

**CITY OF TODD MISSION**  
**GRIMES COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2023**

**McCALL GIBSON SWEDLUND BARTFOOT PLLC**  
Certified Public Accountants



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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of City Council  
City of Todd Mission  
Grimes County, Texas

**Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of City of Todd Mission (the "City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's 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 and major fund of the City as of December 31, 2023, and the respective changes in financial position 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. 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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's 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 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, 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's 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's 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, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Changes in Net Pension Liability and Related Ratios, and the Schedule of City Contributions-Pensions, be presented to supplement the basic financial statements. Such information, 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.





Honorable Mayor and Members of City Council  
City of Todd Mission

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

June 13, 2024



**CITY OF TODD MISSION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Management’s discussion and analysis of the City of Todd Mission (the “City”) financial performance provides an overview of the City’s financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the City’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) the government-wide financial statements, (2) the fund financial statements, and (3) the notes to the financial statements. This report also includes required and other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. The government-wide financial statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting. The Statement of Net Position presents information on the City’s assets, liabilities and, if applicable deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City’s sales tax base and the condition of the City’s infrastructure (i.e. buildings, vehicles and equipment), to assess the overall health or financial condition of the City.

The Statement of Activities presents information showing how the City’s net position changed during the most recent fiscal year. All of the revenues and expenses are taken into account as soon as the underlying event giving rise to the item occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, the City presents the following types of activities:

- \* Governmental Activities - Most of the City’s basic services are reported here, including police, municipal courts, and general administration. Sales taxes, franchise fees, fines and forfeitures finance most of these activities.

**CITY OF TODD MISSION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, general revenues, sales tax revenues, parking revenues, operating costs and general expenditures.

Governmental funds are reported in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. The focus in the fund statements provides a distinctive view of the City’s governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the City and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”). The City adopts an annual unappropriated budget for its General Fund. A budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the City’s financial position. In the case of the governmental activities of the City, assets exceeded liabilities by \$804,794 as of December 31, 2023.

A portion of the City’s net position reflects its net investment in capital assets (buildings, land, vehicles and equipment less any debt used to acquire those assets that is still outstanding).

The following is a comparative analysis of government-wide changes in net position:

**CITY OF TODD MISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position - Governmental Activities		
	2023	2022	Change Positive (Negative)
	<u>2023</u>	<u>2022</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 536,763	\$ 435,006	\$ 101,757
Capital Assets and Right-of-Use Assets	<u>304,767</u>	<u>297,514</u>	<u>7,253</u>
Total Assets	<u>\$ 841,530</u>	<u>\$ 732,520</u>	<u>\$ 109,010</u>
Deferred Outflows of Resources	<u>\$ 42,558</u>	<u>\$ -0-</u>	<u>\$ 42,558</u>
Long-Term Liabilities	\$ 26,504	\$ 40,626	\$ 14,122
Other Liabilities	<u>52,790</u>	<u>13,023</u>	<u>(39,767)</u>
Total Liabilities	<u>\$ 79,294</u>	<u>\$ 53,649</u>	<u>\$ (25,645)</u>
Net Position:			
Net Investment in Capital Assets	\$ 278,263	\$ 256,888	\$ 21,375
Unrestricted	<u>526,531</u>	<u>421,983</u>	<u>104,548</u>
Total Net Position	<u>\$ 804,794</u>	<u>\$ 678,871</u>	<u>\$ 125,923</u>

The following table provides a summary of the City's operations for the years ended December 31, 2023, and December 31, 2022.

	Summary of Changes in the Statement of Activities - Governmental Activities		
	2023	2022	Change Positive (Negative)
	<u>2023</u>	<u>2022</u>	<u>Change Positive (Negative)</u>
Revenues:			
Program Revenues -			
Charges for Services	\$ 125,367	\$ 94,860	\$ 30,507
Capital Grants and Contributions	456,829	99,993	356,836
General Revenues -			
Sales Taxes	621,471	584,517	36,954
Investment Revenues	25,419	5,494	19,925
Other Revenues	<u>906,193</u>	<u>704,193</u>	<u>202,000</u>
Total Revenues	<u>\$ 2,135,279</u>	<u>\$ 1,489,057</u>	<u>\$ 646,222</u>
Expenses:			
General Government	\$ 948,183	\$ 557,244	\$ (390,939)
Police Department	1,030,238	775,637	(254,601)
Municipal Courts	<u>30,935</u>	<u>32,189</u>	<u>1,254</u>
Total Expenses	<u>\$ 2,009,356</u>	<u>\$ 1,365,070</u>	<u>\$ (644,286)</u>
Change in Net Position	\$ 125,923	\$ 123,987	\$ 1,936
Net Position, Beginning of Year	<u>678,871</u>	<u>554,884</u>	<u>123,987</u>
Net Position, End of Year	<u>\$ 804,794</u>	<u>\$ 678,871</u>	<u>\$ 125,923</u>

**CITY OF TODD MISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS**

The City's General Fund fund balance as of the fiscal year ended December 31, 2023, was \$527,251, an increase of \$105,268 from the prior year, primarily due to sales taxes, franchise fees, fines and forfeitures and other revenues received during the current year exceeding general operating costs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City amended the budget during the current fiscal year. Actual revenue was \$720,279 more than budgeted revenue and actual expenditures were \$566,715 more than budgeted expenditures, which resulted in a positive variance of \$153,564. See budget to actual comparison for additional analysis.

**CAPITAL ASSETS**

Capital assets as of December 31, 2023, total \$265,319 (net of accumulated depreciation) and include buildings, equipment, and vehicles.

Capital Assets At Year-End Net of Accumulated Depreciation		
	2023	2022
Capital Assets Not Subject to Depreciation:		
Construction in Progress	\$	\$ 83,368
Capital Assets Subject to Depreciation:		
Buildings and Improvements	169,697	99,035
Water Line Facilities	40,378	
Vehicles and Equipment	55,244	71,154
Total Net Capital Assets	\$ 265,319	\$ 253,557

**RIGHT-OF-USE ASSETS**

In accordance with the requirements of GASB Statement No. 87, which was required to be implemented in the current fiscal year, the District recorded certain capital assets to right-of-use assets. Right-of-use assets consisted of a 2022 Chevy Tahoe pick-up vehicles which totaled \$45,094, had current year amortization expense of \$4,509, and had an accumulated amortization balance of \$5,646 as of December 31, 2023.

**CITY OF TODD MISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**LONG-TERM DEBT ACTIVITY**

At year-end, the City had total debt payable of \$26,504. The changes in the debt position of the City during the fiscal year ended December 31, 2023, are summarized as follows:

Lease Payable, January 1, 2023	\$ 40,626
Less: Principal Retired	<u>14,122</u>
Lease Payable, December 31, 2023	<u><u>\$ 26,504</u></u>

**CONTACTING THE CITY'S MANAGEMENT**

This financial report is designed to provide a general overview of the City. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Todd Mission, 21718 FM 1774, Todd Mission, Texas 77363.

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**CITY OF TODD MISSION  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 39,513
Investments	497,250
Construction in Progress	
Right-of-Use Assets (Net of Accumulated Amortization)	39,448
Capital Assets (Net of Accumulated Depreciation)	<u>265,319</u>
<b>TOTAL ASSETS</b>	<u>\$ 841,530</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Plan Charges	<u>\$ 42,558</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 9,512
Net Pension Liability	43,278
Long-Term Liabilities:	
Due Within One Year	15,270
Due After One Year	<u>11,234</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 79,294</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 278,263
Unrestricted	<u>526,531</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 804,794</u></u>

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

**CITY OF TODD MISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

		Program Revenues	
	Expenses	Charges for Services	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ 948,183	\$ 83,073	\$ 456,829
Police Department*	1,030,238	42,294	
Municipal Court	30,935		
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,009,356</b>	<b>\$ 125,367</b>	<b>\$ 456,829</b>

**GENERAL REVENUES**

Sales Taxes  
Franchise Fees  
Parking Revenues  
Investment Revenues  
Other

**TOTAL GENERAL REVENUES AND TRANSFERS**

**CHANGE IN NET POSITION**

**NET POSITION - JANUARY 1, 2023**

**NET POSITION -DECEMBER 31, 2023**

\* See page 34 for detail.

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

Net (Expense) Revenue and  
Changes in Net Position  
Primary Government  
Governmental  
Activities

\$	(408,281)
	(987,944)
	(30,935)
\$	(1,427,160)

\$	621,471
	41,000
	855,860
	25,419
	9,333

\$	1,553,083
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\$	125,923
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	678,871
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\$	804,794
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The accompanying notes to the financial statements are an integral part of this report.

**CITY OF TODD MISSION  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2023**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 39,513
Investments	<u>497,250</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 536,763</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	<u>\$ 9,512</u>
 <b>FUND BALANCE</b>	
Unassigned	<u>527,251</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 536,763</u></u>

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

**CITY OF TODD MISSION**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

Total Fund Balance - Governmental Fund	\$	527,251
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Portions of the change in net pension liability and net other postemployment benefit plan liability that are not immediately recognized as pension expense are recorded as deferred outflows of resources.</p>		42,558
<p>Capital assets and right-of-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.</p>		304,767
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>		
Net Pension Liability	\$	(43,278)
Capital Lease Due within One Year		(15,270)
Capital Lease Due after One Year		(11,234)
		(69,782)
Total Net Position - Governmental Activities	\$	804,794

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

**CITY OF TODD MISSION  
GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>
<b>REVENUES</b>	
Sales Taxes	\$ 621,471
Franchise Fees	41,000
Permits and Licenses	83,073
Fines and Forfeitures	42,294
Festival Traffic Coordination	855,860
Investment Revenues	25,419
Grant Revenues	456,829
Other	9,333
<b>TOTAL REVENUES</b>	<b>\$ 2,135,279</b>
<b>EXPENDITURES</b>	
General Government	\$ 441,657
Police Department	1,027,519
Municipal Court	30,935
Grant Expenditures	529,900
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,030,011</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 105,268</b>
<b>FUND BALANCE - JANUARY 1, 2023</b>	<b>421,983</b>
<b>FUND BALANCE - DECEMBER 31, 2023</b>	<b>\$ 527,251</b>

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

**CITY OF TODD MISSION**  
**RECONCILIATION OF THE GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balance - Governmental Fund	\$	105,268
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds do not account for depreciation and amortization. However, in the Statement of Net Position, capital assets and right-of-use assets are depreciated/amortized and the expense is recorded in the Statement of Activities.		(33,447)
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		39,980
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Governmental funds report debt principal payments as expenditures. However, in the Statement of Net Position, principal payments are reported as decreases in long-term liabilities.		14,122
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Change in Net Position - Governmental Activities	\$	<u>125,923</u>
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The accompanying notes to the financial statements are an integral part of this report.

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**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1. CREATION OF CITY**

The City of Todd Mission (the “City”) was incorporated in 1982, under the provisions of the State of Texas. The City operates under a Council-Mayor form of government and provides the following services as authorized by general law, public safety and general administrative services.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The City is a political subdivision of the State of Texas governed by an elected board. The Governmental Accounting Standards Board (“GASB”) has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the City is considered a primary government and is not a component unit of any other government.

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the GASB.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of net position imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation

- Unrestricted Net Position – This component of net position consists of net position that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the City’s policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

The City’s fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

The City has one governmental fund, therefore it is considered to be a major fund.

General Fund - To account for resources not accounted for in another fund, general revenues, sales tax revenues, parking revenues, operating costs and general expenditures.

Basis of Accounting

The City uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The City considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Capital Assets and Right-of-Use Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

All City infrastructure assets with a useful life of at least two years and a total cost of \$5,000; infrastructure assets with a useful life of at least two years and a total cost of \$10,000 such as buildings and other capital assets with a total cost of \$10,000 or more (including installation costs, if any, and associated professional fees) shall be capitalized and depreciated using no salvage value and the straight line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings and Improvements	40
Vehicles and Equipment	7-10

In accordance with GASB Statement No. 87, at December 31, 2023, the District recorded a vehicles as right-to-use assets (see Note 7). The right-to-use assets are being amortized over the estimated useful life using the straight-line method of amortization.

Program Revenues

In the Statement of Activities, program revenues include fines and forfeitures, licenses and permits, and grant proceeds, if applicable.

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgeting

An annual unappropriated budget is adopted for the General Fund by the City Council. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual – General Fund – presents the original and revised, if any, budget amounts, compared to the actual amounts of revenues and expenditures for the current year.

Pension and Other Postemployment Benefits

Employees of the City participate in the TMRS defined benefit pension plan. Further information is provided in Note 8.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable:* amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The City does not have any nonspendable fund balances.

*Restricted:* amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The City does not have any restricted fund balances.

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the City. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The City does not have any committed fund balances.

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The City has not adopted a formal policy regarding the assignment of fund balances.

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*Unassigned:* all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

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

**NOTE 3. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk 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. The City's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the City of securities eligible under the laws of Texas to secure the funds of the City, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the City's deposits was \$39,513 and the bank balance was \$56,279. The City was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at December 31, 2023, as listed below:

	<u>Cash</u>
GENERAL FUND	<u>\$ 39,513</u>

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all City funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the City’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth.

The City’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest City funds without express written authority from the City Council.

Texas statutes include specifications for and limitations applicable to the City and its authority to purchase investments as defined in the Public Funds Investment Act. The City has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The City’s investment policy may be more restrictive than the Public Funds Investment Act.

The City invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the City’s position in the pool the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS. As of December 31, 2023, the City had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	<u>\$ 497,250</u>	<u>\$ 497,250</u>

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2023, the City's investments in Texas CLASS were rated "AAAm" by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the City, unless there has been a significant change in value.

**NOTE 4. CAPITAL ASSETS AND DEPRECIATION**

The following is a summary of changes in capital assets for the year ended December 31, 2023.

	January 1, 2023	Increases	Decreases	December 31, 2023
<b>Capital Assets Not Being Depreciated</b>				
Construction in Progress	\$ 83,368	\$ 40,700	\$ 124,068	\$ - 0 -
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 174,004	\$ 83,368	\$	\$ 257,372
Water Line Facilities		40,700		40,700
Vehicles and Equipment	159,105			159,105
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 333,109</u>	<u>\$ 124,068</u>	<u>\$ - 0 -</u>	<u>\$ 457,177</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ 74,969	\$ 12,706	\$	\$ 87,675
Water Line Facilities		322		322
Vehicles and Equipment	87,951	15,910		103,861
<b>Total Accumulated Depreciation</b>	<u>\$ 162,920</u>	<u>\$ 28,938</u>	<u>\$ - 0 -</u>	<u>\$ 191,858</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 170,189</u>	<u>\$ 95,130</u>	<u>\$ - 0 -</u>	<u>\$ 265,319</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u><u>\$ 253,557</u></u>	<u><u>\$ 135,830</u></u>	<u><u>\$ 124,068</u></u>	<u><u>\$ 265,319</u></u>

Depreciation categorized by department at December 31, 2023, is as follows:

General Government	\$ 16,606
Police Department	<u>12,332</u>
Total	<u><u>\$ 28,938</u></u>

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5. RISK ASSESSMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property, general liability, automobile, boiler and machinery, mobile equipment, law enforcement, crime coverage, errors and omissions and workers compensation coverage. The City, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise, they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 7. VEHICLE LEASE**

On September 26, 2022, the City executed a note with Ally Bank to finance the purchase of a 2022 Chevy Tahoe pick-up. The note bears interest at the rate of 7.84% per annum. The City will make monthly payments of \$1,400.60, beginning September 30, 2022, and ending August 30, 2025.

The following is a summary of transactions regarding leases payable for the fiscal year ended December 31, 2023:

Lease Payable, January 1, 2023	\$	40,626
Less: Principal Retired		14,122
Lease Payable, December 31, 2023	\$	26,504
Lease Payable, Due Within One Year	\$	15,270
Lease Payable, Due After One Year		11,234
Total	\$	26,504

The following is a schedule of future minimum lease payments under the leases payable as of December 31, 2023. These obligations of the District contain a non-appropriation provision.

Fiscal Year	Principal	Interest	Total
2024	\$ 15,270	\$ 1,537	\$ 16,807
2025	11,234	341	11,575
	\$ 26,504	\$ 1,878	\$ 28,382



**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7. VEHICLE LEASE (Continued)**

In accordance with the requirements of GASB Statement No. 87, which was required to be implemented in the current fiscal year. Right-of-use assets, current year amortization expense, and accumulated amortization is summarized below:

	January 1, 2023	Increases	Decreases	December 31, 2023
<b>Right-of-Use Assets Subject to Amortization</b>				
Vehicles and Equipment	\$ 45,094	\$ - 0 -	\$ - 0 -	\$ 45,094
<b>Less Accumulated Amortization</b>				
Vehicles and Equipment	\$ 1,137	\$ 4,509	\$ - 0 -	\$ 5,646
<b>Right-of-Use Assets, Net of Accumulated Amortization</b>	<u>\$ 43,957</u>	<u>\$ (4,509)</u>	<u>\$ - 0 -</u>	<u>\$ 39,448</u>

**NOTE 8. RETIREMENT PLAN**

Plan Description

The City participates as one of 920 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (“TMRS”). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained from TMRS’ website at [www.TMRS.com](http://www.TMRS.com). All eligible employees of the City are required to participate in TMRS. TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within options available in the state statutes governing TMRS.

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8. PENSION PLAN (Continued)**

Benefits Provided

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 payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Vesting and Retirement Eligibility

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. TMRS members vest after five years of service. If a vested member leaves covered employment before reaching retirement eligibility, the member may leave their deposits with TMRS, earn interest on the deposits, and upon reaching age 60, apply for and receive a monthly retirement payment. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

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

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	1
Active employees	5
Total	6

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 the 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.

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8. PENSION PLAN (Continued)**

Contributions (Continued)

Employees for the City were required to contribute 7% of their annual gross earnings during the current fiscal year. The contribution rates for the City were 12.45% for 2022, respectively. The City's contributions to TMRS for the year ended December 31, 2023, were \$42,558 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 actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions: inflation 2.50% per year, overall payroll growth 2.75% per year and an investment rate of return 6.75%, net of pension plan investment expense, including inflation. Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis with Scale UMP.

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

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8. PENSION PLAN (Continued)**

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

*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 by statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

*Changes in Net Pension Liability/(Asset):*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2021	\$ -0-	\$ -0-	\$ -0-
Changes for the year:			
Service Costs	41,350		41,350
Interest (on the Total Pension Liability)	5,240		5,240
Changes of benefit terms	56,955		56,955
Difference between expected and actual experience			
Benefit payments, including refunds of employee contributions			
Contributions - employer		38,520	(38,520)
Contributions - employee		21,747	(21,747)
Net investment income			
Administrative Expense			
Other			
Balances of December 31, 2022	<u>\$ 103,545</u>	<u>\$ 60,267</u>	<u>\$ 43,278</u>

**CITY OF TODD MISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8. PENSION PLAN (Continued)**

*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%	Current	1%
	Decrease	Discount Rate	Increase
	5.75%	6.75%	7.75%
Net Pension Liability/(Asset)	<u>\$ 64,403</u>	<u>\$ 43,278</u>	<u>\$ 25,746</u>

*Pension Plan Fiduciary Net Position:* Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

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

For the measurement year ending December 31, 2022, the City's pension expense was \$81,798.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$	\$
Difference between projected and actual investment earnings		
Contributions by the City subsequent to the measurement date	<u>42,558</u>	
Total	<u>\$ 42,558</u>	<u>\$ - 0 -</u>

\$42,558 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to December 31, 2022 will be recognized as a reduction of the net pension liability for the year ending December 31, 2023.

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**CITY OF TODD MISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2023**





**CITY OF TODD MISSION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Sales Taxes	\$ 600,000	\$ 600,000	\$ 621,471	\$ 21,471
Franchise Fees	44,000	44,000	41,000	(3,000)
Permits and Licenses	58,000	53,000	83,073	30,073
Fines and Forfeitures	35,000	35,000	42,294	7,294
Investment Revenues		8,000	25,419	17,419
Festival Traffic Coordination*		675,000	855,860	180,860
Grant Revenues			456,829	456,829
Other	<u>108,000</u>		<u>9,333</u>	<u>9,333</u>
<b>TOTAL REVENUES</b>	<u>\$ 845,000</u>	<u>\$ 1,415,000</u>	<u>\$ 2,135,279</u>	<u>\$ 720,279</u>
<b>EXPENDITURES</b>				
General Government	\$ 447,170	\$ 437,176	\$ 441,657	\$ (4,481)
Police Department*	327,920	995,920	1,027,519	(31,599)
Municipal Court	30,200	30,200	30,935	(735)
Grant Expenditures			<u>529,900</u>	<u>(529,900)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 805,290</u>	<u>\$ 1,463,296</u>	<u>\$ 2,030,011</u>	<u>\$ (566,715)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 39,710</u>	<u>\$ (48,296)</u>	<u>\$ 105,268</u>	<u>\$ 153,564</u>
<b>FUND BALANCE - JANUARY 1, 2023</b>	<u>421,983</u>	<u>421,983</u>	<u>421,983</u>	
<b>FUND BALANCE - DECEMBER 31, 2023</b>	<u>\$ 461,693</u>	<u>\$ 373,687</u>	<u>\$ 527,251</u>	<u>\$ 153,564</u>

\* The City received \$855,860 to reimburse traffic coordination costs during the current fiscal year.

See accompanying independent auditor's report.

**CITY OF TODD MISSION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Year Ended December 31, 2022
<b>Total Pension Liability</b>	
Service Cost	\$ 41,350
Interest (on the Total Pension Liability)	5,240
Changes of benefit terms	<u>56,955</u>
Net change in total pension liability	\$ 103,545
Total pension liability, beginning	<u>                    </u>
Total pension liability, ending (a)	<u>\$ 103,545</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 38,520
Contributions - employee	<u>21,747</u>
Net Change in plan fiduciary net position	\$ 60,267
Plan Fiduciary net position, beginning	<u>                    </u>
Plan Fiduciary net position, ending (b)	<u>\$ 60,267</u>
<b>Net Pension Liability/(Asset), Ending = (a) - (b)</b>	<u><u>\$ 43,278</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	58.20%
<b>Covered-employee payroll</b>	\$ 310,670
<b>Net pension liability as a percentage of covered employee payroll</b>	13.93%

See accompanying independent auditor's report.

**CITY OF TODD MISSION**  
**SCHEDULE OF CITY CONTRIBUTIONS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM - PENSION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Year Ending December 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2022	\$ 42,558	\$ 42,558	\$ -0-	\$ 352,430	12.08%

\* A full 10-year schedule will be displayed as it becomes available.

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, and become effective in January, 13 months later.
Actuarial Cost Method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	N/A
Asset Valuation Method	10-year, smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information: Notes	There were no benefit changes during the year.

See accompanying independent auditor's report.

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**CITY OF TODD MISSION**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**



**CITY OF TODD MISSION**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**- BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Administration			Variance Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
<b>ADMINISTRATION</b>				
Personnel	\$ 235,170	\$ 246,176	\$ 262,115	\$ (15,939)
Professional Fees:				
Legal	7,500	7,500	5,189	2,311
Audit	12,000	14,000	14,000	
CPA Services	12,000	12,000	575	11,425
Information Technology	7,500	7,500	4,652	2,848
Insurance	16,000	16,000	15,061	939
Maintenance and Repairs	61,000	61,000	69,703	(8,703)
Training	6,500	6,500	2,966	3,534
Utilities	14,000	14,000	10,354	3,646
Supplies, Materials and Operations Costs	75,500	52,500	57,042	(4,542)
<b>TOTAL ADMINISTRATION</b>	<u>\$ 447,170</u>	<u>\$ 437,176</u>	<u>\$ 441,657</u>	<u>\$ (4,481)</u>

	Police Department			Variance Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
<b>POLICE DEPARTMENT</b>				
Personnel	\$ 250,220	\$ 250,220	\$ 251,916	\$ (1,696)
Personnel - Festival Traffic Coordination*		665,000	722,092	(57,092)
Maintenance	32,000	32,000	25,104	6,896
Note Payments	18,000	18,000	16,807	1,193
Materials and Supplies	22,700	25,700	7,173	18,527
Training	5,000	5,000	4,427	573
<b>TOTAL POLICE DEPARTMENT</b>	<u>\$ 327,920</u>	<u>\$ 995,920</u>	<u>\$ 1,027,519</u>	<u>\$ (31,599)</u>

\* The City received \$855,860 to reimburse these costs during the current fiscal year.

	Municipal Court			Variance Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
<b>MUNICIPAL COURT</b>				
Personnel	\$ 7,200	\$ 7,200	11,550	\$ (4,350)
Court Fees	7,500	7,500	17,765	(10,265)
Other Operations Costs	15,500	15,500	1,620	13,880
<b>TOTAL MUNICIPAL COURT</b>	<u>\$ 30,200</u>	<u>\$ 30,200</u>	<u>\$ 30,935</u>	<u>\$ (735)</u>

See accompanying independent auditor's report.

