sources (uses)	507,381	726,256
Net change in fund balances	2,201,792	3,411,752
Fund balances at beginning of year	11,849,309	8,437,557
Fund balances at end of year	\$ 14,051,101	\$ 11,849,309

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 66,789	\$ 28,697
Investments	729,697	676,018
Receivables (net of allowance for uncollectibles):		
Other	232,200	205,434
Total assets	\$ 1,028,686	\$ 910,149
Liabilities		
Accounts payable	\$ 5,770	\$ 7,307
Total liabilities	5,770	7,307
Fund balance		
Restricted	1,022,916	902,842
Total fund balance	1,022,916	902,842
Total liabilities and fund balance	\$ 1,028,686	\$ 910,149

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>	2023	2022
Revenues		
Nonproperty taxes	\$ 538,170	\$ 496,320
Total revenues	538,170	496,320
Expenditures		
Culture and recreation	418,096	456,063
Total expenditures	418,096	456,063
Net change in fund balances	120,074	40,257
Fund balances at beginning of year	902,842	862,585
Fund balances at end of year	\$ 1,022,916	\$ 902,842

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Nonproperty taxes	\$ 350,000	\$ 350,000	\$ 538,170	\$ 188,170
Expenditures				
Culture and recreation				
Parks & recreation department	466,685	466,685	418,096	48,589
Net change in fund balances	<u>\$ (116,685)</u>	<u>\$ (116,685)</u>	\$ 120,074	<u>\$ 236,759</u>
Fund balances at beginning of year			902,842	
Fund balances at end of year			<u>\$ 1,022,916</u>	

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 1,204	\$ 585
Investments	13,160	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>	2023	2022
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>	2023	2022
Assets		
Cash and cash equivalents	\$ 441,443	\$ 352,990
Receivables (net of allowance for uncollectibles):		
Leases	449,969	548,186
Other	1,956	4,568
Total assets	\$ 893,368	\$ 905,744
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Deferred Inflows of Resources		
Leases	447,599	545,344
Total Deferred Inflows of Resources	447,599	545,344
Fund balance		
Restricted	445,769	360,400
Total fund balance	445,769	360,400
Total liabilities, deferred inflows of resources, and fund balance	\$ 893,368	\$ 905,744

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>	2023	2022
Revenues		
Nonproperty taxes		
Fees and charges	\$ 8,973	\$ 63,892
Lease revenue	97,745	28,609
Interest revenue	20,246	6,186
Total revenues	126,964	98,687
Expenditures		
Culture and recreation	41,595	-
Total expenditures	41,595	-
Net change in fund balances	85,369	98,687
Fund balances at beginning of year	360,400	261,713
Fund balances at end of year	\$ 445,769	\$ 360,400

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 114,385	\$ 7,933,605
Investments	5,397,330	-
Total assets	\$ 5,511,715	\$ 7,933,605
Liabilities		
Accounts payable	\$ 280,311	\$ 694,761
Unearned revenue	5,001,807	7,238,844
Total liabilities	5,282,118	7,933,605
Fund balance		
Restricted	229,597	-
Total fund balance	229,597	-
Total liabilities and fund balance	\$ 5,511,715	\$ 7,933,605

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>	2023	2022
Revenues		
Property taxes		
Intergovernmental	\$ 2,237,036	\$ 2,386,428
Investment income	229,597	-
Total revenues	2,466,633	2,386,428
Expenditures		
General government	76,969	211,333
Public safety	15,159	-
Public works	-	18,053
Total Expenditures	92,128	229,386
Excess (deficiency) of revenues over expenditures	2,374,505	2,157,042
Other financing sources (uses):		
Transfers out	(2,144,908)	(2,157,042)
Total other financing sources (uses)	(2,144,908)	(2,157,042)
Net change in fund balances	229,597	-
Fund balances at beginning of year	-	-
Fund balances at end of year	\$ 229,597	\$ -

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 50,381	\$ 81,004
Investments	314,280	314,280
Total assets	\$ 364,661	\$ 395,284
Liabilities		
Accounts payable	\$ -	\$ -
Due to to other funds	-	-
Total liabilities	-	-
Fund balance		
Restricted	364,661	395,284
Total fund balances	364,661	395,284
Total liabilities and fund balance	\$ 364,661	\$ 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>	2023	2022
Revenues		
Intergovernmental	\$ -	\$ -
Total revenues	-	-
Expenditures		
General government	17,800	-
Public works	12,823	-
Total expenditures	30,623	-
Net change in fund balances	(30,623)	-
Fund balances at beginning of year	395,284	395,284
Fund balances at end of year	\$ 364,661	\$ 395,284

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 77,068	\$ 75,015
Investments	841,994	1,767,140
Accounts receivable	25,000	25,000
Due from other funds	7,299	-
Total assets	\$ 951,361	\$ 1,867,155
Liabilities		
Accounts payable	\$ 31,692	\$ 274,541
Due to to other funds	-	-
Total liabilities	31,692	274,541
Fund balance		
Assigned	919,669	1,592,614
Total fund balances	919,669	1,592,614
Total liabilities and fund balance	\$ 951,361	\$ 1,867,155

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,

	2023	2022
Revenues		
Intergovernmental revenue	\$ 100,000	\$ 600,000
Miscellaneous revenue	-	-
Total Revenues	100,000	600,000
Expenditures		
General government	86,542	167,308
Public safety	130,964	97,669
Public works	735,810	646,386
Culture and recreation	1,869,629	709,352
Debt service:		
Principal	-	712,152
Interest and fees	-	11,416
Total expenditures	2,822,945	2,344,283
Deficiency of revenues over expenditures	(2,722,945)	(1,744,283)
Other financing sources (uses):		
Transfers in	2,050,000	1,275,000
Transfers out	-	(423,831)
Total other financing sources	2,050,000	851,169
Net change in fund balances	(672,945)	(893,114)
Fund balances at beginning of year	1,592,614	2,485,728
Fund balances at end of year	\$ 919,669	\$ 1,592,614

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 100,000	\$ (25,000)
Miscellaneous			-	-
Total Revenues	125,000	125,000	100,000	(25,000)
Expenditures				
General government				
Streets Department	-	-	86,542	(86,542)
Planning & Code Enforcement	-	-	-	-
Public safety				
Police Department	129,062	204,012	130,964	73,048
Fire Department	-	-	-	-
Public works				
Streets Department	600,000	875,050	735,810	139,240
Culture and Recreation				
Parks & Recreation Department	2,620,329	2,770,329	1,869,629	900,700
Debt service:				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	3,349,391	3,849,391	2,822,945	1,026,446
Deficiency of revenues over expenditures	(3,224,391)	(3,724,391)	(2,722,945)	1,001,446
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	1,550,000	2,050,000	2,050,000	-
Transfers out	-	-	-	-
Total other financing sources	1,550,000	2,050,000	2,050,000	-
Net change in fund balances	<u>\$ (1,674,391)</u>	<u>\$ (1,674,391)</u>	(672,945)	<u>\$ 1,001,446</u>
Fund balances at beginning of year			1,592,614	
Fund balances at end of year			<u>\$ 919,669</u>	

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 78,821	\$ 2,562
Investments	60,341	60,341
Total Assets	\$ 139,162	\$ 62,903
Liabilities	\$ -	\$ -
Fund Balance		
Assigned	139,162	62,903
Total Liabilities and Fund Balance	\$ 139,162	\$ 62,903

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>	2023	2022
Revenues		
Intergovernmental revenue	\$ 30,000	-
Total Revenues	30,000	-
Expenditures		
Public safety	255,214	93,800
Debt service:		
Principal	260,972	343,928
Interest and fees	37,189	46,274
Total Expenditures	553,375	484,002
Deficiency of revenues over expenditures	(523,375)	(484,002)
Other financing sources (uses):		
Transfers in	349,726	281,117
Issuance of debt	249,908	-
Total other financing sources	599,634	281,117
Net change in fund balances	76,259	(202,885)
Fund balances at beginning of year	62,903	265,788
Fund balances at end of year	\$ 139,162	\$ 62,903

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, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	\$ -	\$ 30,000	\$ 30,000	\$ -
Total Revenues	-	30,000	30,000	-
Expenditures				
Public safety				
Fire Department	-	130,260	255,214	(124,954)
Debt service:				
Principal	306,132	306,132	260,972	45,160
Interest and fees	48,479	48,479	37,189	11,290
Total Expenditures	354,611	484,871	553,375	(68,504)
Deficiency of revenues over expenditures	(354,611)	(454,871)	(523,375)	(68,504)
Other financing sources (uses):				
Other financing sources	-	-	249,908	249,908
Transfers in	300,000	300,000	349,726	49,726
Total other financing sources	300,000	300,000	599,634	299,634
Net change in fund balance	\$ (54,611)	\$ (154,871)	76,259	<u>\$ 231,130</u>
Fund balance at beginning of year			62,903	
Fund balance at end of year			<u>\$ 139,162</u>	

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 141,338	\$ 65,224
Investments	1,544,165	1,536,517
Receivables (net of allowance for uncollectibles)		-
Other	78,288	78,288
Due from other funds	-	-
Total Assets	\$ 1,763,791	\$ 1,680,029
Liabilities		
Accounts Payable	2,034	\$ 2,033
Total Liabilities	2,034	2,033
Fund Balance		
Restricted	1,761,757	1,677,996
Total Liabilities and Fund Balance	\$ 1,763,791	\$ 1,680,029

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>	2023	2022
Revenues		
Intergovernmental revenue	\$ -	\$ 1,057
Investment income	113,323	16,866
Total Revenues	113,323	17,923
Expenditures		
Public works	29,562	308,583
Total Expenditures	29,562	308,583
Excess (deficiency) of revenues over expenditures	83,761	(290,660)
Other financing sources (uses):		
Transfers in	-	-
Net change in fund balances	83,761	(290,660)
Fund balances at beginning of year	1,677,996	1,968,656
Fund balances at end of year	\$ 1,761,757	\$ 1,677,996

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, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	101,111	113,323	12,212
Total Revenues	-	101,111	113,323	12,212
Expenditures				
Public works				
Drain Ditch Department	1,643,506	1,671,035	29,562	1,641,473
Total Expenditures	1,643,506	1,671,035	29,562	1,641,473
Excess (deficiency) of revenues over expenditures	(1,643,506)	(1,569,924)	83,761	1,653,685
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ (1,643,506)	\$ (1,569,924)	83,761	\$ 1,653,685
Fund balance at beginning of year			1,677,996	
Fund balance at end of year			\$ 1,761,757	

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 95,488	\$ 1,005,469
Investments	5,068,227	3,901,016
Total Assets	\$ 5,163,715	\$ 4,906,485
Liabilities		
Accounts Payable	\$ -	\$ -
Due to to other funds	-	-
Total Liabilities	-	-
Fund Balance		
Restricted	5,163,715	4,906,485
Total Liabilities and Fund Balance	\$ 5,163,715	\$ 4,906,485

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>	2023	2022
Revenues		
Investment income	\$ 257,230	\$ 49,217
Total Revenues	257,230	49,217
Expenditures		
Public works	-	1,056,241
Total Expenditures	-	1,056,241
Net change in fund balances	257,230	(1,007,024)
Fund balances at beginning of year	4,906,485	5,913,509
Fund balances at end of year	\$ 5,163,715	\$ 4,906,485

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, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Investment income	\$ -	\$ -	\$ 257,230	\$ 257,230
Total Revenues	-	-	257,230	257,230
Expenditures				
Public works				
Drain Ditch Department	4,900,000	4,900,000	-	4,900,000
Total Expenditures	4,900,000	4,900,000	-	4,900,000
Net change in fund balance	\$ (4,900,000)	\$ (4,900,000)	257,230	\$ 5,157,230
Fund balance at beginning of year			4,906,485	
Fund balance at end of year			\$ 5,163,715	

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ -	\$ 879,510
Investments	-	3,359,715
Due from other funds	1,027,834	50,000
Total Assets	\$ 1,027,834	\$ 4,289,225
Liabilities		
Accounts Payable	\$ 926,109	\$ 1,364,983
Due to to other funds	886,074	26,050
Total Liabilities	1,812,183	1,391,033
Fund Balance		
Restricted	(784,349)	2,898,192
Total Liabilities and Fund Balance	\$ 1,027,834	\$ 4,289,225

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>	2023	2022
Revenues		
Investment income	\$ 267,993	\$ 98,435
Miscellaneous	-	4,900
Total Revenues	267,993	103,335
Expenditures		
General government	260,064	303,963
Public safety	3,690,220	8,585,641
Interest and fees	250	179
Total Expenditures	3,950,534	8,889,783
Deficiency of revenues over expenditures	(3,682,541)	(8,786,448)
Other financing sources (uses):		
Transfers in	-	423,831
Transfers out	-	-
Proceeds from bond issuance	-	-
Proceeds from bond premium	-	-
Total other financing sources	-	423,831
Net change in fund balances	(3,682,541)	(8,362,617)
Fund balances at beginning of year	2,898,192	11,260,809
Fund balances at end of year	\$ (784,349)	\$ 2,898,192

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 186,708	\$ 2,040,823
Investments	9,909,901	7,917,978
Total Assets	\$ 10,096,609	\$ 9,958,801
Liabilities		
Accounts Payable	\$ 28,034	\$ 31,631
Total Liabilities	28,034	31,631
Fund Balance		
Restricted	10,068,575	9,927,170
Total Liabilities and Fund Balance	\$ 10,096,609	\$ 9,958,801

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>	2023	2022
Revenues		
Investment income	\$ 262,897	\$ -
Miscellaneous	-	5,297
Total Revenues	262,897	5,297
Expenditures		
Culture and recreation	\$ 121,367	\$ 78,127
Debt service:		
Interest and fees	125	-
Total Expenditures	121,492	78,127
Excess (deficiency) of revenues over expenditures	141,405	(72,830)
Other financing sources (uses):		
Transfers in	-	-
Transfers out	-	-
Proceeds from bond issuance	-	-
Proceeds from bond premium	-	-
Total other financing sources	-	-
Net change in fund balances	141,405	(72,830)
Fund balances at beginning of year	9,927,170	10,000,000
Fund balances at end of year	\$ 10,068,575	\$ 9,927,170

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents- restricted	\$ 6,059,765	\$ 5,976,191
Total Assets	\$ 6,059,765	\$ 5,976,191
Liabilities		
Accounts Payable	\$ 14,999	\$ 27,000
Due to to other funds	28,749	79
Unearned revenue	2,711,708	2,711,708
Total Liabilities	2,755,456	2,738,787
Fund Balance		
Restricted	3,304,309	3,237,404
Total Liabilities and Fund Balance	\$ 6,059,765	\$ 5,976,191

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>	2023	2022
Revenues		
Investment income	\$ 241,575	\$ 22,492
Miscellaneous	1,032	-
Total Revenues	242,607	22,492
Expenditures		
Public works	175,702	77,000
Debt service:		
Interest and fees	-	79
Total Expenditures	175,702	77,079
Excess (deficiency) of revenues over expenditures	66,905	(54,587)
Other financing sources (uses):		
Proceeds from bond issuance	-	-
Total other financing sources	-	-
Net change in fund balances	66,905	(54,587)
Fund balances at beginning of year	3,237,404	3,291,991
Fund balances at end of year	\$ 3,304,309	\$ 3,237,404

City of Weslaco, Texas
Capital Projects Funds
Series 2023 C.O. Construction Fund
Comparative Balance Sheets

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 237,728	\$ -
Investments	12,617,895	-
Total Assets	\$ 12,855,623	\$ -
Liabilities		
Accounts Payable	\$ 25,527	\$ -
Due to to other funds	1,027,834	-
Total Liabilities	1,053,361	-
Fund Balance		
Restricted	11,802,262	-
Total Liabilities and Fund Balance	\$ 12,855,623	\$ -

City of Weslaco, Texas
Capital Projects Funds
Series 2023 C.O. Construction Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2023	2022
Revenues		
Investment income	\$ 328,622	\$ -
Miscellaneous	-	-
Total Revenues	328,622	-
Expenditures		
Public safety	1,053,361	-
Debt service:		
Principal	-	-
Interest and fees	148,674	-
Total Expenditures	1,202,035	-
Deficiency of revenues over expenditures	(873,413)	-
Other financing sources (uses):		
Proceeds from bond issuance	11,810,000	-
Proceeds from bond premium	865,675	-
Total other financing sources	12,675,675	-
Net change in fund balances	11,802,262	-
Fund balances at beginning of year	-	-
Fund balances at end of year	\$ 11,802,262	\$ -

City of Weslaco, Texas
Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 13,988	\$ 143,307
Investments	742,429	487,761
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	238,724	233,682
Due from other funds	69,412	22,514
Total assets	\$ 1,064,553	\$ 887,264
Liabilities	\$ -	\$ -
Total liabilities	-	-
Deferred inflows of resources		
Unavailable revenue- ad valorem taxes	173,414	194,876
Total deferred inflows of resources	173,414	194,876
Fund balance		
Restricted	891,139	692,388
Total liabilities, deferred inflows of resources and fund balances	\$ 1,064,553	\$ 887,264

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>	2023	2022
Revenues		
Property taxes	\$ 4,766,185	\$ 3,463,469
Investment income	55,659	18,102
Total revenues	4,821,844	3,481,571
Expenditures		
General government	-	50
Debt service:		
Principal	2,535,000	2,370,000
Interest and fees	1,088,093	1,299,782
Total expenditures	3,623,093	3,669,832
Excess (deficiency) of revenues over expenditures	1,198,751	(188,261)
Other financing sources (uses):		
Transfers out	(1,000,000)	(441,939)
Transfers in	-	441,939
Proceeds from bond refunding	-	-
Premium on bond	-	-
Payment to escrow agent	-	-
Total other financing sources (uses)	(1,000,000)	-
Net change in fund balance	198,751	(188,261)
Fund balances at beginning of year	692,388	880,649
Fund balances at end of year	\$ 891,139	\$ 692,388

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, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Property taxes	\$ 2,959,594	\$ 2,959,594	\$ 4,766,185	\$ 1,806,591
Investment income	31,000	73,000	55,659	(17,341)
Total revenues	2,990,594	3,032,594	4,821,844	1,789,250
Expenditures				
General government	-	-	-	-
Debt service:				
Principal	2,425,000	2,425,000	2,535,000	(110,000)
Interest and fees	755,442	755,442	1,088,093	(332,651)
Total expenditures	3,180,442	3,180,442	3,623,093	442,651
Excess (deficiency) of revenues over expenditures	(189,848)	(147,848)	1,198,751	1,346,599
Other financing sources (uses):				
Transfers out	-	(1,000,000)	(1,000,000)	-
Proceeds from bond refunding	-	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)		(1,000,000)	(1,000,000)	-
Net change in fund balance	\$ (189,848)	(1,147,848)	198,751	\$ 1,346,599
Fund balance at beginning of year			692,388	
Fund balance at end of year			\$ 891,139	

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 5,273	\$ 29,849
Investments	279,892	115,807
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	13,754	12,183
Due from other funds	3,141	-
Total assets	\$ 302,060	\$ 157,839
Liabilities		
Due to to other funds	\$ -	\$ 3,921
Total liabilities	-	3,921
Deferred inflows of resources		
Unavailable revenue- ad valorem taxes	4,765	6,070
Total deferred inflows of resources	4,765	6,070
Fund balance		
Restricted	297,295	147,848
Total liabilities, deferred inflows of resources and fund balances	\$ 302,060	\$ 157,839

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>	2023	2022
Revenues		
Property taxes	\$ 705,396	\$ 652,432
Total revenues	705,396	652,432
Expenditures		
Debt service:		
Principal	210,000	200,000
Interest and fees	345,949	356,199
Total expenditures	555,949	556,199
Net change in fund balance	149,447	96,233
Fund balances at beginning of year	147,848	51,615
Fund balances at end of year	\$ 297,295	\$ 147,848

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, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Property taxes			\$ 705,396	\$ 705,396
Total revenues	-	-	705,396	705,396
Expenditures				
Debt service:				
Principal			210,000	(210,000)
Interest and fees			345,949	(345,949)
Total expenditures	-	-	555,949	555,949
Net change in fund balance	\$ -	\$ -	149,447	\$ 149,447
Fund balance at beginning of year			147,848	
Fund balance at end of year			\$ 297,295	

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

<i>September 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 135,209	\$ 1,080,189
Cash and cash equivalents- restricted	33,610	323,949
Investments- restricted	3,711,946	2,187,452
Receivables, net of allowances for uncollectibles	2,539,659	2,081,826
Inventories	419,812	262,823
Total current assets	6,840,236	5,936,239
Non-current assets		
Land	665,175	665,175
Buildings	362,324	362,324
Equipment	15,622,058	14,260,005
Infrastructure	121,217,604	118,440,188
Right-to-use lease assets	3,718	3,718
Water rights	269,431	-
Construction-in-progress	657,582	698,052
Total non-current assets	138,797,892	134,429,462
Accumulated depreciation and amortization	(55,829,165)	(51,433,341)
Total non-current assets, net	82,968,727	82,996,121
Total assets	89,808,963	88,932,360
Deferred outflows of resources		
Deferred outflows related to pensions	291,563	78,096
Deferred outflows related to OPEB	10,072	13,289
Deferred charge on refunding	1,581,662	1,789,486
Total deferred outflows of resources	1,883,297	1,880,871
Total assets and deferred outflows of resources	\$ 91,692,260	\$ 90,813,231

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

<i>September 30,</i>	2023	2022
Liabilities		
Current liabilities:		
Accounts payable	1,410,495	\$ 875,889
Accrued salaries and other liabilities	175,751	183,270
Due to other funds	2,000,000	2,000,000
Current portion of long term debt	4,117,575	3,688,143
Accrued interest on bonds	181,902	199,740
Total current liabilities	7,885,723	6,947,042
Noncurrent liabilities:		
Compensated absences	55,741	86,761
Customer deposits	1,561,556	1,483,667
Financing arrangement	4,208,890	4,818,358
Lease liabilities	-	773
Revenue bonds payable, net of unamortized premiums	33,022,519	37,110,729
Net pension liability	1,011,399	543,286
OPEB liability	48,202	68,872
Total noncurrent liabilities	39,908,307	44,112,446
Total liabilities	47,794,030	51,059,488
Deferred inflows of resources		
Deferred inflows related to pensions	19,595	212,378
Deferred inflows related to OPEB	21,837	3,496
Total deferred inflows of resources	41,432	215,874
Net Position		
Net investment in capital assets	44,281,219	39,668,305
Restricted for:		
Revenue bond retirement	1,213,268	1,003,975
Unrestricted	(1,637,689)	(1,134,411)
Total net position	43,856,798	39,537,869
Total liabilities, deferred inflows of resources, and net position	\$ 91,692,260	\$ 90,813,231

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>	2023	2022
Operating revenues:		
Water services	\$ 8,353,818	\$ 8,115,392
Sewer services	5,981,261	5,702,108
Miscellaneous	1,183,864	78,969
Total operating revenues	15,518,943	13,896,469
Operating expenses:		
Personal services	893,207	824,569
Other services and charges	2,746,524	2,329,635
Supplies	456,897	211,469
Contractual services	4,302,050	2,709,342
Depreciation and amortization	4,395,824	4,197,283
Total operating expenses	12,794,502	10,272,298
Operating income	2,724,441	3,624,171
Non-operating revenues (expenses)		
Investment income	57,308	6,351
Interest and fees expense	(1,245,568)	(1,334,718)
Total non-operating revenues (expenses)	(1,188,260)	(1,328,367)
Income (loss) before transfers and capital contributions	1,536,181	2,295,804
Transfers in (out) and capital contributions		
Transfers in	9,296,635	6,737,009
Transfers out	(7,517,288)	(6,095,229)
Capital improvement fees	801,620	786,914
Capital grants	201,781	561,717
Total transfers and capital contributions	2,782,748	1,990,411
Change in net position	4,318,929	4,286,215
Net position- beginning	39,537,869	35,251,654
Net position- ending	\$ 43,856,798	\$ 39,537,869

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

<i>For the Fiscal Years Ended September 30,</i>	2023	2022
Cash flows from operating activities		
Cash received from customers	\$ 15,138,999	\$ 13,959,143
Payments to suppliers	(7,127,854)	(5,515,556)
Payments to employees	(661,171)	(615,460)
Internal activity-payments from/to other funds	-	-
Net cash provided by operating activities	7,349,974	7,828,127
Cash flows from noncapital financing activities		
Transfers from other funds	9,296,635	6,737,009
Transfers to other funds	(7,517,288)	(6,095,229)
Net cash used in noncapital financing activities	1,779,347	641,780
Cash flows from capital and related financing activities		
Purchase of capital assets	(4,166,649)	(2,948,283)
Refunding bonds issued	-	-
Payment to refunded bond escrow agent	-	-
Interest paid on debt	(1,851,616)	(2,006,818)
Principal paid on debt	(3,680,809)	(3,516,389)
Capital improvement fees	801,620	786,914
Net cash used in capital and related financing activities	(8,897,454)	(7,684,576)
Cash flow from investing activities:		
Interest on cash and investments	57,308	6,351
Purchase of investments	(1,524,494)	(895,223)
Net cash provided by (used) in investing activities	(1,467,186)	(888,872)
Net (decrease) in cash and cash equivalents	(1,235,319)	(103,541)
Cash and cash equivalents, beginning of year	1,404,138	1,507,679
Cash and cash equivalents, end of year	\$ 168,819	\$ 1,404,138
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,724,441	\$ 3,624,171
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	4,395,824	4,197,283
(Increase) decrease in accounts receivables	(457,833)	(46,233)
(Increase) decrease in inventories	(156,989)	6,073
(Increase) decrease in prepaid items	-	-
(Increase) decrease in deferred outflows	(2,426)	209,447
Decrease (increase) in accounts payable	534,606	(271,183)
Decrease (increase) in accrued salaries and other liabilities	(7,519)	39,775
Decrease (increase) in due to other funds	-	-
Decrease (increase) in customer deposits	77,889	108,907
Decrease (increase) in compensated absences	(31,020)	1,375
Decrease (increase) in net pension liability	468,113	(147,101)
Decrease (increase) in OPEB liability	(20,670)	4,043
Decrease (increase) in deferred inflows	(174,442)	101,570
Total adjustments	4,625,533	4,203,956
Net cash provided by operations	\$ 7,349,974	\$ 7,828,127
<i>Supplemental disclosure of noncash activities</i>		
<i>Contributed capital assets from Urban County</i>	\$ 201,781	\$ 561,717

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Operating revenues:				
Water services	\$ 8,385,880	\$ 8,476,699	\$ 8,353,818	\$ (122,881)
Sewer services	5,415,740	5,783,001	5,981,261	198,260
Miscellaneous	60,000	98,531	1,183,864	1,085,333
Total operating revenues	13,861,620	14,358,231	15,518,943	1,160,712
Operating expenses:				
Water treatment				
Personnel services	-	-	50,839	(50,839)
Other services and charges	683,500	796,262	950,278	(154,016)
Contractual services	1,313,135	1,213,135	2,536,820	(1,323,685)
Supplies	8,000	123,600	147,848	(24,248)
Depreciation	-	-	123,016	(123,016)
Total water treatment	2,004,635	2,132,997	3,808,801	(1,675,804)
Water distribution				
Personnel services	510,026	462,483	404,578	57,905
Other services and charges	252,350	252,350	96,720	155,630
Supplies	52,440	52,440	159,734	(107,294)
Capital outlay	294,200	294,200	-	294,200
Depreciation	-	-	1,389,352	(1,389,352)
Total water distribution	1,109,016	1,061,473	2,050,384	(988,911)
Water meter division				
Personnel services	119,000	130,393	108,063	22,330
Other services and charges	21,578	36,574	33,596	2,978
Supplies	13,200	13,200	37,917	(24,717)
Capital outlay	505,000	754,281	-	754,281
Depreciation	-	-	393,656	(393,656)
Total water meter division	658,778	934,448	573,232	361,216
Utility billing				
Personnel services	185,185	173,061	148,733	24,328
Other services and charges	206,200	341,306	452,510	(111,204)
Supplies	10,250	11,902	8,652	3,250
Depreciation	-	-	1,487	(1,487)
Total utility billing	401,635	526,269	611,382	(85,113)
Waste water treatment				
Other services and charges	443,250	530,507	615,481	(84,974)
Contractual services	984,851	884,851	882,615	2,236
Supplies	9,000	19,778	21,620	(1,842)
Capital outlay	-	23,868	-	23,868
Depreciation	-	-	1,097,147	(1,097,147)
Total waste water treatment	1,437,101	1,459,004	2,616,863	(1,157,859)
Waste water collection				
Personnel services	200,953	204,166	180,994	23,172
Other services and charges	473,891	667,040	597,939	69,101
Contractual services	960,921	960,921	882,615	78,306
Supplies	83,700	83,700	81,126	2,574
Capital outlay	12,900	335,180	-	335,180
Depreciation	-	-	1,391,166	(1,391,166)
Total waste water collection	1,732,365	2,251,007	3,133,840	(882,833)
Total operating expenses	7,343,530	8,365,198	12,794,502	(4,429,304)
Operating income	6,518,090	5,993,033	2,724,441	(3,268,592)

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Non-operating revenues (expenses)				
Investment income	1,000	1,000	57,308	56,308
Interest expense	(1,644,118)	(1,644,118)	(1,245,568)	(398,550)
Total non-operating revenues (expenses)	(1,643,118)	(1,643,118)	(1,188,260)	(342,242)
Income before transfers and capital contributions	4,874,972	4,349,915	1,536,181	(3,610,834)
Transfers in (out) and capital contributions				
Transfers in	5,262,968	5,532,968	9,296,635	3,763,667
Transfers (out)	(6,626,060)	(5,896,060)	(7,517,288)	(1,621,228)
Capital improvement fees	695,000	787,763	801,620	(13,857)
Capital grants	-	-	201,781	(201,781)
Total transfers and capital contributions	(668,092)	424,671	2,782,748	2,358,077
Change in net position	\$ 4,206,880	\$ 4,774,586	4,318,929	\$ (1,252,757)
Net position- beginning			39,537,869	
Net position- ending			\$ 43,856,798	

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

<i>September 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 144	\$ -
Investments- restricted	1,575	-
Receivables, net of allowances for uncollectibles	887,770	819,813
Due from other funds	2,000,000	2,000,000
Total current assets	2,889,489	2,819,813
Non-current assets		
Land	421,247	421,247
Buildings	668,781	668,781
Equipment	8,091,909	8,071,090
Infrastructure	246,706	64,461
Construction-in-progress	45,800	120,221
Total non-current assets	9,474,443	9,345,800
Accumulated depreciation	(4,084,871)	(3,175,169)
Total non-current assets, net	5,389,572	6,170,631
Total assets	8,279,061	8,990,444
Deferred outflows of resources		
Deferred outflows related to pensions	8,773	1,887
Deferred outflows related to OPEB	532	636
Total deferred outflows of resources	9,305	2,523
Total assets and deferred outflows of resources	\$ 8,288,366	\$ 8,992,967
Liabilities		
Current liabilities:		
Accounts payable	\$ 197,360	\$ 137,837
Accrued salaries and other liabilities	117,342	95,646
Due to other funds	355,141	951,138
Current portion of long term debt	814,520	795,225
Total current liabilities	1,484,363	1,979,846
Noncurrent liabilities:		
Compensated absences	80,653	49,782
Financine arrangement	3,865,164	4,670,872
Landfill closure	268,686	313,688
Net pension liability	23,422	8,321
OPEB liability	2,450	3,117
Total noncurrent liabilities	4,240,375	5,045,780
Total liabilities	5,724,738	7,025,626
Deferred inflows of resources		
Deferred inflows related to pensions	2,658	8,877
Deferred inflows related to OPEB	767	175
Total deferred inflows of resources	3,425	9,052
Net position		
Net investment in capital assets	718,699	709,915
Unrestricted	1,841,504	1,248,374
Total net position	2,560,203	1,958,289
Total liabilities, deferred inflows of resources, and net position	\$ 8,288,366	\$ 8,992,967

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>	2023	2022
Operating Revenues:		
Charges for services	\$ 6,278,478	\$ 6,048,936
Miscellaneous	24,036	-
Total operating revenues	6,302,514	6,048,936
Operating Expenses:		
Personal services	1,373,236	1,088,013
Other services and charges	1,761,351	1,157,010
Supplies	424,385	379,345
Contractual services	-	1,166,204
Depreciation	909,702	723,428
Total operating expenses	4,468,674	4,514,000
Operating income (loss)	1,833,840	1,534,936
Non-operating revenues (expenses)		
Interest expense	(106,926)	(22,176)
Income (loss) before transfers	1,726,914	1,512,760
Transfers in (out)		
Transfers out	(1,125,000)	(850,000)
Change in net position	601,914	662,760
Net position- beginning	1,958,289	1,295,529
Net position- ending	\$ 2,560,203	\$ 1,958,289

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

<i>For the Fiscal Years Ended September 30,</i>	2023	2022
Cash flows from operating activities		
Cash received from customers	\$ 6,234,557	\$ 6,005,681
Payments to suppliers	(2,132,995)	(2,970,468)
Payments to employees	(1,311,862)	(1,032,862)
Internal activity-payments from/to other funds	(595,997)	(620,481)
Net cash provided by operating activities	2,193,703	1,381,870
Cash flows from noncapital financing activities		
Transfers to other funds	(1,125,000)	(850,000)
Net cash used in noncapital financing activities	(1,125,000)	(850,000)
Cash flows from capital and related financing activities		
Purchase of capital assets	(128,643)	(5,382,070)
Capital lease proceeds	-	4,630,294
Interest paid on debt	(106,926)	(22,176)
Principal paid on debt	(786,413)	(223,451)
Landfill closure costs	(45,002)	(22,736)
Net cash provided by (used in) capital and related financing activities	(1,066,984)	(1,020,139)
 Net increase (decrease) in cash and cash equivalents	 1,719	 (488,269)
Cash and cash equivalents, beginning of year	-	488,269
Cash and cash equivalents, end of year	\$ 1,719	\$ -
 Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,833,840	\$ 1,534,936
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	909,702	723,428
(Increase) decrease in accounts receivables	(67,957)	(43,255)
(Increase) decrease in deferred outflows	(6,782)	81
Increase (decrease) in accounts payable	59,523	(267,990)
Increase (decrease) in accrued expenses and other liabilities	21,696	34,331
Increase (decrease) in due to other funds	(595,997)	(620,481)
Increase (decrease) in compensated absences	30,871	22,895
Increase (decrease) in net pension liability	15,101	(7,355)
Increase (decrease) in OPEB liability	(667)	202
Increase (decrease) in deferred inflows related to pensions	(6,219)	5,099
Increase (decrease) in deferred inflows related to OPEB	592	(21)
Total adjustments	359,863	(153,066)
Net cash provided by operations	\$ 2,193,703	\$ 1,381,870

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Operating revenues:				
Garbage fees	\$ 4,565,717	\$ 4,752,680	\$ 4,770,782	\$ 18,102
Brush fees	1,332,500	1,350,242	1,382,340	32,098
Recycling services	5,000		5,717	717
Miscellaneous	85,000	100,000	119,639	19,639
Total operating revenues	5,988,217	6,207,922	6,278,478	70,556
Operating expenses:				
Solid waste collection				
Personnel services	781,209	962,971	937,819	25,152
Other services and charges	846,396	1,088,703	1,434,139	(345,436)
Supplies	470,000	470,000	316,440	153,560
Depreciation	-	-	809,976	(809,976)
Total solid waste collection	2,097,605	2,521,674	3,498,374	(976,700)
Recycling				
Personnel services	109,463	115,253	112,686	2,567
Other services and charges	3,800	10,255	10,381	(126)
Supplies	20,500	30,500	30,069	431
Depreciation	-	-	17,700	(17,700)
Total recycling	133,763	156,008	170,836	(14,828)
Landfill				
Other services and charges	48,000	56,595	11,575	45,020
Total landfill	48,000	56,595	11,575	45,020
Brush collection				
Personnel services	317,750	317,750	322,731	(4,981)
Other services and charges	254,679	231,693	305,256	(73,563)
Supplies	77,350	106,572	77,876	28,696
Depreciation	-	-	82,026	(82,026)
Total brush collection	649,779	656,015	787,889	(131,874)
Total operating expenses	2,929,147	3,390,292	4,468,674	(1,078,382)
Operating income	3,059,070	2,817,630	1,809,804	(1,007,826)
Non-operating revenues (expenses)				
Other financing sources	645,754	645,754	-	645,754
Investment income	-	-	-	-
Interest expense	(106,926)	(106,926)	(106,926)	-
Total non-operating revenues (expenses)	538,828	538,828	(106,926)	(645,754)
Income (loss) before transfers and captial contributions	3,597,898	3,356,458	1,702,878	(1,653,580)
Transfers in (out)				
Transfers out	(1,125,000)	(1,125,000)	(1,125,000)	-
Capital grants	-	24,048	24,036	12
Total transfers	(1,125,000)	(1,100,952)	(1,100,964)	(12)
Change in net position	\$ 2,472,898	\$ 2,255,506	601,914	\$ (1,653,592)
Net position- beginning			1,958,289	
Net position- ending			\$ 2,560,203	

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

<i>September 30,</i>	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,406	\$ 119,196
Cash and cash equivalents- restricted	-	-
Investments- restricted	14,267	-
Receivables, net of allowances for uncollectibles	183,598	161,619
Leases receivable	16,472	17,252
Inventories	65,067	65,519
Total current assets	280,810	363,586
Non-current assets		
Leases receivable	254,031	270,471
Land	3,536,462	3,536,462
Buildings	648,541	648,541
Equipment	1,048,218	1,048,218
Infrastructure	15,706,232	13,763,967
Right-to-use lease assets	2,884	2,884
Construction-in-progress	-	1,877,643
Total non-current assets	21,196,368	21,148,186
Accumulated depreciation and amortization	(7,105,213)	(6,580,440)
Total non-current assets, net	14,091,155	14,567,746
Total assets	14,371,965	14,931,332
Deferred outflows of resources		
Deferred outflows related to pensions	68,213	13,125
Deferred outflows related to OPEB	2,843	3,673
Total deferred outflows of resources	71,056	16,798
Total assets and deferred outflows of resources	\$ 14,443,021	\$ 14,948,130
Liabilities		
Current liabilities:		
Accounts payable	\$ 88,124	\$ 261,443
Accrued salaries and other liabilities	42,812	27,376
Due to other funds	2,174,477	1,995,469
Current portion of long term debt	57,863	58,330
Total current liabilities	2,363,276	2,342,618
Noncurrent liabilities:		
Compensated absences	31,770	31,302
Notes payable	1,235,750	1,289,515
Lease liability	-	600
Customer deposits	4,594	4,594
Net pension liability	186,957	66,155
OPEB liability	13,125	18,459
Total noncurrent liabilities	1,472,196	1,410,625
Total liabilities	3,835,472	3,753,243
Deferred inflows of resources		
Deferred inflows related to leases	269,523	287,163
Deferred inflows related to pensions	3,046	52,796
Deferred inflows related to OPEB	5,724	991
Total deferred inflows of resources	278,293	340,950
Net Position		
Net investment of capital assets	12,547,609	13,054,188
Restricted for:		
Construction	-	-
Unrestricted	(2,218,353)	(2,200,251)
Total net position	10,329,256	10,853,937
Total liabilities, deferred inflows of resources, and net position	\$ 14,443,021	\$ 14,948,130

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>	2023	2022
Operating revenues:		
Charges for services	\$ 948,249	\$ 927,005
Lease revenue	17,640	17,640
Miscellaneous	753	2,179
Total operating revenues	966,642	946,824
Operating expenses:		
Personal services	411,110	306,157
Other services and charges	326,251	155,362
Supplies	764,218	781,247
Depreciation	524,773	528,781
Total operating expenses	2,026,352	1,771,547
Operating income (loss)	(1,059,710)	(824,723)
Non-operating revenues (expenses)		
Interest revenue	1,072	1,214
Interest expense	(39,587)	(41,200)
Income (loss) before transfers and capital contributions	(1,098,225)	(864,709)
Transfers in (out) and capital grants		
Capital grants	323,544	436,100
Transfers in	250,000	250,000
Total transfers and capital contributions	573,544	686,100
Change in net position	(524,681)	(178,609)
Net position- beginning	10,853,937	11,032,546
Net position- ending	\$ 10,329,256	\$ 10,853,937

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

<i>For the Fiscal Years Ended September 30,</i>	2023	2022
Cash flows from operating activities		
Cash received from customers	\$ 950,854	\$ 1,218,949
Payments to suppliers	(1,263,336)	(1,029,701)
Payments to employees	(379,013)	(324,070)
Internal activity-payments from/to other funds	179,008	216,807
Net cash provided by (used in) operating activities	(512,487)	81,985
Cash flows from noncapital financing activities		
Transfers from other funds	250,000	250,000
Net cash provided by noncapital financing activities	250,000	250,000
Cash flows from capital and related financing activities		
Purchase of capital assets	(48,182)	(1,435,046)
Notes payable proceeds received	-	-
Capital grants	301,565	1,301,767
Principal paid on debt	(54,832)	(52,000)
Interest paid on debt	(39,587)	(41,200)
Net cash provided by (used) in capital and related financing activities	158,964	(226,479)
Cash flow from investing activities:		
Purchase of investments	(14,267)	-
Net cash provided (used) by investing activities	(14,267)	-
Net increase (decrease) in cash and cash equivalents	(117,790)	105,506
Cash and cash equivalents, beginning of year	119,196	13,690
Cash and cash equivalents, end of year	\$ 1,406	\$ 119,196
Reconciliation of operating loss to net cash used in operating activities		
Operating (loss)	\$ (1,059,710)	\$ (824,723)
Adjustments to reconcile (loss) from operations to net cash from operating activities		
Other nonoperating income	1,072	1,214
Depreciation	524,773	528,781
(Increase) decrease in accounts receivables	780	(17,252)
(Increase) decrease in inventories	452	(17,116)
(Increase) decrease in deferred outflows	(54,258)	460
Increase (decrease) in accounts payable	(173,319)	(75,976)
Increase (decrease) in accrued salaries and other liabilities	15,436	3,247
Increase (decrease) in due to other funds	179,008	216,807
Increase (decrease) in customer deposits	-	1,000
Increase (decrease) in compensated absences	468	(9,865)
Increase (decrease) in net pension liability	120,802	(41,679)
Increase (decrease) in OPEB liability	(5,334)	1,145
Increase (decrease) in deferred inflows related to leases	(17,640)	287,163
Increase (decrease) in deferred inflows related to pensions	(49,750)	28,897
Increase (decrease) in deferred inflows related to OPEB	4,733	(118)
Total adjustments	547,223	906,708
Net cash provided by (used in) operations	\$ (512,487)	\$ 81,985

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, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
Operating revenues:				
Fuel sales	\$ 625,000	\$ 860,000	\$ 857,777	\$ (2,223)
Hangar rentals	123,300	146,762	107,992	(38,770)
Miscellaneous	1,850	1,850	873	(977)
Total operating revenues	750,150	1,008,612	966,642	(41,970)
Operating expenses:				
Airport operations				
Personnel services	345,350	404,833	411,110	(6,277)
Other charges and services	188,094	281,160	326,251	(45,091)
Supplies	556,200	742,700	764,218	(21,518)
Depreciation	-	-	524,773	(524,773)
Total airport operations	1,089,644	1,428,693	2,026,352	(597,659)
Airport grant programs				
Other charges and services	-	-	-	-
Total airport grant programs	-	-	-	-
Total operating expenses	1,089,644	1,428,693	2,026,352	(597,659)
Operating (loss)	(339,494)	(420,081)	(1,059,710)	(639,629)
Non-operating revenues (expenses)				
Investment income	-	-	1,072	(1,072)
Interest expense			(39,587)	(39,587)
Total non-operating revenues (expenses)	-	-	(38,515)	(38,515)
Income (loss) before transfers and captial contributions	(339,494)	(420,081)	(1,098,225)	(678,144)
Transfers in (out) and capital grants				
Transfers in	250,000	265,000	250,000	(15,000)
Capital grants	50,000	323,544	323,544	-
Total transfers and capital contributions	300,000	588,544	573,544	(15,000)
Change in net position	\$ (39,494)	\$ 168,463	(524,681)	\$ (693,144)
Net position- beginning			10,853,937	
Net position- ending			\$ 10,329,256	

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

<i>September 30,</i>	2023	2022
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>	2023	2022
Operating Revenues		
Miscellaneous	\$ -	\$ -
Total operating revenues	-	-
Operating Expenses:		
Depreciation	-	-
Total operating expenses	-	-
Operating (loss)	-	-
Non-operating revenues (expenses)		
Interest expense	-	-
(loss) before transfers	-	-
Transfers in (out)		
Transfers in	-	-
Change in net position	-	-
Net position- beginning	(250,269)	(250,269)
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>	2023	2022
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)	\$ -	\$ -
Adjustments to reconcile (loss) from operations to net cash from operating activities		
Depreciation	-	-
Increase (decrease) in due to other funds	-	-
Total adjustments	-	-
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>	2023	2022
Assets		
Cash	\$ 6,589	\$ 6,477
Investments, at fair value:		
Equities	12,655,972	10,673,510
Mutual funds	71,541	3,423,518
Corporate bonds	2,734,526	-
Money market mutual funds	259,775	461,691
Municipal bonds	1,435,804	-
Total assets	\$ 17,164,207	\$ 14,565,196
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Net position		
Net position restricted for pensions	17,164,207	14,565,196
Total net position	17,164,207	14,565,196
Total liabilities and net position	\$ 17,164,207	\$ 14,565,196

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>	2023	2022
Additions		
Contributions		
Employer contributions	\$ 679,584	\$ 683,821
Plan member contributions	679,584	683,821
Total contributions	1,359,168	1,367,642
Investment income		
Net depreciation in fair value of investments	2,047,969	(2,224,686)
Interest and dividends	400,376	401,335
Other income	-	61
Total investment income/(loss)	2,448,345	(1,823,290)
Less investment expense	(80,201)	(87,081)
Net investment income/(loss)	2,368,144	(1,910,371)
Total additions/(reductions)	3,727,312	(542,729)
Deductions		
Benefits paid	804,059	774,643
Refunds of contributions	257,402	40,132
Administrative expenses	66,840	31,880
Total deductions	1,128,301	846,655
Net change in fiduciary net position	2,599,011	(1,389,384)
Net position, beginning of year	14,565,196	15,954,580
Net position, end of year	\$ 17,164,207	\$ 14,565,196

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 3,950	\$ 283,914
Investments	536,283	240,421
Total assets	\$ 540,233	\$ 524,335
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Net position		
Net position restricted for other purposes	540,233	524,335
Total net position	540,233	524,335
Total liabilities and net position	\$ 540,233	\$ 524,335

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>	2023	2022
Additions		
Interest income	\$ 15,898	\$ 2,615
Total additions	15,898	2,615
Deductions		
Administrative expenses	-	-
Total deductions	-	-
Net change in fiduciary net position	15,898	2,615
Net Position, beginning of year	524,335	521,720
Net position, end of year	\$ 540,233	\$ 524,335

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

<i>September 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 3,778,372	\$ 7,212,854
Investments	5,235,190	-
Accounts receivable, net	34,840	6,641
Due from City of Weslaco	414,723	362,340
Grant Receivable	1,500,000	-
Assets held for resale	18,268,268	5,817,232
Land Escrow	250,000	-
Long-term note receivables	2,444,031	2,649,996
Total Assets	\$ 31,925,424	\$ 16,049,063
Liabilities		
Accounts payable	\$ 1,201,481	\$ 128,678
Accrued salaries and payroll taxes	-	-
Total Liabilities	1,201,481	128,678
Deferred Inflows of Resources		
Unavailable revenue- non-current receivables	2,444,031	2,649,996
Total deferred inflows of resources	2,444,031	2,649,996
Fund Balances		
Restricted for:		
Debt service	-	320,000
Unassigned	28,279,912	12,950,389
Total Fund Balances	28,279,912	13,270,389
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,925,424	\$ 16,049,063

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>	2023	2022
Revenues		
Nonproperty taxes	\$ 4,889,047	\$ 4,529,726
Program income	1,574,252	394,002
Investment income	237,805	147,554
Miscellaneous	64,243	56,324
Total Revenues	6,765,347	5,127,606
Expenditures		
Development Services	4,277,193	1,523,580
Capital outlay	8,963	56,694
Debt service:		
Principal	1,246,799	437,432
Interest and fees	81,278	163,817
Total Expenditures	5,614,233	2,181,523
Excess (deficiency) of revenues over expenditures	1,151,114	2,946,083
Other financing sources (uses):		
Note proceeds	11,858,409	-
Capital Grant	1,500,000	(1,965,004)
Lawsuit Settlement	500,000	1,965,004
Total other financing sources (uses)	13,858,409	-
Net change in fund balances	15,009,523	2,946,083
Fund balances at beginning of year	13,270,389	10,324,306
Fund balances at end of year	\$ 28,279,912	\$ 13,270,389

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, 2023

Fund balances of component unit	\$	28,279,912
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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		4,680,117
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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		2,444,031
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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.		(15,531)
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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.		(12,954,194)
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Net position of governmental activities	\$	22,434,335
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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, 2023

Net change in fund balances	\$	15,009,523
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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 (\$237,874) exceeded capital outlay \$8,963 in the current period.		(228,911)
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		(205,965)
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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 \$1,246,799 are less than note proceeds (\$11,858,409).		(10,611,610)
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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 \$3,985 being calculated for bonds and notes payable.		3,985
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Other reconciling items related to GASB 87, Leases		89,296
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Change in net position of governmental activities:	\$	4,056,318
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SUPPLEMENTAL STATEMENTS AND SCHEDULES



City of Weslaco, Texas
Schedule of Taxes Receivable – By Funds
At September 30, 2023

Tax Year	General Fund			I & S Fund	
	Total	%	Amount	%	Amount
2012 & Prior	\$ 398,947	Various	\$ 281,467	Various	\$ 117,480
2013	42,383	72.90%	30,897	27.10%	11,486
2014	43,426	71.91%	31,227	28.09%	12,199
2015	47,842	82.16%	39,309	17.84%	8,533
2016	49,230	83.79%	41,248	16.21%	7,982
2017	56,343	77.19%	43,489	22.81%	12,854
2018	65,292	77.14%	50,367	22.86%	14,925
2019	92,573	73.33%	67,885	26.67%	24,688
2020	119,184	73.33%	87,399	26.67%	31,785
2021	176,393	72.71%	128,263	27.29%	48,130
2022	448,538	66.64%	298,918	33.36%	149,620
	1,540,151		1,100,469		439,682
Less					
Allowances for uncollectible	(746,493)		(559,289)		(187,204)
Net Amount	\$ 793,658		\$ 541,180		\$ 252,478

City of Weslaco, Texas
Analysis of Tax Collections, Adjustments,
and Allocation to Funds
October 1, 2022 to September 30, 2023

TAX COLLECTIONS AND ADJUSTMENTS

Tax Year	Uncollected 10/1/22	Current Assessments & Correction	Collections	Adjustments	Uncollected 9/30/23
2012 & Prior	\$ 428,239	\$ -	\$ 25,262	\$ (4,030)	\$ 398,947
2013	46,400	-	4,017	-	42,383
2014	48,210	-	4,784	-	43,426
2015	54,982	-	7,140	-	47,842
2016	57,183	-	7,860	(93)	49,230
2017	68,449	-	11,998	(108)	56,343
2018	103,159	-	24,299	(13,568)	65,292
2019	152,430	-	59,561	(296)	92,573
2020	183,931	-	64,549	(198)	119,184
2021	364,602	-	160,463	(27,746)	176,393
2022	-	16,103,016	15,777,286	122,808	448,538
Total	\$ 1,507,585	\$ 16,103,016	\$ 16,147,219	\$ 76,769	\$ 1,540,151

ALLOCATION TO FUNDS

Tax Year	Collections	General Fund		I & S Fund	
		%	\$	%	\$
2011 & Prior	\$ 25,262	Various	\$ 18,946	Various	\$ 6,316
2012	4,017	72.90%	2,928	27.10%	1,089
2013	4,784	71.91%	3,440	28.09%	1,344
2014	7,140	82.16%	5,866	17.84%	1,274
2015	7,860	83.79%	6,586	16.21%	1,274
2016	11,998	77.19%	9,261	22.81%	2,737
2017	24,299	77.14%	18,744	22.86%	5,555
2018	59,561	73.33%	43,676	26.67%	15,885
2019	64,549	73.33%	47,334	26.67%	17,215
2020	160,463	72.71%	116,673	27.29%	43,790
2021	15,777,286	66.64%	10,513,983	33.36%	5,263,303
Total	\$ 16,147,219		\$ 10,787,437		\$ 5,359,782



BONDED DEBT REQUIREMENTS



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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	5.00%	\$ -	\$ -	\$ -	\$ 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		\$ 116,025	\$ 69,300	\$ 1,975,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2018

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	5.00%	\$ -	\$ -	\$ -	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		\$ 508,440	\$ 498,471	\$ 3,230,000	

City of Weslaco, Texas
General Obligation Bonds, Series 2019

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	5.00%	\$ -	\$ -	\$ -	\$ 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		\$ 1,537,850	\$ 1,367,500	\$ 8,030,000	

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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	0.00%	\$ -	\$ -	\$ -	\$ 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		\$ 1,273,850	\$ 1,176,500	\$ 5,240,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2021

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	5.00%	\$ -	\$ -	\$ -	\$ 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		\$ 1,837,000	\$ 1,641,225	\$ 10,805,000	

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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	0.000%	\$ -	\$ -	\$ -	\$ 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		\$ -	\$ -	\$ 3,111,000	

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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	0.000%	\$ -	\$ -	\$ -	\$ 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		\$ 1,758,475	\$ 1,592,625	\$ 8,795,000	

City of Weslaco, Texas
Certificates of Obligation, Series 2023

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	5.00%	\$ -	\$ -	\$ -	\$ 11,810,000
2024	5.00%	554,000	257,500	780,000	11,030,000
2025	5.00%	257,500	230,625	1,075,000	9,955,000
2026	5.00%	230,625	221,750	355,000	9,600,000
2027	5.00%	221,750	212,500	370,000	9,230,000
2028	5.00%	212,500	202,750	390,000	8,840,000
2029	5.00%	202,750	192,500	410,000	8,430,000
2030	5.00%	192,500	181,750	430,000	8,000,000
2031	5.00%	181,750	170,375	455,000	7,545,000
2032	5.00%	170,375	158,500	475,000	7,070,000
2033	5.00%	158,500	146,000	500,000	6,570,000
2034	5.00%	146,000	132,875	525,000	6,045,000
2035	5.00%	132,875	119,000	555,000	5,490,000
2036	5.00%	119,000	104,375	585,000	4,905,000
2037	5.00%	104,375	89,125	610,000	4,295,000
2038	5.00%	89,125	73,000	645,000	3,650,000
2039	5.00%	73,000	59,600	670,000	2,980,000
2040	4.00%	59,600	45,600	700,000	2,280,000
2041	4.00%	45,600	31,000	730,000	1,550,000
2042	4.00%	31,000	15,800	760,000	790,000
2043	4.00%	15,800	-	790,000	-
Total		\$ 3,198,625	\$ 2,644,625	\$ 11,810,000	

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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	0.819%	\$ -	\$ -	\$ -	\$ 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		\$ 767,916	\$ 767,916	\$ 9,355,000	

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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	5.000%	\$ -	\$ -	\$ -	\$ 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	\$ 297,675	\$ 8,500,000	

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

As of September 30, 2023

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2023	4.000%	\$ -	\$ -	\$ -	\$ 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		\$ 2,226,725	\$ 2,226,725	\$ 16,535,000	



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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 49,090,564	\$ 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
Restricted	2,901,080	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
Unrestricted	(2,503,364)	(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
Total governmental activities net position	\$ 49,488,280	\$ 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
Business-type activities										
Net investment in capital assets	\$ 57,547,527	\$ 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
Restricted	1,213,268	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
Unrestricted	(2,014,538)	(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
Total business-type activities net position	\$ 56,746,257	\$ 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
Primary Government										
Net investment in capital assets	\$ 106,638,091	\$ 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
Restricted	4,114,348	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
Unrestricted	(4,517,902)	(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
Total primary government net position	\$ 106,234,537	\$ 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

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 8,067,839	\$ 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
Public safety	20,591,805	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
Emergency medical service	282,982	1,547,482	305,566	200,937	185,668	151,728	144,283	137,335	101,226	269,969
Health	-	-	-	-	-	-	-	-	-	-
Public works	5,313,459	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
Culture and recreation	2,951,145	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
Development services	-	-	-	-	-	-	-	-	-	2,724,236
Interest on long-term debt	1,442,309	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
Total governmental activities expenses	38,649,539	34,636,525	34,034,481	33,042,283	32,575,446	31,493,613	31,552,915	28,044,495	24,837,295	23,810,608
Business-type activities:										
Water and Wastewater	14,040,070	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
Solid Waste	4,575,600	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
Airport	2,065,939	1,812,747	1,250,380	1,172,619	1,035,359	925,905	850,901	687,702	668,097	536,560
Total business-type activities expenses	20,681,609	17,955,639	17,768,673	17,464,358	16,117,964	15,706,550	15,341,130	15,878,164	14,971,587	13,341,528
Total primary government expenses	\$ 59,331,148	\$ 52,592,164	\$ 51,803,154	\$ 50,506,641	\$ 48,693,410	\$ 47,200,163	\$ 46,894,045	\$ 43,922,659	\$ 39,808,882	\$ 37,152,136
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services:										
General government	\$ 1,657,685	\$ 1,708,132	\$ 1,580,212	\$ 1,384,500	\$ 1,468,352	\$ 959,157	\$ 896,763	\$ 714,548	\$ 725,949	\$ 588,302
Public Safety	850,289	936,197	800,253	633,021	811,163	978,002	1,156,105	853,586	653,606	748,737
Emergency medical services	1,493,955	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
Other activities	-	-	-	-	-	-	-	-	-	155,378
Culture and recreation	23,255	11,356	5,221	18,568	33,373	43,670	76,676	85,163	73,359	-
Operating grants and contributions	2,427,910	5,253,381	3,708,547	6,120,352	889,479	648,763	585,580	484,336	273,122	233,899
Capital grants and contributions	2,367,036	601,057	384,979	435,057	625,616	446,200	137,739	571,469	1,065,726	463,568
Total governmental activities program revenues	8,820,130	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	15,518,943.00	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
Solid Waste	6,302,514.00	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
Airport	966,642.00	946,824	487,035	302,725	321,909	215,430	245,143	183,291	159,919	207,034
Operating grants and contributions	-	1,784,731	-	-	-	-	-	-	-	-
Capital grants and contributions	1,326,945.00	-	1,911,184	1,381,244	911,329	1,001,408	2,325,711	1,658,319	4,148,622	481,853
Total business-type activities program revenues	24,115,044	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	\$ 32,935,174	\$ 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	\$ (29,829,409)	\$ (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)
Business-type activities	3,433,435	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
Total primary government net expense	\$ (26,395,974)	\$ (19,414,942)	\$ (23,329,162)	\$ (20,599,619)	\$ (24,253,105)	\$ (24,028,125)	\$ (22,719,311)	\$ (22,490,390)	\$ (13,668,635)	\$ (16,417,954)

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Taxes:										
Ad valorem	\$ 16,423,205	\$ 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
Sales	14,646,639	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
Occupancy	538,170	496,320	481,792	381,039	349,728	365,473	444,151	351,911	384,439	419,960
Franchise and other	1,988,175	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
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,407,808	318,939	45,432	200,243	272,670	191,883	103,608	60,217	31,839	130,602
Gain (loss) on sale/retirement of capital assets	-	166,811	-	-	55,829	-	44,939	-	-	56,720
Miscellaneous	394,214	222,058	218,809	320,215	353,746	858,322	353,902	721,662	232,759	377,674
Rescindment of contingency	-	-	-	-	-	-	-	-	-	-
Absences	-	-	-	-	-	-	-	-	-	-
Transfers	(904,347)	(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
Total governmental activities	35,493,864	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
Business-type activities										
Investment earnings	58,380	7,565	616	5,880	13,124	7,672	2,044	1,513	1,350	4,013
Transfers	904,347	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)
Total business-type activities	962,727	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)
Total primary government	36,456,591	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
Change in Net Position										
Governmental activities	5,664,455	7,633,895	4,468,100	\$ 5,439,636	\$ 888,210	\$ (178,860)	\$ (580,310)	\$ 35,213	\$ 3,325,265	\$ 4,509,837
Business-type activities	4,396,162	4,770,366	1,220,766	285,482	87,195	858,980	1,245,373	449,360	4,643,806	2,935,101
Total primary government	\$ 10,060,617	\$ 12,404,261	\$ 5,688,866	\$ 5,725,118	\$ 975,405	\$ 680,120	\$ 665,063	\$ 484,573	\$ 7,969,071	\$ 7,444,938

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Post GASB 54										
Nonspendable	\$ 145,816	\$ 98,719	\$ 31,880	\$ 19,361	\$ 5,138	\$ 17,350	\$ 18,308	\$ 37,392	\$ 34,790	\$ 180,110
Restricted	-	-	-	-	-	179,110	-	104,886	466,288	466,288
Assigned	-	-	-	2,874,000	2,874,000	2,874,000	-	-	-	-
Unassigned	13,905,285	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
Total General Fund	\$ 14,051,101	\$ 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
All Other Governmental Funds										
Post GASB 54										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,311	\$ -	\$ -
Restricted	34,582,010	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
Assigned	1,058,831	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
Capital projects funds	-	-	-	-	-	-	-	-	-	6,399,437
Total all other governmental funds	\$ 35,640,841	\$ 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

Source: Information obtained from the City's Annual Financial Report
(1) The City implemented GASB Statement No. 54 in fiscal year 2011

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes:										
Property taxes	\$ 16,556,313	\$ 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
Sales	14,646,640	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
Occupancy	538,170	496,320	481,792	381,039	349,728	365,473	444,151	351,911	384,439	419,960
Franchise and other	1,988,174	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
Charges for services	2,635,654	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
Program income	-	-	-	-	-	-	-	-	-	360,576
Intergovernmental	4,794,946	5,854,438	4,298,057	6,225,877	1,390,095	893,763	723,319	1,055,805	1,338,849	697,467
Lease Revenue	97,745	28,609	-	-	-	-	-	-	-	-
Licenses and permits	973,026	869,148	794,183	653,513	693,682	719,740	664,177	493,175	479,501	446,828
Investment income	2,428,054	325,125	45,432	200,243	272,670	191,883	103,608	60,217	31,839	130,602
Fines and forfeitures	531,870	569,233	487,067	356,116	503,972	696,728	752,327	698,250	523,767	636,486
Contributions	-	-	-	-	-	-	-	-	-	2,736
Miscellaneous	276,223	187,263	343,530	320,215	478,746	1,059,521	314,916	889,172	394,982	374,938
Total revenues	45,466,815	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
Expenditures										
General government	7,415,712	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
Public Safety	24,952,258	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
Public Works	5,214,833	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
Health	-	-	-	-	-	-	-	-	-	-
Culture and recreation	4,338,080	2,926,082	4,030,114	2,026,864	1,952,185	2,368,044	2,136,834	1,709,199	1,376,551	1,311,421
Economic development	288,667	388,499	949,003	591,644	590,635	576,780	581,915	589,640	593,849	1,568,220
Nondepartmental	-	-	-	-	-	-	-	-	-	565,216
Capital outlay	-	-	-	-	-	-	949,108	4,530,211	4,692,755	2,390,421
Debt service										
Principal	3,274,300	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
Interest and fiscal charges	1,644,004	1,741,854	1,336,274	1,153,870	1,051,561	755,633	782,830	786,594	890,033	1,152,048
Advance refunding escrow	-	-	-	-	-	-	-	77,555	-	-
Total expenditures	47,127,854	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
Excess of revenues over (under) expenditure	(1,661,039)	(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
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	\$ -	\$ 166,811	\$ 279	\$ 194,261	\$ 55,829	\$ 92,117	\$ 300,741	\$ -	\$ -	\$ 56,720
Debt Proceeds	12,726,454	-	29,279,233	440,000	14,257,349	4,506,702	2,184,974	4,450,281	658,299	-
Proceeds from 380 Agreements	-	-	-	-	-	-	-	-	-	-
Bond interest	-	-	-	-	-	-	-	-	-	-
Premium on bond	865,675	-	2,898,733	-	-	-	-	701,808	-	-
Bond redemption	-	-	-	-	-	-	-	(4,392,713)	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Volunteer separation expense	-	-	-	-	-	-	-	-	-	-
380 Agreement expenditures	-	-	-	-	-	-	-	-	-	(738,139)
Accrued 380 Agreement interest	-	-	-	-	-	-	-	-	-	-
Sales Tax rebates	-	-	-	-	-	-	-	-	-	(580,488)
Payment to escrow agent	-	-	(5,305,982)	-	-	-	-	-	-	-
Transfers in	4,269,812	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	(5,174,159)	(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)
Total other financing sources (uses)	12,687,782	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)
Net change in fund balances	\$ 11,026,743	\$ (7,425,049)	\$ 19,156,161	\$ (64,527)	\$ 13,616,673	\$ 1,727,536	\$ (876,941)	\$ (1,762,731)	\$ 196,754	\$ 573,147
Debt service as a percentage of noncapital expenditures										
	14.6%	15.5%	13.8%	14.9%	15%	13%	14%	14%	16%	19%

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
2014	2013	9,667,300	9,119,003	94.33%	461,287	9,580,290	99.10%
2015	2014	9,952,186	9,682,147	97.29%	171,045	9,853,192	99.01%
2016	2015	10,995,171	10,562,367	96.06%	276,314	10,838,681	98.58%
2017	2016	11,408,682	10,983,948	96.28%	348,815	11,332,763	99.33%
2018	2017	11,812,045	11,481,619	97.20%	321,559	11,803,178	99.92%
2019	2018	11,895,615	11,480,754	96.51%	334,708	11,815,462	99.33%
2020	2019	12,922,263	12,512,099	96.83%	286,513	12,798,612	99.04%
2021	2020	13,752,353	13,421,511	97.59%	187,536	13,609,047	98.96%
2022	2021	14,777,161	14,426,929	97.63%	126,939	14,553,868	98.49%
2023	2022	16,200,878	15,757,920	97.27%	-	15,757,920	97.27%

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
2014	851,914,723	646,031,643	336,831,403	1,497,946,366	0.69
2015	804,694,927	675,552,726	388,852,013	1,480,247,653	0.68
2016	905,060,888	755,965,371	413,829,808	1,661,026,259	0.68
2017	934,058,109	799,468,448	410,195,911	1,733,526,557	0.67
2018	1,001,015,474	810,655,535	483,054,753	1,811,671,009	0.67
2019	1,038,039,659	847,999,734	497,055,323	1,886,039,393	0.67
2020	1,045,958,898	971,674,532	517,227,567	2,017,633,430	0.70
2021	1,174,765,965	1,006,464,872	524,183,252	2,181,230,837	0.70
2022	1,363,555,171	1,061,416,675	546,024,406	2,424,971,846	0.70
2023	1,653,361,043	1,183,784,060	619,530,755	2,837,145,103	0.70

Source: Hidalgo County Appraisal District
www.hidalgoad.org

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

	2023			2014		
TAXPAYER	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	\$ 40,493,901	1	1.43%	\$ 37,499,123	1	2.50%
H E B Weslaco Transportation	25,802,060	2	0.91%	18,473,771	2	1.23%
Wal-Mart Real Estate Business	19,285,225	3	0.68%	11,637,270	5	0.78%
AEP Texas Central Co	19,029,550	4	0.67%	7,974,160	6	0.53%
Capcor Weslaco LTD	13,845,139	5	0.49%	12,337,301	4	0.82%
WesFar Apartments LLC	12,427,472	6	0.44%			
G3C Weslaco Westgate	12,319,950	7	0.43%			
NWI Tenet Micro Hospital Weslaco LP	11,147,733	8	0.39%			
Weslaco Motors LLP	10,330,062	9	0.36%	4,726,154	18	0.32%
Santa Anna LLC	9,595,456	10	0.34%			
Weslaco Ford/Mercury Inc	9,300,384	11	0.33%	4,727,940	17	0.32%
Lowes Home Centers Inc #2980	8,455,330	12	0.30%	6,170,476	10	0.41%
Shops At N Bridge LLC	8,415,667	13	0.30%			
Weslaco Palm Plaza	8,195,576	14	0.29%	7,045,784	9	0.47%
HD Development Properties LP	7,811,111	15	0.28%	5,190,833	14	0.35%
Wal-mart Property Tax Department	7,688,254	16	0.27%	7,477,314	7	0.50%
Vasudeva & Family LLC	7,300,000	17	0.26%			
Home Depot Centers Inc	7,235,843	18	0.26%			
RST Texas Retail Estate LP	7,209,369	19	0.25%			
HIC Texas LLC	6,810,682	20	0.24%			
Clearview Weslaco LLP				16,021,025	3	1.07%
John Knox Villages				7,095,448	8	0.47%
JCPenney #1101				6,116,050	11	0.41%
535 US Highway 83 Investors				5,280,240	12	0.35%
RGV Express LTD				5,218,365	13	0.35%
Reyna Family Land Dev LTD				4,995,908	15	0.33%
Ed Payne Motors LLP				4,907,939	16	0.33%
Lowes Home Centers Inc				4,541,718	19	0.30%
Verizon Southwest				4,494,308	20	0.30%
TOTAL	\$ 252,698,764		8.91%	\$ 181,931,127		12.15%

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										
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
2023	2022	0.4643	0.2324	0.6967	0.9464	0.1562	0.5750	0.1139	0.0492	2.5374
TAX LEVIES										
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
2023	2022			16,200,878	35,915,213	87,953,219	318,889,322	61,927,324	27,658,653	548,544,609

CITY OF WESLACO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2023
TABLE IX

	GROSS DEBT Less SINKING FUND	ESTIMATED % DEBT APPLICABLE TO CITY OF WESLACO	CITY OF WESLACO SHARE OF DEBT
City of Weslaco, Texas	\$ 87,386,000	100.00%	\$ 87,386,000
Total Direct Debt	87,386,000		87,386,000
Weslaco Ind School Dist	57,003,329	68.77%	39,201,189
Hidalgo County	395,825,000	4.98%	19,712,085
Hidalgo Co Drainage Dist #1	276,378,000	5.16%	14,261,105
South Texas College	103,234,693	4.68%	4,831,384
Total overlapping debt	832,441,022		78,005,762

Total direct and overlapping debt: \$ 165,391,762

Percent of Assessed Valuation: 5.83%

Direct Overlapping Debt per Capita: \$ 3,916

POPULATION: 42,231

ASSESSED VALUATION \$ 2,837,145,103

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

Legal Debt Margin Calculation to Fiscal Year 2019

Assessed Value	\$ 2,837,145,103
Debt Limit (10% of assessed value)	283,714,510
Debt applicable to limit:	
General outstanding debt	52,996,000
Less: Amount set aside for repayment of general obligation debt	(1,191,464)
Total net debt applicable to limit	<u>51,804,536</u>
Legal debt margin	<u>231,909,974</u>

	2014	2015	2016	2017
Debt Limit	\$ 159,911,825	\$ 151,195,149	\$ 166,102,626	\$ 173,352,656
Total net debt applicable to limit	<u>24,605,645</u>	<u>23,040,965</u>	<u>19,704,803</u>	<u>18,296,141</u>
Legal debt margin	<u>\$ 135,306,180</u>	<u>\$ 128,154,184</u>	<u>\$ 146,397,823</u>	<u>\$ 155,056,515</u>
Total net debt applicable to the limit as a percentage of debt limit	15.39%	15.24%	11.86%	10.55%

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.

	2018		2019		2020		2021		2022		2023
\$	181,167,101	\$	188,603,939	\$	201,763,343	\$	218,123,084	\$	242,497,185	\$	283,714,510
	16,806,190		90,541,350		90,391,763		106,098,144		101,906,339		51,804,536
\$	164,360,911	\$	98,062,589	\$	111,371,580	\$	112,024,940	\$	140,590,846	\$	231,909,974
	9.28%		48.01%		44.80%		48.64%		42.02%		18.26%

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	
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	-	-	-
2023	13,896,763	9,617,908	799,313	5,078,169	-	-	-

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

Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
Fiscal Year	General Obligation Bonds	Certificate of Obligation	Bond Premiums	General Obligation Bonds	Certificate of Obligation	Revenue Bonds	Tax Notes	Bond Premiums			
2014	-	24,894,102	563,767	768,456	1,700,000	44,325,000	7,735,000	1,800,466	81,786,791	13.58%	2,121.85
2015	2,006,250	21,110,000	516,809	529,308	19,230,000	34,700,000	6,545,000	1,699,141	86,336,508	14.15%	2,218.36
2016	1,532,231	19,285,000	1,171,661	404,029	49,260,000	870,000	4,810,000	4,734,806	82,067,727	13.44%	2,086.75
2017	1,037,731	17,800,000	1,000,740	273,745	48,090,000	440,000	2,620,000	6,909,104	78,171,320	11.38%	1,955.70
2018	527,407	16,425,000	1,017,845	138,853	48,090,000	-	-	6,082,019	72,281,124	10.04%	1,798.44
2019	8,850,000	18,800,000	2,071,103	-	45,880,000	-	-	5,233,304	80,834,407	10.40%	1,961.86
2020	8,630,000	21,910,000	1,832,879	-	43,015,000	-	-	4,424,653	79,812,532	10.15%	1,917.23
2021	8,440,000	38,061,000	4,394,563	-	40,705,000	-	-	3,381,423	94,981,986	11.51%	2,365.09
2022	8,240,000	35,691,000	3,897,831	-	37,620,000	-	-	2,720,729	88,169,560	10.88%	2,149.59
2023	8,030,000	44,966,000	4,256,855	-	34,390,000	-	-	2,132,519	93,775,374	10.25%	2,220.53

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

Fiscal Year	General Obligation Bonds	Bond Premiums	Less: Amount Available for Debt Service	TOTAL	Percentage of Actual Taxable Value of Property	Per Capita
2014	24,894,102	563,767	996,317	24,461,552	1.63%	635
2015	23,116,250	516,809	798,285	22,834,774	1.54%	587
2016	20,817,231	1,171,661	540,114	21,448,778	1.29%	545
2017	18,837,731	1,000,740	146,217	19,692,254	1.14%	493
2018	16,952,407	1,017,845	400,508	17,569,744	0.97%	437
2019	27,650,000	2,071,103	382,103	29,339,000	1.56%	712
2020	30,540,000	1,832,879	524,030	31,848,849	1.58%	765
2021	46,501,000	4,394,563	865,907	50,029,656	2.29%	1,246
2022	43,931,000	3,897,831	685,729	47,143,102	1.94%	1,149
2023	52,996,000	4,256,855	1,191,464	56,061,391	1.98%	1,327

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

Description	CALENDAR YEAR			
	2013	2014	2015	2016
Agriculture, Forestry, Fishing, Hunting	\$ -	\$ 3,207	\$ 481	\$ -
Construction	4,144,701	3,219,615	4,096,068	4,826,488
Manufacturing	1,374,389	2,222,116	2,378,251	2,445,955
Wholesale Trade	12,138,082	11,505,002	10,535,297	19,201,140
Retail trade	321,405,175	331,306,451	321,305,069	309,212,380
Transportation and warehousing	303,218	276,655	-	281,022
Information	13,229,751	13,421,501	12,686,024	12,326,179
Finance and insurance	2,177,332	2,641,731	1,607,030	2,651,045
Real estate, rental and leasing	2,881,418	2,356,502	2,654,053	5,278,955
Professional, scientific and technical	838,393	989,140	1,137,739	1,024,656
Administration, support, waste management, and remediation	5,830,822	5,368,529	2,194,032	1,768,350
Educational Services	60,791	166,539	94,791	350,578
Health care and social assistance	560,511	691,519	1,256,497	941,118
Arts, entertainment, and recreation	1,952,878	2,581,663	3,673,234	3,377,805
Accommodation and food service	86,549,881	96,841,186	109,219,280	111,418,585
Other Services	10,073,577	10,221,189	10,775,234	11,543,232
Other	17,086	19,870	22,000	6,560
Total	\$ 463,538,005	\$ 483,832,415	\$ 483,635,080	\$ 486,654,048
City Direct Sales Tax	2.00%	2.00%	2.00%	2.00%

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

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	-	2,300	-
4,674,526	9,760,889	12,862,191	8,583,655	6,115,796	4,720,172
2,072,963	2,107,094	5,557,368	8,228,047	8,567,787	9,626,005
16,838,228	15,259,410	17,620,327	17,633,729	23,534,067	27,402,823
305,882,008	328,057,738	329,808,142	357,890,403	436,915,317	443,559,728
-	-	411,291	428,271	908,468	1,456,506
13,508,709	14,393,780	14,811,056	10,350,939	11,273,411	13,319,503
2,878,573	3,251,223	3,255,107	3,205,528	3,043,096	3,420,138
6,528,384	7,465,029	8,590,041	10,322,724	10,001,775	10,261,207
1,018,046	993,481	837,433	622,393	731,516	1,050,480
2,109,445	2,299,598	3,143,185	3,306,945	4,086,472	5,733,238
318,639	330,995	480,058	175,074	406,213	516,884
704,434	767,353	674,483	544,620	571,053	1,202,932
4,406,081	4,652,256	5,176,107	4,392,666	5,478,564	5,644,658
115,038,118	122,294,284	130,022,066	127,354,464	165,774,766	183,115,623
11,810,678	15,390,148	15,836,736	14,349,648	14,169,417	18,287,588
16,481	14,056	2,721	2,157	17,756	13,198
\$ 487,805,313	\$ 527,037,334	\$ 549,088,312	\$ 567,391,263	\$ 691,597,774	\$ 729,330,683
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

CITY OF WESLACO, TEXAS
SALES TAX REVENUE PAYERS BY INDUSTRY
CALENDAR YEARS 2023 AND 2013
TABLE XV

	2023				2013			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Construction	75	5.65%	\$ 94,403	0.65%	54	4.84%	\$ 19,974	0.26%
Manufacturing	74	5.58%	192,520	1.32%	38	3.41%	18,173	0.24%
Wholesale Trade	65	4.90%	548,056	3.76%	55	4.93%	195,025	2.54%
Retail trade	577	43.48%	8,871,195	60.82%	509	45.61%	5,495,400	71.53%
Transportation and warehousing	8	0.60%	29,130	0.20%	6	0.54%	28,344	0.37%
Information	19	1.43%	266,390	1.83%	18	1.61%	138,324	1.80%
Finance and insurance	19	1.43%	68,403	0.47%	23	2.06%	43,445	0.57%
Real estate, rental and leasing	20	1.51%	205,224	1.41%	20	1.79%	61,257	0.80%
Professional, scientific and technical	30	2.26%	21,010	0.14%	47	4.21%	17,835	0.23%
Administration, support, waste management, and remediation	29	2.19%	114,665	0.79%	49	4.39%	34,606	0.45%
Educational Services	8	0.60%	10,338	0.07%	5	0.45%	352	0.00%
Health care and social assistance	18	1.36%	24,059	0.16%	10	0.90%	13,931	0.18%
Arts, entertainment, and recreation	25	1.88%	112,893	0.77%	19	1.70%	22,877	0.30%
Accommodation and food service	238	17.94%	3,662,312	25.11%	144	12.90%	1,414,709	18.41%
Other Services	118	8.89%	365,752	2.51%	110	9.86%	178,466	2.32%
Other	4	0.30%	264	0.00%	9	0.81%	\$ 323	0.00%
Total	1,327	100.00%	\$ 14,586,614	100.00%	1,116	100.00%	\$ 7,683,040	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
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%
2023	2.00%	6.25%	8.25%

CITY OF WESLACO, TEXAS
MISCELLANEOUS STATISTICAL FACTS
SEPTEMBER 30, 2023
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:		13,058	
Sanitary	223.40	Miles of Water Mains		141.2	
Building Permits:		Average Daily:	Gallons		
Permits Issued	0	Consumption		5,900,000	
Estimated Cost		Daily Plant Capacity		15,300,000	
Fire Protection:		Water Sold for Year		21,069,751	
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	0	1980 Census		19,331	
Number of Employees	102	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		41,017	
Tennis Courts	10	2022-Estimated		42,231	
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
		Valley Baptist Micro-Hospital	1	No. of beds	22
Education:		Airports			1
Public/Private Schools					
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
2013	38,545	602,149,990	15,622	10.2%
2014	38,919	610,094,244	15,676	8.2%
2015	39,328	610,488,544	15,523	10.0%
2016	39,971	686,661,809	17,179	9.7%
2017	40,191	720,148,152	17,844	7.3%
2018	41,203	777,047,377	18,859	7.4%
2019	41,629	786,455,068	18,892	9.9%
2020	40,160	825,207,680	20,548	9.5%
2021	41,017	810,085,750	19,750	8.3%
2022	42,231	915,230,232	21,672	6.9%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical Arrests-Adults	2,308	2,572	2,531	2,693	2,774	2,460	1,607	1,568	1,574	1,956
Physical Arrests-Juveniles	474	306	274	352	363	318	151	117	242	384
Fire										
Fire responses	1,751	2,097	1,897	1,876	2,197	2,410	2,311	2,674	2,833	2,642
EMS responses	5,919	5,443	5,880	6,424	6,511	6,614	8,607	6,992	7,307	7,842
Library										
Volumes in collection	69,903	72,514	76,787	80,723	83,145	90,066	92,098	94,909	95,408	97,483
Total volumes borrowed	53,185	53,416	52,469	49,769	50,267	55,688	44,365	53,641	42,831	36,818
Water										
New connections	74	121	168	281	281	377	349	307	416	622
Average daily consumption (million of gallons)	4.80	5.26	5.81	5.23	5.23	5.15	5.63	5.34	5.48	5.90
Peak daily consumption (million of gallons)	7.95	6.17	6.74	5.15	5.15	6.45	6.60	6.34	7.58	7.60
Wastewater										
Average daily wastewater treatment (million of gallons)	3.79	3.68	3.68	4.10	4.10	3.67	4.00	4.46	4.08	4.10
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	-
Patrol Units	59	59	59	60	60	75	75	83	83	77
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	227.00	227.00	227.00	230.00	230.00
Streetlights	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,620	1,620
Parks & Recreation										
Acreage (Developed)	171.97	171.97	171.97	171.97	171.97	171.97	175.93	175.93	224.61	224.61
Acreage (Undeveloped)	-	-	-	-	-	57.99	57.99	57.99	9.31	9.31
Playgrounds	16	16	16	16	16	16	16	16	16	16
Golf courses (private)	2	2	2	2	2	2	2	2	1	1
Water										
Water main (miles)	129.6	129.6	129.6	129.6	129.6	131.0	131.5	137.0	140.3	141.2
Fire hydrants	1,670	1,670	1,670	1,670	1,670	1,682	1,693	1,702	1,726	1,797
Storage capacity (million of gallons)	6.39	6.39	6.39	6.39	6.39	6.39	15.30	15.30	15.30	15.30
Wastewater										
Sanitary sewer (miles)	213.31	213.31	213.31	213.31	213.31	214.20	214.80	218.50	223.40	225.90
Storm Sewer (miles)	96.39	96.39	96.39	96.39	96.39	97.30	97.50	100.00	103.30	104.40
Treatment capacity (million of gallons)	8.25	8.25	8.25	8.25	8.25	8.25	7.40	7.40	7.40	7.40

CITY OF WESLACO, TEXAS
TOP TEN PRINCIPAL EMPLOYERS
CALENDAR YEAR 2023 AND 2013
TABLE XX

EMPLOYER	2023			2013		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Weslaco ISD	2,358	1	42.80%	2,817	1	44.75%
Knapp Medical Center	900	2	16.34%	874	2	13.88%
HEB (2 Locations)	450	3	8.17%	407	4	6.47%
US Border Patrol	380	4	6.90%			
Wal-Mart	260	5	4.72%	350	6	5.56%
Payne Auto Group	251	6	4.56%	389	5	6.18%
Texas Department of Public Safety	250	7	4.54%	214	9	3.40%
City of Weslaco	233	8	4.23%	280	7	4.45%
South Texas College	214	9	3.88%	217	8	3.45%
Woodcrafters	213	10	3.87%	592	3	9.40%
Valley Grande Manor			0.00%	155	10	2.46%
Total	5,509		100.00%	6,295		100.00%

Source: Municipal Advisory County of Texas

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

<https://www.weslacoedc.com>

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	35	48	44	46	48	48	51	53	58	58
Legislative	2	2	2	2	2	2	2	2	2	2
Other	33	46	42	44	46	46	49	51	57	56
Public Safety	136	152	162	167	171	178	182	185	186	181
Public Works	42	45	45	44	44	44	44	45	45	48
Health & Welfare	2	3	3	3	4	4	5	5	5	4
Recreation	7	12	12	12	14	11	11	13	19	16
Refuse Collection	1	1	1	2	4	2	2	8	25	26
Library	16	16	16	15	15	15	15	15	16	15
Water	22	23	17	15	14	15	15	15	17	13
Wastewater	11	12	3	4	4	5	5	5	4	2
Airport	3	3	3	4	4	4	4	4	6	7
Total	275	315	306	312	322	326	334	346	381	370



COMPLIANCE SECTION



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

Honorable Mayor and
Members of 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, 2023, 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 10, 2024. 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 10, 2024

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**INDEPENDENT AUDITOR'S 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, Texas' major federal programs for the year ended September 30, 2023. The City of Weslaco, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Weslaco, Texas 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, 2023.

Basis for Opinion on The 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 Auditor's 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, Texas' 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, Texas' federal programs.

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Auditor's 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, Texas' 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, Texas' 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, Texas' 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, Texas' 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We did not identify any material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 10, 2024

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City of Weslaco, Texas
Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified?	_____ yes	<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)?	<u> X </u> yes	_____ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> yes	_____ 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?	<u> X </u> yes _____ 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

2023-001 L Reporting Compliance Requirement (Significant Deficiency in Internal Controls over Compliance and Noncompliance)

PROGRAM

DESCRIPTION

Reference Number: 2023-001 L. Reporting Compliance Requirement
ALN 21.027 Coronavirus State and Local Fiscal Recovery Fund
Federal Award Agreement Number: 17460025442
Award Year: 2022-2023
Federal Agency: U.S. Department of Treasury

Criteria: Non-federal entities are required to establish and maintain effective internal controls over compliance in accordance with 2 CFR 200.328 and 31 CFR section 35.4 (c), states metropolitan cities and counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding are required to submit quarterly Project and Expenditure Reports.

Condition Found: During our review of the quarterly reporting process, CRI identified one quarterly report was not submitted and no documentation was maintained to support evidence that the report was reviewed and submitted.

Cause: Documentation regarding Q1 2023 project and expenditure report was not maintained.

Effect: The Department of Treasury uses the reports internally for oversight purposes and to fulfill Treasury's transparency and legal obligations. The results of the City not submitting a report timely could lead to a finding of non-compliance, which could result in development of corrective action plan or other consequences.

Questioned Cost: \$0

Recommendation: We recommend the City to document and maintain all quarterly reports that are submitted through the portal and include a print-out of all reports submitted.

Views of Responsible Officials: Management agrees with the findings. See corrective action plan beginning on page 228.

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

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

None reported.

City of Weslaco, Texas

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2023

(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		-	\$ 11,535
Total Economic Development Cluster				11,535
Total U.S. Department of Commerce			-	11,535
U.S. Department of Justice				
Federal Domestic Abuse - Bulletproof Vest Partnership Program	16.607		-	1,161
Recovery Act- Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810		-	19,840
Equitable Sharing Program	16.922		-	19,372
Equitable Sharing Program	16.922		-	24,019
Total Equitable Sharing Program				43,391
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03410-UHPX	-	181,270
Passed through Office of the Governor				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00289-JAGX	-	34,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02926-JAGX	-	11,811
Total Edward Byrne Memorial Justice Assistance Grant Program			-	45,811
Project Safe Neighborhoods	16.609	4271602	-	32,732
Violence Against Women Formula Grants	16.588	4507601	-	21,559
Crime Victim Assistance	16.575	3814603	-	65,502
Total Passed through Office of the Governor			-	165,604
Total U.S. Department of Justice			-	411,266
U.S. Department of Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	17460025442	-	2,237,037
Total U.S. Department of Treasury			-	2,237,037
US DEPARTMENT OF HOMELAND SECURITY				
Passed through Office of the Governor				
Homeland Security Grant Program	97.067	3173407	-	71,455
Homeland Security Grant Program	97.067	3173408	-	151,104
Homeland Security Grant Program	97.067	4508001	-	52,223
Homeland Security Grant Program	97.067	4507901	-	11,400
Total passed through Office of the Governor			-	286,182
Total U.S. Department of Homeland Security			-	286,182
TOTAL EXPENDITURES OF FEDERAL AWARDS			-	\$ 2,946,020

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, 2023. 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, 2023, the City of Weslaco, Texas had no sub-recipients.

Federal Loans and Loan Guarantees

During the year ended September 30, 2023, the City had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance

During the year ended September 30, 2023, the City had no federally funded insurance.

Noncash Awards

During the year ended September 30, 2023, 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, 2023, the City did not elect to use this rate.