

PUBLIC NOTICE: RIESEL CITY COUNCIL MEETING ON 6.17.2025

NOTICE IS HEREBY GIVEN that the City Council of the City of Riesel, McLennan County, Texas, will hold a **REGULAR** called meeting on Tuesday, **JUNE 17th, 2025, at 6:30 PM** at Riesel City Hall, 104 N Hwy 6, to discuss the following matters:

1. Call to Order; (confirm quorum); Pledge of Allegiance & Invocation
2. **Consent Agenda:** Consent Items are considered routine by the City Council and will be enacted on by one motion to approve all items listed below. There will be no separate discussion of these matters other than asking simple questions for clarification.
 - a. Approval of Minutes from Council Meetings on: 5/20/2025
 - b. Payment of Bills/Payroll & Monthly Financial Reports
 - c. CP&Y INVOICE for Arsenic Reduction Alluvium Well: CIRI2000573.00-00023
3. **Visitors' Comments:** This is an opportunity for visitors to bring any item to the City Council's attention. Comments limited to 3 minutes per visitor. No deliberation may be held on the matter, except limited to a proposal to put the subject on the agenda for a subsequent meeting.
4. **Discussion:** Update from STV Engineering pertaining to current projects: Alluvium Well, Drainage Project, Generator Project, Hazard Mitigation Plan
5. Consideration and Action regarding acceptance of the 2024 financial audit of the General, Water & Sewer Funds, prepared by Paul Christensen & Associates: presented by Cindi Daniels
6. Consideration and Action regarding approval of TML Health Insurance Renewal for employees: 0% rate increase
7. Discussion regarding a budget meeting calendar for 2025-2026 Budget Workshops & Meeting Dates
8. **Monthly Reports** Submitted: a. Utility Report b. Police Report c. Secretary's Report
9. Discussion and possible directives to staff for future agenda items, data compilations, research, ordinances, regulations, or policies that the members of the Council desire to be compiled or drafted for review by the Council at a subsequent meeting.
10. Adjournment

I hereby certify that this notice was placed at its present location at least 72 hours prior to the above meeting time.
Posted on Saturday, 06/14/2024 at 3:30 pm.

Alisha Flanary

Alisha Flanary, City Secretary

BE IT REMEMBERED that on **MAY 20, 2025**, the Riesel City Council met in a **REGULAR**-called meeting, at 6:30 p.m. in the Riesel City Hall Meeting Room, at 104 Hwy. 6 North in Riesel, Texas, with notice of the meeting having been posted at least 72 hours in advance in accordance with Section 551, Texas Government Code.

Call to Order: Mayor Jennifer Hogg called the meeting to order at 6:32 PM

Council Members Present: Ralph May, Bobby Dieterich, Paul Winkler, Deanna Davis & Kevin Wunderlich

Employees Present: Alisha Flanary, Cristen Conner & Patrick Bellringer

Visitors Present: Phyllis Koester, Linda Hogg, Glenna Sandhoff, Charlotte Gardner, Jason Gardner

*Mayor Hogg led the Pledge of Allegiance and **Ralph May** gave the invocation.*

Consent Items: Deanna Davis made a motion to approve all consent items, consisting of the minutes from the 4/15 & 4/22 2025 council meetings; payment of bills & payroll; and acceptance of monthly financial reports; and THREE CP&Y Invoices for Arsenic Reduction Well Project (CIRI2000573.00-00020, -00021, & -00022. Paul Winkler seconded the motion, and it carried unanimously

Visitors' Comments: Linda Hogg made comments regarding mowing and the responsibility of property owners mowing their ditches.

Engineering Discussion: brief discussion/update regarding Alluvium Well, and other engineering projects with STV

Sidewalk Murals: Discussion was held pertaining to a potential future collaboration with Riesel High School students to create interactive sidewalk murals and basketball court murals

Health District: Bobby Dieterich moved to approve annual funding agreement to continue membership in the McLennan County Public Health District. Paul Winkler seconded the motion, which carried unanimously.

Discussion was held regarding the following:

Old Time Road Rehab, parking on the highway, Cefco lease and public parking, Budget wish lists for next year

EXECUTIVE SESSION: at 7:15 pm, Council Members convened into a closed meeting pursuant to Section 551.074 of the Government Code (V.C.T.A.) for the City Council to deliberate the duties, evaluation, employment, and/or appointment of a public officer or employee:

Bookkeeper, Cristen Conner, annual evaluation

Reconvene: at 7:35 pm council reconvened into open session stating that no action had been taken in the closed session Bobby Dieterich then made a motion to increase Cristen's salary by 3%. With a second by Paul Winkler, the motion passed unanimously.

Adjournment: With no further business, Mayor Hogg adjourned the meeting at 7:42 PM

Mayor, Jennifer Hogg

Attest: Alisha Flanary, City Secretary

2:41 PM

06/13/25

Cash Basis

City of Riesel - General Profit & Loss YTD Comparison May 2025

	May 25	Oct '24 - May 25
Ordinary Income/Expense		
Income		
1 - General Government Income		
Franchise Fee		
Electric Companies	0.00	51,275.97
Gas Companies	0.00	6,452.71
Phone Companies	381.83	1,203.94
Total Franchise Fee	381.83	58,932.62
Interest Income		
2013 I & S	1.75	10.33
Charles Street Improvements	110.86	865.63
General Fund	0.00	67.43
General Fund III	0.00	259.57
General Money Market	2,371.97	18,254.12
Total Interest Income	2,484.58	19,457.08
Miscellaneous Income		
Filing Fee	657.31	5,096.58
Inspection Permit	0.00	14,609.97
Plat Fee - Ordinance #2002-02	0.00	3,986.00
Sign Lease Agreement	0.00	9,000.00
Total Miscellaneous Income	657.31	32,692.55
Mixed Beverage Tax	399.12	3,663.55
Property Tax Income		
Property Tax Income - General		
2022	0.00	-211.46
2023	0.00	537.35
2024	5,272.55	271,268.95
Total Property Tax Income - General	5,272.55	271,594.84
Property Tax Penalty Fee		
2023	0.00	147.78
2024	609.83	1,484.22
Total Property Tax Penalty Fee	609.83	1,632.00
Total Property Tax Income	5,882.38	273,226.84
Sales Tax		
Gross Collections	13,320.86	89,593.95
Streets Allocation	3,330.21	22,493.75
Total Sales Tax	16,651.07	112,087.70
Total 1 - General Government Income	26,456.29	500,060.34
2 - Law Enforcement Income		
Opioid Abatement Fund	0.00	332.94
Total 2 - Law Enforcement Income	0.00	332.94
3 - Court Income		
Child Safety Seat Fee	0.00	1,340.78
Citations		
Overpayments	-1,062.10	-6,371.10
Revenue	43,776.10	424,584.77
Total Citations	42,714.00	418,213.67
Security Fee	18.00	315.11
Technology Fee	24.00	356.14
Time Payment Fee	206.00	2,038.98
Total 3 - Court Income	42,962.00	422,264.68
IDA Tax Abatement Sandy Creek	0.00	125,000.00
Police Officer Allocation (i)	0.00	975.20
Total Income	69,418.29	1,048,633.16
Gross Profit	69,418.29	1,048,633.16

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Cash Basis

City of Riesel - General Profit & Loss YTD Comparison May 2025

Expense	May 25	Oct '24 - May 25
1 - General Government		
Appraisal Expense	633.87	1,901.61
Bank and Credit Card Fees	175.57	1,041.89
Bond Interest Expense	0.00	1,415.27
City Hall Maintenance & Repair	0.00	2,658.81
City Retirement Contribution		
Alisha	381.91	2,357.75
Cristen	282.44	1,778.49
Total City Retirement Contribution	664.35	4,136.24
Clothing	0.00	504.00
Contract Labor		
Janitorial Services	150.00	150.00
Total Contract Labor	150.00	150.00
CPA Bookkeeping Services	950.00	7,600.00
Depreciation expense	0.00	61,912.60
Dues	0.00	871.00
Election Services & Supplies	0.00	777.07
Emp. Health Insurance		
Special Ins Services	0.00	655.57
TML	702.57	10,597.75
Emp. Health Insurance - Other	0.00	0.00
Total Emp. Health Insurance	702.57	11,253.32
Engineer Fees	290.00	10,408.75
Equipment Maintenance		
Backhoe	109.71	597.11
Lawnmower	48.47	48.47
Tractor	142.59	1,268.74
Weedeater	5.34	5.34
Equipment Maintenance - Other	0.00	20.00
Total Equipment Maintenance	306.11	1,939.66
Flagpole on Square	0.00	305.91
House Inspection	3,254.15	5,599.97
Insurance - Bonds	88.00	176.00
Insurance - Property	0.00	1,945.86
Legal Fees	225.00	3,454.59
Miscellaneous Expense		
Employee & Council Appreciation	80.95	5,904.08
Filing Fee	33.00	68.00
Publications	5.00	87.50
Subscription	0.00	22.00
Miscellaneous Expense - Other	0.00	408.58
Total Miscellaneous Expense	118.95	6,490.16
Office Equip. & Maintenance		
Computer	742.80	6,052.96
Office Equip. & Maintenance - Other	0.00	950.18
Total Office Equip. & Maintenance	742.80	7,003.14
Office Furniture	0.00	290.98
Office Supplies	1,747.03	6,085.90
Park Maintenance	462.85	497.37
Payroll Taxes	1,556.25	9,242.19
Phones		
General Gov Cell Phone Alisha	41.88	334.97
Phones - Other	582.37	5,490.28
Total Phones	624.25	5,825.25
Postage	146.00	511.00
Public Health District	0.00	2,947.05
Salaries		
Alisha		
Wages	7,344.48	42,886.40
Total Alisha	7,344.48	42,886.40

City of Riesel - General Profit & Loss YTD Comparison May 2025

	May 25	Oct '24 - May 25
Cristen		
Wages	5,431.52	32,265.91
Total Cristen	5,431.52	32,265.91
Total Salaries	12,776.00	75,152.31
Utilities		
Electric	614.39	4,725.10
Total Utilities	614.39	4,725.10
Workers Comp Insurance	0.00	9,377.59
Total 1 - General Government	26,228.14	246,200.59
2 - Law Enforcement		
Community Outreach	0.00	296.95
L.E. Cell Phones	317.52	2,539.89
L.E. City Retirement Contribute		
Joshua	300.00	1,947.38
Patrick	414.28	2,582.57
Ryan	453.14	2,734.00
Total L.E. City Retirement Contribute	1,167.42	7,263.95
L.E. Clothing	165.63	2,396.88
L.E. Computer	0.00	150.00
L.E. Dispatch - Radio Services	0.00	150.00
L.E. Dog Catching	780.00	6,126.00
L.E. Emp. Health Insurance		
Special Ins Services	0.00	564.90
TML	3,089.38	24,659.21
Total L.E. Emp. Health Insurance	3,089.38	25,224.11
L.E. Gas	1,019.19	7,468.01
L.E. Legal Fees	0.00	200.00
L.E. New Equipment	0.00	5,074.80
L.E. Office Supplies	162.01	2,565.23
L.E. Operating Supplies	810.51	9,401.86
L.E. Payroll Taxes	2,013.67	11,443.60
L.E. Postage	9.68	38.09
L.E. Property Insurance	0.00	4,306.52
L.E. Salaries		
Anthony		
Wages	2,611.26	17,721.68
Total Anthony	2,611.26	17,721.68
Joshua		
Wages	5,769.24	35,276.96
Total Joshua	5,769.24	35,276.96
Patrick		
Wages	7,966.93	46,951.90
Total Patrick	7,966.93	46,951.90
Ryan		
Wages	8,714.26	49,638.91
Total Ryan	8,714.26	49,638.91
Total L.E. Salaries	25,061.69	149,589.45
L.E. Training	0.00	1,325.05
L.E. Vehicle Repair&Maintenance	259.80	3,115.73
L.E. Worker's Comp Ins	0.00	7,689.75
Total 2 - Law Enforcement	34,856.50	246,365.87
3 - Court		
Court City Retirement Contrib.		
Chelsea	283.28	1,794.09
Total Court City Retirement Contrib.	283.28	1,794.09

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Cash Basis

City of Riesel - General Profit & Loss YTD Comparison May 2025

	May 25	Oct '24 - May 25
Court Contract Labor		
Prosecutor	2,500.00	10,000.00
Total Court Contract Labor	2,500.00	10,000.00
Court Emp. Health Insurance		
Special Ins Services	0.00	282.45
TML	809.28	7,283.52
Total Court Emp. Health Insurance	809.28	7,565.97
Court Office Supplies	18.94	3,400.15
Court Payroll Taxes	575.63	3,444.72
Court Postage	73.00	447.96
Court Salaries		
Chelsea	5,447.65	32,567.52
Judge		
Judge	2,076.93	12,461.59
Total Judge	2,076.93	12,461.59
Total Court Salaries	7,524.58	45,029.11
Court Travel/Training/Mileage	0.00	860.13
Omnibase	0.00	1,956.00
Security Fee Expense	49.99	399.92
State Court Cost		
Quarterly Court Cost	0.00	105,777.60
Tertiary Care Fund (Seatbelt)	0.00	112.83
Time Payment Expense	0.00	1,067.31
Total State Court Cost	0.00	106,957.74
3 - Court - Other	0.00	146.00
Total 3 - Court	11,834.70	182,001.79
4 - Streets		
Drainage Improvement Project	1,705.00	18,955.00
Operating Supplies		
Tools	82.46	586.41
Operating Supplies - Other	78.34	469.24
Total Operating Supplies	160.80	1,055.65
Street Contract Labor	0.00	18,150.00
Street Maintenance		
Culvert	0.00	6,672.00
Grass	876.28	2,126.28
Street Maintenance - Other	0.00	1,035.00
Total Street Maintenance	876.28	9,833.28
Street Repairs	90,801.00	90,801.00
Street Retirement Contribution		
Justin	161.90	1,010.27
Randy	228.56	1,455.51
Total Street Retirement Contribution	390.46	2,465.78
Street Salaries		
Jeb		
Wages	58.13	915.78
Total Jeb	58.13	915.78
Justin		
Wages	3,113.50	18,338.53
Total Justin	3,113.50	18,338.53
Randy		
Wages	4,395.35	26,407.55
Total Randy	4,395.35	26,407.55
Total Street Salaries	7,566.98	45,661.86

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Cash Basis

City of Riesel - General

Profit & Loss YTD Comparison

May 2025

	May 25	Oct '24 - May 25
Trailer	0.00	368.93
Utilities (Street Lights)	1,152.37	9,133.68
Total 4 - Streets	102,652.89	196,425.18
5 - Fire Department		
Exterminator	0.00	190.00
Insurance	0.00	3,500.00
Utilities	281.32	1,551.77
Total 5 - Fire Department	281.32	5,241.77
Cyber Liability Insurance	0.00	980.00
Park		
Event		
Christmas Parade	0.00	3,011.19
Event - Other	0.00	1,084.04
Total Event	0.00	4,095.23
Total Park	0.00	4,095.23
Total Expense	175,853.55	881,310.43
Net Ordinary Income	-106,435.26	167,322.73
Other Income/Expense		
Other Expense		
Pass Through	0.00	0.00
Payroll Clearing	0.00	0.00
Phone System Upgrade	0.00	300.00
Total Other Expense	0.00	300.00
Net Other Income	0.00	-300.00
Net Income	-106,435.26	167,022.73

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Cash Basis

City of Riesel - Water

Profit & Loss YTD Comparison

May 2025

	May 25	Oct '24 - May 25
Ordinary Income/Expense		
Income		
ARPA FUNDS-Arsenic Reduction	0.00	87,763.84
Franchise Revenue	0.00	0.00
Hydraulic Study	-2,000.00	200.00
Interest Income		
ARPA Grant	5.03	33.97
Construction I & S	21.89	117.09
Dividend income	20,031.14	169,913.35
Water \$100,000 CD	0.00	2,510.71
Water III Reserve	0.00	586.29
Water Money Market	1,903.55	14,623.43
Total Interest Income	21,961.61	187,784.84
MS Water Supply	3,593.98	33,864.53
Series 2021 Bond Repayment	3,700.00	29,600.00
Sewer Revenue	0.00	0.00
Tie In Fees	0.00	20,000.00
Trash Revenue		
Trash Revenue - Surcharge	0.00	0.00
Trash Revenue - Other	13,357.90	104,090.91
Total Trash Revenue	13,357.90	104,090.91
Water Revenue		
Refunds	0.00	-13.27
Returned Checks	0.00	-1,925.04
Revenue	35,542.30	294,328.54
Total Water Revenue	35,542.30	292,390.23
Total Income	76,155.79	755,694.35
Gross Profit	76,155.79	755,694.35
Expense		
Amortization Expense	0.00	16,115.24
Arsenic Proj-Prin Forg S2021	0.00	0.00
Bank Fees	13.54	102.79
City Retirement Contribution		
Justin	80.95	505.13
Randy	114.28	727.78
Total City Retirement Contribution	195.23	1,232.91
Computer	0.00	50.00
Conference/Training	0.00	217.73
Conservation Fee	198.63	1,035.24
Depreciation expense	0.00	124,899.12
Dues	0.00	655.00
Emp Health Insurance		
Special Ins Services	809.28	6,675.99
Total Emp Health Insurance	809.28	6,675.99
Engineer Fees		
Arsenic	18,026.96	18,026.96
Engineer Fees - Other	0.00	890.00
Total Engineer Fees	18,026.96	18,916.96
Generator	0.00	786.81

City of Riesel - Water Profit & Loss YTD Comparison May 2025

	May 25	Oct '24 - May 25
Insurance		
Property	0.00	8,966.88
Worker's Comp	0.00	1,805.25
Total Insurance	0.00	10,772.13
Interest		
Interest - Bond Payable	0.00	10,415.62
Total Interest	0.00	10,415.62
Lab Expense	198.00	1,873.00
Legal & Audit Fees		
Legal Fees	0.00	225.00
Total Legal & Audit Fees	0.00	225.00
Miscellaneous Expense	0.00	150.00
Office Supplies		
Water Office - Office Supplies	0.00	249.18
Office Supplies - Other	0.00	693.50
Total Office Supplies	0.00	942.68
Operating Supplies	4,415.68	24,266.47
Payroll Taxes	289.44	1,746.56
Permit Fee	0.00	100.00
Phones & Pagers		
Cell Phones	83.76	670.00
Total Phones & Pagers	83.76	670.00
Postage	273.28	2,593.44
Regulatory Fees	0.00	1,330.40
Repairs/Replacement/Maintenance	-1,500.00	2,525.00
Royalty Fee	170.86	973.73
Salaries		
Jeb		
Wages	29.06	457.89
Total Jeb	29.06	457.89
Justin		
Wages	1,556.75	9,169.27
Total Justin	1,556.75	9,169.27
Randy		
Wages	2,197.67	13,203.80
Total Randy	2,197.67	13,203.80
Total Salaries	3,783.48	22,830.96
Tools	119.05	2,149.74
Trash Expense	25,506.85	101,011.55
Travel & Training	0.00	1,771.47
Truck		
Labor	0.00	245.00
Parts	181.90	308.97
Truck - Other	149.70	534.40
Total Truck	331.60	1,088.37
Truck (Gas)	468.67	4,007.60

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06/13/25

Cash Basis

City of Riesel - Water
Profit & Loss YTD Comparison
May 2025

	May 25	Oct '24 - May 25
Utilities		
Electric		
Navasota	4,633.01	37,724.92
Electric - Other	0.00	3,629.23
Total Electric	4,633.01	41,354.15
Phone	184.52	1,454.86
Total Utilities	4,817.53	42,809.01
Water Line Replacement	0.00	0.00
Water Purchased		
Tri County	1,000.00	4,000.00
Total Water Purchased	1,000.00	4,000.00
Well Maintenance	0.00	0.00
Total Expense	59,201.84	408,940.52
Net Ordinary Income	16,953.95	346,753.83
Net Income	<u>16,953.95</u>	<u>346,753.83</u>

City of Riesel - Sewer Profit & Loss YTD Comparison May 2025

	May 25	Oct '24 - May 25
Ordinary Income/Expense		
Income		
Interest Income		
1999 Fund	0.00	727.65
Repair & Replacement	0.00	91.81
Reserve Fund	0.00	209.10
Sewer Money Market	660.57	5,175.72
Total Interest Income	660.57	6,204.28
Sewer Revenue		
Revenue	11,076.26	91,151.35
Total Sewer Revenue	11,076.26	91,151.35
Tie In Fees	0.00	4,500.00
Total Income	11,736.83	101,855.63
Expense		
Bond Interest Expense	0.00	6,768.75
City Retirement Contribution		
Justin	80.95	505.13
Randy	114.28	727.78
Total City Retirement Contribution	195.23	1,232.91
Depreciation expense	0.00	25,111.33
Generator	0.00	109.99
Insurance		
Property	0.00	285.00
Worker's Comp.	0.00	1,805.25
Total Insurance	0.00	2,090.25
Lab Expense	530.00	3,560.00
Lift Station	4,050.00	4,050.00
Operating Supplies	0.00	0.00
Payroll Taxes	289.44	1,746.56
Regulatory Fees		
Permit Renewal	0.00	1,250.00
Total Regulatory Fees	0.00	1,250.00
Repairs/Replacement/Maintenance	6,373.40	8,084.77
Salaries		
Jeb		
Wages	29.06	457.89
Total Jeb	29.06	457.89
Justin		
Wages	1,556.75	9,169.27
Total Justin	1,556.75	9,169.27
Randy		
Wages	2,197.67	13,203.80
Total Randy	2,197.67	13,203.80
Total Salaries	3,783.48	22,830.96

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06/13/25
Cash Basis

City of Riesel - Sewer
Profit & Loss YTD Comparison
May 2025

	May 25	Oct '24 - May 25
Utilities		
Electric		
Reliant	32.67	1,885.03
Electric - Other	0.00	6,709.96
Total Electric	32.67	8,594.99
Total Utilities	32.67	8,594.99
Total Expense	15,254.22	85,430.51
Net Ordinary Income	-3,517.39	16,425.12
Net Income	<u>-3,517.39</u>	<u>16,425.12</u>

City of Riesel - GENERAL FUND Balance Sheet - Bank Accounts

As of May 31, 2025

	May 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1a - Unrestricted Cash	
*Checking	66,433.34
Payroll	48,289.34
Petty Cash	
Court Cash	100.00
General Cash	100.00
Petty Cash - Other	5,000.00
Total Petty Cash	5,200.00
Total 1a - Unrestricted Cash	119,922.68
1b - Restricted Cash	
2013 I & S Fund	2,065.31
POA / Drug Seizure	100.00
Total 1b - Restricted Cash	2,165.31
2a - Unrestricted Investments	
General Fund (sept) #5808	4,669.87
General Fund II (may) #1015	42,626.66
General Fund III (june) #6124	21,682.26
Total 2a - Unrestricted Investments	68,978.79
Charles St Project Fund	130,644.22
General Fund Money Market	
*General Fund	2,073,732.13
City Hall Building	313,188.48
Drug Seizure/POA	4,335.40
Judicial Betterment	8,724.17
Security	142,575.15
Technology	161,709.79
Total General Fund Money Market	2,704,265.12
Total Checking/Savings	3,025,976.12
Total Current Assets	3,025,976.12
TOTAL ASSETS	3,025,976.12
LIABILITIES & EQUITY	0.00

Register: 1a - Unrestricted Cash:*Checking

From 05/01/2025 through 05/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Memo	Payment	Deposit	Balance
5/1/2025			Deposit		\$25,000.00	\$72,570.14
5/2/2025	eft	United States Treasury	EFTPS PAYMENT 5/2/25	\$5,037.32		\$67,532.82
5/2/2025	21482	AT&T Wireless Services	Acct# 287329618885	\$443.16		\$67,089.66
5/2/2025	21483	Brodie Falcone	Citation# 25 11801 Overpayment	\$2.00		\$67,087.66
5/2/2025	21484	Bureau Veritas North America		\$3,254.15		\$63,833.51
5/2/2025	21485	Liberty National	Acct# 85805	\$501.98		\$63,331.53
5/2/2025	21486	Luis Espinoza	Citation# 25 11758 Overpayment	\$52.00		\$63,279.53
5/2/2025	21487	Old Republic Surety Group	Bond-Chelsea Kemp	\$88.00		\$63,191.53
5/2/2025	21488	Riesel Rustler	Invoice# 4181	\$5.00		\$63,186.53
5/2/2025	21489	US Fleet Tracking	Invoice# 495609	\$174.65		\$63,011.88
5/2/2025	21490	Gary Cunha, PC		Apr-25 \$1,250.00		\$61,761.88
5/9/2025			Deposit		\$16,651.07	\$78,412.95
5/9/2025	21491	Ambold's	Acct 2790	\$49.99		\$78,362.96
5/9/2025	21492	Atwoods Distributing, L.P.		\$218.45		\$78,144.51
5/9/2025	21493	Brecken Lagera	Citation# 25 09708 Overpayment	\$279.00		\$77,865.51
5/9/2025	21494	Joshua Fallenstein	Clothing	\$165.63		\$77,699.88
5/9/2025	21495	Katherine Walker	Citation# 25 12045 Overpayment	\$2.00		\$77,697.88
5/9/2025	21496	Kierra Coleman	Citation# 23 01297 Overpayment	\$1.00		\$77,696.88
5/9/2025	21497	Pattillo Brown & Hill, LLP	Invoice# 503432	\$950.00		\$76,746.88
5/9/2025	21498	Riesel Fuel Service	Invoice# 37942	\$997.27		\$75,749.61
5/9/2025	21499	Stein Lawn & Landscape	Invoice# 6635	\$500.00		\$75,249.61
5/9/2025	21500	Visa - Card Services	XXXXX XXXX XXXX 3506	\$2,113.56		\$73,136.05
5/9/2025	21501	Windstream	Acct# 126999331	\$507.67		\$72,628.38
5/13/2025	eft	United States Treasury	EFTPS PAYMENT extra payment from 4/1	\$357.92		\$72,270.46
5/15/2025	21502	Amairani Rivera	Citation# 23 04676 Overpayment	\$1.00		\$72,269.46
5/15/2025	21503	Caleb Johnson	Citation# 25 12413 Overpayment	\$2.00		\$72,267.46
5/15/2025	21504	Haley & Davis PC	Invoice# 11147	\$225.00		\$72,042.46
5/15/2025	21505	HOT Network Consultants, Inc.		\$742.80		\$71,299.66
5/15/2025	21506	Jorge Franco	Citation# 15479-4 Overpayment	\$487.10		\$70,812.56

5/15/2025	21507	Texas Security Equipment	Invoice# 5201		\$663.77		\$70,148.79
5/15/2025	21508	TXU Energy	Invoice# 054029295254	3/28/25-4/28,	\$3,597.57		\$66,551.22
5/16/2025			Deposit			\$399.12	\$66,950.34
5/16/2025	eft	United States Treasury	EFTPS PAYMENT 5/16/25		\$5,139.88		\$61,810.46
5/20/2025			Deposit			\$7,500.00	\$69,310.46
5/21/2025	21353				\$30.00		\$69,280.46
5/23/2025	eft	Intuit	Annual Subscription		\$999.00		\$68,281.46
5/30/2025	eft	United States Treasury	EFTPS PAYMENT 5/30/25		\$5,026.70		\$63,254.76
5/30/2025	eft	TMRS	Retirement May 2025		\$5,680.56		\$57,574.20
5/30/2025	21509	Anthony Biles	Citation# 25 12408 Overpayment		\$104.00		\$57,470.20
5/30/2025	21510	Arelid Miranda	City Hall Cleaning		\$150.00		\$57,320.20
5/30/2025	21511	Bobby Dieterich	Invoice# 393704		\$160.00		\$57,160.20
5/30/2025	21512	City of Waco Fiscal Services	Invoice# 38460		\$780.00		\$56,380.20
5/30/2025	21513	CP&Y Inc			\$1,995.00		\$54,385.20
5/30/2025	21514	CTWP	Invoice# 1675527		\$295.32		\$54,089.88
5/30/2025	21515	Gary Cunha, PC		May-25	\$1,250.00		\$52,839.88
5/30/2025	21516	Grainger	Invoice# 9507041136		\$78.34		\$52,761.54
5/30/2025	21517	James Smith	Invoice# 131401		\$44,064.00		\$8,697.54
5/30/2025	21518	Jawid Faqiri	Citation# 25 12084 Overpayment		\$32.00		\$8,665.54
5/30/2025	21519	L & S Paving	Invoice# 208620		\$46,737.00		-\$38,071.46
5/30/2025	21520	Liberty National	Acct# 85805		\$501.98		-\$38,573.44
5/30/2025	21521	McLennan County Appraisal D	Invoice# 43247		\$633.87		-\$39,207.31
5/30/2025	21522	Michael Homma	Citaiton# 23 03454 Overpayment		\$70.00		-\$39,277.31
5/30/2025	21523	National Wholesale Supply	Invoice# S5499883.001		\$462.85		-\$39,740.16
5/30/2025	21524	Riesel Volunteer Fire Departm	Communities Foundation Grant		\$7,500.00		-\$47,240.16
5/30/2025	21525	TML Multistate Intergovernmer	Invoice# PRIESEL 12505		\$6,326.50		-\$53,566.66
5/30/2025			Street Repairs/VFD Grant			\$120,000.00	\$66,433.34

2:36 PM
06/13/25
Cash Basis

City of Riesel - WATER FUND
Balance Sheet - Bank Accounts
As of May 31, 2025

	May 31, 25
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	
3a - Unrestricted Cash	
Construction Checking 8528	1,985
Total 3a - Unrestricted Cash	1,985
3b - Restricted Cash	
Construction I & S 8536	169,879
Total 3b - Restricted Cash	169,879
Total Construction Fund	171,864
Water Fund	
1a - Unrestricted Cash	
Checking 2002	37,260
Total 1a - Unrestricted Cash	37,260
1b - Restricted Cash	
2021 TWDB Escrow 8600	5,733,960
2021 TWDB Principal for LF 8601	440,168
Water III I&S 4014	48,601
Total 1b - Restricted Cash	6,222,729
2b - Restricted Investments	
Water \$100,000 CD (Sept)	138,725
Water III Reserve Fund	40,248
Total 2b - Restricted Investments	178,973
2c - ARPA GRANT 8597	186
Water Fund Money Market	
*Water Fund	1,850,238
Contingency	100,000
Line Replacement	170,280
Water Fund Money Market - Other	170,545
Total Water Fund Money Market	2,291,064
Total Water Fund	8,730,212
Total Checking/Savings	8,902,077
Total Current Assets	8,902,077
TOTAL ASSETS	8,902,077
LIABILITIES & EQUITY	0

Register: Water Fund:1a - Unrestricted Cash:Checking 2002

From 05/01/2025 through 05/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Memo	Payment	Deposit	Balance
5/1/2025			Deposit		\$423.91	\$81,923.51
5/1/2025			Deposit		\$25,000.00	\$106,923.51
5/1/2025			Water Ckg to Water III I & S	\$3,000.00		\$103,923.51
5/2/2025			Deposit		\$600.34	\$104,523.85
5/2/2025			Deposit		\$500.00	\$105,023.85
5/2/2025	17493	Bio Chem Lab, Inc.	Invoice# 169984-0425	\$35.00		\$104,988.85
5/2/2025	17494	CP&Y Inc	Invoice# CIRI2500377.01-1	\$290.00		\$104,698.85
5/2/2025	17495	Gafford Auto Parts	Invoice# 9333-425047	\$181.90		\$104,516.95
5/2/2025	17496	Henritta Mormino v		Apr-25 \$170.86		\$104,346.09
5/2/2025	17497	Josh Gossman	378 S Memorial #402 Deposit Refund	\$217.85		\$104,128.24
5/2/2025	17498	National Wholesale Supply	Invoice# S5448580.001	\$952.07		\$103,176.17
5/2/2025	17499	Tri-County S.U.D.	Acct# 2441	\$500.00		\$102,676.17
5/2/2025	17500	Windstream	Acct# 126998956	\$184.52		\$102,491.65
5/5/2025			Deposit		\$4,991.32	\$107,482.97
5/6/2025			Deposit		\$1,500.00	\$108,982.97
5/6/2025			Deposit		\$1,710.35	\$110,693.32
5/7/2025			Deposit		\$2,586.04	\$113,279.36
5/8/2025			Deposit		\$2,744.01	\$116,023.37
5/9/2025			Deposit		\$3,435.92	\$119,459.29
5/9/2025	17501	Caldwell County Chevrolet	Invoice# SF298377	\$50,550.00		\$68,909.29
5/9/2025	17502	Frontier Waste Solutions		\$24,849.54		\$44,059.75
5/9/2025	17503	Linda Willett	713 E Frederick St. Deposit Refund	\$221.56		\$43,838.19
5/9/2025	17504	MARC	Invoice# 0847633-IN	\$592.25		\$43,245.94
5/9/2025	17505	McLennan County GCD		Apr-25 \$198.63		\$43,047.31
5/9/2025	17506	Paul Fischer	210 Rice Rd-Hydraulic Study Refund	\$710.00		\$42,337.31
5/12/2025			Deposit		\$23,435.54	\$65,772.85
5/12/2025				\$357.90		\$65,414.95
5/13/2025			Deposit		\$3,304.67	\$68,719.62
5/14/2025			Deposit		\$2,915.65	\$71,635.27

5/15/2025			Deposit		\$3,516.39	\$75,151.66
5/16/2025			Deposit		\$2,696.66	\$77,848.32
5/16/2025	17507	Core & Main	Invoice# W878288	\$2,050.00		\$75,798.32
5/16/2025	17508	CP&Y Inc	Invoice# CIRI2400336.00-5	\$2,653.20		\$73,145.12
5/16/2025	17509	National Wholesale Supply	Invoice# S5470383.001	\$730.68		\$72,414.44
5/16/2025	17510	Navasota Valley Electric Coop., Inc.		\$4,633.01		\$67,781.43
5/16/2025	17511	Patrick Palmer	300 Morris St Deposit Refund	\$153.79		\$67,627.64
5/19/2025			Deposit		\$2,060.93	\$69,688.57
5/20/2025			Deposit		\$2,333.48	\$72,022.05
5/21/2025			Deposit		\$980.68	\$73,002.73
5/22/2025			Deposit		\$243.00	\$73,245.73
5/23/2025			Deposit		\$276.53	\$73,522.26
5/27/2025			Deposit		\$285.00	\$73,807.26
5/28/2025			Deposit		\$1,556.26	\$75,363.52
5/29/2025			Deposit		\$377.88	\$75,741.40
5/30/2025			Deposit		\$441.81	\$76,183.21
5/30/2025			Deposit		\$400.00	\$76,583.21
5/30/2025	17512	Bio Chem Lab, Inc.	Invoice# 170927-0525	\$35.00		\$76,548.21
5/30/2025	17513	Daniel Pearl	Hydraulic Study Refund	\$855.00		\$75,693.21
5/30/2025	17514	Jeremy Russell	203 S Hedwig Deposit Refund	\$246.92		\$75,446.29
5/30/2025	17515	Tri-County S.U.D.	Acct# 2441	\$500.00		\$74,946.29
5/30/2025	17516	CP&Y Inc		\$18,026.96		\$56,919.33
5/30/2025	17517	CP&Y Inc	Invoice# CIRI2500377.02-1	\$145.00		\$56,774.33
5/30/2025			ARPA Grant Funds for Arsenic Project		\$42,000.00	\$98,774.33
5/30/2025			April Revenue	\$11,814.20		\$86,960.13
5/30/2025			April Revenue	\$48,422.12		\$38,538.01
5/31/2025	eft	State Treasurer	Sales Tax May 2025	\$1,004.38		\$37,533.63
5/31/2025	eft	United States Postal Service	May Water Bill Postage	\$273.28		\$37,260.35

2:30 PM
06/13/25
Cash Basis

City of Riesel - SEWER FUND
Balance Sheet - Bank Accounts
As of May 31, 2025

	May 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1a - Unrestricted Cash	
Checking 6644	42,622.70
Total 1a - Unrestricted Cash	42,622.70
1b - Restricted Cash	
Sewer Jr I&S 0241	28,183.46
Total 1b - Restricted Cash	28,183.46
2b - Restricted Investments	
Sewer 1999 Reserve Bond (sept)	49,952.72
Sewer Repair&Replacement (sept)	6,320.99
Sewer Reserve Bond (jan)	14,123.68
Total 2b - Restricted Investments	70,397.39
Sewer Fund Money Market 1840	
* Sewer Fund	118,012.23
Contingency	75,000.00
Line Replacement	150,872.71
Sewer Fund Money Market 1840 - Other	444,567.28
Total Sewer Fund Money Market 1840	788,452.22
Total Checking/Savings	929,655.77
Total Current Assets	929,655.77
TOTAL ASSETS	929,655.77
LIABILITIES & EQUITY	0.00

Register: 1a - Unrestricted Cash:Checking 6644

From 05/01/2025 through 05/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Memo	Payment	Deposit	Balance
5/1/2025			Deposit		\$5,000.00	\$53,672.77
5/2/2025	8466	Jurgensen Pump LLC		\$4,050.00		\$49,622.77
5/2/2025	8467	Metro Plumbing	Invoice# 4217	\$425.00		\$49,197.77
5/9/2025	8468	Metro Plumbing		\$1,077.50		\$48,120.27
5/9/2025	8469	Reliant Energy	Inv# 112 017 992 2922	\$32.67		\$48,087.60
5/9/2025	8470	Metro Plumbing	Invoice# 4249	\$4,870.90		\$43,216.70
5/16/2025	8471	Bio Chem Lab	Invoice# 10701-0425	\$594.00		\$42,622.70



INVOICE

May 19, 2025

STV Invoice No.: CIRI2000573.00 - 23

Alisha Flanary, City Secretary
City of Riesel
P.O. Box 249
Riesel, TX 76672
bookkeeper@cityofriesel.org

Remittance Address:
CP&Y, Inc. dba STV Infrastructure
Accounts Receivable
205 West Welsh Drive
Douglassville, PA 19518-8713

Project Title: Riesel Arsenic Reduction Project

Billing Period: April 5, 2025 through May 2, 2025

Phase	Account	Payment Terms	Contract Fee	Percent Complete	Billed To-Date	Prior Billed	Currently Billing	Fee Remaining
10 - Project Planning	LF1001210	LS	\$ 87,000.00	100.00%	\$ 87,000.00	\$ 87,000.00	\$ -	\$ -
12 - TWDB Application	LF1001210	LS	\$ 15,000.00	100.00%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
14 - Water Conservation Plan	LF1001210	LS	\$ 4,000.00	100.00%	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -
16 - Engineering Feasibility Report	LF1001210	LS	\$ 30,000.00	0.00%	\$ -	\$ -	\$ -	\$ 30,000.00
20 - Asset Management Plan	LF1001210	LS	\$ 15,000.00	0.00%	\$ -	\$ -	\$ -	\$ 15,000.00
24 - Geological Study	LF1001210	LS	\$ 5,000.00	80.40%	\$ 4,020.00	\$ 4,020.00	\$ -	\$ 980.00
26 - Preliminary Design	LF1001210	LS	\$ 140,000.00	0.00%	\$ -	\$ -	\$ -	\$ 140,000.00
30 - Final Design	LF1001210	LS	\$ 184,000.00	0.00%	\$ -	\$ -	\$ -	\$ 184,000.00
38 - Bidding	LF1001210	LS	\$ 20,000.00	0.00%	\$ -	\$ -	\$ -	\$ 20,000.00
42 - Construction Engineering	L1001186	LS	\$ 35,000.00	0.00%	\$ -	\$ -	\$ -	\$ 35,000.00
44 - O&M Manual	L1001186	LS	\$ 15,000.00	0.00%	\$ -	\$ -	\$ -	\$ 15,000.00
48 - Permits	L1001186	LS	\$ 20,000.00	0.00%	\$ -	\$ -	\$ -	\$ 20,000.00
52 - Project Management	L1001186	LS	\$ 40,000.00	0.00%	\$ -	\$ -	\$ -	\$ 40,000.00
54 - Testing	L1001186	LS	\$ 6,000.00	0.00%	\$ -	\$ -	\$ -	\$ 6,000.00
58 - Pilot Well	L1001186	LS	\$ 30,000.00	97.55%	\$ 29,266.42	\$ 29,266.42	\$ -	\$ 733.58
62 - SS Blending Study	L1001186	LS	\$ 25,000.00	0.00%	\$ -	\$ -	\$ -	\$ 25,000.00
66 - SS SUE	L1001186	LS	\$ 20,000.00	0.00%	\$ -	\$ -	\$ -	\$ 20,000.00
68 - Survey (Design & Construction)	L1001186	LS	\$ 75,000.00	0.00%	\$ -	\$ -	\$ -	\$ 75,000.00
70 - Survey (Easements)	L1001186	LS	\$ 111,000.00	0.00%	\$ -	\$ -	\$ -	\$ 111,000.00
72 - SS RPR	L1001186	LS	\$ 72,000.00	0.00%	\$ -	\$ -	\$ -	\$ 72,000.00
74 - Environmental	L1001186	LS	\$ 84,000.00	0.00%	\$ -	\$ -	\$ -	\$ 84,000.00
80 - Amendment 2	ARPA	LS	\$ 342,444.39	70.57%	\$ 241,652.48	\$ 239,202.30	\$ 2,450.18	\$ 100,791.91
90 - LFE - Geotechnical Sub	L1001186	LS	\$ 10,000.00	0.00%	\$ -	\$ -	\$ -	\$ 10,000.00
91 - ROW Agent - Subconsultant	L1001186	LS	\$ 75,000.00	4.74%	\$ 3,557.47	\$ 3,557.47	\$ -	\$ 71,442.53
92 - Amd 2 Sub Geophysical	ARPA	LS	\$ 25,800.00	100.00%	\$ 25,800.00	\$ 25,800.00	\$ -	\$ -
93 - Amd 2 Sub Test Wells	ARPA	LS	\$ 144,694.91	23.94%	\$ 34,641.09	\$ 34,641.09	\$ -	\$ 110,053.82
94 - Amd 2 Sub ROW Agent	ARPA	LS	\$ 2,060.70	100.00%	\$ 2,060.70	\$ 2,060.70	\$ -	\$ -
95 - Amd 2 ETX WPR	ARPA	LS	\$ 3,369.39	100.00%	\$ 3,369.39	\$ 3,369.39	\$ -	\$ -
Totals:			\$ 1,633,000.00	27.37%	\$ 446,998.16	\$ 444,547.98	\$ 2,450.18	\$ 1,186,001.84

Amount Due This Invoice: \$2,450.18

Should you have any questions or require additional information, please contact me.

Respectfully submitted,

David L. Marek, PE
Project Manager

May 9, 2025

City of Riesel
PO Box 249
Riesel, TX 76682

Dear Alisha Flanary,

Thank you for your continued partnership with the TX Health Benefits Pool. We're proud to serve public organizations like yours, with a Board of Trustees made up of current or former local government officials. This special leadership structure helps make sure your voice is heard when shaping your healthcare coverage.

The overall risk profile of the Pool remains strong, thanks to your efforts in educating our members about the programs and services available with Pool coverage. Based on the Pool's positive performance, I'm happy to announce that we are only making a few limited changes to our benefits this year.

Here's a list of the changes and improvements for the upcoming 25/26 plan year:

- **Benefit Change – Direct Primary Care (DPC) Plan:** The DPC plan will now include copays for physicians outside of the DPC office. Members enrolled in a DPC plan will pay \$0 for an office visit with their DPC provider. If they choose to see a different primary care provider, a \$50 copay will apply. Specialist visits will be a \$75 copay. Other types of services (surgery, major imaging, etc.) will apply toward the \$3,000 deductible.
- **Member Rewards-** We will be sunsetting the Member Rewards program, with its last effective date for all groups being December 31, 2025.
- **NEW – Twin Health:** Our pilot program helps members with type 2 diabetes live healthier lives and potentially reverse their condition through a partnership with Twin Health. Early results and feedback is excellent.
- **NEW – Next Level Weight Loss Program:** This program helps members lose weight through compounded GLP1 medications, starting at \$199 a month.
- **Lantern:** Formerly known as Surgery Plus, Lantern provides high-quality, affordable surgical care with significant savings for your employees. TXHB will be adding the following services to Lantern: **Endoscopies, Colonoscopies, Tonsillectomies, and Pain Management.**
- **TXHB Well:** We will continue offering free onsite biometric screenings through Circle Wellness, along with \$150 for members who complete certain preventive or healthy activities.

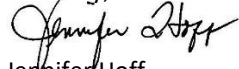
Your marketing representative Heather VonGonten will contact you soon to discuss your renewal options, budget, and ways to help your employees save on healthcare costs with products like FSAs or HSAs.

Open enrollment is scheduled for 08/01/2025 - 08/15/2025. We offer easy self-service and phone enrollment options to make the process simple for your employees.

To ensure a smooth transition, please provide your renewal decision at least 90 days before your anniversary date of 10/01/2025. Heather can help you complete the renewal form. You can reach Heather at 512-719-6519 or Heather.VonGonten@txhb.gov.

Thank you for trusting us with your employee healthcare coverage. We look forward to serving you and your employees again this year.

Sincerely,



Jennifer Hoff
Executive Director



BOARD OF TRUSTEES

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City Manager, City of Jacksboro

Vice Chair

Joe Cardenas, Region 7

Asst. City Manager, City of Uvalde

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Wendy Hudman, Region 15

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Glen Metcalf, Appointee

Former City Manager, City of Canyon

Jay Stokes, Appointee

City Manager, City of Deer Park

Larry Fields, Appointee

Former City Manager, City of Graham

Lew White DDS, Appointee

Mayor, City of Lockhart

Mike Slye, Appointee

Former City Manager, City of Kaufman

Stephen Haynes, Appointee

Mayor, City of Brownwood

Mike Stelly, Appointee

Chief of Police, City of West Orange



Renewal Notice and Benefit Verification Form

Riesel

Original

Plan Year 10/01/2025 - 09/30/2026 (12 Months)

IMPORTANT NOTICE: A signed renewal is required by the due date in your cover letter. If TX Health Benefits Pool does not receive the fully executed renewal notice by the indicated due date, you will no longer have an option to change benefits which will result in renewal of the benefit plans listed below at the new rates and the current employer contributions.

Medical

Employer Group Medical Plan

Plan	Benefit Percent	In Net Ded	Out Net Ded	In Net OOP	Office Visit	Rates	Current	New
Copay-500-2K ER-DAW1&2	80/50	\$500	\$1000	\$2000	\$30	EE Only:	\$767.78	\$767.78
						EE + Spouse:	\$1,558.60	\$1,558.60
						EE + Child(ren):	\$1,351.28	\$1,351.28
						EE + Family:	\$2,264.96	\$2,264.96

In Network Deductible applies towards In Network OOP.

Medical and Dental Plan Accumulators will be based on Calendar Year.

Monthly Employer Contribution Amounts

TX Health Benefits Pool requires 75% employer contribution toward employee medical – Minimum employer contribution is \$575.84.

Please enter your monthly employer contribution amounts for active employees here, in dollars or percentages:

Plan	EE Only:		EE+Spouse*:		EE+Child(ren)*:		EE+Family*:	
	Amount	% of Rate**	Amount	% of Rate**	Amount	% of Rate**	Amount	% of Rate**
Copay-500-2K ER-DAW1&2	\$_____ or _____%		\$_____ or _____%		\$_____ or _____%		\$_____ or _____%	

*If entering contributions in dollars, the dependent tier(s) **must** include the EE Only amount paid by employer in addition to any employer paid amounts for dependents. Percentages for dependent tier(s) will apply to the dependent tier amount less the EE Only amount.

****NOTE:** If a contribution percentage is provided, it will be rounded up to the nearest penny.

Are there different contributions based on other factors (ex: hourly vs salary, department or location based)? If so, please explain here:

Dental

Rates	Current (Dental IV)	New (Dental IV)
EE Only:	\$30.72	\$30.72
EE + Spouse:	\$72.18	\$72.18
EE + Child(ren):	\$66.00	\$66.00
EE + Family:	\$92.06	\$92.06

Please enter your monthly employer contribution amounts for active employees here, in dollars or percentages:

EE Only:		EE+Spouse*:		EE+Child(ren)*:		EE+Family*:	
Amount	% of Rate**	Amount	% of Rate**	Amount	% of Rate**	Amount	% of Rate**
\$_____ or _____%		\$_____ or _____%		\$_____ or _____%		\$_____ or _____%	

*If entering contributions in dollars, the dependent tier(s) **must** include the EE Only amount paid by employer in addition to any employer paid amounts for dependents. Percentages for dependent tier(s) will apply to the dependent tier amount less the EE Only amount.

****NOTE:** If a contribution percentage is provided, it will be rounded up to the nearest penny.

Vision

<u>Rates</u>	<u>Current (Premium)</u>	<u>New (Premium)</u>
EE Only:	\$10.78	\$10.78
EE + Family:	\$27.48	\$27.48

Please enter your monthly employer contribution amounts for active employees here, in dollars or percentages:

EE Only:

EE+Family*:

Amount	% of Rate**	Amount	% of Rate**
\$ _____ or _____ %		\$ _____ or _____ %	

*If entering contributions in dollars, the dependent tier(s) **must** include the EE Only amount paid by employer in addition to any employer paid amounts for dependents. Percentages for dependent tier(s) will apply to the dependent tier amount less the EE Only amount.

****NOTE:** If a contribution percentage is provided, it will be rounded up to the nearest penny.

COBRA Eligibility and Administration (Continuation of Coverage)

COBRA Eligible? No

NOTE: Eligibility status has been ascertained based on the census information you have maintained in TXHB Online for the preceding Calendar Year. You did not have sufficient full-time equivalent employees to be COBRA eligible. Please contact your Account Executive/Account Manager if you consider your reflected eligibility status to be inaccurate.

Benefit Waiting Period

1st of mo after 60 days

Required Annual Eligibility and Enrollment Information

Please provide the following information:

1. Will you allow Employee Self Service (ESS) via TXHB Online for Open Enrollment and Qualifying Life Events? No ☐ Yes ☐
2. Our records indicate that Employer Member DOES NOT currently have an Ordinance or Resolution authorizing the offering of Elected Official Benefit Coverage. Please contact your Account Executive/Account Manager if this needs to be updated.

Signature Section

The undersigned employer hereby acknowledges that for an employee to receive coverage, TX Health Benefits Pool must receive enrollment information within thirty-one (31) days of the date of hire or within thirty-one (31) days of the coverage effective date, whichever is later, regardless of whether the Employer has a waiting period or a waiting and orientation period. If an enrollment is not submitted within this timeline, the employee cannot be added to the Plan until the next Open Enrollment period or a qualifying event occurs.

Employer Member Additional Acknowledgements and Agreements

1. Employer Member acknowledges and agrees that its signature on this Renewal Notice and Benefit Verification Form indicates its binding selections for renewal services through TX Health Benefits Pool.
2. Employer Member acknowledges that certain benefit service selections require completion and execution of additional forms and agreements and agrees that it will work with all due diligence and in good faith to complete, execute, and return all necessary forms and agreements to TX Health Benefits Pool prior to the beginning of the Group's open enrollment.
3. Employer Member acknowledges that TX Health Benefits Pool will only allow open enrollment for renewal services in good faith and without receiving all necessary signed benefit service forms and agreements if:
 - A. A signed Renewal Notice and Benefit Verification Form with all necessary Employer Member selections and information has been received; and
 - B. Employer Member has in good faith attempted but failed to approve and return the applicable benefit service forms and agreements timely.
4. Employer certifies that it has adopted an Employee Flexible Benefits Plan under Section 125 of the Internal Revenue Code. This Plan is offered to all eligible employees who are qualified by employment status.
5. Employer certifies that it will provide notice of the creditable status of the coverage it offers to new enrollees prior to the effective date of their coverage, as required by the Medicare Modernization Act.
6. TX Health Benefits requires groups to enroll 100% of their benefit eligible employees. This is also known as the 100% Participation Rule. Employers may have employees that wish to waive Medical coverage through TX Health Benefits Pool, however, waivers may only be granted for the reasons enumerated in your Plan Book.

Please sign by the due date and return this completed form via email to your Account Executive/Account Manager or marketing@txhb.gov.

741812099

Tax ID Number

Authorized Signature

Date

Printed Name

Title

The rates are based on census information five months prior to plan year. If the census changes by more than 10%, TX Health Benefits Pool reserves the right to revise rates due to census change and underwriting impact.

Rates are subject to change due to intervening events such as action taken by the TX Health Benefits Pool Board of Trustees, legislation passed during the plan year, or other events affecting benefits.

Supplemental benefits cannot be accessed without accessing the TX Health Benefits Pool Medical Benefit Plan.

YOUR RENEWAL QUOTE INCLUDES PROPRIETARY INFORMATION THAT SHOULD NOT BE SHARED WITH OTHER COMPETITORS OR USED TO CIRCUMVENT THE REQUIREMENTS OF TEXAS COMPETITIVE BIDDING LAWS. IN THE EVENT YOU RECEIVE A RENEWAL QUOTE AND LATER DECIDE TO ISSUE AN RFP, THE RENEWAL QUOTE MAY NOT BE SHARED WITH ANY OTHER COMPETITORS AS DOING SO WOULD DISADVANTAGE TX HEALTH BENEFITS POOL IN THE COMPETITIVE PROCESS. TX HEALTH BENEFITS POOL ALSO RESERVES THE RIGHT TO REVISE PREVIOUSLY ISSUED RATES IN RESPONSE TO YOUR RFP.

CITY OF RIESEL, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Paul J. Christensen & Associates, LLC
Certified Public Accountants
Waco, Texas

CITY OF RIESEL, TEXAS
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Paul J. Christensen & Associates, L.L.C.

Certified Public Accountants

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Paul J. Christensen, C.P.A.
Gary L. Sauls, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Riesel, 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, each major fund, and the aggregate remaining fund information of the City of Riesel, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Riesel, Texas' basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Riesel, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Riesel, 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 Riesel, 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 Riesel, Texas' ability to continue as a going concern for a reasonable period of time.

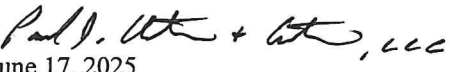
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-11, the budgetary comparison information on pages 42-43, and the pension and OPEB schedules on pages 44-48, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025, on our consideration of the City of Riesel, 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 Riesel, 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 the City of Riesel, Texas' internal control over financial reporting and compliance.


June 17, 2025
Waco, Texas

CITY OF RIESEL, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

As management of the City of Riesel, Texas (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City of Riesel, Texas for the fiscal year ended September 30, 2024. We encourage readers to read the information presented here in conjunction with the City’s financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,297,640 (*net position*). Of this amount, \$6,559,560 (*unrestricted net position*) may be used to meet the City’s ongoing obligations to its citizens and creditors.
- The City’s total net position increased by \$422,466. Of this amount, \$26,216 is attributable to governmental activities and \$396,250 is attributable to business-type activities.
- Ending net position for governmental activities at September 30, 2024 was \$5,830,629 which consists of the following components: net investment in capital assets - \$749,894, restricted - \$317,039 and unrestricted - \$4,763,696. Ending net position for business-type activities at September 30, 2024 was \$6,467,011 which consists of the following components: net investment in capital assets - \$4,458,224, restricted - \$212,922 and unrestricted - \$1,795,865.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$5,171,577. The fund balance components are restricted - \$317,039, assigned - \$313,188 and unassigned - \$4,541,350. The City Council approves the amount reported as committed.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Basic Financial Statements

The first two statements (pages 13 and 14) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City’s financial status.

The next statements (pages 15 through 22) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary funds statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **required supplemental information** is provided to show details about the City’s funding progress related to pension plans. Budgetary information required by state law can also be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City’s financial status as a whole.

The Statement of Net Position presents information on all of the City’s assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City’s operations during the year. The two government-wide statements report the City’s net position and how they have changed. Net position is

the difference between the total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, public works, and general administration. Taxes (property and sales), franchise fees and state and federal grant funds finance most of these activities. The business-type activities are those that the City provides at a charge to customers. These include the water, sewer, and sanitation services offered by the City.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. 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 all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the City budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year.

Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view in determining if there are more or less financial resources available to finance the City's programs.

The relationship between government activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements. The city maintains one governmental fund, the General Fund.

Budgeting-Governmental Funds – The City adopts an annual budget for its General Fund, as required by state law. The budget is a legally adopted document that incorporates input from the citizens of the City, management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance current period activities. The budgetary schedule presented for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted.

The budgetary comparison schedule (page 42) was prepared on the *modified cash basis* of accounting, which is the method of accounting used by the City in preparing the budget. The actual results have been adjusted to the *modified cash basis* of accounting in order to give a more relevant comparison of budget to actual results. The schedule shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Information regarding the reconciliation of actual results to the *modified cash basis* can be found in the *notes to required supplementary information* found on page 49.

Proprietary Funds – the City has two proprietary (enterprise) 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 sewer funds. These funds are the same as those functions shown in the business-type activities in the Statement of Net position and the Statement of Activities.

Notes to the 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 can be found on pages 23 through 40 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Additionally, budgetary comparison information is found in this section. Required supplementary information can be found on pages 42 through 48 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial condition. The City’s combined net position was \$12,297,640 as of September 30, 2024. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City’s governmental and business-type activities.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 5,202,728	\$ 5,395,532	\$ 9,609,021	\$ 9,041,531	\$ 14,811,749	\$ 14,437,063
Capital assets (net)	749,894	590,348	5,496,155	5,688,082	6,246,049	6,278,430
Total assets	5,952,622	5,985,880	15,105,176	14,729,613	21,057,798	20,715,493
Deferred outflows of resources	58,133	73,770	8,918	11,146	67,051	84,916
Short-term liabilities	31,151	64,373	2,979,233	2,539,004	3,010,384	2,603,377
Long-term liabilities	105,177	162,046	5,661,132	6,126,640	5,766,309	6,288,686
Total liabilities	136,328	226,419	8,640,365	8,665,644	8,776,693	8,892,063
Deferred inflows of resources	43,798	28,818	6,718	4,354	50,516	33,172
Net position:						
Net investment in capital assets	749,894	590,348	4,458,224	4,836,973	5,208,118	5,427,321
Restricted	317,039	315,079	212,922	223,468	529,961	538,547
Unrestricted	4,763,696	4,898,986	1,795,865	1,010,320	6,559,561	5,909,306
Total net position	\$ 5,830,629	\$ 5,804,413	\$ 6,467,011	\$ 6,070,761	\$ 12,297,640	\$ 11,875,174

The portion of the City’s net position (\$5,208,118 or 43%) reflects its net investment in capital assets (e.g., land, buildings, equipment, and improvements) less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (\$529,961, or 4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,559,561, or 53%) may be used to meet the government’s ongoing obligations to citizens and creditors.

Table 2
Changes in Net Position

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 695,012	\$ 767,252	\$ 1,462,264	\$ 693,352	\$ 764,237	\$ 1,457,589
General revenues:						
Property taxes	252,128	-	252,128	249,141	-	249,141
Sales taxes	175,172	-	175,172	179,891	-	179,891
Franchise taxes	70,496	-	70,496	60,279	-	60,279
Payment in lieu of taxes	125,000	-	125,000	125,000	-	125,000
Contributions and grants	-	223,792	223,792	-	-	-
Other revenue	31,337	422,932	454,269	20,012	364,260	384,272
Total revenues	1,349,145	1,413,976	2,763,121	1,327,675	1,128,497	2,456,172
Expenses:						
Administration	397,994	-	397,994	345,170	-	345,170
Public safety	339,214	-	339,214	347,952	-	347,952
Municipal court	321,407	-	321,407	303,085	-	303,085
Public works	264,314	-	264,314	190,177	-	190,177
Interest	-	36,933	36,933	-	-	-
Water and sewer	-	980,793	980,793	-	784,779	784,779
Total expenses	1,322,929	1,017,726	2,340,655	1,186,384	784,779	1,971,163
Increase in net position	26,216	396,250	422,466	141,291	343,718	485,009
Net position, beginning of year	5,804,413	6,070,761	11,875,174	5,663,122	5,727,043	11,390,165
Net position, end of year	<u>\$ 5,830,629</u>	<u>\$ 6,467,011</u>	<u>\$ 12,297,640</u>	<u>\$ 5,804,413</u>	<u>\$ 6,070,761</u>	<u>\$ 11,875,174</u>

Governmental activities

Governmental activities increased the City's net position by \$26,216 accounting for a portion of the total growth in the government's net position. The key elements of this increase are discussed below.

The City's total revenues of its governmental activities increased from \$1,327,675 to \$1,349,145, an increase of \$21,470. Franchise tax revenues increased by approximately \$10,000. Other revenues increased by approximately \$11,000 as well. Additionally, charges for services increased by approximately \$2,000.

Total expenses of the City's governmental activities increased from \$1,186,384 to \$1,322,929, an increase of \$136,545. Administration expenses increased by approximately \$53,000. Public works expenses increased by approximately \$74,000. Municipal court expenses increased by approximately \$18,000. Additionally, Public safety expenses decreased by approximately \$9,000.

Business-type activities

Business-type activities increased the City's net position by \$396,250 during fiscal year 2024 accounting for the majority of the total growth in the government's net position. The key elements of this increase are discussed below.

The City's total revenues of its business-type activities increased from \$1,128,497 to \$1,413,976, an increase of \$285,479. Charges for services were higher by approximately \$3,000. Other revenue increased approximately \$282,000 due to an increase of interest income of approximately \$85,000. Additionally, the City received an ARPA grant of approximately \$224,000.

Total expenses of the City's business-type activities increased from \$784,779 to \$1,017,726, an increase of \$232,947.

General Fund Budget Analysis

The City prepares its budget on the *modified cash basis* of accounting, which is a method of accounting other than that prescribed by generally accepted accounting principles (GAAP). In order to present a more accurate comparison of budget to actual results, the actual results from the operation of the general fund have been adjusted to the *modified cash basis* of accounting.

For the fiscal year ended September 30, 2024, the City's expenditures and other financing uses exceeded revenue and other financing sources by \$159,582; revenues and other financing sources were \$413,435 less than budget; expenditures and other financing uses were \$253,853 less than budget.

Significant budget variances are as follows:

Revenues:

General Sales and Use Taxes	\$25,973 <i>positive variance</i>
Fines	\$112,566 <i>negative variance</i>

Expenditures:

Administration	\$74,235 <i>positive variance</i>
Judicial	\$53,757 <i>positive variance</i>
Public Safety	\$86,211 <i>positive variance</i>
Capital Outlay	\$58,507 <i>positive variance</i>
Public Works	\$18,857 <i>negative variance</i>

Capital Assets

As of September 30, 2024, the City had \$6,246,049 invested in a broad range of capital assets including buildings, roads, bridges, park facilities, vehicles and water and sewer lines (Table 3). This amount represents a net decrease of \$32,381 from the prior fiscal year. Additional information on the City's capital assets can be found in Note 3(D) of the Basic Financial Statements.

Table 3
Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 90,881	\$ 90,881	\$ 125,247	\$ 125,247	\$ 216,128	\$ 216,128
Construction in progress	-	-	165,648	229,287	165,648	229,287
Buildings and improvements	154,974	147,891	40,927	40,927	195,901	188,818
Machinery and equipment	337,902	184,171	622,946	606,218	960,848	790,389
Vehicles	219,758	198,941	-	-	219,758	198,941
Infrastructure	803,051	752,358	-	-	803,051	752,358
Water and sewer system	-	-	5,283,086	5,103,089	5,283,086	5,103,089
RMS water system	-	-	2,559,712	2,559,712	2,559,712	2,559,712
Total at historical cost	1,606,566	1,374,242	8,797,566	8,664,480	10,404,132	10,038,722
Accumulated depreciation	(856,672)	(783,894)	(3,301,411)	(2,976,398)	(4,158,083)	(3,760,292)
Net capital assets	\$ 749,894	\$ 590,348	\$ 5,496,155	\$ 5,688,082	\$ 6,246,049	\$ 6,278,430

Major capital asset transactions during the year include the following additions:

Governmental Activities

- Machinery and Equipment – \$153,731
- Infrastructure - \$50,693
- Vehicles - \$63,307

Business-type Activities

- Construction in Progress – \$116,358

Debt

As of September 30, 2024, the City had total long-term liabilities outstanding of \$5,875,000, representing bonds and loans secured by system revenues (i.e. revenue bonds and loans) and tax revenues. Long-term debt is as follows:

Table 4
Outstanding Debt at Fiscal Year-end

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenue Bonds	\$ -	\$ -	\$ 505,000	\$ 516,000	\$ 505,000	\$ 516,000
Certificates of obligation	-	-	5,370,000	5,588,000	5,370,000	5,588,000
Notes payable	-	12,199	-	-	-	12,199
	\$ -	\$ 12,199	\$5,875,000	\$6,104,000	\$5,875,000	\$6,116,199

Economic Factors

The City's population, per the 2020 census, was 1,062, and its population does not vary significantly from year to year. Without including contributions and grant revenues, which are unrelated to the City population, the total revenues for fiscal year 2024 increased by 3% (approximately \$84,000). It is anticipated that this trend (modest annual decreases) will not continue for fiscal year 2025. If the city does not incur any unforeseen expenditures or reductions in revenue, the task of providing improved services with available resources will be accomplished.

Requests for Information

This report is designed to provide an overview of the City of Riesel, Texas' finances for those with an interest therein. Questions concerning any of the information found in this report or requests for additional information should be directed to the City's business office at: City of Riesel, 104 Hwy 6 North, Riesel, Texas 76682.

BASIC FINANCIAL STATEMENTS

CITY OF RIESEL, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$ 2,904,773	\$ 3,209,444	\$ 6,114,217
Investments	68,652	261,917	330,569
Accounts Receivable	29,027	104,142	133,169
Due from Other Funds	2,200,276	29,303	2,229,579
Restricted Cash: TWDB Escrowed Funds	-	6,004,215	6,004,215
Capital Assets, Net of Accumulated Depreciation	749,894	5,496,155	6,246,049
Total Assets	5,952,622	15,105,176	21,057,798
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to TMRS	56,677	8,694	65,371
Deferred Outflows Related to TMRS OPEB	1,456	224	1,680
Total Deferred Outflows of Resources	58,133	8,918	67,051
LIABILITIES			
Accounts Payable	15,900	19,932	35,832
Compensated Absences	15,020	-	15,020
Other Payroll Related Liabilities	231	-	231
Customer Deposits	-	103,154	103,154
Due to Other Funds	-	2,229,579	2,229,579
Unearned Revenue - TWDB Loan Forgiveness Grant	-	389,980	389,980
Interest Payable	-	6,588	6,588
Noncurrent Liabilities			
Bonds & Other Debt-Due Within One Year	-	230,000	230,000
Bonds and Other Debt-Due in More Than One Year	-	5,645,000	5,645,000
Net Pension Liability Related to TMRS	84,948	13,029	97,977
Net OPEB Liability Related to TMRS	20,229	3,103	23,332
Total Liabilities	136,328	8,640,365	8,776,693
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to TMRS	41,267	6,330	47,597
Deferred Inflows Related to TMRS OPEB	2,531	388	2,919
Total Deferred Inflows of Resources	43,798	6,718	50,516
NET POSITION			
Net Investment in Capital Assets	749,894	4,458,224	5,208,118
Restricted for:			
Debt Service	470	212,922	213,392
Public Safety	4,435	-	4,435
Judicial	312,134	-	312,134
Unrestricted Net Position	4,763,696	1,795,865	6,559,561
Total Net Position	\$ 5,830,629	\$ 6,467,011	\$ 12,297,640

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues		Changes in Net Position-		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
GOVERNMENTAL ACTIVITIES:						
Administration	\$ 397,994	\$ 29,330	\$ -	\$ (368,664)	\$ -	\$ (368,664)
Court	321,407	-	-	(321,407)	-	(321,407)
Public Safety	339,214	665,682	-	326,468	-	326,468
Public Works	264,314	-	-	(264,314)	-	(264,314)
Total Governmental Activities:	1,322,929	695,012	-	(627,917)	-	(627,917)
BUSINESS-TYPE ACTIVITIES:						
Sewer Fund	153,380	147,385	-	-	(5,995)	(5,995)
Water Fund	864,346	724,727	223,792	-	84,173	84,173
Total Business-Type Activities:	1,017,726	872,112	223,792.00	-	78,178	78,178
TOTAL PRIMARY GOVERNMENT:	\$ 2,340,655	\$ 1,567,124	\$ 223,792.00			
General Revenues:						
Property Taxes				252,128	-	252,128
Sales Taxes				175,172	-	175,172
Franchise and Other Taxes				70,496	-	70,496
Investment Earnings				22,734	318,072	340,806
Miscellaneous Revenue				8,603	-	8,603
Payment in Lieu of Taxes				125,000	-	125,000
Total General Revenues and Transfers				654,133	318,072	972,205
Change in Net Position				26,216	396,250	422,466
Net Position-October 1 (Beginning)				5,804,413	6,070,761	11,875,174
Net Position-September 30 (Ending)				\$ 5,830,629	\$ 6,467,011	\$ 12,297,640

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,904,773	\$ 2,904,773
Investments	68,652	68,652
Accounts Receivable	29,027	29,027
Due from Other Funds	2,200,276	2,200,276
Total Assets	<u>5,202,728</u>	<u>5,202,728</u>
LIABILITIES		
Accounts Payable	15,900	15,900
Compensated absences	15,020	15,020
Payroll Taxes and Other Withholdings	231	231
Total Liabilities	<u>31,151</u>	<u>31,151</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>
FUND BALANCES		
Restricted Fund Balances:		
Debt Service	470	470
Public Safety	4,435	4,435
Judicial	312,134	312,134
Assigned Fund Balance	313,188	313,188
Unassigned Fund Balance	4,541,350	4,541,350
Total Fund Balances	<u>5,171,577</u>	<u>5,171,577</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,202,728</u>	<u>\$ 5,202,728</u>

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	\$	5,171,577
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Capital assets used in governmental activities are not financial resources, therefore are not reported in the governmental funds balance sheet. These assets consist of:

Land	\$	90,881	
Buildings and Improvements		154,974	
Machinery and Equipment		337,902	
Vehicles		219,758	
Infrastructure		803,051	
Accumulated Depreciation		(856,672)	
Net Capital Assets			749,894

Assets, deferred outflows, liabilities and deferred inflows related to pensions and other post-employment benefits are not reported in the governmental funds.

These consist of:

Deferred Outflows of Resources Related to TMRS	56,677		
Deferred Outflows of Resources Related to TMRS OPEB		1,456	
Net Pension Liability Related to TMRS		(84,948)	
Net OPEB Liability Related to TMRS		(20,229)	
Deferred Inflows of Resources Related to TMRS		(41,267)	
Deferred Inflows of Resources Related to TMRS OPEB		(2,531)	(90,842)

Net Position of Governmental Activities	\$	5,830,629
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CITY OF RIESEL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Total Governmental Funds
REVENUES:		
Taxes:		
Property Taxes	\$ 252,128	\$ 252,128
General Sales and Use Taxes	162,973	162,973
Franchise and Other Tax	70,496	70,496
Payment in Lieu of Taxes	125,000	125,000
Charges for Services	29,330	29,330
Fines	664,725	664,725
Investment Earnings	22,734	22,734
Other Revenue	9,560	9,560
Total Revenues	<u>1,336,946</u>	<u>1,336,946</u>
EXPENDITURES:		
Current:		
General Government:		
Administration	286,230	286,230
Judicial	322,976	322,976
Public Safety	346,039	346,039
Public Works	266,469	266,469
Capital Outlay:		
Capital Outlay	274,814	274,814
Total Expenditures	<u>1,496,528</u>	<u>1,496,528</u>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures	<u>(159,582)</u>	<u>(159,582)</u>
Net Change in Fund Balances	(159,582)	(159,582)
Fund Balance - October 1 (Beginning)	5,331,159	5,331,159
Fund Balance - September 30 (Ending)	<u><u>\$ 5,171,577</u></u>	<u><u>\$ 5,171,577</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ (159,582)
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Amounts reported for governmental activities in the statement of activities differ as the result of the following:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	274,814
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The issuance of long-term debt (i.e., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	12,199
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Depreciation expense on capital assets is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(115,268)
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GASB 68 required that certain pension plan expenditures be de-expended as recorded as deferred resource outflows. Similarly, GASB 75 required that certain other post-employment benefits be de-expended and recorded as deferred resource outflows. The net effect of for both GASB 68 and GASB 75 related pension and OPEB expenses is an increase (decrease) in the change in net position.	14,053
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Change in Net Position of Governmental Activities	\$ 26,216
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CITY OF RIESEL, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Sewer Fund	Water Fund	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 802,262	\$ 2,407,182	\$ 3,209,444
Restricted Cash and Cash Equivalents	86,041	175,876	261,917
Accounts Receivable	11,768	92,374	104,142
Due From Other Funds	29,303	-	29,303
Restricted Cash - TWDB Escrowed Funds	-	6,004,215	6,004,215
Total Current Assets	929,374	8,679,647	9,609,021
Noncurrent Assets:			
Restricted Assets-Noncurrent:			
Cash and Cash Equivalents	-	-	-
Capital Assets:			
Land	103,694	21,553	125,247
Buildings	27,115	13,812	40,927
Machinery and Equipment	274,303	348,643	622,946
Infrastructure	962,113	6,880,685	7,842,798
Construction-in-Progress	87,594	78,054	165,648
Accumulated Depreciation-Capital Assets	(813,029)	(2,488,382)	(3,301,411)
Total Noncurrent Assets	641,790	4,854,365	5,496,155
Total Assets	1,571,164	13,534,012	15,105,176
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to TMRS	4,347	4,347	8,694
Deferred Outflows Related to TMRS OPEB	112	112	224
Total Deferred Outflows of Resources	4,459	4,459	8,918
LIABILITIES			
Current Liabilities:			
Accounts Payable	6,110	13,822	19,932
Customer Deposits	34,385	68,769	103,154
Due to Other Funds	1,136,408	1,093,171	2,229,579
Unearned Revenue - TWDB Loan Forgiveness Grant	-	389,980	389,980
Interest Payable	4,384	2,204	6,588
Bonds Payable-Current	23,000	207,000	230,000
Total Current Liabilities	1,204,287	1,774,946	2,979,233
Noncurrent Liabilities:			
Bonds Payable-Noncurrent	309,500	530,500	840,000
TWDB Loan	-	4,805,000	4,805,000
Net Pension Liability Related to TMRS	6,632	6,397	13,029
Net OPEB Liability Related to TMRS	1,563	1,540	3,103
Total Noncurrent Liabilities	317,695	5,343,437	5,661,132
Total Liabilities	1,521,982	7,118,383	8,640,365
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to TMRS	3,165	3,165	6,330
Deferred Inflows Related to TMRS OPEB	194	194	388
Total Deferred Inflows of Resources	3,359	3,359	6,718
NET POSITION			
Net Investment in Capital Assets	309,290	4,148,934	4,458,224
Restricted for Debt Service	79,812	133,110	212,922
Unrestricted Net Position	(338,820)	2,134,685	1,795,865
Total Net Position	\$ 50,282	\$ 6,416,729	\$ 6,467,011

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Sewer Fund	Water Fund	Total Enterprise Funds
OPERATING REVENUES:			
Charges for Water Services	\$ -	\$ 443,662	\$ 443,662
Charges for Sewerage Services	142,885	-	142,885
Charges for Sanitation Services	-	148,705	148,705
Charges for Other Services	-	32,000	32,000
Contributions and Grants	-	223,792	223,792
Other Revenue	4,500	100,360	104,860
Total Revenues	147,385	948,519	1,095,904
OPERATING EXPENSES:			
Personnel Services-Salaries, Wages and Taxes	33,501	33,494	66,995
Personnel Services-Employee Benefits	909	10,849	11,758
Purchased Professional and Technical Services	-	244,256	244,256
Sanitation Expense	-	145,817	145,817
Water Purchased	-	8,168	8,168
Insurance	6,301	6,301	12,602
Utilities	15,642	58,275	73,917
Other Operating Expenses	-	13,218	13,218
Repairs and Maintenance	24,973	18,214	43,187
Supplies	5,888	29,975	35,863
Depreciation	51,151	273,861	325,012
Total Operating Expenses	138,365	842,428	980,793
Operating Income (Loss)	9,020	106,091	115,111
NON-OPERATING REVENUES AND (EXPENSES):			
Investment Earnings	7,383	310,689	318,072
Interest Expense	(15,015)	(21,918)	(36,933)
Total Non-Operating Revenue (Expenses)	(7,632)	288,771	281,139
Income Before Contributions and Transfers	1,388	394,862	396,250
Change in Net Position	1,388	394,862	396,250
NET POSITION			
Net Position - October 1 (Beginning)	48,894	6,021,867	6,070,761
Net Position - September 30 (Ending)	\$ 50,282	\$ 6,416,729	\$ 6,467,011

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		
	Sewer Fund	Water Fund	Total Enterprise Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 147,527	\$ 955,153	\$ 1,102,680
Cash Received from Investments	7,383	310,689	318,072
Cash Payments to Employees for Services	(35,368)	(45,301)	(80,669)
Cash Payments for Suppliers	(102,128)	(531,317)	(633,445)
Cash paid for interest on bonds and notes payable	(15,015)	(21,918)	(36,933)
Net Cash Provided by Operating Activities	2,399	667,306	669,705
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Increase in due to other funds	84,546	152,798	237,344
Net Cash Provided by Non-Capital Financing Activities	84,546	152,798	237,344
<u>Cash Flows from Capital & Related Financing Activities:</u>			
Acquisition of Capital Assets	(43,591)	(89,495)	(133,086)
Net Cash Used by Capital & Related Financing Activities	(43,591)	(89,495)	(133,086)
<u>Cash Flows from Investing Activities:</u>			
Principal payments/retirements of Long-term Debt	(23,000)	(206,000)	(229,000)
Net Cash Used by Investing Activities	(23,000)	(206,000)	(229,000)
Net Increase in Cash and Cash Equivalents	20,354	524,609	544,963
Cash and Cash Equivalents at Beginning of the Year	867,949	8,062,664	8,930,613
Cash and Cash Equivalents at End of the Year	\$ 888,303	\$ 8,587,273	\$ 9,475,576
Reconciliation of Total Cash and Cash Equivalents to the Statement of Net Position:			
Unrestricted Cash and Cash Equivalents	\$ 802,262	\$ 2,407,182	\$ 3,209,444
Restricted Cash and Cash Equivalents	86,041	6,180,091	6,266,132
Total Cash and Cash Equivalents	\$ 888,303	\$ 8,587,273	\$ 9,475,576

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		
	Sewer Fund	Water Fund	Total Enterprise Funds
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:			
Change in Net Position	\$ 1,388	\$ 394,862	\$ 396,250
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:			
Depreciation	51,151	273,861	325,012
Changes in Assets and Liabilities:			
Increase (Decrease) in Assets:			
Accounts Receivable	142	6,634	6,776
Deferred Outflows	1,114	1,114	2,228
Increase (Decrease) in Liabilities:			
Accounts Payable	(49,641)	(7,727)	(57,368)
Customer Deposits	317	634	951
Unearned Revenue	-	-	-
Net Pension Liability	(3,471)	(3,471)	(6,942)
Net OPEB Liability	217	217	434
Deferred Inflows	1,182	1,182	2,364
Total Changes in Assets and Liabilities	(50,140)	(1,417)	(51,557)
Net Cash Provided by Operating Activities	\$ 2,399	\$ 667,306	\$ 669,705

The accompanying notes are an integral part of these financial statements.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Riesel, Texas (the “City”) have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

A. Reporting Entity

The City is a general law city in McLennan County, Texas which operates under an elected mayor and a five-member council and provides services such as public safety, street maintenance, water and sanitation, public improvements, planning and zoning, judicial, general administrative and other services as are authorized by its code of ordinances and its citizens. The City was incorporated in November 1973. The Council consists of five members and the Mayor, each of which are elected for two-year terms.

As required by GAAP, these financial statements present the City and any component units, entities for which the City is considered to be financially accountable, as set forth in GASB Statement No. 61. A component unit is included in the City’s reporting entity if it is both fiscally dependent on the City (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Based on these criteria, the financial information of the following entities has been blended within the financial statements: Riesel Education Facilities Corporation (REFC), Riesel Cultural Facilities Corporation (RCFC), and Riesel Health Facilities Development Corporation (RHFCC).

Blended Component Units

REFC is a Texas non-profit corporation created to provide financing to organizations constructing educational related projects. The bonds issued do not constitute a debt or a pledge of faith or credit by REFC or the City but are payable by the user pursuant terms in the loan agreement. The City Council must approve any potential debt. There was no activity to report for the year ended September 30, 2024.

RCFC is a Texas non-profit corporation created to provide financing to organizations developing cultural facilities. The bonds issued do not constitute a debt or a pledge of faith or credit by RCFC or the City but are payable by the user pursuant terms in the loan agreement. The City Council must approve any potential debt. There was no activity to report for the year ended September 30, 2024.

RHFDC is a Texas non-profit corporation created to provide financing to organizations developing health facilities. The bonds issued do not constitute a debt or a pledge of faith or credit by RHFDC or the City but are payable by the user pursuant terms in the loan agreement. The City Council must approve any potential debt. There was no activity to report for the year ended September 30, 2024.

B. Basis of Presentation

While separate government-wide financial statements (based on the City as a whole) and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

The fund financial statements provide information about the City’s funds. The emphasis of fund financial statements is on major governmental and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following major governmental funds:

The general fund is the primary operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The water fund is used to account for the water distribution system and solid waste collections, and the sewer fund accounts for the service operations of the sewage treatment plant, sewage stations and collection systems. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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 internal balances in the business-type activities column. Exceptions to this general rule are payments, where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the City's water and sewer 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.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus refers to the type of resources being measured such as current financial resources or economic resources. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and 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 is reported as an *"other financing source"*.

Property, franchise, and sales taxes, and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

Cash and cash equivalents for purposes of reporting cash flows of proprietary funds 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.

State statutes authorize the City to invest in Obligations of Governmental Entities, Certificates of Deposit, Repurchase Agreements, Commercial Paper, Mutual Funds, and Investment Pools.

The City has elected to limit investments to Certificates of Deposit.

Accounts Receivables

In the general and proprietary funds, the City records certain revenues billed to other governmental agencies, residents, and others on a monthly basis. Receivables in the governmental funds include property tax, sales tax, franchise fees and fines. Receivables in the proprietary fund include amounts from customers for water, sewer, and sanitation services. All receivables are current and due within one year. Activities between funds that are outstanding at the end of the fiscal year are referred to as "due to/from other funds".

Capital Assets

Capital Assets, which include land, building and improvements, machinery and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and water and sewer facilities are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets (those dedicated to the City) are recorded at acquisition value or the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest cost on governmental activities construction projects are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 20
Machinery and equipment	5 - 30
Water and sewer system	15 - 30
Infrastructure	15 - 30

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows/inflows of resources. These separate financial statement elements, deferred outflows/inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources until then.

The City's deferred outflows/inflows of resources at September 30, 2024 are related to recognition of pension and other post-employment benefits (OPEB) assets/liabilities as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations

In the government-wide financial statements and in the fund financial statements for the proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred amounts on refunding. Bond issuance costs, with the exception of bond insurance, are expensed in the period incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumptions

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed by creditors, grantors, laws or regulations of other governments. 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 be reported 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.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Policies and Flow Assumptions

Governmental fund's fund balances classified as restricted are balances constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balance. The City Council must take the same level of action to remove or change the constraint. Assigned fund balances are constrained by intent to use for a specific purpose but are neither restricted nor committed. Assignments are made by City management based on Council direction. Unassigned fund balance represents the residual amount for the general fund that is not contained in other classifications.

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). When fund balance resources are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

The City is limited to a maximum tax rate for all purposes of \$1.50 per \$100 assessed valuation. This maximum tax rate is imposed by the Constitution of the State of Texas. Within this \$1.50 maximum, there is no legal limit upon the amount of taxes which can be levied for debt service. All taxes due the City on real or personal property are collected by the McLennan County Tax Assessor-Collector and may be paid at any time after the tax rolls have been completed and approved, which is not later than October 1.

The City's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. Property taxes attach as an enforceable lien on property as of January 31. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Delinquent property taxes estimated to be collected within the next fiscal year are recognized as revenues in the government wide financial statements. At the fund level, delinquent property taxes estimated to be collected in time to be a resource and therefore subject to accrual, have been recognized as revenue with the remaining balance recorded as deferred inflows of resources.

Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. Operating expenses for water and sewer 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 non-operating revenues and expenses.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted by the City Council prior to the beginning of the year on a modified cash basis (which differs from generally accepted accounting principles) for the general fund and proprietary funds. The budget is proposed to the City Council and includes expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data from the preceding year. Public hearings are held for taxpayer comments. The City Council votes to legally adopt the budget but can authorize supplemental changes during the year.

Adjustments necessary to convert the results of operations (which are on the GAAP basis) to the modified cash basis are made for purposes of budgetary comparison.

The appropriated budget is used in this report. Appropriations lapse at the end of the year unless carried forward by Council action. No encumbrances are recognized or recorded. The operating budget includes proposed expenditures for the General Fund.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of September 30, 2024, the City had the following investments which are included in cash and cash equivalents:

Investment Type	Fair Value	Input Level
Certificates of Deposit	\$ 313,897	1
	<u>\$ 313,897</u>	

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds.

The City categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. 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 observable inputs; and Level 3 inputs are unobservable inputs.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair value by structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operation, investing operating funds primarily in shorter-term securities, money market mutual funds or government investment pools, and diversifying maturities over time. It is the City's policy not to invest in securities maturing more than three years from the date of purchase. Money market mutual funds must have a dollar weighted average stated maturity of 180 days or less. Finally, the composite portfolio must maintain a weighted average maturity of 365 days.

Credit Risk

For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. Texas Government Code Chapter 2256, Public Funds Investment Act, restricts the types of investments in which the City may invest. The City's investment policy addresses credit quality by further restricting authorized investments to the following:

- Limit investments to the safest types of securities;
- Limit Certificates of Deposit that are insured by the Federal Deposit Insurance Corporation (FDIC);
- Limit investments to obligations issued, guaranteed, insured by or backed by the full faith and credit of the United States or its agencies and instrumentalities;
- Pre-qualify the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business;
- Diversify the investment portfolio so that potential losses on individual securities were minimized.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

A. DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investments in the securities of a single issuer. The City's investment policy includes an investment objective of seeking diversification to avoid unreasonable risk.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be fully secured in accordance with the Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian.

For an investment, custodial credit risk is the risk that in the event of the failure of the counter-party, the City would not be able to recover the value of its investment or collateralized securities that are in the possession of an outside third party. The City's investment policy requires that investments be held by a third-party custodian bank. All investments were held by the City's third-party custodian bank in the City's name.

Escrow Accounts

The City has an agreement with the Texas Water Development Board (TWDB) to provide financial assistance to the City through the Drinking Water State Revolving Fund for the purpose of making improvements to the City's water system. In 2021 the City received proceeds from the certificates of obligation along with funds as part of a loan forgiveness program to be held in escrow accounts pending approval by the TWDB for final disbursement. The TWDB has agreed to purchase the 2021 Series certificates as well as loan forgiveness totaling \$5,860,000. A summary of the escrow balances at September 31, 2024 were:

Unspent proceeds 2021 certificates of obligation	\$ 5,576,160
Unspent proceeds 2021 TWDB loan forgiveness	428,055
Total	<u>\$ 6,004,215</u>

B. RECEIVABLES

Receivables at September 30, 2024 were:

	General	Water	Sewer	Total Receivables
Property taxes	\$ 7,658	\$ -	\$ -	\$ 7,658
Sales taxes	12,369	-	-	12,369
Accounts Receivable	9,000	92,374	11,768	113,142
	<u>\$ 29,027</u>	<u>\$ 92,374</u>	<u>\$ 11,768</u>	<u>\$ 133,169</u>

C. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances are utilized to account for payments made by one fund on behalf of another fund or deposits received by one fund on behalf of another fund. At September 30, 2024, the balances were as follows.

Funds	Due To	Due From
General	\$2,200,276	\$ -
Sewer	29,303	1,136,408
Water	-	1,093,171
Total	<u>\$2,229,579</u>	<u>\$2,229,579</u>

Interfund balances consist of lending/borrowing arrangements that result from expenditures that are paid by one fund and then charged back to the appropriate fund. Some lending/borrowing may occur between two or more funds.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

D. CAPITAL ASSETS

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

	Balance October 1, 2023	Additions	Retirements/ Reclassifications	Balance September 30, 2024
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 90,881	\$ -	\$ -	\$ 90,881
Total capital assets, not being depreciated:	90,881	-	-	90,881
Capital assets, being depreciated:				
Buildings and Improvements	147,891	7,083	-	154,974
Machinery and Equipment	184,171	153,731	-	337,902
Vehicles	198,941	63,307	(42,490)	219,758
Infrastructure	752,358	50,693	-	803,051
Total capital assets, being depreciated:	1,283,361	274,814	(42,490)	1,515,685
Less accumulated depreciation	(783,894)	(115,268)	42,490	(856,672)
Total capital assets being depreciated, net	499,467	159,546	-	659,013
Governmental Activities capital assets, net	\$ 590,348	\$ 159,546	\$ -	\$ 749,894
	Balance October 1, 2023	Additions	Retirements/ Reclassifications	Balance September 30, 2024
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 125,247	\$ -	\$ -	\$ 125,247
Construction in Progress	229,287	116,358	(179,997)	165,648
Total capital assets, not being depreciated:	354,534	116,358	(179,997)	290,895
Capital assets, being depreciated:				
Buildings and Improvements	40,927	-	-	40,927
Water and Sewer System	5,103,089	-	179,997	5,283,086
RMS Water System	2,559,712	-	-	2,559,712
Machinery and Equipment	606,218	16,728	-	622,946
Total capital assets, being depreciated:	8,309,946	16,728	179,997	8,506,671
Less accumulated depreciation	(2,976,399)	(325,012)	-	(3,301,411)
Total capital assets being depreciated, net	5,333,547	(308,284)	179,997	5,205,260
Business-type Activities capital assets, net	\$ 5,688,081	\$ (191,926)	\$ -	\$ 5,496,155

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

D. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs for the fiscal year 2024 as follows:

Department/Function	Amount
Governmental Activities:	
Administration	\$ 41,637
Public safety	33,428
Public works	40,203
Total Governmental Activities	<u>\$ 115,268</u>
Business-type Activities:	
Sewer Fund	\$ 51,151
Water Fund	273,861
Total Business-type Activities	<u>\$ 325,012</u>

E. LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended September 30, 2024 was as follows:

	Amounts			Amounts	
	Outstanding	Additions	Retirements	Outstanding	Due Within
	10/1/23			9/30/24	One Year
Governmental Activities					
Texas Comptroller of Public Accounts	\$ 12,199	\$ -	\$ 12,199	\$ -	\$ -
Net Pension Liability	132,184	-	47,236	84,948	-
OPEB Liability	17,663	2,566	-	20,229	-
Total Governmental Activities	<u>162,046</u>	<u>2,566</u>	<u>59,435</u>	<u>105,177</u>	<u>-</u>
Business-type Activities					
Revenue Bond Series 2009	516,000	-	11,000	505,000	12,000
Certificates of Obligation - Series 1999	298,000	-	13,000	285,000	13,000
Certificates of Obligation - Series 2013	115,000	-	20,000	95,000	20,000
Certificates of Obligation - Series 2021	5,175,000	-	185,000	4,990,000	185,000
Net Pension Liability	19,971	-	6,942	13,029	-
OPEB Liability	2,669	434	-	3,103	-
Total Business-type Activities	<u>6,126,640</u>	<u>434</u>	<u>235,942</u>	<u>5,891,132</u>	<u>230,000</u>
Total Primary Government	<u>\$ 6,288,686</u>	<u>\$ 3,000</u>	<u>\$ 295,377</u>	<u>\$ 5,996,309</u>	<u>\$ 230,000</u>

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

E. LONG-TERM LIABILITIES (continued)

Bonds Payable

Bond indebtedness of the City is reflected in the following schedule.

A summary of changes in bonds payable for the year September 30, 2024, is as follows:

	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 10/1/23	Additions	Retirements	Amounts Outstanding 9/30/24
<i>Business-type Activities</i>						
Revenue Bond Series 2009	4.125%	637,000	\$ 516,000	\$ -	\$ 11,000	\$ 505,000
Certificates of Obligation - Series 1999	4.75%	478,000	298,000	-	13,000	285,000
Certificates of Obligation - Series 2013	2.99%	300,000	115,000	-	20,000	95,000
Certificates of Obligation - Series 2021	0.00%	5,360,000	5,175,000	-	185,000	4,990,000
			<u>\$ 6,104,000</u>	<u>\$ -</u>	<u>\$ 229,000</u>	<u>\$ 5,875,000</u>

Debt service requirements for bonds payable are as follows:

<u>Bonds Payable</u>			
Year Ended September 30,	Principal	Interest	Total Requirements
2025	\$ 230,000	\$ 37,209	\$ 267,209
2026	236,000	35,499	271,499
2027	238,000	33,591	271,591
2028	238,000	31,595	269,595
2029	215,000	29,599	244,599
2030-2034	1,098,000	126,445	1,224,445
2035-2039	1,140,000	84,381	1,224,381
2040-2044	1,045,000	45,169	1,090,169
2045-2049	1,070,000	18,356	1,088,356
2050-2051	365,000	1,279	366,279
	<u>\$ 5,875,000</u>	<u>\$ 443,123</u>	<u>\$ 6,318,123</u>

The City's bond indentures contain restrictions concerning accounting records, interest and sinking funds, and reserve funds. The City had \$63,689 at September 30, 2024, in interest and sinking accounts. Additionally, the City makes deposits, as required to such accounts, in order to have adequate funds available as debt matures.

The various debt instruments contain certain limitations and restrictions, with which the City was compliant.

The 2009 Revenue Bond Series was for the original amount of \$637,000 for a water system. The payments are due in annual installments of \$7,000 to \$31,000 through 2049 with an annual interest rate of 4.125%.

The Certificate of Obligation Bonds, Series 1999 was for the original amount of \$478,000 sewer system. The payments are due in annual installments of \$2,000 to \$66,000 through 2039 with an annual interest rate of 4.75%.

The \$300,000 Certificate of Obligation Bonds, Series 2013 was for the water and sewer system. The payments are due in annual installments of \$15,000 to \$28,000 through 2028 with an annual interest rate of 2.990%.

The Certificate of Obligation Bonds, Series 2021 in the amount of \$5,360,000 was for the construction of improvements to the City's water system. The payments are due in annual installments of \$185,000 through 2051 with an interest rate of 0.00%. The sale of the bonds was made by private placement with Texas Water Development board (TWDB). The payments are secured by ad valorem taxes and a lien on surplus utility revenues and are recorded in the water fund.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

F. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk-Pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in TML is limited to quarterly payment of premiums. The agreement for formation of the Pool provides that the Pool will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of specific limits.

The City also provides workers compensation insurance on its employees through TML. Workers compensation is subject to change when audited by TML. At year end September 30, 2024, the City believed the amounts paid on workers compensation would not change significantly from the amounts recorded.

G. RESTRICTED ASSETS

Restrictions on cash and cash equivalents and certificates of deposits at September 30, 2024 are as follows:

	Governmental Activities	Business-type Activities	Total
TWBD Escrow	\$ -	\$ 6,004,215	\$ 6,004,215
Debt Service	470	212,922	213,392
Municipal Court	312,134	-	312,134
Public Safety	4,435	-	4,435
	<u>\$ 317,039</u>	<u>\$ 6,217,137</u>	<u>\$ 6,534,176</u>

H. CONTINGENT LIABILITIES AND COMMITMENTS

Water Purchase Commitment

In December 2008, the City purchased land to procure a site for a water well. The City is required to pay a royalty to the seller for the water produced at a rate of \$0.15 per thousand gallons. This royalty payment is due monthly as long as the City produces water from the property. During the year ended September 30, 2024, the City paid \$1,920 in royalties.

Tax Abatement

The City enters into ad valorem tax abatement agreements with businesses pursuant to its tax abatement policy and Texas Tax Code Chapter 311, Texas Tax Code Chapter 312, Texas Local Government Code Chapter 380 and Section 52-a of the State Constitution of Texas. Under its policy, the city may grant ad valorem tax abatements for the purpose of promotion of high quality commercial and industrial development in all parts of the city, and an ongoing improvement of the quality of life of its citizens.

For the fiscal year ended September 30, 2024, the City did not have any abated ad valorem taxes.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

H. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Affiliated Corporations

The City and its affiliated corporations (Riesel Cultural Facilities Corporations, Riesel Education Facilities Corporation and Riesel Health Facilities Development corporation) participate in securing financing mechanisms for various organizations. The City and its affiliated corporations assist these various organizations in securing financing for their respective construction projects. The City and its affiliates are not obligated in any manner for the repayment of the notes payable secured by these organizations. Therefore, the City has not reported any liability in the financial statements for these loans. The City does receive a fee for participating in the conduit financing. The Corporations do not have any prepared financial statements and any conduit revenues received are reported in the General Fund as miscellaneous revenues. For the year ended September 30, 2024, there was no activity and no fees received. Additional information regarding these matters can be obtained from the City Secretary.

I. DEFINED BENEFIT PENSION PLANS

Plan Description

The City of Riesel, Texas participates as one of 934 plans in the defined benefit cash-balance pension 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 municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

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

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

I. DEFINED BENEFIT PENSION PLANS (continued)

The plan provisions are adopted by the City Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A summary of plan provisions adopted by the City are as follows:

<i>City of Riesel, Texas Plan Provisions</i>	
Employee Deposit Rate	5%
Municipal Current Matching Ratio	1 to 1
Vested Requirement	5 years
Service Retirement Eligibility	Vested and age 60 or 20 years and any age
Updated Service Credit:	
Rate(%)	0.0%
Supplemental Death Benefits:	
Employees	Yes
Retirees	Yes
City Number	1072

Employees covered by benefit terms.

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

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	6
Active employees	9
Total	<u>19</u>

Contributions

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

Employees for the City of Riesel were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Riesel were 5.86% and 5.66% in calendar years 2023 and 2024, respectively. The city's contributions to TMRS for the year ended September 30, 2024 were \$26,483 and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

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

Inflation 2.50% 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

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

I. DEFINED BENEFIT PENSION PLANS (continued)

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied to reflect the impairment for younger members who become disabled 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 MP-2021 to account for future mortality improvements subject to the 3% floor.

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

Rate of Return

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and 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 is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target %
Global Equity	35.00%
Core Fixed Income	6.00%
Non-Core Fixed Income	20.00%
Other Public and Private Markets	12.00%
Real Estate	12.00%
Hedge Funds	5.00%
Private Equity	10.00%
Total	100.00%

Discount Rate

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

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

I. DEFINED BENEFIT PENSION PLANS (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2022	\$ 695,529	\$ 543,374	\$ 152,155
Changes for the year:			
Service cost	29,123	-	29,123
Interest (on the Total Pension Liability)	46,711	-	46,711
Difference between expected and actual experience	(11,778)	-	(11,778)
Change in assumptions	(2,983)	-	(2,983)
Contributions - employer	-	28,302	(28,302)
Contributions - employee	-	24,148	(24,148)
Net investment income	-	63,204	(63,204)
Benefit payments, including refunds of employee contributions	(36,160)	(36,160)	-
Administrative expense	-	(400)	400
Other changes	-	(3)	3
Net changes	24,913	79,091	(54,178)
Balance at 12/31/2023	\$ 720,442	\$ 622,465	\$ 97,977

Sensitivity of the net pension liability to changes in the discount rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 201,057	\$ 97,977	\$ 13,472

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in fiduciary Net Position, by Participating City. That report may be obtained on the Internet at www.tmr.com.

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

For the year ended September 30, 2024, the city recognized pension expense of \$9,839.

At September 30, 2024, 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	\$ 425	\$ 11,211
Changes in actuarial assumptions	-	2,656
Difference between projected and actual investment earnings	46,192	33,730
Contributions subsequent to the measurement date	18,753	-
Total	\$ 65,370	\$ 47,597

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

I. DEFINED BENEFIT PENSION PLANS (continued)

The \$18,753 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 deferred inflows of resources, by year, to be recognized in future pension expense is as follows:

Year ended December 31,	Net Deferred Outflows / (Inflows) of Resources
2024	\$ 424
2025	930
2026	6,851
2027	(8,024)
2028	(1,161)
Thereafter	-
	\$ (980)

J. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City also voluntarily participates in the single-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance.

Benefits Provided

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	3
Active employees	9
Total	15

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.36% for 2023 and 0.34% for 2024, of which 0.16% and 0.13% represented the retiree-only portion for each year, respectively, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2023 and 2024 were \$1,458 and \$1,601, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Net OPEB Liability

The City's net OPEB liability of \$23,332 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

J. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Actuarial assumptions

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates-disables 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 the most recent Scale MP-2021 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, 2023.

Note: The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate

The discount rate used to measure the net OPEB liability was 3.77%. The changes in the total OPEB Liability for the year ended December 31, 2023 were as follows:

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 12/31/2022	\$ 20,332
Changes for the year:	
Service cost	531
Interest (on the Total OPEB Liability)	819
Differences between expected and actual experience	1,114
Changes in assumptions or other inputs	1,309
Benefit payments, including refunds of employee contributions	(773)
Net changes	<u>3,000</u>
Balance at 12/31/2023	<u>\$ 23,332</u>

CITY OF RIESEL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

J. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 3.77%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.77% or 1-percentage-point higher 4.77% than the current rate:

	1% Decrease in Discount Rate 2.77%	Discount Rate 3.77%	1% Increase in Discount Rate 4.77%
Total OPEB liability	\$ 27,949	\$ 23,332	\$ 19,826

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

For the year ended September 30, 2024, the city recognized OPEB expense of \$1,312.

At September 30, 2024, 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 experience	\$ 552	\$ -
Changes in actuarial assumptions	-	2,919
Contributions subsequent to the measurement date	1,127	-
Total	\$ 1,679	\$ 2,919

Deferred outflows and deferred inflows of resources, by year, to be recognized in future OPEB expense is as follows:

Year ended December 31,	Net Deferred Outflows/(Inflows) of Resources
2024	\$ (77)
2025	(226)
2026	(449)
2027	(535)
2028	(755)
Thereafter	(325)
	<u>\$ (2,367)</u>

K. SUBSEQUENT EVENTS

Subsequent events were evaluated for possible adjustment to the financial statements or disclosure through June 17, 2025, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIESEL, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Results	Variance with Final Budget Positive/(Negative)
REVENUES:				
Property Taxes	\$ 255,769	\$ 255,769	\$ 252,128	\$ (3,641)
General Sales and Use Taxes	137,000	137,000	162,973	25,973
Franchise and Other Taxes	59,000	59,000	70,496	11,496
Charges for Services	21,000	21,000	29,330	8,330
Fines	777,291	777,291	664,725	(112,566)
Investment Earnings	8,000	8,000	22,734	14,734
Miscellaneous Revenue	-	-	9,560	9,560
Payment in Lieu of Taxes	125,000	125,000	125,000	-
Total Revenues	1,383,060	1,383,060	1,336,946	(46,114)
EXPENDITURES:				
Administration	360,465	360,465	286,230	74,235
Judicial	376,733	376,733	322,976	53,757
Public Safety	432,250	432,250	346,039	86,211
Public Works	247,612	247,612	266,469	(18,857)
Debt Service	-	-	-	-
Capital Outlay	333,321	333,321	274,814	58,507
Total Expenditures	1,750,381	1,750,381	1,496,528	253,853
OTHER FINANCING SOURCES (USES):				
Grants and Donations	1,000	1,000	-	(1,000)
Fund Appropriations	366,321	366,321	-	(366,321)
Total Other Financing Sources (Uses):	367,321	367,321	-	(367,321)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	\$ (159,582)	\$ (159,582)

CITY OF RIESEL, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BUDGETARY INFORMATION

The governmental fund financial statements of the City are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and capital outlays are recorded when payment is made.

NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2024, the following expenditures exceed appropriations in the General Fund:

Public Works	\$ 18,857
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CITY OF RIESEL, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TEXAS MUNICIPAL
RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Plan Year	2014	2015	2016
A. Total pension liability			
Service Cost	\$ 16,149	\$ 18,991	\$ 21,662
Interest (on the Total Pension Liability)	20,557	22,521	25,187
Changes of benefit terms	-	-	-
Difference between expected and actual experience	732	548	3,658
Change of assumptions	-	17,535	-
Benefit payments, including refunds of employee contributions	(8,325)	(13,291)	(5,743)
Net Change in Total Pension Liability	29,113	46,304	44,764
Total Pension Liability - Beginning	289,760	318,873	365,177
Total Pension Liability - Ending (a)	\$ 318,873	\$ 365,177	\$ 409,941
B. Plan Fiduciary Net Position			
Contributions - Employer	\$ 13,696	\$ 15,850	\$ 17,848
Contributions - Employee	14,063	14,953	16,022
Net Investment Income	8,683	265	13,357
Benefit payments, including refunds of employee contributions	(8,325)	(13,291)	(5,743)
Administrative Expense	(91)	(162)	(151)
Other	(7)	(7)	(8)
Net Change in Plan Fiduciary Net Position	28,019	17,608	41,325
Plan Fiduciary Net Position - Beginning	151,674	179,693	197,301
Plan Fiduciary Net Position - Ending (b)	\$ 179,693	\$ 197,301	\$ 238,626
C. Net Pension Liability - Ending (c) (a - b)	\$ 139,180	\$ 167,876	\$ 171,315
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability (b/a)	56.35%	54.03%	58.21%
E. Covered Employee Payroll (e)	\$ 281,268	\$ 299,065	\$ 320,439
F. Net Pension Liability as a Percentage of Covered Employee Payroll (c/e)	49.48%	56.13%	53.46%

Notes to Schedule:

GASB 68 requires 10 fiscal years of data to be provided in this schedule, but information prior to 2014 is not available. The City will be required to build this schedule over the next 10-year period.

2017	2018	2019	2020	2021	2022	2023
\$ 21,173	\$ 21,473	\$ 21,947	\$ 20,815	\$ 21,740	\$ 24,114	\$ 29,123
27,986	30,860	33,667	37,128	40,221	43,427	46,711
-	-	-	-	-	-	-
2,433	(4,458)	5,745	(40)	(3,122)	(62)	(11,778)
-	-	(3,013)	-	-	-	(2,983)
(11,828)	(6,518)	(6,518)	(6,518)	(18,546)	(6,518)	(36,160)
39,764	41,357	51,828	51,385	40,293	60,961	24,913
409,941	449,705	491,062	542,890	594,275	634,568	695,529
\$ 449,705	\$ 491,062	\$ 542,890	\$ 594,275	\$ 634,568	\$ 695,529	\$ 720,442
\$ 22,204	\$ 21,433	\$ 21,550	\$ 20,119	\$ 20,442	\$ 23,241	\$ 28,302
17,020	17,289	18,019	17,259	18,027	19,830	24,148
33,138	(8,973)	49,932	30,820	60,994	(40,077)	63,204
(11,828)	(6,518)	(6,518)	(6,518)	(18,546)	(6,518)	(36,160)
(171)	(173)	(281)	(199)	(281)	(345)	(400)
(9)	(10)	(9)	(8)	2	411	(3)
60,354	23,048	82,693	61,473	80,638	(3,458)	79,091
238,626	298,980	322,028	404,721	466,194	546,832	543,374
\$ 298,980	\$ 322,028	\$ 404,721	\$ 466,194	\$ 546,832	\$ 543,374	\$ 622,465
\$ 150,725	\$ 169,034	\$ 138,169	\$ 128,081	\$ 87,736	\$ 152,155	\$ 97,977
66.48%	65.58%	74.55%	78.45%	86.17%	78.12%	86.40%
\$ 340,409	\$ 345,773	\$ 360,375	\$ 345,185	\$ 360,539	\$ 396,606	\$ 482,970
44.28%	48.89%	38.34%	37.11%	24.33%	38.36%	20.29%

CITY OF RIESEL, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS - TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,	2015	2016	2017
Actuarially Determined Contributions	\$ 15,203	\$ 17,991	\$ 21,358
Contributions in relation to the actuarially determined contributions	15,203	17,991	21,358
Contribution deficiency (excess)	-	-	-
Covered employee payroll	\$ 293,122	\$ 327,034	\$ 337,541
Contributions as a percentage of covered employee payroll	5.19%	5.50%	6.33%

NOTES TO THE SCHEDULE OF PENSION CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	12 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year. GASB 68 requires ten years of data to be presented in this schedule, but data prior to 2015 is not available. This schedule will be built to show the remaining reporting requirement.

	2018		2019		2020		2021		2022		2023		2024
\$	21,985	\$	21,365	\$	19,534	\$	20,678	\$	22,131	\$	26,879	\$	26,483
	21,985		21,365		19,534		20,678		21,964		26,879		26,483
	-		-		-		-		167		-		-
\$	350,117	\$	354,510	\$	332,970	\$	362,062	\$	380,642	\$	458,694	\$	463,228
	6.28%		6.03%		5.87%		5.71%		5.77%		5.86%		5.72%

CITY OF RIESEL, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Plan Year Ended December 31,						
	2017	2018	2019	2020	2021	2022	2023
Changes in the Total OPEB Liability							
Changes for the year:							
Service Costs	\$ 511	\$ 622	\$ 468	\$ 656	\$ 1,190	\$ 1,229	\$ 531
Interest on Total OPEB Liability	613	631	697	637	540	533	819
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	225	(571)	(1,051)	(214)	525	1,114
Changes in assumptions or other inputs	1,729	(1,584)	3,807	3,630	841	(10,063)	1,309
Benefit payments*	(68)	(69)	(108)	(138)	(397)	(476)	(773)
Net changes	2,785	(175)	4,293	3,734	1,960	(8,252)	3,000
Total OPEB Liability - beginning of year	15,987	18,772	18,597	22,890	26,624	28,584	20,332
Total OPEB Liability - end of year	\$ 18,772	\$ 18,597	\$ 22,890	\$ 26,624	\$ 28,584	\$ 20,332	\$ 23,332
Covered Employee Payroll	\$ 340,409	\$ 345,773	\$ 360,375	\$ 345,185	\$ 360,539	\$ 396,606	\$ 482,970
Total OPEB Liability as a percentage of Covered Employee Payroll	5.51%	5.38%	6.35%	7.71%	7.93%	5.13%	4.83%

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Notes to Schedule:

GASB 75 requires 10 fiscal years of data to be provided in this schedule, but information prior to 2017 is not available. The City will be required to build this schedule over the next 10-year period.

CITY OF RIESEL, TEXAS
SCHEDULE OF OPEB CONTRIBUTIONS - TEXAS MUNICIPAL RETIREMENT SYSTEM
SEPTEMBER 30, 2024

Plan Year	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contributions	\$ 625	\$ 524	\$ 575	\$ 679	\$ 694	\$ 1,458	\$ 1,601
Contributions in relation to the actuarially determined contributions	625	524	575	679	694	1,458	1,601
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered employee payroll	\$ 350,117	\$ 350,117	\$ 332,970	\$ 362,062	\$ 380,642	\$ 458,694	\$ 463,228
Contributions as a percentage of covered employee payroll	0.18%	0.15%	0.17%	0.19%	0.18%	0.32%	0.35%

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount rate	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expense are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates-disables 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor

Other Information:

Notes There were no benefit changes during the year. GASB 75 requires 10 fiscal years of data to be provided in the schedule. The City will be required to build this schedule over the next 10 years.

COMPLIANCE / INTERNAL CONTROL

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Paul J. Christensen, C.P.A.
Gary L. Sauls, C.P.A.

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*

To the Honorable Mayor and
Members of the City Council
City of Riesel, 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, each major fund, and the aggregate remaining fund information of the City of Riesel, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Riesel, Texas basic financial statements, and have issued our report thereon dated May 14, 2025.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "P. J. Little & Co., LLC". The signature is written in a cursive, flowing style.

Waco, Texas
June 17, 2025