

**CITY OF WHEELER, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR YEAR ENDED  
MARCH 31, 2024**

**CITY OF WHEELER, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR YEAR ENDED MARCH 31, 2024**

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**CITY OF WHEELER, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR YEAR ENDED MARCH 31, 2024**

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**PART I**

**INTRODUCTORY SECTION**

**CITY OF WHEELER, TEXAS**  
**PRINCIPAL CITY OFFICIALS**  
**MARCH 31, 2024**

Dan Sams	Mayor
Kelli Hampton	Mayor Pro-tem / Council Member, Place #1
Camden Dorris	Council Member, Place #2
Bryan Markham	Council Member, Place #3
Amy Zybach	Council Member, Place #4
Tracy Tignor	Council Member, Place #5
Stephanie Alvarado	City Secretary
Stefanie Jones	City Clerk

**PART II**  
**FINANCIAL SECTION**



To The Honorable City Mayor and  
Council Members Comprising the  
City Council of  
City of Wheeler, Texas

## INDEPENDENT AUDITORS' REPORT

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheeler, Texas, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Wheeler, Texas'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheeler, Texas, as of March 31, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wheeler, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' 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 of Wheeler, Texas'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 of Wheeler, Texas'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 Budgetary Comparison Schedule, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions, and the Schedule of Changes in Total OPEB Liability on pages 39 – 44 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.

The City has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The MD&A, 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. The independent auditors' opinion is not affected by the omission of the MD&A.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wheeler, Texas's basic financial statements. The combining non-major fund financial statements listed under other supplementary information in the accompanying table of contents are presented for the 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*DOSHIER, PICKENS & FRANCIS, L.L.C.*

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

June 27, 2024

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WHEELER, TEXAS**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,003,709	\$ 746,099	\$ 2,749,808	\$ 409,702
Accounts receivable, net	18,213	53,443	71,656	-
Taxes receivable, net	47,233	-	47,233	-
Due from component unit	3,940	-	3,940	-
Due from other governments	73,443	3,150	76,593	-
Prepaid expenses	5,234	-	5,234	-
Leases receivable:				
Due within one year	28,515	-	28,515	-
Due in more than one year	153,874	-	153,874	-
Restricted assets:				
Customer deposits	-	99,367	99,367	-
Capital assets net of of accumulated depreciation	2,412,802	5,297,505	7,710,307	-
Total assets	4,746,963	6,199,564	10,946,527	409,702
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions	15,309	14,490	29,799	8,274
Pension economic/demographic losses	16,109	15,247	31,356	8,707
Pension deficient earnings	37,032	35,051	72,083	20,015
Pension changes in assumptions	1,267	1,199	2,466	685
OPEB contributions	258	244	502	139
OPEB economic/demographic losses	226	214	440	122
OPEB changes in assumptions	1,743	1,650	3,393	942
Total deferred outflows of resources	71,944	68,095	140,039	38,884

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

**CITY OF WHEELER, TEXAS**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2024**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>LIABILITIES</b>				
Accounts payable	\$ 20,664	\$ 11,312	\$ 31,976	\$ 3,566
Due to primary government	-	-	-	3,940
Accrued interest	5,897	695	6,592	-
Customer deposits	-	99,367	99,367	-
Noncurrent liabilities:				
Due within one year	367,000	51,378	418,378	-
Due in more than one year	1,170,000	110,923	1,280,923	-
Net pension liability	69,296	65,589	134,885	37,453
Other post-employment benefit liability	9,522	9,012	18,534	5,146
Total liabilities	<u>1,642,379</u>	<u>348,276</u>	<u>1,990,655</u>	<u>50,105</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	179,451	-	179,451	-
Pension economic/demographic gains	2,105	1,993	4,098	1,138
OPEB economic/demographic gains	438	414	852	237
OPEB assumption changes	4,138	3,917	8,055	2,236
Total deferred inflows of resources	<u>186,132</u>	<u>6,324</u>	<u>192,456</u>	<u>3,611</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,412,802	5,135,204	6,011,006	-
Restricted:				
Tourism and community attractions	103,705	-	103,705	-
Street maintenance	54,618	-	54,618	-
Capital projects	2,699	-	2,699	-
Debt service	45,074	-	45,074	-
Unrestricted	<u>371,498</u>	<u>777,855</u>	<u>2,686,353</u>	<u>394,870</u>
Total net position	<u>\$ 2,990,396</u>	<u>\$ 5,913,059</u>	<u>\$ 8,903,455</u>	<u>\$ 394,870</u>

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

**CITY OF WHEELER, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
Administrative	\$ 282,687	\$ 45,652	\$ -	\$ 17,500
Judicial	7,200	300	2,433	-
Airport	839	-	-	-
Park	25,597	40	-	-
Swimming pool	129,384	10,216	-	-
Library	69,060	-	2,855	-
Fire department	29,927	-	-	-
Highways and streets	202,803	-	-	-
Culture and recreation	20,038	-	-	-
Animal control	3,200	-	-	-
Interest on long-term debt	59,131	-	-	-
Total governmental activities	<u>829,866</u>	<u>56,208</u>	<u>5,288</u>	<u>17,500</u>
Business-type activities:				
Water and sewer	684,712	429,058	-	-
Sanitation	231,214	215,731	-	-
Total business-type activities	<u>915,926</u>	<u>644,789</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 1,745,792</u>	<u>\$ 700,997</u>	<u>\$ 5,288</u>	<u>\$ 17,500</u>
<b>Component Unit</b>				
Wheeler Economic Development Corporation	\$ 179,517	\$ -	\$ -	\$ -
Total component unit	<u>\$ 179,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**General revenues:**

Taxes:

Property taxes  
Property taxes, levied for debt service  
Sales tax  
Franchise taxes  
Hotel tax

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (219,535)	\$	\$ (219,535)	\$
(4,467)		(4,467)	
(839)		(839)	
(25,557)		(25,557)	
(119,168)		(119,168)	
(66,205)		(66,205)	
(29,927)		(29,927)	
(202,803)		(202,803)	
(20,038)		(20,038)	
(3,200)		(3,200)	
<u>(59,131)</u>		<u>(59,131)</u>	
<u>(750,870)</u>		<u>(750,870)</u>	
	(255,654)	(255,654)	
	<u>(15,483)</u>	<u>(15,483)</u>	
	<u>(271,137)</u>	<u>(271,137)</u>	
<u>(750,870)</u>	<u>(271,137)</u>	<u>(1,022,007)</u>	
			<u>(179,517)</u>
			<u>(179,517)</u>
388,903	-	388,903	-
107,544	-	107,544	-
265,362	-	265,362	106,301
53,973	-	53,973	-
15,136	-	15,136	-
111,124	51,315	162,439	24,280
14,544	21,462	36,006	2,230
<u>102,000</u>	<u>(102,000)</u>	<u>-</u>	<u>-</u>
<u>1,058,586</u>	<u>(29,223)</u>	<u>1,029,363</u>	<u>132,811</u>
307,716	(300,360)	7,356	(46,706)
<u>2,682,680</u>	<u>6,213,419</u>	<u>8,896,099</u>	<u>441,576</u>
<u>\$ 2,990,396</u>	<u>\$ 5,913,059</u>	<u>\$ 8,903,455</u>	<u>\$ 394,870</u>

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

**CITY OF WHEELER, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2024**

	<u>General</u>	<u>Debt Service</u>	<u>Non-major Governmental</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,824,633	\$ 42,172	\$ 136,904	\$ 2,003,709
Accounts receivables, net	15,993	-	2,220	18,213
Taxes receivable, net	47,233	-	-	47,233
Due from component unit	3,940	-	-	3,940
Due from other governments	70,541	2,902	-	73,443
Prepaid expenditures	5,234	-	-	5,234
	<u>\$ 1,967,574</u>	<u>\$ 45,074</u>	<u>\$ 139,124</u>	<u>\$ 2,151,772</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 20,505	\$ -	\$ 159	\$ 20,664
	<u>20,505</u>	<u>-</u>	<u>159</u>	<u>20,664</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	30,891	-	-	30,891
	<u>30,891</u>	<u>-</u>	<u>-</u>	<u>30,891</u>
<b>FUND BALANCES</b>				
Non-spendable:				
Prepaid expenditures	5,234	-	-	5,234
Restricted:				
Tourism and community attractions	-	-	103,705	103,705
Street maintenance	54,618	-	-	54,618
Debt service	-	45,074	-	45,074
Capital projects	-	-	2,699	2,699
Committed:				
Special projects	-	-	32,561	32,561
Capital replacement	83,000	-	-	83,000
Unassigned	1,773,326	-	-	1,773,326
	<u>1,916,178</u>	<u>45,074</u>	<u>138,965</u>	<u>2,100,217</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,967,574</u>	<u>\$ 45,074</u>	<u>\$ 139,124</u>	<u>\$ 2,151,772</u>

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



**CITY OF WHEELER, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUND TO THE STATEMENT OF NET POSITION**  
**MARCH 31, 2024**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental fund	\$ 2,100,217
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	2,412,802
Certain accounts receivable are not available to pay for current-period expenditures and, therefore, are shown as unavailable revenues in the fund financial statements.	30,891
Long-term assets are not due and receivable in the current period and therefore are not reported in the funds.	
Leases receivable	182,389
Pension and OPEB contributions paid after the measurement date, December 31, 2022, and before March 31, 2024 are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements.	
Pension contributions	15,309
OPEB contributions	258
Pension losses, deficient earnings, and changes in assumptions are shown as deferred outflows of resources in the government-wide financial statements.	
Pension economic/demographic losses	16,109
Pension deficient earnings	37,032
Pension changes in assumptions	1,267
OPEB economic/demographic losses	226
OPEB changes in assumptions	1,743
Pension gains, excess earnings, and changes in assumptions as well as leases are shown as deferred inflows of resources in the government-wide financial statements.	
Pension economic/demographic gains	(2,105)
OPEB economic/demographic gains	(438)
OPEB changes in assumptions	(4,138)
Leases	(179,451)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:	
Bonds payable	(1,537,000)
Accrued interest payable	(5,897)
Net pension liability	(69,296)
Other post-employment benefit liability	(9,522)
Net position - governmental activities	\$ 2,990,396

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

**CITY OF WHEELER, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	<u>General</u>	<u>Debt Service</u>	<u>Non-major Governmental</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 386,545	\$ 107,544	\$ -	\$ 494,089
Sales tax	265,362	-	-	265,362
Franchise taxes	53,973	-	-	53,973
Hotel tax	-	-	15,136	15,136
Licenses and fees	45,416	-	10,216	55,632
Fines and forfeitures	130	-	-	130
Intergovernmental	17,500	-	4,833	22,333
Investment earnings	94,710	4,832	11,582	111,124
Miscellaneous	12,742	1,733	524	14,999
	<u>876,378</u>	<u>114,109</u>	<u>42,291</u>	<u>1,032,778</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	255,111	-	7,500	262,611
Judicial	7,200	-	-	7,200
Public facilities				
Airport	488	-	-	488
Park	3,057	-	-	3,057
Swimming pool	-	-	57,774	57,774
Library	-	-	64,210	64,210
Public safety				
Fire department	22,927	-	-	22,927
Highways and streets	153,739	-	-	153,739
Public services				
Culture and recreation	1,790	-	18,249	20,039
Animal control	3,200	-	-	3,200
Debt Service:				
Principal	-	356,000	-	356,000
Interest and other charges	-	57,850	-	57,850
Capital Outlay	162,160	-	-	162,160
	<u>609,672</u>	<u>413,850</u>	<u>147,733</u>	<u>1,171,255</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>266,706</u>	<u>(299,741)</u>	<u>(105,442)</u>	<u>(138,477)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	65,603	300,000	114,986	480,589
Transfers out	(312,986)	-	(65,603)	(378,589)
	<u>(247,383)</u>	<u>300,000</u>	<u>49,383</u>	<u>102,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	19,323	259	(56,059)	(36,477)
<b>FUND BALANCES - BEGINNING</b>	<u>1,896,855</u>	<u>44,815</u>	<u>195,024</u>	<u>2,136,694</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,916,178</u>	<u>\$ 45,074</u>	<u>\$ 138,965</u>	<u>\$ 2,100,217</u>

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

**CITY OF WHEELER, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net change in fund balances - total governmental fund	\$ (36,477)
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p> <p>This is the amount by which capital outlays, \$162,160 were exceeded by depreciation, \$165,753 in the current period.</p>	
	(3,593)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenue.</p>	
	2,358
<p>Net effect of lease transactions</p>	
	446
<p>In the Statement of Net Position, incurring debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayments of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.</p> <p>Principal repayments:</p> <p style="padding-left: 20px;">Certificates of obligation</p>	
	356,000
<p>Some expenses reported in the Statement of Activities that do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>	
Accrued interest on debt, net change	(1,280)
Deferred outflows of resources:	
Pension	29,859
OPEB	(755)
Deferred inflows of resources:	
Pension	40,101
OPEB	(3,620)
Net pension asset, net change	(10,990)
Net pension liability, net change	(69,296)
Total OPEB liability, net change	4,963
	4,963
Change in net position - governmental activities	\$ 307,716

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

**CITY OF WHEELER, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**MARCH 31, 2024**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Total Enterprise Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 457,203	\$ 288,896	\$ 746,099
Restricted cash - customer deposits	99,367	-	99,367
Receivables, net	52,659	784	53,443
Due from other governments	3,150	-	3,150
	<u>612,379</u>	<u>289,680</u>	<u>902,059</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Land	190,112	-	190,112
Water rights	198,239	-	198,239
Buildings and improvements	194,673	-	194,673
Equipment	781,334	891,532	1,672,866
Infrastructure	6,132,802	109,856	6,242,658
Less accumulated depreciation	<u>(2,651,433)</u>	<u>(549,610)</u>	<u>(3,201,043)</u>
	<u>4,845,727</u>	<u>451,778</u>	<u>5,297,505</u>
Total noncurrent assets			
	<u>5,458,106</u>	<u>741,458</u>	<u>6,199,564</u>
Total assets			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions	14,490	-	14,490
Pension economic/demographic losses	15,247	-	15,247
Pension deficient earnings	35,051	-	35,051
Pension assumption changes	1,199	-	1,199
OPEB contributions	244	-	244
OPEB economic/demographic losses	214	-	214
OPEB assumption changes	1,650	-	1,650
	<u>68,095</u>	<u>-</u>	<u>68,095</u>
Total deferred outflows of resources			

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

**CITY OF WHEELER, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**MARCH 31, 2024**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Total Enterprise Funds</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 8,272	\$ 3,040	\$ 11,312
Accrued interest	-	695	695
Customer deposits	99,367	-	99,367
Note payable - current	-	51,378	51,378
	<u>107,639</u>	<u>55,113</u>	<u>162,752</u>
Noncurrent liabilities:			
Net pension liability	65,589	-	65,589
Other post-employment benefits obligation	9,012	-	9,012
Note payable	-	110,923	110,923
	<u>74,601</u>	<u>110,923</u>	<u>185,524</u>
Total liabilities	<u>182,240</u>	<u>166,036</u>	<u>348,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension economic/demographic gains	1,993	-	1,993
OPEB economic/demographic gains	414	-	414
OPEB assumption changes	3,917	-	3,917
	<u>6,324</u>	<u>-</u>	<u>6,324</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,845,727	289,477	5,135,204
Unrestricted	491,910	285,945	777,855
Total net position	<u>\$ 5,337,637</u>	<u>\$ 575,422</u>	<u>\$ 5,913,059</u>

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

**CITY OF WHEELER, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Total Enterprise Funds</u>
<b>OPERATING REVENUES:</b>			
Charges for Sales and Services:			
Water sales	\$ 303,935	\$ -	\$ 303,935
Sewer charges	125,123	-	125,123
Sanitation charges	-	215,731	215,731
Miscellaneous	11,618	9,844	21,462
	<u>440,676</u>	<u>225,575</u>	<u>666,251</u>
Total operating revenues			
<b>OPERATING EXPENSES:</b>			
Salaries and wages	114,888	33,615	148,503
Employee taxes and benefits	61,097	15,616	76,713
Professional fees	-	74,032	74,032
Departmental expenses	161,618	13,964	175,582
Supplies	68,999	-	68,999
Depreciation	258,422	77,141	335,563
Other operating expenses	19,688	5,882	25,570
	<u>684,712</u>	<u>220,250</u>	<u>904,962</u>
Total operating expenses			
<b>OPERATING INCOME (LOSS)</b>	<u>(244,036)</u>	<u>5,325</u>	<u>(238,711)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Investment earnings	34,486	16,829	51,315
Interest and fiscal charges	-	(10,964)	(10,964)
	<u>34,486</u>	<u>5,865</u>	<u>40,351</u>
Total non-operating revenues (expenses)			
<b>INCOME BEFORE TRANSFERS</b>	(209,550)	11,190	(198,360)
<b>TRANSFERS</b>	<u>(102,000)</u>	<u>-</u>	<u>(102,000)</u>
<b>CHANGE IN NET POSTION</b>	(311,550)	11,190	(300,360)
<b>NET POSITION - BEGINNING</b>	<u>5,649,187</u>	<u>564,232</u>	<u>6,213,419</u>
<b>NET POSITION - ENDING</b>	<u>\$ 5,337,637</u>	<u>\$ 575,422</u>	<u>\$ 5,913,059</u>

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

**CITY OF WHEELER, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2024**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Sanitation	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 439,328	\$ 224,791	\$ 664,119
Payments to employees for salaries and benefits	(166,218)	(49,232)	(215,450)
Payments to suppliers and service providers	(249,196)	(107,608)	(356,804)
Net cash provided by operating activities	<u>23,914</u>	<u>67,951</u>	<u>91,865</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers (to) / from other funds	<u>(102,000)</u>	<u>-</u>	<u>(102,000)</u>
Net cash used by noncapital financing activities	<u>(102,000)</u>	<u>-</u>	<u>(102,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on capital debt	-	(109,394)	(109,394)
Interest paid on capital debt	-	(10,269)	(10,269)
Acquisition or construction of capital assets	<u>(57,272)</u>	<u>-</u>	<u>(57,272)</u>
Net cash used for capital and related financing activities	<u>(57,272)</u>	<u>(119,663)</u>	<u>(176,935)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>34,486</u>	<u>16,829</u>	<u>51,315</u>
Net cash provided by investing activities	<u>34,486</u>	<u>16,829</u>	<u>51,315</u>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>(100,872)</b>	<b>(34,883)</b>	<b>(135,755)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING (including restricted amounts)</b>	<u>657,442</u>	<u>323,779</u>	<u>981,221</u>
<b>CASH AND CASH EQUIVALENTS, ENDING, (including restricted amounts)</b>	<u><u>\$ 556,570</u></u>	<u><u>\$ 288,896</u></u>	<u><u>\$ 845,466</u></u>

Continued

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

**CITY OF WHEELER, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2024**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Sanitation	Total Enterprise Funds
Continuation			
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (244,036)	\$ 5,325	\$ (238,711)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation and amortization	258,422	77,141	335,563
Change in allowance for doubtful accounts	(300)	-	(300)
(Increase) decrease in operating assets and deferred outflows of resources			
Accounts receivable	(2,827)	(784)	(3,611)
Deferred outflows of resources - pension and OPEB	(33,711)	-	(33,711)
Net pension asset	8,821	-	8,821
Increase (decrease) in operating liabilities and deferred inflows of resources			
Accounts payable	1,109	(12,453)	(11,344)
Due to other governments	-	(1,278)	(1,278)
Net pension and total OPEB liabilities	62,975	-	62,975
Customer deposits	1,779	-	1,779
Deferred inflows of resources - pension and OPEB	(28,318)	-	(28,318)
Net cash provided by operating activities	\$ 23,914	\$ 67,951	\$ 91,865
<b>SCHEDULE OF NON-CASH CAPITAL ACTIVITIES:</b>			
Capital assets purchased with note payable	\$ -	\$ 271,695	\$ 271,695
	\$ -	\$ 271,695	\$ 271,695

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



**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Wheeler, Texas (City) are prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the City are described in the following notes to the financial statements.

**A. Financial Reporting Entity**

The City was incorporated in 1925. The City Council, which is made up of five Council Members and the Mayor, is the general governing body of the City. The City provides the following services as authorized by the statutes of the State of Texas: administrative (e.g., tax collection), judicial (municipal court), public safety (police and fire departments), road and bridge, public facilities (swimming pool and park), and public services (e.g. animal control, etc.).

***Discretely presented component unit***

In 1998, the Wheeler Economic Development Corporation was incorporated by the State of Texas. The purpose of the corporation is to promote and develop industrial, manufacturing, and retail enterprises, and to promote and develop new and expanded business enterprises, and to promote and encourage employment and the public welfare of the City. The board of directors is appointed by the City Council. The Corporation's revenues are derived from a portion of the City's sales tax collections.

**B. Government-Wide and Fund Financial Statements**

Government-Wide Statements

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. The effect of inter-fund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and inter-governmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund-Level Statements

Separate **fund financial statements** are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund meets criteria as a **major governmental fund**. Each major fund is reported in separate columns in the fund financial statements.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continuation**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Revenues are classified as *program revenues* and *general revenues*. Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, investment earnings, and other miscellaneous revenues.

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

**Governmental fund level financial statements** are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue.

Revenues susceptible to accrual include property taxes, fines, forfeitures, licenses, interest income, and charges for services and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Inter-fund eliminations have not been made in the fund financial statements.

Expenditures generally are recorded when a fund liability is incurred; however, expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property, sales, and franchise taxes, intergovernmental revenues and investment of idle funds. Primary expenditures are for administrative, judicial, public facilities, public safety, highways and streets, public services, and capital acquisition.

The **Debt Service Fund** accounts for the accumulation and disbursement of resources associated with the City's debt obligations. Property taxes and interest income provide the resources necessary to pay the annual principal and interest payments.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operations of the water and sewer utilities furnished by the City to its residents.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continuation**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continuation**

The **Sanitation Fund** accounts for the operations of the solid waste disposal services furnished by the City to its residents.

Additionally, the City reports the following non-major fund types:

The **Special Revenue Funds** account for the proceeds of specific revenue sources that are committed by the City Council to expenditures for specified purposes.

**D. Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and deposits within public fund investment pools as well as investments in certificates of deposits with an original maturity of 90 days or less. Statutes authorize the City to keep funds in demand deposits, time deposits, or securities of the United States. The City's custodial banks are required to pledge for the purpose of securing City funds, securities of the following kind, in an amount equal to the amount of such City funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes.

The City is required by Government Code Chapter 2256, the Public Funds Investment Act ("Act"), to adopt and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment policies. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that in area of investment practices, management has established and reports appropriate policies. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

**2. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**2. Receivables and Payables – Continuation**

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables revenues at the time all eligibility requirements established by the provider have been met.

All accounts receivable for the Utility Fund are shown net of an allowance for uncollectible accounts. The allowance would be comprised of balances in excess of 90 days in addition to specifically identified accounts that will probably be uncollectible. At March 31, 2024 the allowance for uncollectible accounts was \$9,500.

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

**3. Property Tax Calendar and Revenues**

Property taxes are based on taxable value at January 1 and become due October 1 and past due after January 31 of the following year. Tax collections after February 1 are treated as late payments and are subject to penalty and interest. Uncollected taxes from the current tax roll become delinquent on July 1 and are subject to additional penalties and interest. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statements based on the full accrual method of accounting. Property tax receivables for prior years' levies are shown net of an allowance for uncollectible accounts of \$44,228.

**4. Capital Assets**

Capital assets, which include land, buildings and improvements, infrastructure, and equipment, are reported in the government-wide financial statements. Infrastructure (e.g. water/wastewater transmission lines, streets, and facilities) and equipment are reported in the Water and Sewer Fund and in the business-type activities column in the government-wide financial statements. According to the City's capitalization policy, capital assets are defined as individual assets (or systems of assets) having a cost of \$5,000 or more and an estimated useful life in excess of two years. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**4. Capital Assets – Continuation**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated lives:

Buildings and improvements	25 - 50 years
Infrastructure	25 years
Machinery and equipment	10 years
Office equipment	5 years

**5. Compensated Absences**

A liability for unused vacation time for all full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

Regular full-time employees are entitled to sick leave of ten days per year. Sick leave does not carryover from year to year.

Regular full-time employees are entitled to vacation of up to two weeks after 12 months of employment, three weeks after five years of service, and four weeks after fifteen years of service. Vacation time earned, but not taken, is paid upon termination, but cannot be accumulated beyond on calendar year. The vacation accrual is immaterial to the financial statements, and therefore has not been recorded on the government-wide financial statements.

**6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. On the bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are 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.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**7. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has several items that qualify for reporting in this category. They are the contributions and other items related to the City’s pension and OPEB plans reported in the government-wide and proprietary statements of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has multiple items that qualify for reporting in this category. One item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The City reports unavailable revenues from property taxes and municipal court receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are related to the City’s pension and other postemployment benefit plans reported in the government-wide statement of net position.

**8. Pensions and Other Post-Employment Benefits**

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s Texas Municipal Retirement System Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the other post-employment benefit (OPEB) asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s Texas Municipal Retirement System Supplemental Death Plan and the Texas Municipal League Health Benefits Plan, and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**9. Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

**Non-spendable Fund Balance** – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**Restricted Fund Balance** – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

**Committed Fund Balance** – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

**Assigned Fund Balance** – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (budget, finance committee, or City Official) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted or committed.

**Unassigned Fund Balance** – this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

**10. Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three categories.

**Net Investment in Capital Assets** – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Per GASB Statement No. 34, the calculation of the net investment in capital assets is made separately for each column presented on the Statement of Net Position. This means that the City’s Certificates of Obligation, Series 2013 and the corresponding unspent bond proceeds are not considered part of the net investment in capital assets under the Governmental Activities column because the related capital assets are being reported under the Business-Type Activities column. Therefore, under the Total Column the debt, the unspent proceeds and the capital assets are combined in the calculation of net investment in capital assets. This multi-step calculation causes the columns to not cross-foot with each other.

**Restricted Net Position** – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

**Unrestricted Net Position** – This amount includes all net position amounts that do not meet the definition of “net investment in capital assets” or “restricted net position.”

**11. Fund Balance Policies**

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

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**11. Fund Balance Policies – Continuation**

Committed fund balance amounts may be used for other purposes with appropriate action by the City Council to either modify or rescind a fund balance commitment. Commitments are typically done through adoption and amendment of the budget.

The City’s highest level of decision-making authority is the City Council. The Council has not yet delegated the authority to assign fund balance amounts to a specific individual nor does it have a policy to authorize the assignment of fund balances outside the Council.

**12. Income Taxes**

The Wheeler Economic Development Corporation (Component Unit) has filed with the Internal Revenue Service to be treated as an exempt organization under IRC section 501(c)(3), except to the extent on any unrelated business income.

The Component Unit follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. Management has considered the tax positions and believes that all of the positions taken in its respective federal exempt organization return are more likely-than-not to be sustained upon examination.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In February, the City Council holds a Budget Workshop to discuss and prepare a proposed budget for the new fiscal year that begins in April.
2. The City Council provides for a public hearing on the City budget at the March Council meeting which is held on the 3<sup>rd</sup> Monday of the month. At this hearing, the budget is legally adopted by order of the City Council for all funds.
3. The budget is prepared by fund and department during the Budget. Administrative control is maintained through the establishment of more detailed account or object class budgets within the departments. Emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget, whereby total expenditures of a department have been increased must be authorized by the Council as emergency amendments to the original budget. Management may not amend the budget at any level without approval of the City Council. The Council has the authority to make such changes in the budget based on its judgment of facts, if the law warrants a change, and the interest of the taxpayers demand, provided the amounts budgeted for the current expenditures from the various funds for the City do not exceed appropriations, including fund balances from the prior fiscal periods. Amounts shown in the financial statements represent the original budget amounts and all supplemental appropriations. Supplemental appropriations to the original adopted budget are in the Final Budget Amounts column of the Budgetary Comparison Schedule for all city accounts.

Continued



**CITY OF WHEELER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information** – Continuation

4. Budgets for City funds are adopted on a basis consistent with GAAP on the modified accrual basis of accounting on an annual basis
5. Formal budgetary integration on an annual basis is employed as a management control device during the year for the General Fund and all other funds of the City.
6. All appropriations lapse at the end of the City's fiscal year and may be re-budgeted the next year.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Following is a reconciliation of the City’s cash and deposit balances as of March 31, 2024:

Cash and deposit balances consist of:

Cash on hand	\$	450
Bank deposits		3,258,427
		3,258,427
Total	\$	3,258,877

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Assets:

Governmental activities:

Unrestricted	\$	2,003,709
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Business-type activities:

Unrestricted		746,099
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Restricted		99,367
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Component units:

Unrestricted		409,702
		409,702

Total	\$	3,258,877
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**Custodial credit risk – deposits.** As of March 31, 2024, the carrying amount of the City's deposits with financial institutions was \$3,258,427 and the bank's balance was \$3,291,080. Of the bank balance, \$250,000 was insured through the Federal Depository Insurance Corporation (FDIC) and the remaining \$3,041,080 was collateralized with securities held by the pledging institution’s agent in the City’s name.

**Interest rate risk** is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The City manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts, or in certificates of deposit with weighted average maturities of one year or less.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS – Continuation**

**Credit risk** is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

**Concentration of credit risk** is the risk of loss attributed to the magnitude of a government’s investment in a single insurer. As of March 31, 2024, 100% of the City’s carrying value of cash was deposited with the City’s depository bank and was adequately secured as described above.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers / Reclassifications	Ending Balances
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 104	\$ -	\$ -	\$ -	\$ 104
Construction in progress	22,282	162,160	-	(166,942)	17,500
<b>Total capital assets, not being depreciated</b>	<b>22,386</b>	<b>162,160</b>	<b>-</b>	<b>(166,942)</b>	<b>17,604</b>
Capital assets, being depreciated:					
Buildings and improvements	2,179,284	-	-	166,942	2,346,226
Furniture and equipment	433,292	-	-	-	433,292
Infrastructure	3,760,091	-	-	-	3,760,091
<b>Total capital assets, being depreciated</b>	<b>6,372,667</b>	<b>-</b>	<b>-</b>	<b>166,942</b>	<b>6,539,609</b>
Less accumulated depreciation for:					
Buildings and improvements	(730,560)	(86,598)	-	-	(817,158)
Furniture and equipment	(333,638)	(22,055)	-	-	(355,693)
Infrastructure	(2,914,460)	(57,100)	-	-	(2,971,560)
<b>Total accumulated depreciation</b>	<b>(3,978,658)</b>	<b>(165,753)</b>	<b>-</b>	<b>-</b>	<b>(4,144,411)</b>
<b>Total capital assets, being depreciated, net</b>	<b>2,394,009</b>	<b>(165,753)</b>	<b>-</b>	<b>166,942</b>	<b>2,395,198</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 2,416,395</b>	<b>\$ (3,593)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,412,802</b>

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 4 – CAPITAL ASSETS – Continuation**

Depreciation expense for the year ended March 31, 2024 was charged to the functions/programs of the primary government as follows:

Administrative	\$ 12,376
Public facilities	97,314
Fire department	7,000
Highways and streets	<u>49,063</u>
Total depreciation expense governmental activities	<u>\$ 165,753</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers / Reclassifications</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 190,112	\$ -	\$ -	\$ -	\$ 190,112
Total capital assets, not being depreciated	<u>190,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,112</u>
Capital assets, being depreciated:					
Buildings and improvements	194,673	-	-	-	194,673
Furniture and equipment	1,343,899	328,967	-	-	1,672,866
Infrastructure	6,242,658	-	-	-	6,242,658
Water rights	<u>198,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,239</u>
Total capital assets, being depreciated	<u>7,979,469</u>	<u>328,967</u>	<u>-</u>	<u>-</u>	<u>8,308,436</u>
Less accumulated depreciation for:					
Buildings and improvements	(141,027)	(2,679)	-	-	(143,706)
Furniture and equipment	(982,015)	(105,484)	-	-	(1,087,499)
Infrastructure	(1,722,224)	(219,470)	-	-	(1,941,694)
Water rights	<u>(20,214)</u>	<u>(7,930)</u>	<u>-</u>	<u>-</u>	<u>(28,144)</u>
Total accumulated depreciation	<u>(2,865,480)</u>	<u>(335,563)</u>	<u>-</u>	<u>-</u>	<u>(3,201,043)</u>
Total capital assets, being depreciated, net	<u>5,113,989</u>	<u>(6,596)</u>	<u>-</u>	<u>-</u>	<u>5,107,393</u>
Business-type activities capital assets, net	<u>\$ 5,304,101</u>	<u>\$ (6,596)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,297,505</u>

Continued

**CITY OF WHEELER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024**

**NOTE 4 – CAPITAL ASSETS – Continuation**

Depreciation expense for the year ended March 31, 2024 was charged to the functions/programs of the business-type activities of the primary government as follows:

Business-type activities:	
Water/sewer	\$ 258,422
Sanitation	<u>77,141</u>
Total depreciation expense business-type activities	<u>\$ 335,563</u>

**NOTE 5 – PROPERTY TAX**

The State of Texas Constitutional tax rate limit for both operations and debt service is \$1.50 on each \$100 of assessed valuation. The tax rate on the 2023 tax roll was \$.676491 per \$100, which means that the City has a tax margin of \$.823509 per \$100 and could raise up to \$609,780 additional revenue from the 2023 assessed valuation of \$74,046,530 before the limit is reached.

Real and personal property values are assessed for the period January 1 to December 31, as of January 1 at which date property taxes attach as an enforceable lien on property. Taxes are levied by October 1 of the current year and are collected from October 1 to June 30 of the following year. Payments received after February 1 are considered late and are subject to penalty and interest. Taxes become delinquent on July 1 of the following year.

**NOTE 6 – RETIREMENT PLAN**

*Plan Description:*

The City provides pension benefits for all of its full-time employees, other than firemen, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations for of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from TMRS’ website at [www.TMRS.com](http://www.TMRS.com).

*Benefits Provided:*

The plan provisions are adopted by the governing body of the City (employer), within the options available in the Texas state statutes governing TMRS. Members can retire at ages 60 and above with 5 or more years of service (10 years in some cities) or with 20-25 years of service regardless of age (depending on the city’s plan chosen). Members are vested after 5 years of service (10 years for some cities).

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 6 – RETIREMENT PLAN – Continuation**

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the City within the actuarial constraints imposed by TMRS so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by TMRS.

*Employees Covered by Benefit Terms:*

At December 31, 2022, 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	5
Active employees	6

*Contributions:*

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2022 valuation will determine the contribution rate beginning January 1, 2024).

The City contributed using the actuarially determined rate of 10.38% for the months of the accounting year in 2023 and 10.83% for the months of the accounting year in 2024, respectively. The contribution rate payable by the employee members is 5.0% for fiscal year 2024 as adopted by the governing body of the City. The employee contribution rate and the employer contribution rate may be changed by the governing body of the City.

*Net Pension Liability:*

The City's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 6 – RETIREMENT PLAN – Continuation**

*Actuarial Assumptions:*

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial assumptions that determined the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2014 – December 31, 2018, except where required to be different by GASB 68.

*Discount Rate:*

The discount rate used to measure the total pension liability was 6.75%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 6 – RETIREMENT PLAN – Continuation**

*Discount Rate: – Continuation*

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternatives methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under TMRS.

1. TMRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under TMRS, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 6 – RETIREMENT PLAN – Continuation**

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2021	\$ 1,473,445	\$ 1,498,729	\$ (25,284)
Changes for the year:			
Service cost	32,588	-	32,588
Interest on total pension liability	97,804	-	97,804
Difference between expected and actual experience	(2,868)	-	(2,868)
Changes of assumptions	-	-	-
Benefit payments/refunds of employee contributions	(81,576)	(81,576)	-
Contributions - employee	-	25,255	(25,255)
Contributions - employer	-	13,681	(13,681)
Net investment income	-	(109,218)	109,218
Administrative expenses	-	(947)	947
Other	-	1,131	(1,131)
Balances as of December 31, 2022	\$ 1,519,393	\$ 1,347,055	\$ 172,338
Plan fiduciary net position as a percentage of the total pension liability:			88.66%
Covered employee payroll:			\$ 273,618
Net pension liability as a percentage of covered employee payroll:			62.98%

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 / (asset) 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 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Net pension liability / (asset)	\$ 369,943	\$ 172,338	\$ 9,824

Continued



**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 6 – RETIREMENT PLAN – Continuation**

*Pension Expense / (Income):*

	January 1, 2022 to December 31, 2022
Total service cost	\$ 32,588
Interest on total pension liability	97,804
Employee contributions (reduction of expenses)	(13,681)
Projected earnings on plan investments (reduction of expenses)	(101,164)
Administrative expenses	947
Other changes in fiduciary net position	(1,131)
Recognition of current year deferred (inflows)/outflows of resources - liabilities	(450)
Recognition of current year deferred (inflows)/outflows of resources - assets	42,077
Amortization of prior year deferred (inflows)/outflows of resources - liabilities	13,297
Amortization of prior year deferred (inflows)/outflows of resources - assets	(15,344)
 Total pension expense	 \$ 54,943

*Deferred Inflows / Outflows of Resources:*

As of March 31, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 5,236	\$ 40,063
Changes of assumptions	-	3,151
Net difference between projected and actual earnings	-	92,098
Contributions made subsequent to measurement date	N/A	38,073

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense in the future actuarial valuation years as follows:

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

Year ended December 31:

2023	\$ 15,267
2024	33,522
2025	33,532
2026	48,372
2027	(450)
Thereafter	(167)

**CITY OF WHEELER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024**

**NOTE 7 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS**

*Plan Description*

The City also participates in the cost sharing multiple-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 SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

*Plan Benefits*

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (“OPEB”) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated). The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

*Employees Covered by Benefit Terms*

At December 31, 2022, 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	2
Active employees	6

*Total OPEB Liability*

The City’s total OPEB liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:*

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 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.

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 7 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS** – Continuation

For calculating the OPEB liability and the OPEB contribution rates, the 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 by Scale UMP to account for future mortality improvements.

*Discount Rate*

The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to employer's yearly contributions for retirees. In accordance with paragraph 155, the applicable discount rate for an unfunded OPEB is based on an index of tax exempt 20-year municipal bond rates rated AA or higher. As of December 31, 2022, the discount rate used in development of the Total OPEB Liability was 4.05% compared to 1.84% as of December 31, 2021.

Changes in the Total OPEB Liability:

	Changes in Total OPEB Liability
Balances as of December 31, 2021	\$ 33,325
Changes for the year:	
Service cost	1,423
Interest on total OPEB liability	621
Changes of benefit terms	-
Differences between expected and actual experience	409
Changes in assumptions or other inputs	(11,660)
Benefit payments	(438)
Other	-
	\$ 23,680
Balances as of December 31, 2022	

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 7 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS – Continuation**

*Sensitivity of the net pension liability / (asset) to changes in the discount rate*

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 1.84%, as well as the what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.84%) or 1 percentage point higher (2.84%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease 3.05%	Current Single Rate Assumption 4.05%	1% Increase 5.05%
Net pension liability / (asset)	\$ 28,163	\$ 23,680	\$ 20,152

*OPEB Expense / (Income)*

	January 1, 2022 to December 31, 2022
Service cost	\$ 1,423
Interest on total OPEB liability	621
Effect of plan changes	-
Recognition of deferred inflows/outflows of resources	
Differences between expected and actual experience	(220)
Changes in assumptions or other inputs (1)	(430)
Recognition of investment gains or losses	-
Other	-
Total OPEB expense	\$ 1,394

(1) Generally, this will only be the annual change in the municipal bond index rate.

*Deferred Inflows / Outflows of Resources:*

As of March 31, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,089	\$ 562
Changes of assumptions	10,291	4,335
Net difference between projected and actual earnings	-	-
Contributions made subsequent to measurement date	N/A	641

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 7 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS – Continuation**

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in pension expense in future actuarial valuation years as follows:

Year ended December 31:		
2023	\$	(650)
2024		(760)
2025		(1,123)
2026		(1,543)
2027		(1,734)
Thereafter		(673)

**NOTE 8 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Individual Inter-fund Transfers**

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ 65,603	\$ 312,986
Debt Service Fund	300,000	-
Capital Projects Fund	-	65,603
Special Revenue Funds:		
Swimming Pool	43,190	-
Library	71,796	-
Proprietary Funds:		
Water and Sewer Fund	-	102,000
	\$ 480,589	\$ 480,589

The primary purpose of inter-fund transfers was to transfer unrestricted funds from the General Fund to the remaining funds of the City, as well as excess revenues and taxes from the Water and Sewer Fund and the General Fund to the Debt Service Fund for the annual payment on the City's bond obligation.

**NOTE 9 – LEASE INCOME**

The City has entered into a lease agreement to lease land and a building the City owns. For the year ended March 31, 2024 lease revenue amounted to \$28,712. The lease has an interest rate of .877% with a term ending June 1, 2030.

Continued

**CITY OF WHEELER, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024**

**NOTE 9 – LEASE INCOME – Continuation**

The following is a schedule of minimum future rentals on non-cancelable leases as of March 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease receivable	\$ 210,655	\$ -	\$ (28,266)	\$ 182,389	\$ 28,515
<u>Fiscal Year</u>				<u>Lease Receivable</u>	
			<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2025			\$ 30,000	\$ 1,485	\$ 28,515
2026			30,000	1,234	28,766
2027			30,000	981	29,019
2028			30,000	725	29,275
2029			30,000	467	29,533
2030 - 2031			37,500	219	37,281
			<u>\$ 187,500</u>	<u>\$ 5,111</u>	<u>\$ 182,389</u>

**NOTE 10 – LONG-TERM LIABILITIES**

On September 16, 2013, the City established an ordinance authorizing the issuance of certificates of obligation (“bond”) in the amount of \$4,610,000 to fund the contractual obligations for the construction of public works which includes the following: (a) improvements to the City waterworks and sewer system, including acquisition of site, construction and equipping of a water treatment facility and a new concentrate irrigation system (“the water project”) and (b) the professional services rendered in relation to the project. The ordinance provides for payment of the bond by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the City’s waterworks and sewer system revenues. A portion of excess fund balances within the General, Economic Development, and Water & Sewer funds will also be used for payment on the bond. The bonds bear an interest rate of 3.07% and have a maturity date of February 15, 2028.

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Certificates of Obligation, Series 2013	\$ 1,893,000	\$ -	\$ (356,000)	\$ 1,537,000	\$ 367,000
Governmental activity long-term liabilities	<u>\$ 1,893,000</u>	<u>\$ -</u>	<u>\$ (356,000)</u>	<u>\$ 1,537,000</u>	<u>\$ 367,000</u>

Continued

**CITY OF WHEELER, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 10 – LONG-TERM LIABILITIES** – Continuation

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Note payable	\$ -	\$ 271,695	\$ (109,394)	\$ 162,301	\$ 51,378
Business-type activity long-term liabilities	<u>\$ -</u>	<u>\$ 271,695</u>	<u>\$ (109,394)</u>	<u>\$ 162,301</u>	<u>\$ 51,378</u>

The City incurred interest expense of \$59,131 during the fiscal year ended March 31, 2024.

The annual debt service requirement on long-term liabilities outstanding for governmental activities as of March 31, 2024 is as follows:

Fiscal Year	Total	Governmental Activities	
		Certificates of Obligation, 2013	
		Interest	Principal
2025	\$ 414,186	\$ 47,186	\$ 367,000
2026	413,919	35,919	378,000
2027	414,314	24,314	390,000
2028	414,341	12,341	402,000
	<u>\$ 1,656,760</u>	<u>\$ 119,760</u>	<u>\$ 1,537,000</u>
Year	Total	Business-Type Activities	
		Interest	Principal
2025	\$ 59,831	\$ 8,453	\$ 51,378
2026	59,831	5,777	54,054
2027	59,831	2,962	56,869
	<u>\$ 179,493</u>	<u>\$ 17,192</u>	<u>\$ 162,301</u>

**NOTE 11 – RISK MANAGEMENT**

The City’s major areas of risk management are: public officials’, law enforcement, automobile liability, general comprehensive liability and property damage, workers’ compensation, and employee health insurance. The City has obtained insurance with an insurance company and a public entity risk pool in which all risk is transferred to those entities for all the above areas. The City pays a deductible per incident except on the employee health insurance in which the deductible is the responsibility of the employee. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year or the previous three years.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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**CITY OF WHEELER, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 406,000	\$ 406,000	\$ 386,545	\$ (19,455)
Sales tax	325,000	325,000	265,362	(59,638)
Franchise taxes	58,000	58,000	53,973	(4,027)
Charges for services, net	42,870	42,870	45,416	2,546
Fees and fines	1,000	1,000	130	(870)
Intergovernmental	-	-	17,500	17,500
Investment earnings	90,000	90,000	94,710	4,710
Miscellaneous	3,000	3,000	12,742	9,742
	<u>925,870</u>	<u>925,870</u>	<u>876,378</u>	<u>(49,492)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	335,900	335,900	255,111	80,789
Judicial	8,500	8,500	7,200	1,300
Public facilities				
Airport	10,000	10,000	488	9,512
Park	6,500	6,500	3,057	3,443
Public safety				
Fire department	23,000	23,000	22,927	73
Highways and streets	50,200	50,200	153,739	(103,539)
Public services				
Culture and recreation	2,500	2,500	1,790	710
Animal control	5,300	5,300	3,200	2,100
Capital Outlay	300,000	300,000	162,160	137,840
	<u>741,900</u>	<u>741,900</u>	<u>609,672</u>	<u>132,228</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>183,970</u>	<u>183,970</u>	<u>266,706</u>	<u>82,736</u>
<b>OTHER FINANCING USES</b>				
Transfers in	-	-	65,603	65,603
Transfers out	(361,115)	(361,115)	(312,986)	48,129
	<u>(361,115)</u>	<u>(361,115)</u>	<u>(247,383)</u>	<u>113,732</u>
<b>NET CHANGE IN FUND BALANCE</b>	(177,145)	(177,145)	19,323	196,468
<b>FUND BALANCE - BEGINNING</b>	<u>1,896,855</u>	<u>1,896,855</u>	<u>1,896,855</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,719,710</u>	<u>\$ 1,719,710</u>	<u>\$ 1,916,178</u>	<u>\$ 196,468</u>

**CITY OF WHEELER, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**Last 10 Years (will ultimately be displayed as available)**

	Year Ended December 31,			
	2022	2021	2020	2019
<b>Total Pension Liability:</b>				
Service cost	\$ 32,588	\$ 34,177	\$ 32,672	\$ 31,730
Interest on total pension liability	97,804	91,779	88,420	83,858
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(2,868)	46,003	8,758	21,928
Changes of assumptions	-	-	-	12,422
Benefit payments/refunds of contributions	(81,576)	(82,235)	(79,448)	(86,189)
Net change in total pension liability	45,948	89,724	50,402	63,749
Total pension liability, beginning	1,473,445	1,383,721	1,333,319	1,269,570
Total pension liability, ending (a)	<u>\$ 1,519,393</u>	<u>\$ 1,473,445</u>	<u>\$ 1,383,721</u>	<u>\$ 1,333,319</u>
<b>Fiduciary Net Position:</b>				
Employer contributions	\$ 25,255	\$ 25,963	\$ 22,424	\$ 20,050
Employee contributions	13,681	14,348	14,085	13,133
Net investment income	(109,218)	177,594	99,203	182,309
Benefit payments/refunds of contributions	(81,576)	(82,235)	(79,448)	(86,189)
Administrative expenses	(947)	(823)	(643)	(1,031)
Other	1,131	5	(24)	(32)
Net change in fiduciary net position	(151,674)	134,852	55,597	128,240
Fiduciary net position, beginning	1,498,729	1,363,877	1,308,280	1,180,040
Fiduciary net position, ending (b)	<u>\$ 1,347,055</u>	<u>\$ 1,498,729</u>	<u>\$ 1,363,877</u>	<u>\$ 1,308,280</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 172,338</u>	<u>\$ (25,284)</u>	<u>\$ 19,844</u>	<u>\$ 25,039</u>
Fiduciary net position as a % of total pension liability	88.66%	101.72%	98.57%	98.12%
Pensionable covered payroll	\$ 273,618	\$ 286,957	\$ 274,558	\$ 262,662
Net pension liability as a % of covered payroll	62.98%	-8.81%	7.23%	9.53%

Year Ended December 31,

2018	2017	2016	2015	2014	2013
\$ 31,695	\$ 32,339	\$ 32,310	\$ 33,527	\$ N/A	\$ N/A
82,068	80,060	77,065	77,843	N/A	N/A
-	-	-	-	N/A	N/A
(9,022)	(8,761)	8,066	(20,024)	N/A	N/A
-	-	-	(2,215)	N/A	N/A
<u>(70,299)</u>	<u>(76,828)</u>	<u>(69,333)</u>	<u>(48,395)</u>	<u>N/A</u>	<u>N/A</u>
34,442	26,810	48,108	40,736	N/A	N/A
<u>1,235,128</u>	<u>1,208,318</u>	<u>1,160,210</u>	<u>1,119,474</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 1,269,570</u>	<u>\$ 1,235,128</u>	<u>\$ 1,208,318</u>	<u>\$ 1,160,210</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
\$ 19,665	\$ 20,799	\$ 23,643	\$ 31,951	\$ N/A	\$ N/A
13,284	14,246	14,023	14,315	N/A	N/A
(37,602)	158,046	74,252	1,623	N/A	N/A
(70,299)	(76,828)	(69,333)	(48,395)	N/A	N/A
(727)	(819)	(839)	(989)	N/A	N/A
(37)	(42)	(45)	(49)	N/A	N/A
(75,716)	115,402	41,702	(1,543)	N/A	N/A
<u>1,255,756</u>	<u>1,140,354</u>	<u>1,098,653</u>	<u>1,100,196</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 1,180,040</u>	<u>\$ 1,255,756</u>	<u>\$ 1,140,355</u>	<u>\$ 1,098,653</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 89,530</u>	<u>\$ (20,628)</u>	<u>\$ 67,963</u>	<u>\$ 61,557</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
92.95%	101.67%	94.38%	94.69%	N/A	N/A
\$ 265,678	\$ 284,929	\$ 280,470	\$ 286,307	\$ N/A	\$ N/A
33.70%	-7.24%	24.23%	21.50%	N/A	N/A

**CITY OF WHEELER, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**Last 10 Fiscal Years (will ultimately be displayed as available)**

Year Ending March 31:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 30,230	\$ 30,230	\$ -	\$ 286,969	10.53%
2017	23,368	23,368	-	286,883	8.15%
2018	20,761	20,761	-	283,422	7.33%
2019	19,355	19,355	-	259,045	7.47%
2020	20,768	20,768	-	267,640	7.76%
2021	22,434	22,434	-	274,093	8.18%
2022	26,473	26,473	-	291,020	9.10%
2023	25,727	25,727	-	270,151	9.52%
2024	30,925	30,925	-	295,005	10.48%

**CITY OF WHEELER, TEXAS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 Last 10 Fiscal Years (will ultimately be displayed as available)**

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	17 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% - 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.

**CITY OF WHEELER, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**Last 10 Years (will ultimately be displayed as available)**

	Year Ended December 31,			
	2022	2021	2020	2019
<b>Total OPEB Liability:</b>				
Service cost	\$ 1,423	\$ 1,407	\$ 987	\$ 815
Interest on total OPEB liability	621	633	730	797
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	(11,660)	1,006	4,268	4,652
Effect of economic/demographic (gains) or losses	409	(461)	(810)	(1,150)
Benefit payments	(438)	(430)	(137)	(105)
Net change in total OPEB liability	(9,645)	2,155	5,038	5,009
Total OPEB liability, beginning	33,325	31,170	26,132	21,123
Total OPEB liability, ending	<u>\$ 23,680</u>	<u>\$ 33,325</u>	<u>\$ 31,170</u>	<u>\$ 26,132</u>
Covered employee payroll	\$ 273,618	\$ 286,957	\$ 274,558	\$ 262,662
Total OPEB liability as a % of covered employee payroll	8.65%	11.61%	11.35%	9.95%



	2018	2017	2016	2015	2014	2013
\$	824	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
	694	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
	(1,709)					
		N/A	N/A	N/A	N/A	N/A
	802	N/A	N/A	N/A	N/A	N/A
	(106)	N/A	N/A	N/A	N/A	N/A
	505	N/A	N/A	N/A	N/A	N/A
	20,618	N/A	N/A	N/A	N/A	N/A
\$	21,123	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
\$	265,678	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
	7.95%	N/A	N/A	N/A	N/A	N/A

**CITY OF WHEELER, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
NOTES TO SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**

Valuation Timing	<p>For the employer's financial reporting purposes, the total OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date and no later than the end of the employer's current fiscal year, consistently applied from period to period. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.</p> <p>The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2021 and a measurement date as of December 31, 2021; as such, no roll-forward is required.</p>
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retiree's share of benefit-related costs	-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected fully on a generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to employer's yearly contributions for retirees.

\* - The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

**COMBINING STATEMENTS AS SUPPLEMENTARY INFORMATION**

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report specific revenues that are legally restricted or committed by the City to expenditures for specified purposes.

**Swimming Pool** – The Swimming Pool Fund is used to account for the fees paid to the swimming pool. The fund are committed for the purpose of financing and maintaining the operation of the facility.

**Library** – The Library Fund is used to account for donations to the library. The donations are restricted by the donors for the benefit of the library.

**Hotel Occupancy Tax** – The Hotel Occupancy Tax Fund is used to account for and report hotel/motel taxes that are legally restricted to the promotion of tourism for the City.

**Child Safety** – The Child Safety Fund is used to account for fees collected by Wheeler County on vehicle registrations. The fees are dedicated by law to be used for a school crossing guard program, or in the absence of such a program they may be used to fund programs designed to enhance child safety, health, or nutrition.

### CAPITAL PROJECTS FUNDS

The **Capital Projects Fund** is used to account for and report the construction costs of capital improvements. These are financed with City resources.

**CITY OF WHEELER, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 MARCH 31, 2024**

	<b>Special Revenue</b>		
	<b>Swimming Pool</b>	<b>Library</b>	<b>Hotel Occupancy Tax</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,085	\$ 19,398	\$ 101,485
Accounts receivable, net	-	-	2,220
Total assets	\$ 6,085	\$ 19,398	\$ 103,705
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 159	\$ -
Total liabilities	-	159	-
<b>FUND BALANCES</b>			
Restricted:			
Tourism and community attractions	-	-	103,705
Capital projects	-	-	-
Committed:			
Special projects	6,085	19,239	-
Total fund balances	6,085	19,239	103,705
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,085	\$ 19,398	\$ 103,705

**Special Revenue**

<b>Child Safety</b>	<b>Total</b>	<b>Capital Projects</b>	<b>Total Non- major Governmental Funds</b>
\$ 7,237	\$ 134,205	\$ 2,699	\$ 136,904
-	2,220	-	2,220
<u>\$ 7,237</u>	<u>\$ 136,425</u>	<u>\$ 2,699</u>	<u>\$ 139,124</u>
\$ -	\$ 159	\$ -	\$ 159
-	159	-	159
-	103,705	-	103,705
-	-	2,699	2,699
<u>7,237</u>	<u>32,561</u>	<u>-</u>	<u>32,561</u>
<u>7,237</u>	<u>136,266</u>	<u>2,699</u>	<u>138,965</u>
<u>\$ 7,237</u>	<u>\$ 136,425</u>	<u>\$ 2,699</u>	<u>\$ 139,124</u>

**CITY OF WHEELER, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	<u>Special Revenue</u>		
	<u>Swimming Pool</u>	<u>Library</u>	<u>Hotel Occupancy Tax</u>
<b>REVENUES</b>			
Hotel tax	\$ -	\$ -	\$ 15,136
Licenses and fees	10,216	-	-
Intergovernmental	-	2,400	-
Investment earnings	603	892	5,601
Miscellaneous	-	524	-
	<u>10,819</u>	<u>3,816</u>	<u>20,737</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Administrative	-	-	-
Public facilities	57,774	64,210	-
Public services			
Culture and recreation	-	-	18,249
	<u>57,774</u>	<u>64,210</u>	<u>18,249</u>
Total expenditures			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(46,955)</u>	<u>(60,394)</u>	<u>2,488</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	43,190	71,796	-
Transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>43,190</u>	<u>71,796</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,765)	11,402	2,488
<b>FUND BALANCES - BEGINNING</b>	<u>9,850</u>	<u>7,837</u>	<u>101,217</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 6,085</u></u>	<u><u>\$ 19,239</u></u>	<u><u>\$ 103,705</u></u>



<b>Special Revenue</b>			
<b>Child Safety</b>	<b>Total</b>	<b>Capital Projects</b>	<b>Total Non-major Governmental Funds</b>
\$ -	\$ 15,136	\$ -	\$ 15,136
-	10,216	-	10,216
2,433	4,833	-	4,833
260	7,356	4,226	11,582
-	524	-	524
<u>2,693</u>	<u>38,065</u>	<u>4,226</u>	<u>42,291</u>
-	-	7,500	7,500
-	121,984	-	121,984
-	18,249	-	18,249
<u>-</u>	<u>140,233</u>	<u>7,500</u>	<u>147,733</u>
<u>2,693</u>	<u>(102,168)</u>	<u>(3,274)</u>	<u>(105,442)</u>
-	114,986	-	114,986
-	-	(65,603)	(65,603)
<u>-</u>	<u>114,986</u>	<u>(65,603)</u>	<u>49,383</u>
2,693	12,818	(68,877)	(56,059)
<u>4,544</u>	<u>123,448</u>	<u>71,576</u>	<u>195,024</u>
<u>\$ 7,237</u>	<u>\$ 136,266</u>	<u>\$ 2,699</u>	<u>\$ 138,965</u>