



ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

CITY OF ANDREWS, TEXAS

For the Fiscal Year
October 1, 2023 through September 30, 2024

Issued by:
Finance Department
Ashton Jones, Director

City of Andrews, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

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INTRODUCTORY SECTION

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www.cityofandrews.org

March 27, 2025

To the Honorable Mayor, City Council, and Citizens of Andrews, Texas:

The Finance Department and the City Manager's Office are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Andrews, Texas, for the fiscal year ended September 30, 2024. The purpose of the ACFR is to provide accurate and meaningful information concerning the City's financial condition and performance. Independent auditors have verified that the City has fairly presented its financial position, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

The ACFR satisfies Section 103.001 of the Texas Local Government Code requiring annual audits of all municipalities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

To the best of our knowledge and belief the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Independent audits are an essential element of financial control and accountability. Federal guidelines established for local governments receiving federal assistance require that programs receiving federal assistance be audited in conjunction with the local government's annual audit under the "single audit" concept. The City has complied with these requirements. The independent auditors' report is located at the front of the financial section of this report.

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

City Profile

The City of Andrews, population 13,502, is in the oil-rich Permian Basin in West Texas, thirty miles from the New Mexico border. It is approximately 100 miles south of Lubbock, Texas, and thirty-five miles north of Midland and Odessa, Texas. Located in Andrews County, it is the only town in the County and serves as the county seat. Commercial air travel is available through Midland International Airport.

The City is a home rule city (1959) operating under the Council-Manager form of government. The City Council is comprised of the Mayor and five Council Members, who enact local laws, determine policies, and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations, and functions for which the City is financially accountable as defined by the GASB. Based on these criteria Andrews Economic Development Corporation is a component unit and is discretely presented in this report.

The City provides its citizens with those services that have proven to be necessary and meaningful the City can provide at the least cost. Major services provided under general government and enterprise functions include police and emergency medical service, water and sewer services, sanitation services, community services, and general administrative services. The emergency medical services are provided through a contract with Andrews Hospital District which provides the funding for the services. Billing and collection are done by Permian Regional Medical Center. The Fire Department is an all-volunteer, 45-member, department with the City providing funds for its operation. Equipment is provided by Andrews County. Economic Development is provided by Andrews Economic Development Corporation (AEDC), a 4A Corporation which reports to the City Council. AEDC began operations January 1, 2006, with funding provided by the economic sales tax the citizens of Andrews approved in the May 2005 election.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The City Charter provides that the City Council shall adopt the annual budget prepared by the City Manager. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between the line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item and are distributed monthly to City departmental management and to others on request. Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Local Economy

The City of Andrews is located in the oil-rich Permian Basin and has long been defined by periods of economic boom and bust, historically tied to fluctuations with the oil and gas industry. During periods of economic prosperity, the region experiences population growth and an increase in residential and business activity. During periods of economic bust very little growth, and in many cases population decline, are common.

At the end of FY 2024, the price per barrel of WTI crude sat at \$67.46, down from 89.43 per barrel at the beginning of FY 2024. According to MineralAnswers.com, 54.8 million barrels of oil were produced in Andrews County in 2024, down from 57.7 million barrels in 2023. Revenues from sales tax – a strong indicator of local oil activity – decreased 11.7% from 2023 to 2024.

According to the Texas Workforce Commission, the civilian labor force in Andrews County decreased from 9,917 in September 2023 to 9,564 in September 2024. However, the unemployment rate increased from 2.9% to 3.1% during this same period. The September 2024 unemployment rate of 3.1% is slightly lower than the state and federal level of 4.1%.

The city does have tax abatements that have brought numerous businesses to Andrews which benefits the city in the long term.

Financial Policies

The financial management policies of the City are designed to ensure the financial integrity of the City's government and assist the City in achieving the following: (1) quality City services that meet the needs and desires of the citizens in a fair and consistent manner; (2) a financial base sufficient to maintain or enhance City assets required to support community service demands; (3) prudent and professional financial management practices to assure citizens of Andrews and the financial community that City government is well managed and in sound fiscal condition; (4) cost effective services to citizens through cooperation with other government entities; and (5) a capital improvement program that maintains and enhances the public's assets.

To achieve the above policies, the City plans and follows its budget carefully. Capital improvements follow a ten-year long-range financial plan. The City operates a revenue system that is simple and reliable so assurances can be provided that the revenue base will materialize according to budget planning. Consistent monitoring and collection policies are maintained to ensure the integrity of the revenue system. The City will periodically review its fee structure to ensure that revenue collections are adequate to meet corresponding expenditures (cost of service concept). Nonrecurring (i.e., "one-time") resource inflows are not used for operating purposes. The City strives to budget realistically, but not "over anticipate" its revenues. In general, long-term needs are met through "pay-as-you-go" fiscal policies, using cash or other current assets rather than debt issuance to fund capital projects. On rare occasion, the City may deploy a "pay-as-you-use" fiscal policy, using debt financing to spread the costs of public infrastructure throughout the life of the asset. The only debt of the City relates to the certificates of obligation for the construction of the Truck Reliever Route which are tied to a voter-approved, dedicated source of revenue (a one-quarter cent sales tax).

Long-term financial planning and major initiatives

Concurrent with the annual budget process, a five-year long-range financial plan is prepared to forecast fund balances using projected capital investments and conservative assumptions regarding future operating budgets. This plan enables City leadership to focus on the "big picture" while meeting annual needs through the pay-as-you-go financial approach. In 2013, the City, with the assistance of a professional consulting firm, developed a Comprehensive Plan to direct the growth and physical development of the City for the next 10 to 20 years.

Major initiatives planned by the City for the coming years include:

Ensure the City's water supply can meet current and future demand – In 2019, the City, with the assistance of a professional engineering firm, developed a water wellfield development plan to ensure the City's water supply can meet current and future demand. In FY2024, the City replaced an aging 7-mile water transmission with a larger line to provide the City with two transmission lines capable of delivering water to the City during peak usage. In FY2025, the City plans to drill test wells to determine the best location to drill one or two new water wells in FY2026. In the next 10 years, plans include tying the City's two wellfields together to provide much needed redundancy in the system should one of the transmission lines be down for a short time.

Ensure the City's water distribution and wastewater/stormwater collection systems can meet current and future demand – In 2020, the City and the Andrews Economic Development Corporation, with the assistance of a professional engineering firm, developed an Infrastructure Master Plan to ensure there is enough infrastructure capacity in the right areas of the municipality at the right service levels at the right time to accommodate future development and redevelopment necessary to address the City's expected growth over the next 10-20 years. In FY 2023, the City began a program to systematically replace over 1% of its water lines and over 1% of its sewer lines each year. In FY2025, the City plans to add a new water distribution line to increase water capacity to a future business park and water tower in northwest Andrews. In the next 10 years, plans include increasing water capacity to northwest and southwest Andrews by adding water and wastewater lines and a new water tower.

Maintain the quality of City roadways – In 2020, the City, with the assistance of a professional engineering firm, professionally graded all roads within the city limits to help create and prioritize an effective resurfacing strategy. In 2021, the City initiated a plan to resurface all arterial roads within the city limits by 2030.

Upgrade City Facilities – In 2021, the City, with the assistance of a professional architect firm, developed a Facilities Plan to determine and analyze current and projected space needs and requirements for the City projected out to 2035. In FY2023, the City completed construction of a new City Hall and the renovation of a purchased building to accommodate Municipal Court and the City Council Chambers. In FY2024, a professional architect firm developed plans to either renovate the old City Hall building or build a new building to accommodate our growing Police Department. Plans to proceed are currently on hold until adequate funding is available. Once complete, plans call for renovating the Public Safety Building to accommodate Economic and Community Services.

All the aforementioned initiatives are an aggressive approach led by the Andrews City Council in an effort to attract people and businesses to Andrews. Citizens of Andrews think Andrews is a good place and want Andrews to be a City of choice in which to work, live and raise children.

Awards and Acknowledgments

The City of Andrews has submitted its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2023, to the Government Finance Officers Association (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. This prestigious award recognizes government entities that uphold the highest standards of financial reporting and transparency.

After earning this distinction for 41 consecutive years, the City did not receive the award in 2023. However, we are confident that our current ACFR meets the program's rigorous requirements and have submitted it for review to determine its eligibility for the award. The City of Andrews

remains dedicated to maintaining excellence in financial reporting and upholding the principles of accountability, compliance, and transparency in all financial matters.

The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning October 1, 2024. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. This was the eleventh consecutive year that the municipal government has received this award.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank the members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Request for Information

This financial report is designed to provide a general overview of the City of Andrews' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 110 Logsdon, Andrews, Texas 79714. The ACFR is also accessible on the City's website.

Respectfully submitted,



Steve Eggleston
City Manager



Ashton Jones
Director of Finance

CITY OF ANDREWS, TEXAS
List of Elected and Appointed Officials
September 30, 2024

Elected Officials

Jason Harper	Mayor
Chris Helbig	Council Member/Mayor Pro Tem
Randy Shaffer	Council Member
Jane Gomez	Council Member
Stephanie Martin	Council Member
Sean Hughes	Council Member

Appointed Officials

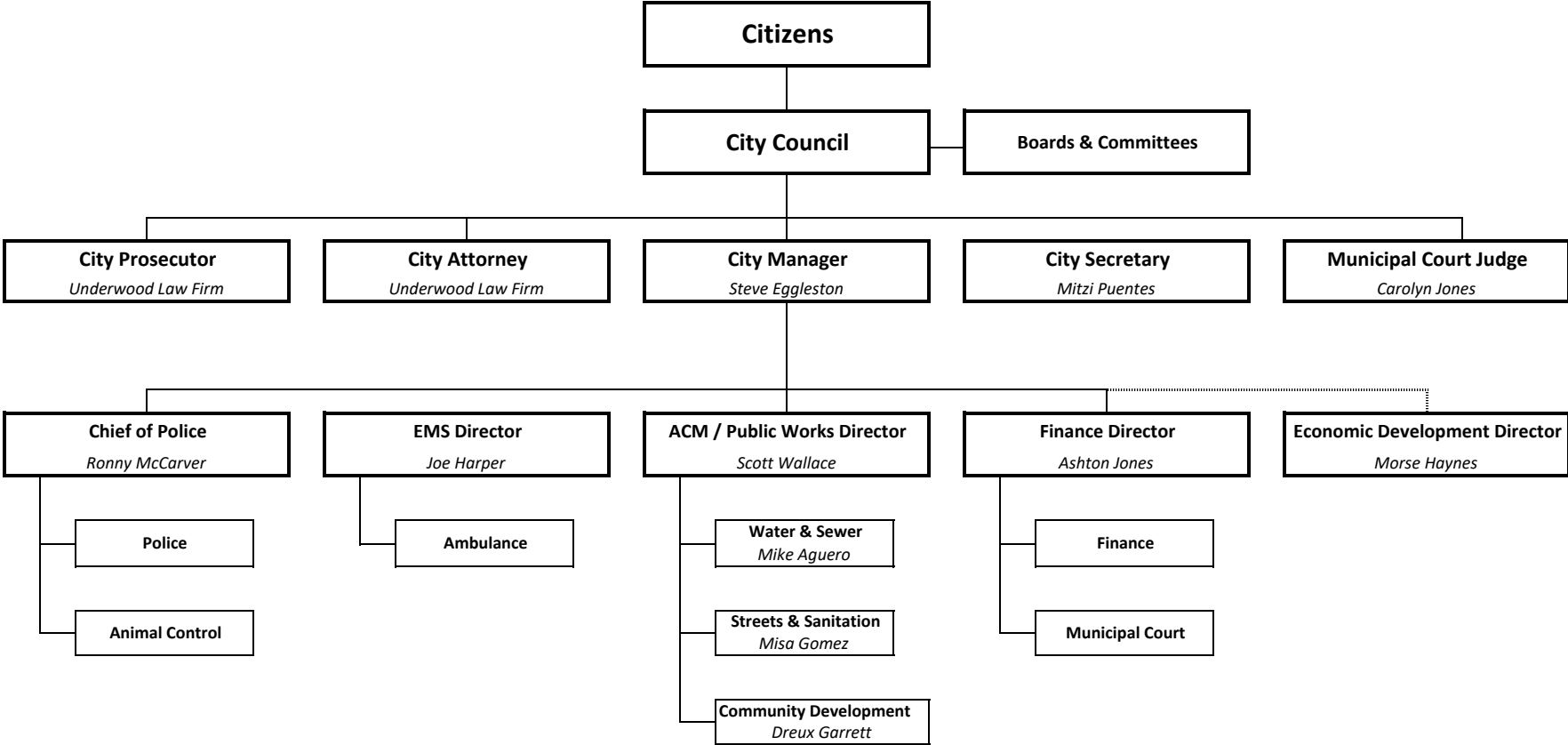
Steve Eggleston	City Manager
Matt Wade	City Attorney
Mitzi Puentes	City Secretary
Carolyn Jones	Municipal Judge

Finance Staff

Ashton Jones*	Director of Finance
Ashley Lujan	Assistant Director of Finance
Rene Black	Administrative Specialist
Alyson Garrett	Assistant to the Director of Finance
Maria Jimenez	Administrative Specialist
Trinity Gonzales	Cashier
Talia Bustamante	Cashier

*Member of Government Finance Officers Association

City of Andrews Organization Chart



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FINANCIAL SECTION

Independent Auditor's Report

To the Mayor and City Council
City of Andrews, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Andrews, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Mayor and City Council
City of Andrews, Texas
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial 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.

To the Mayor and City Council
City of Andrews, Texas
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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the combining and individual fund statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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, combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basis financial statements as a whole.

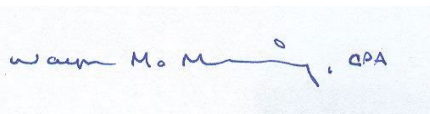
Other Information Annual Comprehensive Financial Report (ACFR)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Wayne M. Manning, CPA
Andrews, Texas
February 28, 2025

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

To the Mayor and City Council
City of Andrews, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Andrews, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 28, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



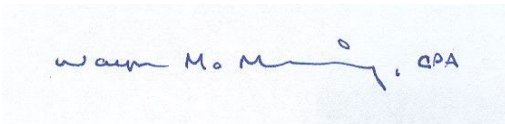
The Mayor and City Council
City of Andrews, Texas
Page Two

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Wayne M. Manning, CPA".

Wayne M. Manning, CPA
Andrews, Texas
February 28, 2025

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

INTRODUCTION

The Management's Discussion and Analysis (MD&A) provides readers a narrative overview and analysis of the financial activities of the City of Andrews for the fiscal year ended September 30, 2024. Readers are encouraged to consider the information included in the transmittal letter and in the other sections of the Annual Comprehensive Financial Report (ACFR) e.g., combining statements, and the statistical section in conjunction with the MD&A.

FINANCIAL HIGHLIGHTS

The following financial highlights summarize the City's financial position for the fiscal year ending September 30, 2024.

Government-wide

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the 2024 fiscal year by \$82,899,211(*net position*). Of this amount, \$18,528,306 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- During 2024, the City's total net position increased \$5,491,943 or 7.09%, related to operations. The net position of business-type activities increased by \$4,284,929, or 12.36%, from operations. The net position of governmental activities increased by \$1,207,014, or 2.82%, from operations.
- Total expenses of all the City's programs were \$21,603,695 in 2024.

Fund Statements

- As of September 30, 2024, the City's governmental funds reported combined fund balances of \$17,170,413, an increase from prior year of \$1,092,011. Of this total amount, \$1,844,014 or approximately 10.7%, is unassigned and available for use to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$1,844,014, or 14.3% of the General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The overview of the financial statements is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This is the portion of the ACFR on which the auditors express an opinion. The report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

- The **Statement of Net Position** presents financial information on all of the City's assets and liabilities, as well as any deferred outflows and inflows. The difference between assets plus deferred outflows and liabilities plus deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

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

In the aforementioned statements, the City's business is divided into four kinds of activities:

- **Governmental Activities** – Most of the City's basic functions are reported here, including general government, public safety, and public works. Property taxes, sales taxes and franchise fees provide the majority of funding for these activities, with the addition of charges for services, grants and contributions.
- **Business-type Activities** – The City charges a fee to customers to help recover all or most of the cost of certain services it provides. The City's water and sewer system is reported here, as well as sanitation operations.
- **Component Units** – The City maintains one component unit, the Andrews Economic Development Corporation (AEDC). Although legally separate, this component unit is important because the City is financially accountable for them. The City includes the AEDC as a discretely presented component unit on the government-wide statements because it does not function as an integral part of the primary government. Financial information for the AEDC is reported separately from the financial information presented for the primary government itself. Supplementary information for the AEDC can be found on pages 124-126.
- **Fiduciary Funds** – *Fiduciary funds* are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources are not available to support the City's own programs. *Custodial funds*, a type of fiduciary fund, are used to report resources held by the City in a purely custodial capacity (assets=liabilities) for individuals, private organizations and other governments. The City maintains two custodial funds. The Escrow Fund is used to report resources held for developers for curb and gutter, paving, and water and sewer extensions. *The Employee Christmas Fund is used to report resources held for participating employees in a Christmas savings account. Supplementary information for the custodial funds can be found on pages 115-116.*

The government-wide financial statements can be found on pages 29-30 of this report.

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

- **Governmental Funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund. Data from the other nine governmental funds are combined into a single, aggregated, non-major fund presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 99-100 of this report.

- **Proprietary Funds** – *Enterprise funds*, a type of proprietary fund, are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water/sewer and sanitation operations. The City does not currently use any *internal service funds*. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water/Sewer and Sanitation funds since both are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 37-39 of this report.

Notes to the Financial Statements – The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-75.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 79-82 of this report.

THE CITY AS A WHOLE: GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. For the City of Andrews, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$82,899,211 at the close of the most recent fiscal year.

Net Position for the City of Andrews

\$000	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current & other assets	\$18,942	\$18,091	\$8,561	\$9,591	\$27,503	\$27,682
Capital assets (net)	38,597	39,351	39,442	34,766	78,039	74,117
Total assets	57,539	57,442	48,003	44,357	105,542	101,799
Deferred Outflows	879	3,654	1,800	1,838	2,679	5,492
Long-term liabilities	13,178	15,368	8,438	8,991	21,616	24,359
Other liabilities	1,000	1,240	997	1,440	1,997	2,680
Total liabilities	14,178	16,608	9,435	10,431	23,613	27,039
Deferred Inflows	300	1,755	1,409	1,089	1,709	2,844
Net Position:						
Invested in Capital Assets	28,175	28,576	33,503	28,572	61,678	57,148
Restricted	1,282	1,469	1,410	1,087	2,692	2,556
Unrestricted	14,483	12,688	4,046	5,016	18,529	17,704
Total net position	\$43,940	\$42,733	\$38,959	\$34,675	\$82,899	\$77,408

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

The largest portion of the City's net position (74.40%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, and infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.25%) represents resources subject to external restrictions on how they may be used. The remaining balance of \$18,528,306 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for separate governmental and business-type activities. The same situation held true for the prior fiscal year.

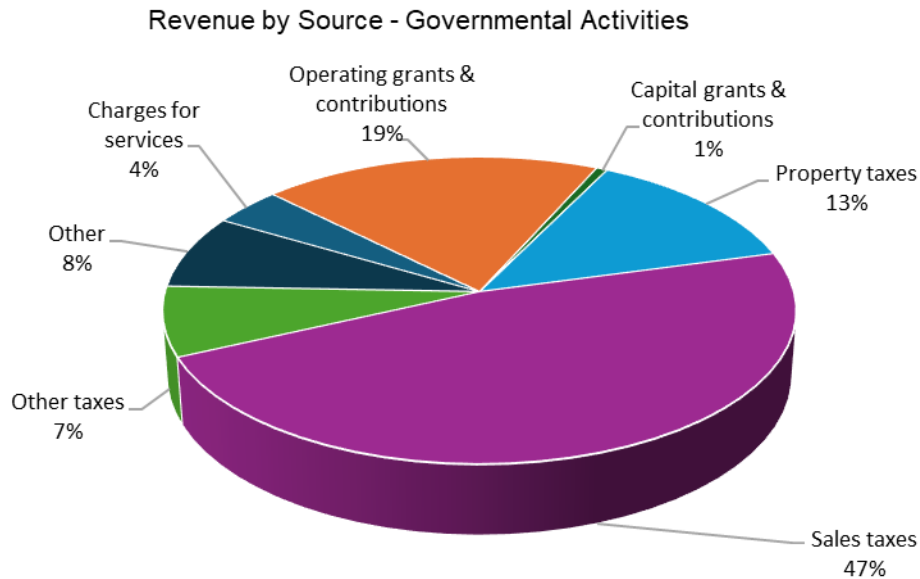
City of Andrews' Changes in Net Position

\$000	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Fees, fines & charges for service	\$ 586	\$ 596	\$7,287	\$6,991	\$ 7,873	\$7,587
Operating grants & contributions	2,853	2,167	-	-	2,853	2,167
Capital grants & contributions	92	22	-	-	92	22
General revenues:						
Property taxes	1,961	1,828	-	-	1,961	1,828
Sales tax	6,947	7,868	-	-	6,947	7,868
Franchise fees	696	723	-	-	696	723
Other	381	373	-	-	381	373
Miscellaneous Revenue	123	5	4,680	2,262	4,803	2,267
Investment income	892	774	429	489	1,321	1,263
Gain on disposition of assets	121	-	48	275	169	275
Transfers	263	1	(263)	(1)	-	-
Total revenues	<u>14,915</u>	<u>14,357</u>	<u>12,181</u>	<u>10,016</u>	<u>27,096</u>	<u>24,373</u>
Expenses:						
General government & admin	1,809	1,904	-	-	1,809	1,904
Public safety	6,792	6,871	-	-	6,792	6,871
Highways & streets	2,920	2,836	-	-	2,920	2,836
Culture-recreation	1,152	3,284	-	-	1,152	3,284
Economic development	479	425	-	-	479	425
Interest	556	708	-	-	556	708
Water & sewer	-	-	5,469	4,876	5,469	4,876
Sanitation	-	-	2,427	2,199	2,427	2,199
Total expenses	<u>13,708</u>	<u>16,028</u>	<u>7,896</u>	<u>7,075</u>	<u>21,604</u>	<u>23,103</u>
Increase/(decrease) before transfers	<u>1,207</u>	<u>(1,671)</u>	<u>4,285</u>	<u>2,941</u>	<u>5,492</u>	<u>1,270</u>
Transfers	-	-	-	-	-	-
Change in net position	1,207	(1,671)	4,285	2,941	5,492	1,270
Net position – beginning	42,733	44,404	34,675	31,734	77,408	76,138
Prior Period Adjustment	-	-	-	-	-	-
Net position - ending	<u>\$43,940</u>	<u>\$42,733</u>	<u>\$38,960</u>	<u>\$34,675</u>	<u>\$82,900</u>	<u>\$77,408</u>

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$1,207,014 or (2.8%) from the prior year for an ending balance of \$43,939,563. Key elements of this change are as follows:

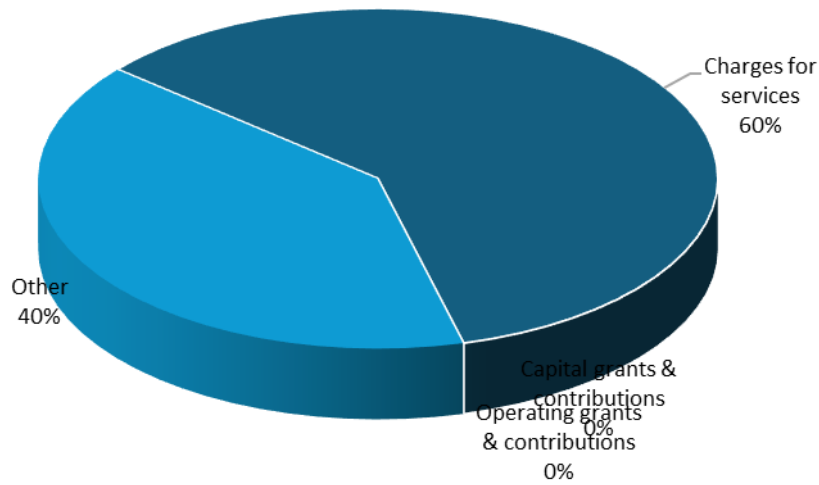
- Sales Tax Revenues decreased \$921,031 as a result of decreased business activity in the region.
- Investment Income increased by \$118,274 due to increased interest rates.
- Operating Grants and Contributions decreased by \$685,871 due to an increase in the EMS budget that is reimbursed by Andrews County Hospital District.
- The largest decrease in expenses was in the area of Culture-Recreation of \$2,132,683. The Business Technology Center was sold to Andrews Independent School District in the prior year so it no longer has expenses going forward.



- Water and sewer charges for services did not cover expenses by \$306,431. Water and sewer charges for services increased \$20,924 due to an increase in the rates for water during the fiscal year. Expenses increased \$592,688 mainly due to an increase in the purchase of chemicals for the water treatment plant and an increase in personnel services due to being fully staffed.
- Sanitation charges for services did not cover operating expenses causing an income from operations of (\$301,944). Revenue increased \$56,111 primarily due to more construction disposals at our landfill. The landfill closure expense increased by \$225,045 due to an update in our landfill closure analysis.
- Investment Income decreased \$60,243 due to less funds being invested.

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

Revenue by Source - Business-type



INDIVIDUAL FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At September 30, 2024, the City's governmental funds reported combined fund balances of \$17,170,413 an increase of \$1,092,011 in comparison with the prior year. Approximately 10.7% of this amount (\$1,844,014) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *restricted* for particular purposes (\$1,258,682), *committed* for particular purposes (\$11,575,019), *nonspendable* (\$23,386), or *assigned* for particular purposes (\$2,469,312).

The general fund is the chief operating fund of the City. The fund balance of the City's general fund increased \$1,251,365 during the current fiscal year. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 14.3% of total general fund expenditures, while total fund balance represents approximately 121% of that same amount.

Key differences between last year's general fund activity and this year's include:

- \$239,961 increase in total revenues – decrease in property and sales tax revenues of \$763,361, decrease in franchise tax revenue of \$26,990, decrease in fines and court costs of \$37,274, increase in intergovernmental revenue of \$688,922 and an increase in investment income of \$118,273. Sales tax revenue decreased due to increased business activity in the region and intergovernmental revenue increased due to the hospital reimbursing an ambulance.
- \$4,060,052 decrease in total expenditures – increase in public safety payroll expenditures of \$395,675, the majority related to adding personnel in the police department and EMS

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

department. Capital Outlays decreased \$4,776,980 primarily due to not having the construction of the new city hall and the purchase and remodel of the municipal court building from the prior year in this year's financials.

The Reliever Route Fund net position increased by \$12,366 due to transfers out to other funds in the amount of \$1,064,331 and a street maintenance of 113,091 compared to sales tax revenue of \$1,155,638 and interest income of \$34,960.

Other Governmental Funds consist of ten Special Revenue Funds used to account for specific revenue sources that are restricted, committed, nonspendable or assigned to expenditures for particular purposes. The City has two funds restricted by federal or state law for law enforcement education or activities, one fund restricted by state law for promoting tourism and the convention and hotel industry, , one restricted by grant restrictions set by the federal government. The City Council has committed funds for court technology, court security, municipal jury fund, local truancy prevention & diversion, and the purchase of child safety seats. The City has one nonspendable fund that is restricted by federal or state law related to law enforcement. Information regarding Non-major Governmental Funds can be found on pages 99-100 of this report.

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

Unrestricted net position at the end of the fiscal year was \$4,531,055 for the Water and Sewer Fund and (\$485,190) for the Sanitation Fund. Overall, water and sewer net position increased by \$4,405,049 while sanitation net position decreased by \$120,120. The main reason for the increase in the water and sewer fund was due to the a payment from Andrews Economic Development Corporation for the wellfield development infrastructure assistance.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The City Council approved additional appropriations of \$223,885 to the original General Fund budget as follows (1) \$90,185 to pay the alley of SE 9th St, (2) \$80,000 for additional sealcoat projects, (3) \$3,900 for the city manager's salary increase based on his contract renewal, and (4) \$49,800 to extend hot-mix from Bulter Park apartments to NW1500.

Final budget compared to actual results. The most significant differences between budgeted and actual revenues were as follows:

<u>Revenue Source</u>	<u>Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Sales Tax	\$4,000,000	\$4,622,552	\$622,552
Andrews Co. Hospita Dist. Cont.	2,519,943	2,800,849	280,906
.25% Property Reduction Sales Tax	1,000,000	1,155,638	155,638
Investment Income	294,500	780,962	486,462

Sales tax revenues for the City trend with wide fluctuations in oil prices. Sales tax revenues were lower than last year due to a slight decrease business activity in the region. Investment Income was higher due to higher interest rates.

Total actual expenditures fell short of the budgeted expenditures by \$44,006. This was related to capital expenditures that were budgeted in FY 2024 but not completed until 2025.

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

CAPITAL ASSETS

The City of Andrews investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$78,039,121 net of accumulated depreciation. This investment in capital assets includes land, building, equipment, improvements, and infrastructure. The City's total investment in capital assets for the fiscal year increased 5.29%.

Major capital asset events during the current fiscal year included the following:

- The purchase of equipment for 2 Ford Explorers, 2 Chevrolet Tahoes, 4 Dodge Chargers and 2 Ford F-150 for the police department in the amount of \$408,184.
- Five portable radios for \$51,500 for EMS.
- Ambulance for \$294,339.
- Chevrolet Tahoe for EMS for \$88,532.
- SE 9th Street alley pavement for \$94,185.
- Updating the Master Drainage Plan for \$113,432.
- Street Sweeper Lease payment for \$65,142.
- Pool improvements totaling \$110,225.
- Finishing the 20" pipeline from Florey to Mustang for \$4,025,466.
- The water department continued the Florey booster station discharge header project for \$357,855. The rest of the project will be completed in fiscal year 2025.
- Backup Generator for water treatment plant for \$130,327.
- Change out of octave meters for \$54,355.
- Backhoe for water department for \$151,374.
- Tow Truck for water department for \$59,416.
- Service Pickup with utility bed for \$64,958.
- Compactor for the landfill for \$689,950.
- Brush truck with chipping bed for the \$91,012.
- Replace 1% of the City's water lines for \$417,296.

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

Capital Assets at Year-end
(net of accumulated depreciation)

\$000	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$1,071	\$1,071	\$3,294	\$3,294	\$4,365	\$4,365
Buildings	8,992	9,151	3,372	3,441	12,364	12,592
Improvements other than buildings	3,954	4,222	13	16	3,967	4,238
Infrastructure	21,369	22,339	-	-	21,369	22,339
Machinery & Equipment	3,211	2,568	3,116	1,997	6,327	4,565
Water & Sewer System	-	-	29,647	26,018	29,647	26,018
Total	\$38,597	\$39,351	\$39,442	\$34,766	\$78,039	\$74,117

More detailed information on the City's capital assets is presented in Note 6 to the financial statements.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total bonded debt outstanding of \$15,650,000, all of which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations consists of pension-related debt of \$3,622,556.

Outstanding Debt at Year-end

\$000	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$10,250	\$10,595	\$5,400	\$5,625	\$15,650	\$16,635
Pension related debt	2,453	4,249	1,170	1,639	3,623	5,888
Total	\$12,703	\$14,844	\$6,570	\$7,264	\$19,273	\$22,108

The City's total debt decreased by \$2,836,201 or 12.83% during the current fiscal year as the City's financial responsibility for pensions decreased and debt payments.

In August 2024, Fitch Ratings kept the City's long-term issuer default rating on its general obligation debt at "AA".

There is no statutory debt limitation in the City Charter or under State law. The City's Fiscal Principles and Policies states the City will strive to limit general obligation annual debt service requirements to 20% of general governmental expenditures. Debt service to total general expenditures for fiscal year ending September 30, 2024 was 8.78%.

More detailed information on the City's debt is presented in Note 9 to the financial statements.

CITY OF ANDREWS, TEXAS
Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, tax rates, and fees that will be charged for business-type activities. Some of the major factors are included below.

- Sales tax, by its very nature, is a volatile revenue source. With as much as 80% of the City's economy tied in some way or another to the oil industry, sales taxes trend with wide fluctuation in oil prices. The oilfield has started to turn around since the COVID 19 pandemic and the sales tax revenues have been trending above budget. Sales tax revenues were \$1,000,000 over budget for FY 2024. Sales tax revenues for 2025 are budgeted with an increase of \$150,000 compared to FY 2024.
- Increase of \$175,898 in Ad Valorem tax receipts. The City kept the ad valorem tax rate the same at \$0.180475.
- The increase of water rates by 20% on volumes greater than 2,000 gallon per month in 2021 has improved the Utility Fund significantly. For 2025, water rates increased by 3%.
- Sanitation collection rates will increase \$4 a month in fiscal year 2025.
- The City's full-time employee headcount is budgeted to increase by 1 EMS personnel in 2025.
- New Capital expenditures for fiscal year 2025 are budgeted at \$5.1 million. Of this total, \$1.5 million is directed to an animal adoption center, \$0.7 Million to replace 1% of the water and sewer lines, and \$0.7 construct a new 16" water line at Taylor Road.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, and creditors with a general overview of the city's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Ashton Jones, at 110 Logsdon, Andrews, Texas 79714, call 432-523-4820, or e-mail at ajones@cityofandrews.org.

BASIC FINANCIAL STATEMENTS

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City of Andrews, Texas
Government-wide Statement of Net Position
September 30, 2024

	Primary Government			Component Unit Andrews Econ. Dev. Corp.
	Governmental Activities	Business Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 16,194,596	\$ 6,753,727	\$ 22,948,323	\$ 5,281,657
Investments	731,000	748,159	1,479,159	1,000,000
Receivables (net of allow. for doubtful accts)	2,016,026	908,265	2,924,291	204,870
Due from other funds	-	-	-	-
Inventories	-	150,953	150,953	-
Prepaid items	-	381	381	-
Capital Assets:				
Land	1,071,357	3,294,007	4,365,364	4,362,202
Building	11,112,064	4,520,145	15,632,209	-
Improvements other than buildings	8,982,819	75,647	9,058,466	766,910
Infrastructure	33,669,282	-	33,669,282	-
Water & sewer systems	-	46,830,233	46,830,233	-
Machinery & equipment	8,054,582	6,001,990	14,056,572	7,035
Accumulated depreciation	(24,292,937)	(21,280,067)	(45,573,004)	(294,309)
Total Assets	<u>57,538,788</u>	<u>48,003,440</u>	<u>105,542,228</u>	<u>11,328,365</u>
DEFERRED OUTFLOWS				
Pension Related (TMRS):				
Difference between expected and actual experience	-	1,449,830	1,449,830	60,705
Difference between projected and actual earnings	434,960	199,012	633,972	-
Difference due to changes in actuarial assumptions	-	21,582	21,582	815
Deferred pension contributions	349,761	129,414	479,175	5,086
Pension Related (TESRS):				
Difference between expected and actual experience	80,919	-	80,919	-
Difference due to changes in actuarial assumptions	2,778	-	2,778	-
Deferred pension contributions	10,467	-	10,467	-
Total Deferred Outflows	<u>878,885</u>	<u>1,799,838</u>	<u>2,678,722</u>	<u>66,606</u>
LIABILITIES				
Accounts payable	316,265	382,902	699,167	241,214
Accrued Interest Payable	70,158	-	70,158	-
Other payables	229,080	18,900	247,980	8,461
Customer Deposits	10,000	331,970	341,970	-
Noncurrent liabilities				
Due within one year	374,787	263,667	638,454	-
Due in more than one year	13,178,074	8,437,538	21,615,612	18,626
Total Liabilities	<u>14,178,364</u>	<u>9,434,977</u>	<u>23,613,341</u>	<u>268,301</u>
DEFERRED INFLOWS				
Pension Related (TMRS):				
Difference between expected and actual experience	126,269	1,408,653	1,534,922	83,086
Difference between projected and actual earnings	-	-	-	-
Difference due to changes in actuarial assumptions	136,412	-	136,412	-
Pension Related (TESRS):				
Difference between expected and actual experience	32,129	-	32,129	-
Difference between projected and actual earnings	4,936	-	4,936	-
Total Deferred Inflows	<u>299,746</u>	<u>1,408,653</u>	<u>1,708,399</u>	<u>83,086</u>
NET POSITION				
Net investment in capital assets	28,175,054	33,503,620	61,678,674	4,841,838
Nonspendable				
Confiscated funds	23,386	-	23,386	-
Restricted for:				
Confiscated for police investigations	38,506	-	38,506	-
Law enforcement education programs	18,932	-	18,932	-
General obligation debt	127,485	-	127,485	-
Hotel Occupancy Tax	323,905	-	323,905	-
Landfill Closure	-	1,410,163	1,410,163	-
Grant Restrictions	749,854	-	749,854	-
Unrestricted	14,482,441	4,045,865	18,528,306	6,201,746
Total Net Position	<u>\$ 43,939,563</u>	<u>\$ 38,959,648</u>	<u>\$ 82,899,211</u>	<u>\$ 11,043,584</u>

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

City of Andrews, Texas
Government-Wide Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Unit Andrews Econ. Dev. Corp.
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business -type Activities	Total	
Primary Government:								
Governmental activities:								
General gov't and admin	\$ 1,809,456	\$ 131,303	\$ -	\$ -	\$ (1,678,153)	\$ -	\$ (1,678,153)	
Public safety	6,791,844	355,231	2,852,688	90,996	(3,492,930)	-	(3,492,930)	
Highways and streets	2,919,845	-	-	-	(2,919,845)	-	(2,919,845)	
Culture - recreation	1,151,776	64,622	-	550	(1,086,604)	-	(1,086,604)	
Economic development	479,045	34,600	-	-	(444,445)	-	(444,445)	
Interest	556,070	-	-	-	(556,070)	-	(556,070)	
Total Governmental Activities	<u>13,708,036</u>	<u>585,756</u>	<u>2,852,688</u>	<u>91,546</u>	<u>(10,178,047)</u>	<u>-</u>	<u>(10,178,047)</u>	
Business-type activities:								
Water and sewer	5,468,669	5,162,238	-	-	-	(306,431)	(306,431)	
Sanitation	2,426,990	2,125,046	-	-	-	(301,944)	(301,944)	
Total Business-type Activities	<u>7,895,658</u>	<u>7,287,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(608,374)</u>	<u>(608,374)</u>	
Total Primary Government	<u>\$ 21,603,695</u>	<u>\$ 7,873,040</u>	<u>\$ 2,852,688</u>	<u>\$ 91,546</u>	<u>(10,178,047)</u>	<u>(608,374)</u>	<u>(10,786,421)</u>	
Component Unit:								
Andrews Economic Dev. Corp.	<u>\$ 5,188,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,454</u>				<u>\$ (4,957,552)</u>
Total Component Unit	<u>\$ 5,188,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,454</u>				<u>\$ (4,957,552)</u>
General revenues:								
Taxes								
Property					1,961,122	-	1,961,122	-
Sales					6,947,286	-	6,947,286	2,311,276
Franchise					695,616	-	695,616	-
Other					380,547	-	380,547	-
Miscellaneous revenue					123,357	4,680,073	4,803,430	4,000
Investment income					892,303	428,529	1,320,832	389,803
Gain on disposition of assets					121,406	48,125	169,531	39,808
Transfers					263,423	(263,423)	(0)	-
Total general revenues and transfers					<u>11,385,060</u>	<u>4,893,304</u>	<u>16,278,364</u>	<u>2,744,888</u>
Change in net position					1,207,014	4,284,929	5,491,943	(2,212,664)
Net position, beginning					42,732,549	34,674,719	77,407,268	13,256,248
Prior Period Adjustment					-	-	-	-
Net position, ending					<u>\$ 43,939,563</u>	<u>\$ 38,959,648</u>	<u>\$ 82,899,211</u>	<u>\$ 11,043,584</u>

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

**City of Andrews, Texas
Governmental Funds
Balance Sheet
September 30, 2024**

	General Fund	Debt Service Fund	Reliever Route Funds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 14,555,693	-	\$ 348,886	\$ 1,290,017	16,194,596
Investments	731,000	-	-	-	731,000
Due from Other Funds	-	127,485	-	-	127,485
Inventories	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-	-
Ad valorem taxes	208,097	-	-	-	208,097
Sales taxes	755,806	-	-	-	755,806
Miscellaneous	32,873	-	-	-	32,873
Interest	10,883	-	-	-	10,883
Total Assets	<u>\$ 16,294,352</u>	<u>\$ 127,485</u>	<u>\$ 348,886</u>	<u>\$ 1,290,017</u>	<u>\$ 18,060,740</u>
DEFERRED OUTFLOWS					
	-	-	-	-	-
LIABILITIES					
Accounts payable	\$ 300,904	\$ -	\$ -	\$ 15,361	316,265
Due to other funds	-	-	127,485	-	127,485
Other payables	229,080	-	-	-	229,080
Customer deposits	4,400	-	-	10,000	14,400
Unearned revenue	203,097	-	-	-	203,097
Total Liabilities	<u>737,481</u>	<u>-</u>	<u>127,485</u>	<u>25,361</u>	<u>890,327</u>
DEFERRED INFLOWS					
	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable					
Confiscated funds	-	-	-	23,386	23,386
Restricted:					
Confiscated funds for police investigations	-	-	-	38,506	38,506
Law enforcement education programs	-	-	-	18,932	18,932
General obligation debt	-	127,485	-	-	127,485
Hotel Occupancy Tax	-	-	-	323,905	323,905
Grant Restrictions	-	-	-	749,854	749,854
Committed:					
Capital improvement projects	10,802,105	-	-	-	10,802,105
Ambulance services	441,440	-	-	-	441,440
Reliever Route maintenance	-	-	221,401	-	221,401
Court technology projects	-	-	-	6,149	6,149
Child safety seat purchases	-	-	-	612	612
Court security projects	-	-	-	65,763	65,763
Local Truancy Prevention	-	-	-	36,813	36,813
Municipal Jury Fund	-	-	-	736	736
Assigned:					
Pension Liability	2,419,025	-	-	-	2,419,025
Adult education programs	-	-	-	-	-
Litter Control	37,857	-	-	-	37,857
Police investigation	12,430	-	-	-	12,430
Unassigned					
Total fund balances (deficits)	<u>15,556,871</u>	<u>127,485</u>	<u>221,401</u>	<u>1,264,656</u>	<u>17,170,413</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 16,294,352</u>	<u>\$ 127,485</u>	<u>\$ 348,886</u>	<u>\$ 1,290,017</u>	<u>\$ 18,060,740</u>

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

City of Andrews, Texas
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds	\$	17,170,413
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		38,597,166
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(13,039,480)
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Deferred income is not revenue in the current period and therefore is not reported in the Statement of Net Position.		203,097
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Certain receivables and the associated allowance for uncollectible accounts are not current financial resources and therefore are not reported in the funds.		1,008,367
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Net Position of Governmental Activities	\$	<u><u>43,939,563</u></u>
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The notes to financial statements are an integral part of this statement.

City of Andrews, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended September 30, 2024

	General Fund	Debt Service Fund	Reliever Route Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 7,797,910	-	1,155,638	\$ 338,764	\$ 9,292,312
Franchise fees	695,616	-	-	-	695,616
License, permits, fees	128,872	-	-	-	128,872
Charges for services	64,622	-	-	-	64,622
Fines and court costs	178,155	-	-	37,016	215,171
Miscellaneous	752,356	-	-	-	752,356
Investment income	780,962	-	34,960	76,381	892,303
Intergovernmental revenue	2,964,123	-	-	-	2,964,123
Grant income	42,960	-	-	3,804	46,764
Contributions	48,036	-	-	-	48,036
Total Revenues	<u>13,453,612</u>	<u>-</u>	<u>1,190,598</u>	<u>455,965</u>	<u>15,100,175</u>
EXPENDITURES					
Current:					
General governmental and administration	2,504,412	-	-	5,445	2,509,857
Public safety	6,449,245	-	-	6,413	6,455,658
Highway and streets	1,587,897	-	113,901	-	1,701,798
Culture-recreation	554,945	-	-	286,500	841,445
Economic development	-	-	-	-	-
Debt service:					
Principal	-	570,000	-	-	570,000
Interest	-	558,393	-	-	558,393
Capital outlay:					
General governmental and administration	112,781	-	-	-	112,781
Public safety	1,056,395	-	-	-	1,056,395
Highway and streets	413,426	-	-	-	413,426
Culture-recreation	173,239	-	-	-	173,239
Economic development	-	-	-	-	-
Total Expenditures	<u>12,852,340</u>	<u>1,128,393</u>	<u>113,901</u>	<u>298,358</u>	<u>14,392,992</u>
Excess (deficiency) of revenues over (under) expenditures	601,272	(1,128,393)	1,076,697	157,607	707,183
OTHER FINANCING SOURCES (USES)					
Transfer in	528,687	1,128,393	-	-	1,657,080
Transfers out	-	-	(1,064,331)	(329,326)	(1,393,657)
General obligation bond issued	-	-	-	-	-
Sale of general capital assets	121,406	-	-	-	121,406
Lawsuit settlement	-	-	-	-	-
Total other financing sources (uses)	<u>650,093</u>	<u>1,128,393</u>	<u>(1,064,331)</u>	<u>(329,326)</u>	<u>384,829</u>
Net Change in Fund Balance	1,251,365	-	12,366	(171,719)	1,092,012
Fund balance, beginning	14,305,506	127,485	209,035	1,436,375	16,078,401
Prior Period Adjustment	-	-	-	-	-
Fund balance, ending	<u>\$ 15,556,871</u>	<u>\$ 127,485</u>	<u>\$ 221,401</u>	<u>\$ 1,264,656</u>	<u>\$ 17,170,413</u>

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

City of Andrews, Texas
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the year ended September 30, 2024

Net Change in Fund Balance - Governmental Funds \$ 1,092,012

Amounts reported for governmental activities in the statement of activities (SOA) are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$1,755,841) exceeded depreciation expense (\$2,510,081). (754,240)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 345,000

Some revenues/expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, are not reported as revenues/expenditures in governmental funds. 524,242

Change in Net Position of Governmental Activities \$ 1,207,014

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

City of Andrews, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,981,654	\$ 6,981,654	\$ 7,797,910	\$ 816,256
Franchise fees	685,000	685,000	695,616	10,616
License, permits, fees	43,000	43,000	128,872	85,872
Charges for services	58,000	58,000	64,622	6,622
Fines and court costs	211,600	211,600	178,155	(33,445)
Miscellaneous	810,860	810,860	752,356	(58,504)
Investment income	294,500	294,500	780,962	486,462
Intergovernmental revenue	2,686,668	2,686,668	2,964,123	277,455
Grant income	-	-	42,960	42,960
Contributions	-	-	48,036	48,036
Total Revenues	<u>11,771,282</u>	<u>11,771,282</u>	<u>13,453,612</u>	<u>1,682,330</u>
EXPENDITURES				
Current				
General gov't and admin	2,452,149	2,456,049	2,504,412	(48,363)
Public safety	6,813,901	6,813,901	6,449,245	364,656
Highways and street	806,756	806,756	1,587,897	(781,141)
Culture - recreation	519,857	519,857	554,945	(35,088)
Economic development	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
General government and admin.	60,300	393,015	112,781	280,234
Public safety	186,000	706,675	1,056,395	(349,720)
Highway and streets	856,142	1,143,532	413,426	730,106
Culture-recreation	128,000	162,860	173,239	(10,379)
Economic development	-	-	-	-
Total Expenditures	<u>11,823,105</u>	<u>13,002,645</u>	<u>12,852,340</u>	<u>150,305</u>
Excess (deficiency) of revenues over expenditures and other uses	(51,823)	(1,231,363)	601,272	1,832,635
OTHER FINANCING SOURCES (USES)				
Transfer in	306,000	306,000	528,687	(222,687)
Transfers out	-	-	-	-
General obligation bond issued	-	-	-	-
Sale of general capital assets	40,000	40,000	121,406	(81,406)
Lawsuit settlement	-	-	-	-
Total other financing sources (uses)	<u>346,000</u>	<u>346,000</u>	<u>650,093</u>	<u>(304,093)</u>
Net change in fund balance	294,177	(885,363)	1,251,365	1,528,542
Fund balance, beginning	14,305,506	14,305,506	14,305,506	-
Fund balance, ending	<u>\$ 14,599,683</u>	<u>\$ 13,420,143</u>	<u>\$ 15,556,871</u>	<u>\$ 1,528,542</u>

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

City of Andrews, Texas
Reliever Route
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,155,638	\$ 155,638
Franchise fees	-	-	-	-
License, permits, fees	-	-	-	-
Charges for services	-	-	-	-
Fines and court costs	-	-	-	-
Miscellaneous	-	-	-	-
Investment income	2,500	2,500	34,960	32,460
Intergovernmental revenue	-	-	-	-
Grant income	-	-	-	-
Total Revenues	<u>1,002,500</u>	<u>1,002,500</u>	<u>1,190,598</u>	<u>188,098</u>
EXPENDITURES				
Current				
General gov't and admin	-	-	-	-
Public safety	-	-	-	-
Highways and street	106,343	106,343	113,901	(7,558)
Culture - recreation	-	-	-	-
Economic development	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
General government and admin.	-	-	-	-
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Culture-recreation	-	-	-	-
Economic development	-	-	-	-
Total Expenditures	<u>106,343</u>	<u>106,343</u>	<u>113,901</u>	<u>(7,558)</u>
Excess (deficiency) of revenues over expenditures and other uses	896,157	896,157	1,076,697	180,540
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	(1,070,793)	(1,070,793)	(1,064,331)	(6,462)
General obligation bond issued	-	-	-	-
Sale of general capital assets	-	-	-	-
Lawsuit settlement	-	-	-	-
Total other financing sources (uses)	<u>(1,070,793)</u>	<u>(1,070,793)</u>	<u>(1,064,331)</u>	<u>(6,462)</u>
Net change in fund balance	(174,636)	(174,636)	12,366	174,078
Fund balance, beginning	209,035	209,035	209,035	-
Fund balance, ending	<u>\$ 34,399</u>	<u>\$ 34,399</u>	<u>\$ 221,401</u>	<u>\$ 174,078</u>

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

City of Andrews, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Sanitation	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 4,876,607	\$ 1,877,120	\$ 6,753,727
Investment-treasury securities/cert. of dep.	-	742,000	742,000
Interest receivable	-	6,159	6,159
Accounts receivable (net of allowance for doubtful accounts of \$22,317)	718,767	189,498	908,265
Inventories	150,953	-	150,953
Prepaid costs	381	-	381
Total Current Assets	<u>5,746,708</u>	<u>2,814,777</u>	<u>8,561,485</u>
Noncurrent Assets:			
Capital Assets			
Land	1,555,631	1,738,376	3,294,007
Buildings	4,170,550	349,595	4,520,145
Equipment	1,658,451	4,419,186	6,077,637
Infrastructure	46,830,233	-	46,830,233
Less accumulated depreciation	(19,149,310)	(2,130,757)	(21,280,067)
Total noncurrent assets	<u>35,065,555</u>	<u>4,376,400</u>	<u>39,441,955</u>
Total Assets	<u>40,812,263</u>	<u>7,191,177</u>	<u>48,003,440</u>
DEFERRED OUTFLOWS			
Pension Related:			
Difference between expected and actual experience	798,414	651,416	1,449,830
Difference between projected and actual earnings	108,315	90,697	199,012
Difference due to changes in actuarial assumptions	11,885	9,697	21,582
Deferred pension contributions	68,648	60,766	129,414
Total Deferred Outflows	<u>987,262</u>	<u>812,576</u>	<u>1,799,838</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	354,319	28,583	382,902
Accrued liabilities	14,136	4,764	18,900
Bond Payable in One Year	230,000	-	230,000
Bond Premium in One Year	31,667	-	31,667
Sales tax payable	-	-	-
Customer deposits	323,570	8,400	331,970
Accrued compensated absences	1,000	1,000	2,000
Total Current Liabilities	<u>954,692</u>	<u>42,747</u>	<u>997,439</u>
Noncurrent liabilities:			
Accrued compensated absences	89,271	91,519	180,790
Accrued pension benefit payable	642,129	527,788	1,169,917
Bond Payable	5,170,000	-	5,170,000
Bond Premium	506,668	-	506,668
Landfill closure costs	-	1,410,163	1,410,163
Total Noncurrent Liabilities	<u>6,408,068</u>	<u>2,029,470</u>	<u>8,437,538</u>
Total Liabilities	<u>7,362,760</u>	<u>2,072,217</u>	<u>9,434,977</u>
DEFERRED INFLOWS			
Pension Related:			
Difference between expected and actual experience	778,490	630,163	1,408,653
Total Deferred Inflows	<u>778,490</u>	<u>630,163</u>	<u>1,408,653</u>
NET POSITION			
Net investment in capital assets	29,127,220	4,376,400	33,503,620
Restricted:			
Landfill closure costs	-	1,410,163	1,410,163
Unrestricted	4,531,055	(485,190)	4,045,865
Total Net Position	<u>\$ 33,658,275</u>	<u>\$ 5,301,373</u>	<u>\$ 38,959,648</u>

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

City of Andrews, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2024

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Sanitation	Total
OPERATING REVENUES			
Charges for services:			
Water	\$ 3,728,532	\$ -	\$ 3,728,532
Sewer	1,072,843	-	1,072,843
Sanitation	-	2,125,046	2,125,046
Other	360,863	-	360,863
Total Operating Revenues	<u>5,162,238</u>	<u>2,125,046</u>	<u>7,287,284</u>
OPERATING EXPENSES			
Personnel services	1,113,016	766,311	1,879,327
Supplies	819,164	154,155	973,319
Maintenance & Repairs	782,577	188,192	970,769
Outside Services	987,246	250,208	1,237,454
Other Operating Expense	456,483	366,299	822,782
Landfill closure		322,673	322,673
Depreciation	1,310,183	379,153	1,689,336
Total Operating Expenses	<u>5,468,669</u>	<u>2,426,990</u>	<u>7,895,659</u>
Income from Operations	<u>(306,431)</u>	<u>(301,944)</u>	<u>(608,375)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	259,805	168,724	428,529
Gain/(Loss) on disposal of capital assets	35,025	13,100	48,125
Rent	354,320	-	354,320
Surface Damages / Water Disposal	34,407	-	34,407
Transfer from Andrews Economic Development	4,259,679		4,259,679
General Obligation Bond Premium Amortization	31,667	-	31,667
Total Nonoperating Revenues (Expenses)	<u>4,974,903</u>	<u>181,824</u>	<u>5,156,727</u>
Income before capital contributions and transfers	4,668,472	(120,120)	4,548,352
Capital contributions		-	-
Transfers in from American Rescue Plan	130,327	-	130,327
Transfer out Debt Service Fund	(393,750)	-	(393,750)
Total Transfers	<u>(263,423)</u>	<u>-</u>	<u>(263,423)</u>
Change in Net Position	4,405,049	(120,120)	4,284,929
Net Position, beginning	29,253,226	5,421,493	34,674,719
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>0</u>
Net Position, ending	<u>\$ 33,658,275</u>	<u>\$ 5,301,373</u>	<u>\$ 38,959,648</u>

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

City of Andrews, Texas
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2024

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customer	\$ 6,166,357	\$ 2,166,305	\$ 8,332,662
Other operating cash receipts	-	7,583	7,583
Cash payments to suppliers for goods and services	(3,393,807)	(640,134)	(4,033,941)
Cash payments to employees for services	(1,160,455)	(832,652)	(1,993,107)
Cash payments to other funds for services	(436,074)	(366,299)	(802,373)
Net cash provided (used) by operating activities	<u>1,176,021</u>	<u>334,803</u>	<u>1,510,824</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Net cash provided by non-capital financing activities	-	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(5,535,930)	(838,497)	(6,374,427)
Cash transfer from American Rescue Fund for Capital Projects	4,259,679	-	4,259,679
Proceeds from sale of capital assets	12,646	13,100	25,746
Income from Surface Damage and Salt Water Disposal on City Property	34,407	-	34,407
Rental income from City assets	354,320	-	354,320
General Obligation Bond Premium Amortization	31,667	-	31,667
Cash transfer from American Rescue Fund for Capital Projects	130,327	-	130,327
Debt Service	(393,750)	-	(393,750)
Net cash provided (used) by capital and related financing activities	<u>(1,106,634)</u>	<u>(825,397)</u>	<u>(1,932,031)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash and investments	259,805	168,723	428,528
Purchase of treasury securities/certificate of deposit	-	876,544	876,544
Net cash provided (used) by investing activities	<u>259,805</u>	<u>1,045,267</u>	<u>1,305,072</u>
Net increase (decrease) in cash and cash equivalents	329,192	554,673	883,865
Cash and cash equivalents, beginning	4,547,413	1,322,447	5,869,860
Cash and cash equivalents, ending	<u>\$ 4,876,605</u>	<u>\$ 1,877,120</u>	<u>\$ 6,753,725</u>
Reconciliation of income from operations to net cash provided by (used for) operating activities			
Operating Income (Loss)	\$ (306,432)	\$ (301,944)	\$ (608,376)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	1,310,183	379,153	1,689,336
Landfill closure costs	-	322,673	322,673
Prior Period Adjustment	-	-	-
Provision for doubtful accounts	4,346	-	4,346
Change in assets and liabilities			
Decrease (increase) in accounts receivable	991,250	41,260	1,032,510
Decrease (increase) in interest receivable	-	7,583	7,583
Decrease (increase) in due from other funds	-	-	-
Decrease (increase) in inventory	(8,375)	-	(8,375)
Decrease (increase) in prepaid costs	447	-	447
Decrease (increase) in deferred outflows of resources for pensions	21,116	16,833	37,949
Increase (decrease) in accounts payable	(551,482)	(49,480)	(600,962)
Increase (decrease) in accrued liabilities	3,314	(5,549)	(2,235)
Increase (decrease) in sales tax payable	-	-	-
Increase (decrease) in other payables	-	-	-
Increase (decrease) in compensated absences	11,169	(11,429)	(260)
Increase (decrease) in bond payable	(225,000)	-	-
Increase (decrease) in pension benefit obligation	(261,034)	(208,088)	(469,122)
Increase (decrease) in customer deposits	8,523	1,900	10,423
Increase (decrease) in deferred outflows of resources for pensions	177,996	141,891	319,887
Net cash provided (used) by operating activities	<u>\$ 1,176,021</u>	<u>\$ 334,803</u>	<u>\$ 1,735,824</u>

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

City of Andrews, Texas
Statement of Custodial Net Position
September 30, 2024

	<u>Total</u>
ASSETS	
Cash and cash equivalents	<u>\$ 124,789</u>
Total Assets	<u><u>\$ 124,789</u></u>
LIABILITIES	
Deposits held for others	<u>124,789</u>
Total Liabilities	<u><u>\$ 124,789</u></u>
NET POSITION	<u>-</u>
	<u><u>\$ -</u></u>

City of Andrews, Texas
Statement of Changes in Net Position
Custodial Funds
September 30, 2024

	<u>Balance Oct. 1 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30 2024</u>
ASSETS				
Cash and cash equivalents	\$ 130,077	\$ 130,742	\$ 136,030	\$ 124,789
Total Assets	<u>\$ 130,077</u>	<u>\$ 130,742</u>	<u>\$ 136,030</u>	<u>\$ 124,789</u>
 LIABILITIES				
Deposits held for others	130,077	\$ 130,742	\$ 136,030	\$ 124,789
Total Liabilities	<u>\$ 130,077</u>	<u>\$ 130,742</u>	<u>\$ 136,030</u>	<u>\$ 124,789</u>
 NET POSITION				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Andrews, Texas (the City), was founded in 1937. The City operates under the Council-Manager form of government as adopted by a Home Rule Charter approved June 9, 1959. The City provides a full range of municipal services including public safety (police, EMS, and fire), highway and streets, parks and recreation, health and welfare, planning and zoning and general administrative services. In addition, the City provides water, sewer, and sanitation service as a proprietary function of the City.

The accounting policies of the City conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board (GASB) which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the City's general purpose financial statements.

A. Reporting entity

The accompanying financial statements present the primary government – the City of Andrews – and its component unit(s), entities for which the government is considered to be financially accountable and an organization which, if excluded, would cause the City's basic financial statements to be misleading or incomplete. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The criteria considered in determining activities to be reported within the City's basic financial statements are based upon and consistent with those set forth in the Codification of Governmental Accounting Standards, Section 2100, "*Defining the Financial Reporting Entity.*" The criteria includes whether:

- the organization is legally separate (can sue or be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Discretely presented component unit. The Andrews Economic Development Corporation (AEDC) began operations as a 501(c)(3) corporation in January, 2006 to create, manage, operate, and supervise programs and activities to promote, assist, and enhance economic development and business enterprises within and around the City. The AEDC's operations are funded solely by a ½ cent sales tax for economic development approved by the voters in May, 2005. The primary government appoints the five-member board, is financially accountable, is able to impose its will on the organization, and can significantly influence operations and/or activities of the organization. The AEDC does not issue separate financial statements. Instead, the AEDC financial statements are included on pages 124-126 of this report and are included within the scope of the independent audit.

B. Basis of Presentation – Government-wide Statements

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

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 Government-wide Statement of Net Position reports all financial and capital resources of the City and is presented in an “assets plus deferred outflows minus liabilities minus deferred inflows equal net position” format as required by GASB Statement No. 63. Net position is required to be displayed in three components: (1) invested in capital assets net of related debt; (2) restricted; and (3) unrestricted. Invested in capital assets net of related debt equals capital assets net of accumulated depreciation and is reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use as: (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the assets neither restricted nor invested in capital assets (net of related debt). Reservations or designations of net assets imposed by the City, whether by administrative policy or legislative actions of the City Council that do not otherwise meet the definition of restricted net assets, are considered unrestricted in the Government-wide Statement of Net Position.

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

C. Basis of Presentation – Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance/net position, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds for the purpose of carrying on specific activities in accordance with special regulations, restrictions, or limitations.

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

The type and purpose of funds is described below.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

- The City reports two major governmental funds – the **General Fund**, and the **Reliever Route Fund**. The General Fund is the main operating fund of the City. All general tax revenues and other receipts are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs are paid from the General Fund. The Reliever Route Fund consists of sales tax funds committed to the repair and maintenance of the City's truck reliever route.

Additionally, the City reports ten Special Revenue Funds as **Other Governmental Funds**. These ten Special Revenue Funds are used to account for monies received and expended for the following specific purposes: Court Technology, Police Investigation, Police Education, Police Forfeiture, Child Safety Seats, Court Security, Local Truancy Preventions, Municipal Jury Fund, American Rescue Plan and Hotel Occupancy Tax. Of these funds, the Hotel Occupancy Tax Fund and American Rescue Plan were budgeted in 2023-24.

The City also reports a Debt Service Fund that is a governmental fund used to account for monies set aside for the payment of principal and interest to holders of the City's general obligation bonds. A general obligation (GO) bond is a legal debt instrument used to finance permanent public projects within city limits. In issuing bonds, the City pledges to levy whatever property tax is needed to repay the bonds for any particular year.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City reports the following major proprietary funds:

Water and Sewer (Utility) Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the fund.

Sanitation Fund is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the City reports two **Custodial Funds**. Custodial funds are custodial in nature (assets equal liabilities) but can report a net position balance when a demand for resources has been made. The fund involves the economic resources measurement focus. The accrual basis of accounting is used. The City has two custodial funds: the Escrow Fund, and the Employee Christmas Fund.

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

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

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

The government-wide statements and fund financial statements for proprietary funds are reported using the *economic resources* measurement focus and the *accrual basis of accounting*. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and are accounted for using the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available, generally, if they are collected within 60 days of the end of the current fiscal period. The City considers the grant availability period to be one year for revenue recognition. Expenditures are recorded when the related fund liability is incurred. Expenditures related to compensated absences are recorded only when payment is due.

Property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

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

E. Assets, liabilities, deferred outflows/inflows of resources, & net position/fund balance

1. Deposits and Investments

The City's cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near to maturity that they present insignificant risk of

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

changes in value because of changes in interest rates. The City has included both cash in bank and cash invested in investment pools that have the general characteristics of demand deposit accounts in that additional cash may be deposited at any time and also effectively may withdraw cash at any time without prior notice or penalty, (TexSTAR and Texas CLASS) as cash equivalents.

Investments authorized by the City's investment policy, which is guided by state laws and city ordinances, generally include: obligations of the United States of America or its agencies and instrumentalities; fully-collateralized Certificates of Deposit from City Council-approved public depositories; direct obligations of the State of Texas or its agencies and instrumentalities; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions; no-load money market mutual funds registered and regulated by the Securities and Exchange Commission; corporate commercial paper; fully collateralized repurchase agreements; and reverse repurchase agreements within specific terms.

Investments maturing within one-year of date of purchase are displayed on the statement of net position in the basic financial statements at cost or amortized cost; all other investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, and GASB Statement No. 72, Fair Value Measurement and Application. All investment income is recognized in the appropriate fund's statement of activity and or statement of revenues, expenditures and changes in fund balance.

2. Receivables and Payables

All trade receivables are shown net of an allowance for doubtful accounts. Balances of accounts receivable, reported on the government-wide statement of net position, are aggregations of different components such as charges for services, fines, and balances due from taxpayers or other governments. Receivables reported in business-type activities are primarily comprised of charges for services

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

3. Inventories and Prepaid Expenses

The inventories in the Proprietary Funds are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Renewals and betterments are capitalized. Items must cost more than \$2,000 to be capitalized.

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

All capital assets purchased or constructed are valued at historical cost or estimated historical cost if actual historical is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are reported at acquisition value rather than fair value. Repairs and maintenance are recorded as expenses.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	20-50 years
Water and Sewer System	20-50 years
Infrastructure	20-40 years
Machinery & Equipment	5-10 years
Improvements	10-20 years

5. Deferred outflows 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 element, deferred outflows of resources, represent 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 government has the following items that qualify for reporting in this category:

- Pension contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- Difference between projected and actual earnings on pension investments – This difference is deferred and amortized to pension expense over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Difference due to changes in actuarial assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

6. Compensated Absences

The amounts owed to employees for unpaid vacation and sick leave liabilities, including the City’s share of employment-related taxes, are reported on the accrual basis of accounting in the applicable governmental or business-type activity columns of the government-wide statements and in the proprietary activities of the fund financial statements. The liabilities and expenditures are reported on the modified accrual basis in the governmental fund financial statements; the estimated liability for governmental funds is the amount of vacation, exception vacation, and sick leave at termination payable within 60 days of fiscal year-end.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from the TMRS’ fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose,

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.

8. Long-term Debt

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are recognized as expenses in the period incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized in the period the debt is issued. 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.

9. Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent 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 government has the following items that qualify for reporting in this category:

- Pension contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- Difference due to changes in actuarial assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

10. Net position flow assumption

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

11. Fund balance flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund balance reporting

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The hierarchy of five possible classifications of fund balance is:

- **Nonspendable** – Amounts that cannot be spend due to form or amounts that must be maintained intact legally or contractually.
- **Restricted** – Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.
- **Committed** – Amounts that can be used only for the specific purposes determined by a formal action of the City Council – the government’s highest level of decision-making authority. The City Council can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Only action that constitutes the most binding constraint should be considered a commitment for fund balance classification purposes.
- **Assigned** – For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed. For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. The City Council by resolution has delegated such authority to the Director of Finance.
- **Unassigned** – For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the general fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

F. Revenues and expenditures/expenses

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

Property Taxes – Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Appraised values are established by the Andrews County Appraisal District at 100% for estimated fair market value. Andrews Independent School District is contracted to bill and collect the city taxes.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during

CITY OF ANDREWS, TEXAS
Notes to the Basic Financial Statements
September 30, 2024

the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

The City is permitted by Section 5 of the Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its fair value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every three years; however, the city may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and if necessary, legal action. Under this legislation the City continues to set tax rates on City property. However, if the no new revenue tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year.

<u>Property Tax Calendar</u>	
Levy Date	January 1
Billing Date	October 1
Collection Dates	October 1 – January 31
Delinquent Date	February 1
Lien Date	February 1

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Water and Sewer Fund and the Sanitation Fund are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Transactions between funds – The City allocates to the proprietary funds an indirect cost percentage for administration and financial services that include costs of personnel and other indirect costs deemed necessary for their operations. During the year ended September 30, 2022, the City allocated \$529,840 for these services. Such revenues are recorded as a reduction of expense in the General Fund on the government-wide statements.

G. New Accounting Pronouncements

In June 2022, the GASB issues Statement No. 100, “Accounting Changes and Error Corrections - Amendment of GASB Statement No 62.” This Statement prescribes the accounting and financial reporting for (1) each type of accounting change, and (2) error corrections. This Statement requires (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for financial statement reporting period beginning after June 15, 2023. The City is evaluating the impact, if any, upon its financials.

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In June 2022, the GASB issues Statement No. 101, "Compensated Absences". This Statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2023. The City is has implemented this GASB pronouncement in it's current financials.

In December 2023, the GASB issues Statement No. 102, "Certain Risk Disclosure". The objective of the Statement is to provide users of government financial statements with essential information about risks related to government's current vulnerabilities due to (1) certain concentrations and (2) certain constraints common in the governmental environment. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The City is evaluating the impact that adoption of this Statement will have on its financial statements if any.

The City of Andrews will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$38,597,166 are as follows:

Land	\$ 1,071,357
Buildings	11,112,064
Less: Accumulated depreciation – buildings	(2,120,420)
Improvements other than buildings	8,982,819
Less: Accumulated depreciation – improvements	(5,028,567)
Infrastructure	33,669,282
Less: Accumulated depreciation – infrastructure	(12,299,966)
Machinery and equipment	8,054,582
Less: Accumulated depreciation – machinery & equipment	<u>(4,843,985)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$38,597,166</u>

Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$13,039,480 difference are as follows:

Bonds payable	\$10,250,000
Add: Issuance premium (to be amortized over life of debt)	172,112
Pension-related debt	1,873,501
Compensated absences	673,709
Accrued interest payable	<u>70,158</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$13,039,480</u>

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Another element of that reconciliation explains that “deferred income is not revenue in the current period and therefore is not reported in the Statement of Net Position.” The City has \$203,097 in deferred income from ad valorem taxes expected to be collected within 60 days of the close of the fiscal year.

The final element of that reconciliation explains that “certain receivables and the associated allowance for uncollectible accounts are not current financial resources and therefore are not reported in the funds.” The details of this \$1,008,367 difference are as follows:

Court citations receivable	\$ 994,406
Weed control receivable	<u>13,961</u>
 Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	 <u>\$1,008,367</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net *changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.” The details of this \$(754,240) difference are as follows:

Capital outlay	\$ (1,755,841)
Sale of Assets	-
Depreciation expense	<u>2,510,081</u>
 Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 <u>\$ (754,240)</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.” The City made principal repayments of \$345,000 during fiscal year 2024 increasing *changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*.

The final element of that reconciliation states that “some revenues/expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as revenues/expenditures in governmental funds.” The details of this \$524,242 difference are as follows:

Compensated absences	\$ 24,602
Pension liability	477,920
Court citations issued not billed	12,318
Weed control services not billed	2,049
Property tax not collectable in 60 days	(3,357)
Amortization on bond premium	8,387
Accrued interest expense on bond	<u>2,323</u>
 Net adjustment to increase the <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .	 <u>\$ 524,242</u>

CITY OF ANDREWS, TEXAS
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NOTE 3: CASH DEPOSITS AND INVESTMENTS

A. Cash and cash equivalents

Cash and cash equivalents for the primary government are reported in governmental and business-type activities. The balances at September 30, 2024, are as follows:

	Primary Government	Fiduciary Activities	Total Government	Component Unit	Total
Cash on hand	\$ 1,276	\$ -	\$ 1,276	\$ -	\$ 1,276
Bank Deposits	1,254,467	124,789	1,379,256	41,096	1,420,352
State Investment Pools	21,692,580	-	21,692,580	5,240,560	26,933,140
Total cash and equivalents	<u>\$22,948,323</u>	<u>\$124,789</u>	<u>\$23,073,112</u>	<u>\$ 5,281,656</u>	<u>\$ 28,354,768</u>

Bank Deposits – On September 30, 2024, all bank deposits were covered by federal depository insurance or were fully collateralized by the depository in the City’s name and held by the depository’s agent.

State Investment Pools – The City is a member of two local government investment pools –TexSTAR and Texas CLASS. State investment pools are considered as cash equivalents for financial reporting purposes.

TexSTAR’s governing body is a five-member board of directors (the “Board”). Three directors are officers or employees of Participants; one director is an officer or employee of First Southwest Company, LLC; and the final director is an officer or employee of an affiliate of J.P. Morgan Investment Management Inc. TexSTAR’s Bylaws also require the Board to appoint an advisory board. The Advisory Board currently consists of six members, each of whom is either (1) a representative of a Participant or (2) a person who has no business relationship with the Board, but who is qualified to advise the Board. The Advisory Board shall at all times include at least one member of each such designation.

Texas Cooperative Liquid Assets Securities System (Texas CLASS) was created specifically for use by Texas local government entities and seeks to provide safety, liquidity, convenience, and competitive rates of return. Public Trust Advisors, LLC serves as the pool’s administrator and investment adviser. Public Trust Advisors, LLC also performs all marketing and operation functions of the portfolio. The pool is subject to the general supervision of a Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS Participants. Wells Fargo Bank, N.A. serves as custodian for the pool. The investment objective and strategy of the pool is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to investment funds.

TexSTAR, and Texas CLASS operate in a manner consistent with SEC’s Rule 2a7 of the Investment Company Act of 1940. They all use amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in each is the same as the value of their shares. As of September 30, 2024, City and Andrews Economic Development Corporations (Component Unit) funds were invested as follows:

	TexStar	Texas CLASS	Total
City of Andrews	\$1,717,991	\$ 19,974,589	\$21,692,580
Andrews EDC	0	5,240,560	5,240,560
Total	<u>\$1,717,991</u>	<u>\$25,215,149</u>	<u>\$26,933,140</u>

CITY OF ANDREWS, TEXAS
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B. Investments

The Public Funds Investment Act applies to all local governments in Texas and their investments. It authorizes the City of Andrews to invest its funds under a written investment policy that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. The investment policy defines what constitutes the legal list of investments allowed under the policy. In compliance with GASB 31, the City of Andrews has stated its investments for periods of one year or less at cost with accrued interest shown under a separate caption on the balance sheet. Investments made for periods of more than one year have been reflected at fair value with the adjustment shown as part of investment income.

An investment committee, appointed by the council, is composed of the finance officer, city manager, and two councilmen. Under the committee's direction and within the guidelines of the City's investment policy, City funds are directly invested in instruments with a maturity of two years or less. It is the city's policy to hold these instruments until maturity.

The following table includes the portfolio balances of all investment types of the City at September 30, 2024. (Local government investment pools have been reported in the financial statements as cash equivalents.)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
<u>City of Andrews</u>		
U. S. Treasury Notes	\$ -	N/A
Certificates of Deposit	1,473,944	175
Total fair value	<u>\$ 1,473,944</u>	
Portfolio weighted average maturity		11
<u>Andrews Economic Development Corporation</u>		
U. S. Treasury Notes	\$ -	N/A
Certificates of Deposit	1,001,358	202
Total fair value	<u>\$ 2,085,780</u>	
Portfolio weighted average maturity		33

C. Restricted Cash and Investments

	Governmental Activities	Business- type Activities	Total Primary Government	Fiduciary Activities	Total Government
Unrestricted	\$ 14,912,528	\$ 5,343,564	\$ 20,256,092	\$ -	\$ 20,256,092
Restricted	1,258,682	1,410,163	2,668,845	124,789	2,793,634
Nonspendable	23,386		23,386		23,386
Total	<u>\$ 16,194,596</u>	<u>\$ 6,753,727</u>	<u>\$ 22,948,323</u>	124,789	<u>\$ 23,073,112</u>

CITY OF ANDREWS, TEXAS
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Cash and investments at September 30, 2024, restricted by legal or contractual requirements, are reported in governmental activities, business-type activities and fiduciary funds as follows:

<u>Cash and investments by funds</u>	
Governmental activities:	
Debt service fund:	
Debt service	\$ 127,485
Other governmental funds:	
Police investigation	38,506
Police education	18,932
Grant Restrictions	749,854
Hotel Occupancy Tax	<u>323,905</u>
Total governmental activities	1,258,682
Business-type activities:	
Sanitation fund:	
Landfill closure	1,410,163
Total business-type activities	1,410,163
Total primary governmental restricted cash	<u>2,668,845</u>
Total fiduciary activities	<u>124,789</u>
Total restricted cash and investments	<u>\$2,793,634</u>

Total cash and investments reported for the City's only component unit, Andrews Economic Development Corporation, was \$6,281,657 none of which was restricted.

Cash and investments at September 30, 2024, nonspendable by legal or contractual requirements, are reported in governmental activities, business-type activities and fiduciary funds as follows:

Other governmental funds:	
Confiscated Funds	<u>23,386</u>
Total governmental activities	23,386
Total nonspendable cash and investments	<u>\$23,386</u>

D. Risk Disclosures

Custodial credit risk. The risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of Texas Public Funds Investment Act. State law requires federal depository insurance or collateralization with the value of eligible securities having an aggregate value at least equal to the amount of the deposits. The City's Investment Policy requires the minimum collateral level to be 102.0 percent of the fair value of principal and accrued interest.

On September 30, 2024, bank balances were not exposed to custodial credit risk as follows:

<u>Deposit Type</u>	<u>Insured</u>	<u>Uninsured and collateralized *</u>	<u>Total</u>
Bank Deposits	\$ 295,542	\$ 1,060,170	\$ 1,355,713
Certificates of Deposit	1,473,000	-	1,473,000
Treasuries	-	-	-
Total fair value	<u>\$ 1,768,542</u>	<u>\$ 1,060,170</u>	<u>\$ 2,828,713</u>

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On September 30, 2024, pledged collateral with a fair value of \$6,530,184, providing a collateral level of 616%. Collateralized funds were held by BBVA, College Station, Texas, with the City named as the party the funds are pledged.

Credit Risk. In accordance with its investment policy, the City minimizes the risk of loss due to the failure of the issuer or backer of the investment, by (1) limiting investments to the safest types of investments, (2) pre-qualifying the financial institutions and broker/dealers with which the City will do business, and (3) diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

As of September 30, 2024, the Local Government Investment Pools (which represent approximately 87% of the portfolio) are rated AAAM by Standard and Poor's. None of the portfolio consists of direct obligations of the US government.

As of September 30, 2024, the City had diversified its portfolio by investing in certificates of deposit from six (6) different issuers.

Interest Rate Risk—The City minimizes the risk that the interest earnings and the fair value of investments in the portfolio will fall due to changes in interest rates, by (1) structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity, (2) investing operating funds primarily in certificates of deposit, shorter-term securities, or local government investment pools functioning as money market mutual funds, and (3) diversifying maturities and staggering purchase dates to minimize the impact of market movements over time. As a means of minimizing the risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities may not exceed five years (1,825 days) for the Trust fund and two years (730 days) for all other funds.

Maturity by Investment Type

<u>Months to Maturity</u>	<u>U.S. Treasuries</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Less than 6	\$ -	\$ 735,685	\$735,685
6 - 12	-	738,259	738,259
12 - 18	-	-	-
18 - 24	-	-	-
24 - 36	-	-	-
	<u>\$ -</u>	<u>\$ 1,473,944</u>	<u>\$1,473,944</u>

The risk exposures for governmental and business-type activities, individual major funds, non-major funds in the aggregate and fiduciary fund types of the city are not significantly greater than the deposit and investment risk of the primary government.

E. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has no recurring fair value measurements as of September 30, 2024. Nonnegotiable certificates of deposit are not subject to fair value and would also not be subject to the fair value level disclosures required by GASB No. 72.

CITY OF ANDREWS, TEXAS
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NOTE 4: RECEIVABLES

Amounts are aggregated into a single accounts receivable line net of allowance for doubtful accounts. Below is the detail of receivables for the primary government.

Receivables	Governmental Activities	Business Type Activities	Total
Ad Valorem Taxes	208,097	-	208,097
Municipal Court	994,406	-	994,406
Weeds	13,961	-	13,961
Utility Accounts	-	908,265	908,265
Sales Tax	755,806	-	755,806
Hospital District	-	-	-
Fees, liens and fines	32,873	-	32,873
Interest	10,883	-	10,883
	\$2,016,026	\$ 908,265	\$2,924,291

NOTE 5: PROPERTY TAX

The City's annual ad valorem property tax is required to be levied by October 1, or as soon thereafter as practicable, on the assessed value listed as of the prior January 1 for all real and certain personal property. Taxes are due on January 31 of the year following the year of the levy. A tax lien attaches to all property on January 1 of each year to secure the payment of all taxes, penalties and interest that is ultimately imposed on the property. The tax rate established by the City Council for the 2024 tax year was \$0.180475 per \$100 of assessed value with \$0.180475 for operations and \$0.0000 for debt service.

Tax Abatements

For financial reporting purposes, GASB No. 77 defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

The City of Andrews, Andrews County and Andrews County Hospital District (hereinafter referred to as the Affected Jurisdictions) located within the County of Andrews, Texas, are committed to the promotion of business development and to an ongoing improvement in the quality of life for their citizens. The Affected Jurisdictions recognize that these objectives are generally served by enhancement and expansion of the local economy. The Affected Jurisdictions will, on a case by case basis, give consideration to providing tax abatement, as authorized by V.T.C.A., Tax Code, Chapter 312, as stimulation for economic development within the Affected Jurisdictions.

Eligibility criteria, the mechanism by which taxes are abated, and provisions for recapturing abated taxes are detailed in the Guidelines and Criteria Governing Tax Abatement in Andrews, Texas found on https://www.andrewstxedc.org/community_profile/incentives.php

Accounts are 100% abated after base value. The base value is the existing value before the abated new improvement value exists.

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The following tax abatements were entered into by the City in fiscal 2024:

Name	Reason	Type	Abated Value	Tax Abated
Barnes (Cannonball Pipe)	New Construction	Real	607,254	1,096
BHH Capital of Texas 3 LLC(Beehive)	New Construction	Real	929,972	1,678
HLC Custom Processing LLC	New Construction	Real	445,840	805
HLC Custom Processing LLC	New BPP	Pers	70,688	128
Stampede Incorporated	New BPP	Pers	145,451	263
Stampede Incorporated	New Construction	Real	522,736	942
Varner (Vessel Components)	New Construction	Real	369,427	667
Totals			\$3,091,368	\$ 5,579
Total abated value:			\$3,091,368	
x 2024 Tax Rate			.00180475	
Total abated property tax for FYE September 30, 2024			\$ 5,579	

NOTE 6: CAPITAL ASSETS

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

Governmental Activities:

	Balance Sept 30, 2023	Increases	Decreases	Balance Sept 30, 2023
Capital assets not depreciated:				
Land	\$ 1,071,356	-	-	\$ 1,071,356
Total capital assets not depreciated	1,071,356	-	-	1,071,356
Capital assets being depreciated:				
Buildings	11,013,633	98,432	-	11,112,065
Improvements other than buildings	8,828,637	268,482	(114,300)	8,982,819
Infrastructure	33,512,074	157,208	-	33,669,282
Machinery and equipment	7,328,476	1,231,719	(505,613)	8,054,582
Total capital assets being depreciated	60,682,820	1,755,841	(619,913)	61,818,748
Less accumulated depreciation:				
Buildings	(1,862,962)	(257,458)	-	(2,120,420)
Improvements other than buildings	(4,606,389)	(536,477)	114,300	(5,028,566)
Infrastructure	(11,172,617)	(1,127,349)	-	(12,299,966)
Machinery and equipment	(4,760,800)	(588,796)	505,613	(4,843,983)
Total accumulated depreciation	(22,402,768)	(2,510,080)	619,913	(24,292,935)
Total capital assets being depreciated, net	38,280,051	(754,239)	-	37,525,813
Governmental activities capital assets, net	\$ 39,351,407	\$ (754,239)	-	\$ 38,597,169

CITY OF ANDREWS, TEXAS
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Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities:	
General government and administration	\$ 95,577
Public safety	596,752
Highways and streets	1,253,376
Economic development	310,331
Culture-recreation	<u>254,044</u>
 Total depreciation expense - governmental activities	 <u>\$2,510,080</u>

Business-type activities:

	Balance Sept 30, 2023	Increases	Decreases	Balance Sept 30, 2024
Capital assets not depreciated:				
Land	\$ 3,294,007	\$ -	\$ -	\$ 3,294,007
 Total Capital Assets Not Depreciated	 3,294,007	 -	 -	 3,294,007
Capital assets being depreciated:				
Buildings	4,488,441	31,703	-	4,520,144
Improvements other than buildings	75,647	-	-	75,647
Water and sewer systems	41,649,833	5,199,490	(19,089)	46,830,234
Machinery and equipment	4,870,018	1,156,322	(24,350)	6,001,990
Total capital assets being depreciated	<u>51,083,939</u>	<u>6,387,515</u>	<u>(43,439)</u>	<u>57,428,015</u>
Less accumulated depreciation:				
Buildings	(1,054,128)	(107,843)	-	(1,161,971)
Improvements other than buildings	(59,343)	(3,428)	-	(62,771)
Water and sewer systems	(16,039,836)	(1,143,546)	-	(17,183,382)
Machinery and equipment	(2,458,481)	(434,518)	21,060	(2,871,945)
Total accumulated depreciation	<u>(19,611,794)</u>	<u>(1,689,335)</u>	<u>21,060</u>	<u>(21,280,069)</u>
 Total capital assets being depreciated, net	 31,472,145	 4,698,180	 (22,379)	 36,147,946
 Business-type activities capital assets, net	 <u>\$ 34,766,152</u>	 <u>\$4,698,180</u>	 <u>(22,379)</u>	 <u>\$ 39,441,953</u>

Depreciation expense was charged to the functions/programs of the business-type activities of the primary government as follows:

Business-type activities:	
Water and sewer	\$ 1,310,182
Sanitation	<u>379,153</u>
 Total depreciation expense-Business-type activities	 <u>\$ 1,689,335</u>

CITY OF ANDREWS, TEXAS
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NOTE 7: OTHER PAYABLES

Other payables as of September 30, 2024 for the primary government include:

	Governmental Activities	Business Type Activities	Total
Municipal court deferred adjudication and bonds	\$ 8,744	\$ -	\$ 8,744
Sales tax to economic development corp.	188,951	-	188,951
Unclaimed property	9,138	-	9,138
Teen Court	725	-	725
Vending Machine	312	-	312
Police Gun Sales	13,000		13,000
Flex Payable	8,210	18,900	27,110
Total other payables	<u>\$ 229,080</u>	<u>18,900</u>	<u>\$ 247,980</u>

NOTE 8: PENSION LIABILITIES

A. Texas Municipal Retirement System

Plan Description

The City of Andrews participates as one of 935 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

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

Full-time employees of the Andrews Economic Development Corporation (AEDC), a discretely presented component unit, may participate in TMRS. Participating AEDC employees are included in the City plan and receive all pension benefits provided to City employees. Where possible, the notes separately identify amounts associated with the primary government and with its discretely presented component unit.

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount

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equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan Year 2023 provisions for the City were as follows:

Employee deposit rate	7.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5,0/25
Updated Service Credit	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating

Employees covered by benefit terms.

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

	<u>City</u>	<u>AEDC</u>
Inactive employees or beneficiaries currently receiving benefits	37	0
Inactive employees entitled to but not yet receiving benefits	41	0
Active employees	<u>86</u>	<u>0</u>
	164	0

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.98% and 15.42% in calendar years 2023 and 2024, respectively. The city's contributions to TMRS for city and AEDC employees for the year ended September 30, 2024, were \$1,034,894 and were equal to the required contributions.

Net Pension Liability

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

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 110% and female rates multiplied by 100% with a 4-year set-forward for males and a 3 year set forward for females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3.5% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the 2019 Municipal Retirees of Texas Mortality Tables. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation
International Equity	35%
Core Fixed Income	6%
Non-Core Fixed Income	20%
Other Public and Private Markets	12%
Real Estate	12%
Hedge Funds	5%
Private Equity	10%
Cash Equivalents	0%
Total	100.0%

Discount Rate

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

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<u>Changes in the Net Pension Liability</u> (City + AEDC)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balance at 12/31/2022	\$33,696,489	\$27,892,758	\$5,803,732
Changes for the year:			
Service cost	1,009,147	-	1,009,147
Interest	2,237,797	-	2,237,797
Change of benefit terms	(311,723)	-	(311,723)
Difference between expected and actual experience	(347,062)	-	(347,062)
Changes of assumptions	(304,055)	-	(304,055)
Contributions – employer	-	987,518	(987,518)
Contributions – employee	-	432,580	(432,580)
Net investment income	-	3,223,698	(3,223,698)
Benefit payments, including refunds of employee contributions	(1,473,585)	(1,473,585)	-
Administrative expense	-	(20,538)	20,538
Other changes	-	(143)	143
Net changes	\$810,519	\$3,149,529	(\$2,339,010)
Balance at 12/31/2023	\$34,507,008	\$31,042,287	\$3,464,721

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$8,332,263	\$3,464,721	(\$523,556)
AEDC's net pension liability	\$ 0	\$ 0	\$ 0
Total net pension liability	\$8,332,263	\$3,464,721	(\$523,556)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the year ended September 30, 2024, the city recognized pension expense of \$421,710 and AEDC recognized pension expense of \$10,939.

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At September 30, 2024, the City and AEDC reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	City of Andrews	AEDC
Difference between expected and actual experience	\$1,449,830	\$60,705-
Difference between projected and actual investment earnings	633,972	-
Difference due to change in actuarial assumptions	21,582	815
Contributions subsequent to the measurement date	479,175	5,086
Total Outflows	\$ 2,584,559	\$66,606

At September 30, 2024, the City and AEDC reported deferred inflows of resources related to TMRS pensions.

Deferred Inflows of Resources	City of Andrews	AEDC
Difference between expected and actual experience	\$ 1,534,922	\$ 83,086
Difference due to changes in actuarial assumptions	136,412	-
Total Outflows	\$ 1,671,334	\$ 83,086

\$479,175 reported by the city and \$5,086 reported by AEDC as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

	<u>City + AEDC</u>
2024	\$ 160,968
2025	184,178
2026	471,619
2027	(397,120)
2028	(6,442)
Thereafter	<u>0</u>
Total	\$ 413,203

B. Texas Emergency Services Retirement System

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by the Texas Emergency Services Retirement System (TESRS) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2023, there were 241 contributing fire and/or emergency service departments participating in TESRS.

At August 31, 2023, the pension system membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,929
Terminated participants entitled to benefits but not yet receiving benefits	1,689
Active participants (vested and non-vested)	3,343

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Detailed information about the TESRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information, which can be obtained at www.tesrs.org. The separately issued actuarial valuations which may be of interest are also available at the same link.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For each year of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic post-retirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount and continuing monthly payments to a member's surviving spouse and, for on duty death, dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities. According to the state law governing the System, the state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation.. Based on the August 31, 2022 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to fifteen years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System. A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when

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their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2023, total contributions of \$3,736,446 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,262,763 for the fiscal year ending August 31, 2023.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed in Section I(B)(1). The most recently completed biennial actuarial valuation as of August 31, 2022 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state.

The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses.

Actuarial Assumptions

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

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on appropriate published mortality table with projections for improvement beyond the valuation date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.61%) and by adding expected inflation (3.00%). In addition, the final 7.5% assumption.

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The target allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation %
Equities	
Large cap domestic	20%
Small cap domestic	10
Developed international	15
Emerging markets	5
Global Infrastructure	5
Real Estate	10
Fixed income	30
Multi Asset	5
Total	100%
Weighted Average	

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 7.5 %, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% increase in Discount Rate (8.5%)
City's proportionate share of the net pension liability	\$ 196,388	\$ 126,831	\$ 70,413

Pension Related Liabilities, Expense, and Deferred Outflows / Inflows of Resources

At September 30, 2024, the City reported a liability of \$126,831 for its proportionate share of TESRS's net pension liability. This liability reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the collective net pension liability	\$126,831
State's proportionate share that is associated with the City*	<u>33,615</u>
Total	<u>\$ 160,446</u>

* Calculated using the City's proportionate share of contributions multiplied by the State's share of the collective net pension liability.

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The net pension liability was measured as of August 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2023.

At August 31, 2023, the employer's proportion of the collective net pension liability was 0.293% compared to 0.284% at August 31, 2022.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended September 30, 2024, the City recognized pension expense of \$30,010. The City recognized on-behalf revenues of \$3,700 calculated by taking the State's total contributions to TESRS (\$1,262,763) multiplied by the City's proportionate share (.293).

On September 30, 2024, the City reported its proportionate share of the TESRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	80,919	\$ 32,129
Difference between projected and actual investment earnings	-	4,936
Difference due to change in actuarial assumptions	2,778	
Contributions paid to TESRS subsequent to the measurement date	10,467	-
Total	\$ 94,164	\$ 37,065

\$10,467 reported by the city as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2024	\$ 9,949
2025	10,331
2026	17,977
2027	<u>1,296</u>
Total	\$ 39,553

C. Aggregate Pension Expense

TMRS City	\$421,710
TMRS AEDC	10,939
TESRS	30,010
Total Outflows	\$ 462,659

CITY OF ANDREWS, TEXAS
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NOTE 9: NONCURRENT LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. General obligation bonds have been issued for governmental activities only. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 30 years.

General obligation bonds outstanding at September 30, 2024 are as follows:

Governmental Activities:

<u>General Obligation Bonds</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding Sep. 30, 2024</u>
Economic development	2012	\$7,000,000	2.20-4.15%	2031	\$2,250,000
Economic development	2015	\$8,000,000	3.746%	2045	\$8,000,000
Infrastructure	2021	5,705,000	3.00%	2042	\$5,400,000

In 2011 and 2015, the City Council approved an ordinance authorizing the issuance Combination Tax and Revenue Certificates of Obligation providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the City's combined water and wastewater system. The purpose of both issuances being to finance the constructing, improving, maintaining and operating of a relief highway route around and outside the boundaries of the City, including drainage, striping, signalization and site improvements, and to pay costs of issuance. Both Certificates of Obligation are expected to be supported by a limited Sales Tax approved by voters in 2011.

In 2021, the City Council approved an ordinance authorizing the issuance Combination Tax and Revenue Certificates of Obligation providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the City's combined water and wastewater system. The purpose of the issuance being to finance the installation of a water line from our Florey Wellfield to the water treatment plant. Both Certificates of Obligation are expected to be supported by a limited Sales Tax.

Bond Compliance Requirements

The City Charter for the City of Andrews requires that during the period in which bonds are outstanding, the City must create and maintain certain accounts or funds to receive the proceeds from the sale of the bonds and to account for the revenues which are pledged for payment of the bonds. The assets can be used only in accordance with the terms of the bond ordinance and for the specific purpose(s) designated therein.

The City is generally required to make an annual transfer to debt service funds equal to the next interest and principal payment. The bonds may be redeemed prior to their maturities in accordance with the bond ordinances in whole or in part in principal amounts of \$5,000 or any integral multiple thereof. During fiscal year 2024 the City has complied with the requirements of all bond ordinances and related bond restrictions.

Legal debt margin

There is no statutory debt limitation in the City Charter or under State law. The City Charter provides that the total debt of the City shall not exceed that provided by state law. Under the provisions of State law (Article XI, Section 5, of the State of Texas Constitution), the maximum tax rate is limited to \$2.50

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per \$100 assessed valuation. The City's tax rate is currently \$.180475 per \$100 assessed valuation. The City's Fiscal Principles and Policies states: The City will strive to limit general obligation annual debt service requirements to 20% of general governmental expenditures. Debt service to total general expenditures for fiscal year ending September 30, 2024 was 8.78%. All current debt is completely supported by a limited sales tax.

Debt Service Requirements

The debt service requirements for the government's bonds, loans, and notes are as follows:

Governmental Activities:

Year ending Sept 30,	Principal	Interest
2025	590,000	567,475
2026-2028	1,905,000	1,567,845
2029-2033	3,420,000	2,129,373
2034-2038	4,010,000	1,476,100
2039-2043	4,390,000	703,551
2044-2045	1,335,000	75,563
Total	\$15,650,000	\$6,519,907

Excludes net bond premiums and discounts of \$710,447.

B. Landfill Closure Costs

The city owns and operates the City of Andrews Municipal Solid Waste Landfill-Permit No. MSW00171, Texas Natural Resource Conservation Commission, in accordance with applicable federal and state regulations for landfill closure and post-closure. An arid exemption has been granted.

The total landfill consists of 111.86 acres. An existing filled area consists of 38 acres or 34%. The active area (80.56 acres) has a remaining anticipated life of 25 years. Using 2018 daily tonnage rates, Parkhill, Smith & Cooper, Inc. estimated the landfill will reach permitted waste elevations around 2045. Current estimated costs for closure and post-closure to be recognized annually is \$322,673 as adjusted for inflation. The total estimated liability as revised by the 2024 Parkhill Smith and Cooper, Inc. study and adjusted for inflation is \$2,029,153. At September 30 2024, \$1,410,163 had been recognized as expense in previous years and recorded as a liability.

The City anticipates that financial assurance requirements for closure and post-closure will be met by the local government financial test as required by Subtitle D regulations. These costs are estimates only and are subject to change by many factors. Economic costs, regulations, technology and population of the City comprise a few of these. All of the costs are considered to be long-term liabilities, with no allocation made to current liability.

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C. Changes in long-term liabilities

Changes in the government’s long-term liabilities for the year ended September 30, 2024 are as follows:

NOTES TO FINANCIAL STATEMENTS:

	Balance Sep. 30, 2023	Additions	Reductions	Balance Sep. 30, 2024	Due Within One Year
Governmental Activities:					
General obligation bonds					
Principal	\$ 10,595,000	\$ -	\$ (345,000)	\$ 10,250,000	\$ 360,000
Premium	180,500	-	(8,387)	172,112	8,387
Pension related debt (includes pr yr adj)	4,249,717	-	(1,797,078)	2,452,639	-
Compensated absences	698,309	32,386	(56,986)	673,709	2,000
Deposits - Permit Fees	4,400	-	-	4,400	4,400
Governmental activities L/T liabilities	<u>15,727,926</u>	<u>32,386</u>	<u>(2,207,451)</u>	<u>13,552,861</u>	<u>374,787</u>
Business-type Activity:					
Pension related debt (includes pr yr adj)	\$ 1,639,040		\$ (469,123)	\$ 1,169,917	\$ -
Compensated absences	183,049	14,498	(14,757)	182,791	2,000
Landfill closure	1,087,489	322,673	-	1,410,162	-
General Obligation Payable	5,625,000	-	(225,000)	5,400,000	230,000
General Obligation Premium	570,002	-	(31,667)	538,335	31,667
Business-type activities L/T liabilities	<u>9,104,580</u>	<u>337,171</u>	<u>(740,547)</u>	<u>8,701,205</u>	<u>263,667</u>
Andrews Economic Development Corp.					
Pension related debt (includes pr yr adj)	\$ 61,746		\$ (59,137)	\$ 2,609	\$ -
Compensated absences	14,805	1,212	-	16,017	-
AEDC long-term liabilities	<u>76,551</u>	<u>1,212</u>	<u>(59,137)</u>	<u>18,626</u>	<u>-</u>

The general fund is used to liquidate the liabilities for compensated absences and pension liabilities.

NOTE 10: FUND BALANCE

Minimum fund balance policy

On June 13, 2023, the City Council adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at three months of general fund annual ongoing expenditures plus debt service payments due within the next 12 months. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

NOTE 11: INTERFUND TRANSACTIONS

A. Interfund transfers:

	General fund	Debt service fund	Proprietary Fund	Total
Transfers out:				
American Rescue Plan Fund	\$ -	\$ -	\$329,326	\$329,326
Reliever Route fund	329,688	734,643	-	1,064,331
Total	<u>\$329,688</u>	<u>\$ 734,643</u>	<u>\$329,326</u>	<u>\$1,393,657</u>

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (2) use unrestricted revenues collected in the general fund to

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finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) use unrestricted revenues in non-major governmental funds to finance general fund programs.

B. Interfund charges

The General Fund charges the Utility and Sanitation funds for administrative services provided by the General Fund on behalf of these funds. Such charges totaled \$628,998 for the year ended September 30, 2024, and are recorded as revenue in the General Fund and split equally as expense in the funds assessed.

NOTE 12: DISCRETELY PRESENTED COMPONENT UNITS

Andrews Economic Development Corporation (AEDC)

In May, 2005, the voters of the City of Andrews approved an economic development sales tax of .5% as well as a property tax reduction sales tax of .25% that went into effect on October 1, 2005. The first remittance was received in mid-December, 2005. The Council incorporated Andrews Economic Development Corporation under the laws of the State of Texas (a 4A corporation) with a five-member board appointed by the City Council to administer economic development for Andrews. This 501 (C) (3) Corporation began operations on January 1, 2006 and is a component unit of the City of Andrews but does not issue a separate financial statement.

A complete financial statement is included with supplementary individual fund financial statements and schedules in the annual comprehensive financial report, but is not included with the basic financial statements as recommended in the book, "Government Accounting, Auditing and Financial Reporting."

Since inception, the Andrews Economic Development Corporation has offered the following incentive packages, dependent upon completion of structures and creation of new jobs. The following table reflects the status of the incentive packages at September 30, 2024; recipients that have remainders due have not yet met the criteria to be paid so the liability is contingent.

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AEDC Incentive Packages as of September 30, 2024 include:

	Original <u>Commitment</u>	Amount <u>Paid</u>	Open <u>Commitment</u>	<u>Fiscal Year Paid</u>
Western Texas Pipe & Supply	\$ 3,649	\$ 3,649	\$ -	2007
Palmer of Texas	602,500	306,400	-	2007, '09, '11
Holiday Inn Express	75,000	75,000	-	2008, '09
Composites One	75,000	75,000	-	2008
Andrews Motor Inn	26,400	26,400	-	2008
Viva Well Servicing	28,640	28,640	-	2008
Texas Energy Park	32,148	32,148	-	2009
Kirby West Company	89,000	89,000	-	2010
GTG Automation	180,000	180,000	-	2011, '13, 14, '15, '16
Kirby West 2011	130,000	130,000	-	2011
Dixie Electric	405,000	201,000	-	2012, '13
OTI	27,069	27,069	-	2012
UTPB HT3R	50,000	50,000	-	2012
Tejas Partners	21,400	21,400	-	2012
Mustang Well Service	95,000	95,000	-	2013
Business and Tech Center	400,000	400,000	-	2013
Permian Regional Medical	224,000	224,000	-	2013
Oakwood Suites	37,200	37,200	-	2013
Andrews County - Hanger	300,000	300,000	-	2014
Benny Boyd infrastructure	75,000	75,000	-	2014
KV Power	250,000	250,000	-	2015, '16, '18
Vessel Components	40,000	40,000	-	2015
Salazar Trucking	150,000	75,000	-	2015, '16
Dufrane Nuclear Shielding	100,000	70,000	30,000	2020, '21
La Quinta Hotel	75,000	75,000	-	2016
Kirby West 2015	238,000	238,000	-	2016
Stampede, Inc.	70,000	70,000	-	2017, '18
Cannonball Pipe Inspection	100,000	100,000	-	2017, '19, '20
Vessel Components 2018	40,000	40,000	-	2019, '20
Corral Oil Field Services	50,000	25,000	-	2020
Redline Electric Services, LP	130,000	130,000	-	2021, '22
Elite Truck Performance, LLC	39,000	39,000	-	2020, '21
HLC Custom Processing	100,000	80,000	20,000	2021, '22, '23, '24
GTG Automation - 2021	50,000		50,000	
Production Waste Solutions, LLC	70,000	-	-	
Quail Energy Services	150,000		150,000	
Patron Services	75,000		75,000	
Leeco	200,000		200,000	
Total Commitments	<u>\$ 4,804,006</u>	<u>\$3,608,906</u>	<u>\$ 525,000</u>	

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Litigation

There are no pending or threatened litigation, claims, or assessments against the City of Andrews or Andrews Economic Development Corporation.

B. Risk Management

The City is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property damage to City assets, errors and omissions and personal risks which relate to workers' compensation. The City participates in the Texas Municipal League Intergovernmental Risk Pool. As an insured, the City is not obligated to reimburse the pool for losses. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements.

There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded insurance coverage in the past five fiscal years.

C. Grants

In the normal course of operations, the City receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditure which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

D. Purchase Commitments for Electricity

At September 30, 2024 the City had entered into agreements to lock rates for its expected electricity use from October 1, 2016 through November 30, 2024. The total committed price is approximately \$2 million for expected usage. This amount will be appropriated in future annual budgets.

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2025, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED
SUPPLEMENTARY
INFORMATION

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City of Andrews, Texas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last 10 Fiscal Years *

	Plan Year 2014	Plan Year 2015	Plan Year 2016	Plan Year 2017	Plan Year 2018	Plan Year 2019	Plan Year 2020	Plan Year 2021	Plan Year 2022	Plan Year 2023
Total pension liability										
Service Cost	\$ 461,085	\$ 587,370	\$ 656,783	\$ 671,710	\$ 723,012	\$ 741,150	\$ 804,436	\$ 926,727	\$ 982,420	\$ 1,009,147
Interest (on the Total Pension Liability)	1,485,869	1,574,624	1,584,854	1,696,106	1,775,650	1,836,911	1,926,751	2,018,599	2,143,547	2,237,797
Changes of benefit terms	-	-	-	-	-	-	-	(48,622)	-	(311,723)
Difference between expected and actual experience	208,728	(221,702)	442,998	173,199	6,947	80,288	(57,312)	336,503	103,634	(347,062)
Changes of assumptions	-	49,835	-	-	-	46,492	-	-	-	(304,055)
Benefit payments, including refunds of employee contributions	(866,515)	(1,035,268)	(1,045,013)	(1,042,839)	(1,733,625)	(1,480,589)	(1,330,466)	(1,320,895)	(1,596,307)	(1,473,585)
Net Change in Total Pension Liability	1,289,167	954,859	1,639,622	1,498,176	771,984	1,224,252	1,343,409	1,912,312	1,633,294	810,519
Total Pension Liability - Beginning	21,429,414	22,718,581	23,673,440	25,313,062	26,811,238	27,583,222	28,807,474	30,150,883	32,063,195	33,696,489
Total Pension Liability - Ending (a)	\$ 22,718,581	\$ 23,673,440	\$ 25,313,062	\$ 26,811,238	\$ 27,583,222	\$ 28,807,474	\$ 30,150,883	\$ 32,063,195	\$ 33,696,489	\$ 34,507,008
Plan Fiduciary Net Position										
Contributions - Employer	617,042	630,148	646,867	657,713	729,430	753,879	808,993	919,089	965,122	987,518
Contributions - Employee	251,562	269,789	289,150	296,842	320,931	330,442	354,377	393,873	417,543	432,580
Net Investment Income	1,065,329	29,037	1,320,861	2,874,101	(704,114)	3,415,070	1,904,120	3,495,306	(2,210,346)	3,223,698
Benefit payments, including refunds of employee contributions	(866,515)	(1,035,268)	(1,045,013)	(1,042,839)	(1,733,625)	(1,480,589)	(1,330,466)	(1,320,895)	(1,596,307)	(1,473,585)
Administrative Expense	(11,123)	(17,687)	(14,925)	(14,904)	(13,617)	(19,322)	(12,337)	(16,191)	(19,148)	(20,538)
Other	(914)	(874)	(804)	(755)	(711)	(580)	(481)	111	22,849	(143)
Net Change in Plan Fiduciary Net Position	1,055,381	(124,855)	1,196,136	2,770,158	(1,401,706)	2,998,900	1,724,206	3,471,293	(2,420,287)	3,149,530
Plan Fiduciary Net Position - Beginning	18,623,531	19,678,912	19,554,059	20,750,195	23,520,352	22,118,646	25,117,546	26,841,751	30,313,044	27,892,757
Plan Fiduciary Net Position - Ending (b)	19,678,912	19,554,059	20,750,195	23,520,352	22,118,646	25,117,546	26,841,751	30,313,044	27,892,757	31,042,287
Net Pension Liability - Ending (a) - (b)	\$ 3,039,669	\$ 4,119,381	\$ 4,562,867	\$ 3,290,886	\$ 5,464,576	\$ 3,689,928	\$ 3,309,132	\$ 1,750,151	\$ 5,803,732	\$ 3,464,721
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.62%	82.60%	81.97%	87.73%	80.19%	87.19%	89.02%	94.54%	82.78%	89.96%
Covered Payroll	\$ 3,593,739	\$ 3,854,135	\$ 4,130,712	\$ 4,240,594	\$ 4,584,733	\$ 4,714,696	\$ 5,062,530	\$ 5,626,760	\$ 5,964,906	\$ 6,179,711
Net Pension Liability as a Percentage of Covered Payroll	84.58%	106.88%	110.46%	77.60%	119.19%	78.26%	65.37%	31.10%	97.30%	56.07%

Notes to Schedule:
N/A

GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of December 31, 2018 for 2019; December 31, 2017 for 2018; December 31, 2016 for 2017; December 31, 2015 for 2016; and December 31, 2014 for 2015.

City of Andrews, Texas
Schedule of Employer Contributions
Texas Municipal Retirement System (TMRS)
Last 10 Fiscal Years *

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 632,963	\$ 644,449	\$ 645,682	\$ 711,811	742,387	793,746	861,465	962,683	972,495	1,034,894
Contributions in relation to the actuarially determined contribution	632,999	644,450	645,682	723,953	742,387	793,746	861,465	962,683	972,495	1,034,894
Contribution deficiency (excess)	(36)	(0)	-	(12,142)	-	-	-	-	-	-
Covered payroll	\$ 3,854,135	\$ 4,130,712	\$ 4,240,594	\$ 4,584,733	\$ 4,714,696	\$ 4,967,873	\$ 4,967,873	\$ 5,896,181	\$ 6,121,133	\$ 6,647,409
Contributions as a percentage of covered payroll	100.01%	100.00%	100.00%	101.71%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Valuation date:
Notes

Methods and assumptions used to determine contributions rates:

Actuarial cost method

Amortization method

Remaining amortization period

Asset valuation method

Inflation

Salary increases

Investment rate of return

Retirement age

Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience of the period 2010-2014.

Mortality

RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 107.5% and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB.

Other Information:

Notes

There were no benefit changes during the year.

GASB 68, Paragraph 81 required that the data in this schedule be presented as of the City's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 of the preceding year.

City of Andrews, Texas
Schedule of the City's Proportionate Share of the Net Pension Liability
Texas Emergency Services Retirement System (TESRS)
Last 10 Fiscal Years *

	Measurement Year *									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.332%	0.305%	0.334%	0.313%	0.326%	0.326%	0.326%	0.317%	0.284%	0.293%
City's proportionate share of the net pension liability	\$ 60,330	\$ 81,412	\$ 97,288	\$ 75,125	\$ 70,580	\$ 92,407	\$ 82,187	\$ 33,964	\$ 116,525	\$ 126,831
State's proportionate share of the net pension liability	\$ 16,178	\$ 25,869	\$ 30,528	\$ 20,145	\$ 17,284	\$ 25,538	\$ 23,429	\$ 9,403	\$ 30,248	\$ 33,615
Total	\$ 76,507	\$ 107,281	\$ 127,816	\$ 95,270	\$ 87,864	\$ 117,944	\$ 105,616	\$ 43,367	\$ 146,773	\$ 160,446
Number of Active Members **	42	42	42	42	42	42	45	45	45	45
City's Net Pension Liability per Active Member	\$ 1,822	\$ 2,554	\$ 3,043	\$ 2,268	\$ 2,092	\$ 2,808	\$ 2,347	\$ 964	\$ 3,262	\$ 3,565
Plan fiduciary net position as a percentage of the total pension liability	83.5%	76.9%	76.3%	81.4%	84.3%	80.2%	83.2%	93.1%	75.2%	74.6%

** There is no compensation for active members. Number of active members is used instead.

Notes to Required Supplementary Information:

Defined Benefit Pension Plan

Changes in benefit terms

There were no changes in benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in assumptions

There were no changes of assumptions or other imputes that affected measurement of the total pension liability during the measurement period.

GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for 2020; August 31, 2018 for 2019; August 31, 2017 for 2018; August 31, 2016 for 2017; August 31, 2015 for 2016; and August 31, 2014 for 2015.

City of Andrews, Texas
Schedule of Employer Contributions
Texas Emergency Services Retirement System (TESRS)
Last 10 Fiscal Years *

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 15,048	\$ 14,400	\$ 15,120	\$ 15,120	\$ 15,606	\$ 14,598	\$ 15,840	\$ 15,228	\$ 13,824	\$ 13,968
Contributions in relation to the contractually determined contribution	15,120	14,400	15,120	15,120	15,687	14,598	15,840	15,228	13,824	13,968
Contribution deficiency (excess)	(72)	-	-	-	(81)	-	-	-	-	-
Number of Active members **	42	42	42	42	42	42	45	45	45	45
Contributions per active member	\$ 360	\$ 343	\$ 360	\$ 360	\$ 373	\$ 348	\$ 352	\$ 338	\$ 307	\$ 310

** There is no compensation for active members. Number of active members is used instead

GASB 68, Paragraph 81 required that the data in this schedule be presented as of the City's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
and SCHEDULES

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**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUNDS

These supplementary statements and schedules are included to provide management additional information for financial analysis.

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GOVERNMENTAL FUNDS

General Fund - The General Fund is used to account for sources and uses of financial resources applicable to the general government operation of the City. All general operating revenues and expenditures that are not restricted and, therefore, accounted for in another fund, are recorded in the General Fund.

Debt Service Fund - The Debt Service Fund is used to account for the payment of interest and principal on all general long-term debt other than debt issued for and serviced by Enterprise Funds.

Reliever Route Fund - Sales tax funds committed to the repair and maintenance of the City's truck reliever route.

Nonmajor Funds - Nonmajor Funds did not meet the established criteria for major fund status. They are used to account for the proceeds of specific revenue sources (other than capital projects) that are restricted to expenditures for special purposes. All Nonmajor Funds have been presented; however only certain sub-funds have legally adopted budgets. Nonmajor funds are:

- Court Technology Fund - Court fees collected and committed to finance the purchase of or to maintain technological enhancements for the municipal court.
- Confiscated Funds - Funds obtained through forfeiture provisions under federal laws and seized money from delivery of controlled substance in accordance with Public Health Laws, Title 71, Article 4476-15, Section 503. These restricted monies are to be used for training and other law enforcement activities.
- Police Education Fund - Funds received from the State of Texas restricted to law enforcement training expenditures.
- Child Safety Seat Fund - Funds received by donation committed to the purchase of child safety seats.
- Court Security Fund - Court fees collected and committed for security personnel, services, and items related to buildings that house the operations of the municipal court.
- Hotel Occupancy Tax - Funds received from a tax on local hotel/motels to used to attract tourist to Andrews in accordance with the Texas Hotel Occupancy Tax Act.
- Local Truancy Prevention & Diversion Fund - Court fees committed to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses related to the position of a juvenile case manager.
- Seized Fund – Funds obtained during police investigations that cannot be spent until the court trials are complete.
- Municipal Jury Fund - Court fees committed to fund juror reimbursements and finance jury services.
- American Rescue Plan Fund- Grant Funding from the Federal Government in response to the continued COVID-19 Crisis.

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**City of Andrews, Texas
General Fund
Comparative Balance Sheet
September 30, 2024 and 2023**

	2024	2023
ASSETS		
Cash and cash investments	\$ 496,259	\$ 765,880
Cash equivalent - Texas Class/Tex Star investment	14,059,434	6,631,714
Investments - certificates of deposit	731,000	6,886,330
Inventory	-	7,807
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	208,097	211,454
Sales taxes	755,806	719,428
Miscellaneous	32,873	22,261
Interest	10,883	32,707
Total Assets	\$ 16,294,352	\$ 15,277,581
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 300,904	\$ 546,634
Due to other funds	-	-
Other payables	229,080	214,587
Customer deposits	4,400	4,400
Unearned income - Ad valorem tax	203,097	206,454
Total Other Liabilities	737,482	972,075
 Fund Balances		
Committed to Capital Improvement	\$ 10,802,105	6,440,022
Committed to Ambulance Services	441,440	372,339
Assigned to Pension Liability	2,419,025	4,219,470
Assigned to Adult Education	-	1,279
Assigned to Litter Control	37,857	43,189
Assigned to Police Investigation	12,430	2,081
Unassigned	1,844,014	3,227,126
Total Fund Balance	15,556,871	14,305,506
Total Liabilities and Fund Balance	\$ 16,294,352	\$ 15,277,581

City of Andrews, Texas
General Fund
Schedule of Revenues - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Ad valorem				
Current	\$ 1,923,654	\$ 1,923,654	\$ 1,921,997	\$ (1,657)
Penalty and interest	35,000	35,000	42,483	7,483
Total Ad valorem	<u>1,958,654</u>	<u>1,958,654</u>	<u>1,964,479</u>	<u>5,825</u>
Sales				
1% City sales	4,000,000	4,000,000	4,622,552	622,552
.25% Property reduction sales	1,000,000	1,000,000	1,155,638	155,638
Alcoholic beverage	7,000	7,000	13,459	6,459
Total Sales	<u>5,007,000</u>	<u>5,007,000</u>	<u>5,791,648</u>	<u>784,648</u>
Other taxes				
Payment in lieu of taxes	16,000	16,000	41,783	25,783
Total Other	<u>16,000</u>	<u>16,000</u>	<u>41,783</u>	<u>25,783</u>
FRANCHISE FEES				
Electrical	400,000	400,000	413,528	13,528
Telephone	90,000	90,000	69,401	(20,599)
Gas	110,000	110,000	133,941	23,941
Cable	85,000	85,000	78,747	(6,253)
Total Franchise fees	<u>685,000</u>	<u>685,000</u>	<u>695,617</u>	<u>10,617</u>
LICENSE, PERMITS, FEES				
Animal registration	10,250	10,250	13,750	3,500
Sanitarian	5,000	5,000	7,048	2,048
Zoning	4,000	4,000	5,415	1,415
Other	1,750	1,750	14,847	13,097
Building and inspection	21,000	21,000	83,913	62,913
Building use fees & adult ed. Fees	-	-	0	0
Peddler's	1,000	1,000	3,874	2,874
Environmental	-	-	25	25
Total License and Permits	<u>43,000</u>	<u>43,000</u>	<u>128,872</u>	<u>85,872</u>
CHARGES FOR SERVICES				
Swimming pool fees	58,000	58,000	64,622	6,622
Total Charges for Services	<u>58,000</u>	<u>58,000</u>	<u>64,622</u>	<u>6,622</u>
FINES AND COURT COSTS				
State costs and fees	41,600	41,600	38,163	(3,437)
Fines	170,000	170,000	139,992	(30,008)
Total Fines and Forfeitures	<u>211,600</u>	<u>211,600</u>	<u>178,155</u>	<u>(33,445)</u>
MISCELLANEOUS				
Administrative services	644,740	644,740	628,998	(15,742)
Other	206,120	206,120	244,764	38,644
Transfers from Other Funds	306,000	306,000	528,687	222,687
Total Miscellaneous	<u>1,156,860</u>	<u>1,156,860</u>	<u>1,402,449</u>	<u>245,589</u>
INVESTMENT INCOME				
Interest	294,500	294,500	780,962	486,462
Total Investment Income	<u>294,500</u>	<u>294,500</u>	<u>780,962</u>	<u>486,462</u>
INTER/INTRA-GOVERNMENTAL				
Andrews Economic Development Corp.	34,600	34,600	34,600	-
Andrews County	4,000	4,000	550	(3,450)
AISD - School Resource Officer	128,125	128,125	128,124	(1)
Andrews Hospital District ambulance	2,519,943	2,519,943	2,800,849	280,906
Total Inter/Intra-Governmental	<u>2,686,668</u>	<u>2,686,668</u>	<u>2,964,123</u>	<u>277,455</u>
GRANT INCOME				
A. E. D. C. - job training	-	-	-	-
Coronavirus Relief Fund	-	-	-	-
Texas "J" Rac funds	-	-	42,960	42,960
Total Grant Income	<u>-</u>	<u>-</u>	<u>42,960</u>	<u>42,960</u>
CONTRIBUTIONS				
-	-	-	48,036	48,036
Total Revenues	<u>\$ 12,117,282</u>	<u>\$ 12,117,282</u>	<u>\$ 14,103,707</u>	<u>\$ 1,986,425</u>

CITY OF ANDREWS, TEXAS
Required Notes to the Supplementary Information
September 30, 2024

A. General Budget Policies

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

Prior to adoption of a formal budget, the City Manager must file a proposed operating budget for the year commencing the following October 1 with the City Secretary the first week of August or at least 30 days before the date the Council approves the tax levy for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain taxpayers' comments.

Prior to October 1 the budget is adopted and legally enacted through passage of an ordinance.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Special Revenue Funds do not have appropriated budgets since other means control the use of these resources and sometimes span a period of more than one fiscal year.

The General Fund Schedule of Budgeted and Actual Revenues and Expenditures presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Manager is authorized to transfer budgeted amounts between accounts within any department within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgeted amounts in this report include transfers and revisions to the original appropriations ordinance.

Formal budgetary integration is employed as a management control device during the year.

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

Budgets have been adopted for the General Fund, Reliever Route Fund, American Rescue Plan Fund and the Debt Service Fund. The scope of the budgetary comparison schedule is strictly limited to the General Fund and major special revenue funds. Budgetary comparisons for other governmental funds are presented as other supplementary information in the Combining and Individual Fund Financial Statements and Schedules.

B. Excess of appropriations over expenditures

For the year ended September 30, 2024, total appropriated funds of \$13,002,646 exceed general fund expenditures of \$12,958,640.

City of Andrews, Texas
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
For the years ended September 30, 2024 and 2023

	2024	2023
REVENUES		
Taxes	\$ 7,797,910	\$ 8,388,187
Francise fees	695,616	722,606
License, permits, fees	128,872	73,682
Charges for services	64,622	57,387
Fines and court costs	178,155	226,694
Miscellaneous	752,356	575,904
Investment income	780,962	656,322
Intergovernmental revenue	2,964,123	2,275,201
Grant income	42,960	71,792
Contributions	48,036	-
Total Revenues	13,453,612	13,047,775
EXPENDITURES		
Current:		
City Council / Legislative	137,402	84,815
City Manager / Administration	288,623	270,259
Finance	903,110	843,560
General Operations	492,420	400,808
Municipal court	188,765	205,707
Business technology center	-	156,821
Police	3,638,411	3,417,975
Ambulance	2,297,696	2,018,386
Animal control	222,708	256,010
Fire	290,430	318,686
Building Services (Permits, Inspections)	494,092	422,194
Street	1,587,897	1,470,375
Building & Grounds	375,793	401,961
Swimming pool	179,152	135,682
Capital outlay	1,755,841	5,785,062
Total Expenditures	12,852,340	16,188,302
Excess (deficiency) of revenues over expenditures	601,272	(3,140,527)
OTHER FINANCING SOURCES (USES)		
Transfers in:		
Non-Major Gov't Fund - Reliever Route	329,688	557,878
American Rescue Plan	198,999	-
Transfers out:		
Utility Fund	-	-
Sanitation Fund	-	-
Debt Service Fund	-	-
General Obligation Bond	-	-
Sale of general capital assets	121,406	-
Lawsuit Settlement	-	-
Total other financing sources (uses)	650,093	557,878
Net change in fund balance	1,251,365	(2,582,649)
Fund Balance - beginning	14,305,506	16,888,156
Fund Balance (deficit) - ending	\$ 15,556,871	\$ 14,305,506

City of Andrews, Texas
General Fund
Schedule of Expenditures - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
City Council / Legislative				
Personnel services	\$ 15,500	\$ 15,500	\$ 5,966	\$ 9,534
Supplies	2,750	\$ 2,750	4,065	(1,315)
Outside Services	2,400	\$ 2,400	3,665	(1,265)
Other Operating Expense	100,000	\$ 100,000	123,707	(23,707)
	<u>120,650</u>	<u>120,650</u>	<u>137,402</u>	<u>(16,752)</u>
City Manager / Administration				
Personnel services	273,142	277,042	275,341	1,701
Supplies	700	700	1,456	(756)
Maintenance & Repairs	5,000	5,000	1,798	3,202
Outside Services	7,600	7,600	10,028	(2,428)
	<u>286,442</u>	<u>290,342</u>	<u>288,623</u>	<u>1,719</u>
Finance				
Personnel services	589,294	589,294	554,815	34,479
Supplies	13,000	13,000	14,382	(1,382)
Maintenance & Repairs	66,000	66,000	51,998	14,002
Outside Services	206,200	206,200	281,914	(75,714)
	<u>874,494</u>	<u>874,494</u>	<u>903,110</u>	<u>(28,616)</u>
General Operations				
Personnel services	73,258	73,258	64,052	9,206
Supplies	17,500	17,500	22,100	(4,600)
Outside Services	379,456	379,456	401,096	(21,640)
Other Operating Expense	1,500	1,500	5,171	(3,671)
	<u>471,714</u>	<u>471,714</u>	<u>492,420</u>	<u>(20,706)</u>
Municipal Court				
Personnel services	210,733	210,733	170,730	40,003
Supplies	4,700	4,700	4,039	661
Maintenance & Repairs	11,683	11,683	4,844	6,839
Outside Services	7,490	7,490	9,151	(1,661)
Other Operating Expense	-	-	-	-
	<u>234,606</u>	<u>234,606</u>	<u>188,765</u>	<u>45,841</u>
Police				
Personnel services	3,132,786	3,132,786	3,024,243	108,543
Supplies	128,160	128,160	125,357	2,803
Maintenance & Repairs	124,661	124,661	142,930	(18,269)
Outside Services	357,214	357,214	341,767	15,447
Other Operating Expense	3,700	3,700	4,114	(414)
	<u>3,746,521</u>	<u>3,746,521</u>	<u>3,638,411</u>	<u>108,110</u>
Ambulance				
Personnel services	2,145,314	2,145,314	2,042,184	103,130
Supplies	59,500	59,500	88,703	(29,203)
Maintenance & Repairs	50,500	50,500	148,833	(98,333)
Outside Services	127,178	127,178	124,275	2,903
Depreciation	137,451	137,451	-	137,451
	<u>2,519,943</u>	<u>2,519,943</u>	<u>2,403,996</u>	<u>115,948</u>

City of Andrews, Texas
General Fund
Schedule of Expenditures - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
				<i>(Continued)</i>
Animal Control				
Personnel services	189,303	189,303	167,529	21,774
Supplies	18,300	18,300	14,592	3,708
Maintenance & Repairs	6,500	6,500	2,536	3,964
Outside Services	24,116	24,116	38,052	(13,936)
	<u>238,219</u>	<u>238,219</u>	<u>222,708</u>	<u>15,511</u>
Fire				
Personnel services	136,669	136,669	109,403	27,266
Supplies	49,550	49,550	83,741	(34,191)
Maintenance & Repairs	93,000	93,000	65,631	27,369
Outside Services	30,000	30,000	31,655	(1,655)
	<u>309,219</u>	<u>309,219</u>	<u>290,430</u>	<u>18,789</u>
Building Services (Permits, Inspections)				
Personnel services	412,593	412,593	399,815	12,778
Supplies	18,850	18,850	24,714	(5,864)
Maintenance & Repairs	11,000	11,000	24,633	(13,633)
Outside Services	21,800	21,800	44,930	(23,130)
Other Operating Expense	-	-	-	-
	<u>464,243</u>	<u>464,243</u>	<u>494,092</u>	<u>(29,849)</u>
Street				
Personnel services	377,671	377,671	357,403	20,268
Supplies	26,725	26,725	23,031	3,694
Maintenance & Repairs	131,950	131,950	939,951	(808,001)
Outside Services	97,150	97,150	94,252	2,898
Other Operating Expense	173,260	173,260	173,260	(0)
	<u>806,756</u>	<u>806,756</u>	<u>1,587,897</u>	<u>(781,141)</u>
Building & Grounds				
Personnel services	200,065	200,065	182,056	18,009
Supplies	18,525	18,525	14,829	3,696
Maintenance & Repairs	18,400	18,400	24,420	(6,020)
Outside Services	147,725	147,725	154,488	(6,763)
Other Operating Expense	-	-	-	-
	<u>384,715</u>	<u>384,715</u>	<u>375,793</u>	<u>8,922</u>
Swimming Pool				
Personnel services	59,122	59,122	62,011	(2,889)
Supplies	34,220	34,220	51,167	(16,947)
Maintenance & Repairs	14,800	14,800	47,601	(32,801)
Outside Services	27,000	27,000	18,374	8,626
	<u>135,142</u>	<u>135,142</u>	<u>179,153</u>	<u>(44,011)</u>
Capital Expenditures	<u>1,230,442</u>	<u>2,406,082</u>	<u>1,755,841</u>	<u>650,241</u>
Total Expenditures	<u>11,823,106</u>	<u>13,002,646</u>	<u>12,958,640</u>	<u>44,006</u>

City of Andrews, Texas
Debt Service Fund
Comparative Balance Sheet
September 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash investments	\$ -	\$ -
Investment - treasury securities/certificate of dep.	-	-
Due from Other Funds	127,485	127,485
Total Assets	\$ 127,485	\$ 127,485
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ -
Total Other Liabilities	\$ -	\$ -
 Fund Balances		
Committed to Debt Service	\$ 127,485	\$ 127,485
Total Fund Balance	\$ 127,485	\$ 127,485
Total Liabilities and Fund Balance	\$ 127,485	\$ 127,485

City of Andrews, Texas
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the year ended September 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES:			
	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Debt service:			
Principal	570,000	570,000	-
Interest	585,716	558,393	27,323
Total Expenditures	<u>1,155,716</u>	<u>1,128,393</u>	<u>27,323</u>
Excess (deficiency) of revenues over expenditures	(1,155,716)	(1,128,393)	27,323
OTHER FINANCING SOURCES (USES)			
Transfers in			
Reliever Route Maintenance Fund	452,693	422,543	(30,150)
Loop 1910 Repair Fund	312,100	312,100	-
Utility Fund	390,923	393,750	2,827
Transfers out	-	-	-
Total other financing sources and uses	<u>1,155,716</u>	<u>1,128,393</u>	<u>(27,323)</u>
Net change in fund balance	-	-	0
Fund balances - beginning of year	<u>127,485</u>	<u>127,485</u>	<u>-</u>
Fund balances - end of year	<u>\$ 127,485</u>	<u>\$ 127,485</u>	<u>\$ 0</u>

City of Andrews, Texas
Reliever Route Fund
Comparative Balance Sheet
September 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash investments	\$ 348,886	\$ 339,013
Investment - treasury securities/certificate of dep.	-	-
Due from Other Funds	-	-
Total Assets	\$ 348,886	\$ 339,013
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	0	\$ 2,493
Due to Other Funds	\$ 127,485	\$ 127,485
Total Other Liabilities	\$ 127,485	\$ 129,978
 Fund Balances		
Committed to Reliever Route	\$ 221,401	\$ 209,035
Total Fund Balance	\$ 221,401	\$ 209,035
Total Liabilities and Fund Balance	\$ 348,886	\$ 339,013

City of Andrews, Texas
Reliever Route Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the year ended September 30, 2024

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES:			
Investment Income	\$ 2,500	\$ 34,960	\$ (32,460)
Intergovernmental Revenue	\$ 1,000,000	\$ 1,155,638	\$ (155,638)
Total Revenues	<u>1,002,500</u>	<u>1,190,598</u>	<u>(188,098)</u>
EXPENDITURES:			
Street	106,343	113,901	(7,558)
Total Expenditures	<u>106,343</u>	<u>113,901</u>	<u>(7,558)</u>
Excess (deficiency) of revenues over expenditures	896,157	1,076,697	180,540
OTHER FINANCING SOURCES (USES)			
Transfers in/(out) - General Fund	(306,000)	(329,688)	(23,688)
Transfers in/(out) - Debt Service Fund	(764,793)	(734,643)	30,150
Total other financing sources and uses	<u>(1,070,793)</u>	<u>(1,064,331)</u>	<u>6,462</u>
Net change in fund balance	(174,636)	12,366	187,002
Fund balances - beginning of year	<u>209,035</u>	<u>209,035</u>	<u>-</u>
Fund balances - end of year	<u>\$ 34,399</u>	<u>\$ 221,401</u>	<u>\$ 187,002</u>

**City of Andrews, Texas
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2024**

	Court Technology	Confiscated Funds	Special Revenue Funds Law Enforcement Education	Child Safety Seat	Court Security	Hotel Tax	Seized Funds	Local Truancy Prevention	Municipal Jury Fund	American Rescue Plan Fund	Total Other Governmental Funds
ASSETS											
Cash and cash equivalents	\$ 6,149	\$ 38,506	\$ 18,932	\$ 612	\$ 65,763	\$ 333,905	\$ 23,386	\$ 36,813	\$ 736	\$ 765,215	\$ 1,290,017
Total Assets	<u>6,149</u>	<u>38,506</u>	<u>18,932</u>	<u>612</u>	<u>65,763</u>	<u>333,905</u>	<u>23,386</u>	<u>36,813</u>	<u>736</u>	<u>765,215</u>	<u>1,290,017</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable										15,361	15,361
Due to other funds											-
Deposit						10,000					10,000
Total Liabilities	-	-	-	-	-	10,000	-	-	-	15,361	25,361
Fund Balances											
Nonspendable							23,386				23,386
Restricted		38,506	18,932							749,854	807,292
Committed	6,149			612	65,763	323,905		36,813	736		433,978
Total Fund Balance	<u>6,149</u>	<u>38,506</u>	<u>18,932</u>	<u>612</u>	<u>65,763</u>	<u>323,905</u>	<u>23,386</u>	<u>36,813</u>	<u>736</u>	<u>749,854</u>	<u>1,264,656</u>
Total Liabilities and Fund Balances	<u>\$ 6,149</u>	<u>\$ 38,506</u>	<u>\$ 18,932</u>	<u>\$ 612</u>	<u>\$ 65,763</u>	<u>\$ 333,905</u>	<u>\$ 23,386</u>	<u>\$ 36,813</u>	<u>\$ 736</u>	<u>\$ 765,215</u>	<u>\$ 1,290,017</u>

City of Andrews, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2024

	Special Revenue Funds										
	Court Technology	Confiscated Funds	Law Enforcement Education	Child Safety Seat	Court Security	Hotel Tax	Seized Funds	Local Truancy Prevention	Municipal Jury Fund	American Resuce Plan	Total Other Governmental Funds
REVENUES:											
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Occupancy Tax	-	-	-	-	-	338,764	-	-	-	-	338,764
Investment Income	258	1,573	1,201	42	3,615	17,049	-	-	-	52,642	76,381
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	4,852	20,385	-	-	5,833	-	-	5,830	116	-	37,016
Grant Income	-	-	3,803	-	-	-	-	-	-	-	3,804
Contributions	-	-	-	-	-	-	-	-	-	-	-
Total revenues	5,110	21,958	5,004	42	9,449	355,812	-	5,830	116	52,642	455,965
EXPENDITURES:											
Current:											
General government	5,445	-	-	-	-	-	-	-	-	-	5,445
Public safety	-	4,291	1,080	-	-	-	1,042	-	-	-	6,413
Street	-	-	-	-	-	-	-	-	-	-	-
Culture-recreation	-	-	-	-	-	286,500	-	-	-	-	286,500
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,445	4,291	1,080	-	-	286,500	1,042	-	-	-	298,358
Excess (deficiency) of revenues over expenditures	(335)	17,668	3,924	42	9,449	69,312	(1,042)	5,830	116	52,642	157,607
Transfer in/(out) - Enterprise Funds	-	-	-	-	-	-	-	-	-	(329,326)	(329,326)
Fund balances - beginning of year	6,484	20,838	15,008	570	56,314	254,593	24,428	30,983	620	1,026,538	1,436,375
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-
Fund balances - end of year	\$ 6,149	\$ 38,506	\$ 18,932	\$ 612	\$ 65,763	\$ 323,905	\$ 23,386	\$ 36,813	\$ 736	\$ 749,854	\$ 1,264,656

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**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

PROPRIETARY FUNDS

These supplementary statements and schedules are included to provide management additional information for financial analysis.

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City of Andrews, Texas
Water and Sewer Fund
Comparative Statements of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,876,607	\$ 4,547,412
Investment - treasury securities/certificate of dep.	-	-
Interest receivable	-	-
Accounts receivable	718,767	1,714,364
Due from Andrews Economic Development	-	-
Inventories	150,953	142,577
Prepaid costs	381	828
Total Current Assets	5,746,708	6,405,181
Capital Assets		
Land	1,555,631	1,555,631
Buildings	4,170,550	4,138,847
Equipment	1,658,451	1,364,975
Infrastructure	46,830,233	41,649,833
Accumulated depreciation	(19,149,310)	(17,860,187)
Total Capital Assets Net of Accum Depr	35,065,555	30,849,099
Total Assets	40,812,263	37,254,280
DEFERRED OUTFLOWS		
Pension Related:		
Difference between expected and actual experience	798,414	798,414
Difference between projected and actual earnings	108,315	129,431
Difference due to changes in actuarial assumptions	11,885	11,885
Deferred pension contributions	68,648	68,648
Total Deferred Outflows	987,262	1,008,378
LIABILITIES		
Current Liabilities		
Accounts payable	354,319	905,800
Accrued liabilities	14,136	10,822
Customer deposits	323,570	315,048
Accrued compensated absences	1,000	1,000
Bond Payable	230,000	225,000
Bond Premium	31,667	31,667
Total Current Liabilities	954,692	1,489,337
Non-Current Liabilities		
Accrued compensated absences	89,271	78,101
Accrued pension liability	642,129	903,164
Bond Payable	5,170,000	5,400,000
Bond Premium	506,668	538,335
Total Other Liabilities	6,408,068	6,919,600
Total Liabilities	7,362,760	8,408,938
DEFERRED INFLOWS		
Pension Related:		
Difference between expected and actual experience	778,490	600,495
Total Deferred Inflows	778,490	600,495
NET POSITION		
Invested in capital, net of related debt	29,127,220	24,654,096
Unrestricted	4,531,056	4,599,129
Total Net Position	\$ 33,658,275	\$ 29,253,226

City of Andrews, Texas
Water and Sewer Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the years ended September 30, 2024 and 2023

	2024	2023
Operating Revenues		
Charges for services		
Water	\$ 3,728,532	\$ 3,724,117
Sewer	1,072,843	1,056,334
Other	360,863	221,172
Total Operating Revenues	5,162,238	5,001,623
Operating Expenses		
Personnel services	1,113,016	993,968
Supplies	819,164	891,990
Maintenance & Repairs	782,577	375,459
Outside Services	987,246	976,445
Other Operating Expense	456,483	353,033
Depreciation	1,310,183	1,285,086
Total Operating Expenses	5,468,669	4,875,981
Operating Income (Loss)	(306,432)	125,642
Nonoperating Revenues (Expenses)		
Investment income	259,805	356,546
Gain/(Loss) on disposal of capital assets	35,025	265,935
Grant income	-	-
Bond Premium Amortization	31,667	31,667
Rent	354,320	121,709
Transfer from Andrews Economic Development	4,259,679	1,984,812
Surface Damages / Water Disposal	34,407	43,949
Total Nonoperating Revenue	4,974,903	2,804,618
Income before capital contributions and transfers	4,668,472	2,930,260
Transfers in from American Rescue Plan Fund	130,327	224,608
Transfer Out Debt Service Fund	(393,750)	(390,923)
Total Transfers	(263,423)	(166,315)
Change in Net Position	4,405,049	2,763,945
Net Position, beginning	29,253,226	26,489,281
Prior Period Adjustment	-	-
Net Position, ending	\$ 33,658,275	\$ 29,253,226

City of Andrews, Texas
Water and Sewer Fund
Comparative Statements of Cash Flows
For the years ended September 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customer	\$ 6,166,357	\$ 3,707,746
Other operating cash receipts	-	-
Cash payments to suppliers for goods and services	(3,393,807)	(1,521,690)
Cash payments to employees for services	(1,160,455)	(934,369)
Cash payments to other funds for services	(436,074)	(319,580)
Net cash provided (used) by operating activities	1,176,022	932,107
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Net cash provided by non-capital and related financing activities	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(5,535,930)	(7,420,044)
Cash transfer from General Fund and/or AEDC for Capital Projects	4,259,679	1,984,812
Grant income for capital activities	-	-
Proceeds from sale of salvage	12,646	265,935
Income from Surface Damage and Salt Water Disposal on City Property	34,407	43,949
Rental income from Utility Fund Assets	354,320	121,709
General Obligation Bond Premium Amortization	31,667	31,667
Cash transfer from American Rescue Fund for Capital Projects	130,327	224,608
Debt Service	(393,750)	(390,923)
Net cash provided (used) by capital and related financing activities	(1,106,634)	(5,138,287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and investments	259,805	356,546
(Purchase) / Redemption of treasury securities/certificate of deposit	-	-
Net cash provided (used) by investing activities	259,805	356,546
Net increase (decrease) in cash and cash equivalents	329,193	(3,849,634)
Cash and cash equivalents, beginning	4,547,413	8,397,047
Cash and cash equivalents, ending	\$ 4,876,606	\$ 4,547,413
Reconciliation of income from operations to net cash provided by (used for) operating activities		
Operating Income (Loss)	\$ (306,432)	\$ 125,642
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	1,310,183	1,285,087
Provision for doubtful accounts	4,346	(7,396)
Prior Period Adjustment		
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	991,250	(1,306,618)
Decrease (increase) in interest receivable	-	-
Decrease (increase) in due from other funds	-	-
Decrease (increase) in inventory	(8,375)	727
Decrease (increase) in prepaid costs	447	(121)
Decrease (increase) in deferred outflows of resources for pensions	21,116	(547,008)
Increase (decrease) in accounts payable	(551,482)	755,050
Increase (decrease) in other payables	3,314	3,363
Increase (decrease) in due to other funds	-	-
Increase (decrease) in compensated absences	11,169	(1,553)
Increase (decrease) in bond payable	(225,000)	
Increase (decrease) in pension liability	(261,034)	635,839
Increase (decrease) in customer deposits	8,523	20,138
Increase (decrease) in deferred outflows of resources for pensions	177,996	(31,043)
Net cash provided (used) by operating activities	\$ 1,176,021	\$ 932,107

City of Andrews, Texas
Water and Sewer Fund
Schedule of Operating and Non-operating Revenues - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUE - WATER				
Water sales	\$ 3,676,325	\$ 3,676,325	\$ 3,512,616	\$ (163,709)
Water tapping fees	25,000	25,000	37,530	12,530
Water pro rata	-	-	-	-
Total Operating Revenues - Water	<u>3,701,325</u>	<u>3,701,325</u>	<u>3,550,146</u>	<u>(151,179)</u>
OPERATING REVENUE - SEWER				
Sewer rentals	1,000,000	1,000,000	1,008,873	8,873
Sewer tapping fees	25,000	25,000	19,250	(5,750)
Septic tank waste disposal	10,000	10,000	44,720	34,720
Reclaimed water	2,000	2,000	-	(2,000)
Total Operating Revenues - Sewer	<u>1,037,000</u>	<u>1,037,000</u>	<u>1,072,843</u>	<u>35,843</u>
OPERATING REVENUE - OTHER				
Miscellaneous	3,120	3,120	228,303	225,183
Water capital impr surcharge	175,000	175,000	178,386	3,386
Service fees	120,000	120,000	132,560	12,560
Total Operating Revenues - Other	<u>298,120</u>	<u>298,120</u>	<u>539,249</u>	<u>241,129</u>
 Total Operating Revenues	 <u>5,036,445</u>	 <u>5,036,445</u>	 <u>5,162,238</u>	 <u>125,793</u>
NON-OPERATING REVENUE				
Investment income	150,000	150,000	259,805	109,805
Gain on sale of assets	-	-	35,025	35,025
Transfer from American Rescue Plan	-	-	130,327	130,327
Rent	351,769	351,769	356,320	4,551
Surface Damage and Water Disposal	35,000	35,000	32,407	(2,593)
Amortization of Bond Premium	31,667	31,667	31,667	-
Transfer from General Fund	-	-	-	-
Transfer from A.E.D.C.	390,923	4,558,333	4,259,679	(298,654)
Total Non-Operating Revenues	<u>959,359</u>	<u>5,126,769</u>	<u>5,105,231</u>	<u>(21,538)</u>
 Total Revenues	 <u>\$ 5,995,804</u>	 <u>\$ 10,163,214</u>	 <u>\$ 10,267,468</u>	 <u>\$ 104,254</u>

City of Andrews, Texas
Water and Sewer Fund
Schedule of Operating Expenses - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General Operations				
Outside Services	\$ 1,500	\$ 1,500	\$ 1,016	\$ 484
Other Operating Expense	474,541	474,541	\$ 456,482	18,059
	<u>476,041</u>	<u>476,041</u>	<u>457,498</u>	<u>18,543</u>
Warehouse Building				
Personnel services	214,091	214,091	140,903	73,188
Supplies	9,200	9,200	11,884	(2,684)
Maintenance & Repairs	9,000	9,000	49,017	(40,017)
Outside Services	15,694	15,694	16,838	(1,144)
	<u>247,985</u>	<u>247,985</u>	<u>218,642</u>	<u>(43,845)</u>
Water Production				
Personnel services	144,113	144,113	65,730	78,383
Supplies	681,300	681,300	671,684	9,616
Maintenance & Repairs	138,000	138,000	453,239	(315,239)
Outside Services	839,551	839,551	822,908	16,643
	<u>1,802,964</u>	<u>1,802,964</u>	<u>2,013,561</u>	<u>(210,597)</u>
Water Distribution				
Personnel services	499,867	499,867	484,682	15,185
Supplies	64,200	64,200	72,335	(8,135)
Maintenance & Repairs	191,250	191,250	127,525	63,725
Outside Services	52,200	52,200	41,285	10,915
	<u>807,517</u>	<u>807,517</u>	<u>725,828</u>	<u>81,689</u>
Wastewater (Sewer) Collection				
Personnel services	276,957	276,957	197,048	79,909
Supplies	25,900	25,900	15,115	10,785
Maintenance & Repairs	58,500	58,500	48,484	10,016
Outside Services	13,050	13,050	17,665	(4,615)
	<u>374,407</u>	<u>374,407</u>	<u>278,311</u>	<u>96,096</u>
Wastewater (Sewer) Treatment				
Personnel services	249,232	249,232	224,653	24,579
Supplies	30,000	30,000	48,146	(18,146)
Maintenance & Repairs	68,700	68,700	103,296	(34,596)
Outside Services	100,899	100,899	88,549	12,350
	<u>448,831</u>	<u>448,831</u>	<u>464,644</u>	<u>(15,813)</u>
Depreciation	<u>1,414,320</u>	<u>1,414,320</u>	<u>1,310,183</u>	<u>104,137</u>
Total Operating Expenses	<u>\$ 5,572,065</u>	<u>\$ 5,572,065</u>	<u>\$ 5,468,667</u>	<u>\$ 30,209</u>

**City of Andrews, Texas
Sanitation Fund
Comparative Statements of Net Position
September 30, 2024 and 2023**

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,877,120	\$ 1,322,446
Investment - treasury securities/cert. of deposit	742,000	1,618,544
Interest receivable	6,159	13,742
Accounts receivable	189,498	230,757
Total Current Assets	2,814,777	3,185,489
Capital Assets:		
Land	1,738,376	1,738,376
Buildings	349,595	349,595
Equipment	4,419,186	3,580,690
Accumulated depreciation	(2,130,757)	(1,751,604)
Total Capital Assets Net of Accum Depr	4,376,400	3,917,057
Total Assets	7,191,177	7,102,546
DEFERRED OUTFLOWS		
Pension Related:		
Difference between expected and actual experience	651,416	651,416
Difference between projected and actual earnings	90,697	107,530
Difference due to changes in actuarial assumptions	9,697	9,697
Deferred pension contributions	60,766	60,767
Total Deferred Outflows	812,576	829,409
LIABILITIES		
Current Liabilities:		
Accounts payable	28,583	78,063
Accrued liabilities	4,764	10,313
Sales tax payable	-	-
Customer deposits	8,400	6,500
Accrued compensated absences	1,000	1,000
Total Current Liabilities	42,747	95,876
Other Liabilities:		
Accrued compensated absences	91,519	102,948
Accrued pension liability	527,788	735,876
Landfill closure costs	1,410,163	1,087,490
Total Other Liabilities	2,029,470	1,926,314
Total Liabilities	2,072,217	2,022,190
DEFERRED INFLOWS		
Pension Related:		
Difference between expected and actual experience	630,163	488,273
Total Deferred Inflows	630,163	488,273
NET POSITION		
Invested in capital, net of related debt	4,376,400	3,917,057
Restricted	1,410,163	1,087,490
Unrestricted	(485,189)	416,947
Total Net Position	\$ 5,301,373	\$ 5,421,493

City of Andrews, Texas
Sanitation Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the years ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Sanitation	2,125,046	2,068,935
Total Operating Revenues	<u>2,125,046</u>	<u>2,068,935</u>
Operating Expenses		
Personnel services	766,311	880,576
Supplies	154,155	151,260
Maintenance & Repairs	188,192	238,575
Outside Services	250,208	206,360
Other Operating Expense	366,299	319,580
Landfill closure	322,673	97,628
Depreciation	379,153	305,108
Total Operating Expenses	<u>2,426,990</u>	<u>2,199,087</u>
Income from Operations	<u>(301,944)</u>	<u>(130,152)</u>
Nonoperating Revenues (Expenses)		
Investment income	168,724	132,226
Gain (Loss) on sales/retirement of capital assets	13,100	9,448
Total Nonoperating Revenue	<u>181,824</u>	<u>141,674</u>
Income before capital contributions and transfers	<u>(120,120)</u>	11,522
Capital contributions	-	-
Transfers in American Rescue Plan	<u>-</u>	<u>165,680</u>
Change in Net Position	(120,120)	177,202
Net Position, beginning	5,421,493	5,244,291
Prior Period Adjustment	<u>-</u>	<u>-</u>
Net Position, ending	<u>\$ 5,301,373</u>	<u>\$ 5,421,493</u>

City of Andrews, Texas
Sanitation Fund
Comparative Statements of Cash Flows
For the years ended September 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customer	\$ 2,166,305	\$ 2,019,838
Other operating cash receipts	7,583	(13,430)
Cash payments to suppliers for goods and services	(640,134)	(562,325)
Cash payments to employees for services	(832,653)	(812,441)
Cash payments to other funds for services	(366,299)	(319,580)
Net cash provided (used) by operating activities	334,802	312,062
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Grant income for operating activities	-	-
Net cash provided by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(838,497)	(716,535)
Cash transfer from Amercian Resuce Plan	-	165,680
Proceeds from sale of capital assets	13,100	9,448
Net cash provided (used) by capital and related financing activities	(825,397)	(541,407)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and investments	168,723	132,226
Purchase of treasury securities/certificate of deposit	876,544	(751,544)
Net cash provided (used) by investing activities	1,045,267	(619,318)
Net increase (decrease) in cash and cash equivalents	554,671	(848,663)
Cash and cash equivalents, beginning	1,322,447	2,171,110
Cash and cash equivalents, ending	\$ 1,877,119	\$ 1,322,447
Reconciliation of income from operations to net cash provided by (used for) operating activities		
Operating Income (Loss)	\$ (301,944)	\$ (130,152)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	379,153	305,108
Landfill closure costs	322,673	97,628
Prior Period Adjustment	-	-
Change in assets, deferred outflows/inflows, and liabilities:		
Decrease (increase) in accounts receivable	41,260 x	(49,097)
Decrease (increase) in interest receivable	7,583 x	(13,430)
Decrease (increase) in due from other funds	-	-
Decrease (increase) in deferred outflows of resources for pensions	16,833	(446,296)
Increase (decrease) in accounts payable	(49,480) x	33,671
Increase (decrease) in accrued liabilities	(5,549)	(2,324)
Increase (decrease) in sales taxes payable	- x	-
Increase (decrease) in due to other funds	-	-
Increase (decrease) in compensated absences	(11,429)	23,308
Increase (decrease) in pension liability	(208,088)	518,773
Increase (decrease) in customer deposits	1,900 x	200
Increase (decrease) in deferred inflows of resources for pensions	141,890	(25,327)
Net cash provided (used) by operating activities	\$ 334,803	\$ 312,062

City of Andrews, Texas
Sanitation Fund
Schedule of Revenues - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUE				
Sanitation collection	\$ 1,125,000	\$ 1,125,000	\$ 1,165,441	\$ 40,441
Municipal landfill	745,000	745,000	764,545	19,545
Public hauling-type I	10,000	10,000	17,882	7,882
Public hauling-type IV	90,000	90,000	129,368	39,368
Recycling sales	300	300	1,561	1,261
Miscellaneous	45,096	45,096	46,248	1,152
Total Operating Revenues	<u>2,015,396</u>	<u>2,015,396</u>	<u>2,125,046</u>	<u>109,650</u>
NON-OPERATING REVENUE				
Investment income	70,000	70,000	168,724	98,724
Grant income	-	-	-	-
Transfer from General Fund	-	-	-	-
Gain on sale/disposition of assets	-	-	13,100	13,100
Total Non-operating Revenue	<u>70,000</u>	<u>70,000</u>	<u>181,824</u>	<u>111,824</u>
Total Revenues	<u><u>\$ 2,085,396</u></u>	<u><u>\$ 2,085,396</u></u>	<u><u>\$ 2,306,870</u></u>	<u><u>\$ 221,474</u></u>

City of Andrews, Texas
Sanitation Fund
Schedule of Operating & Non-Operating Expenses - Budget and Actual
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING EXPENSE				
General Operations				
Other Operating Expense	\$ 372,959	\$ 372,959	\$ 366,185	\$ 6,774
	<u>372,959</u>	<u>372,959</u>	<u>366,185</u>	<u>6,774</u>
Sanitation Collection				
Personnel Services	406,905	406,905	404,504	2,401
Supplies	81,950	81,950	101,628	(19,678)
Maintenance & Repairs	73,200	73,200	110,933	(37,733)
Outside Services	780	780	162	618
Other Operating Expense	200	200	114	86
	<u>563,035</u>	<u>563,035</u>	<u>617,341</u>	<u>(54,306)</u>
Sanitation Bulk				
Personnel Services	202,013	202,013	145,284	56,729
Supplies	10,550	10,550	14,973	(4,423)
Maintenance & Repairs	13,000	13,000	31,308	(18,308)
Outside Services	550	550	659	(109)
Other Operating Expense	-	-	-	-
	<u>226,113</u>	<u>226,113</u>	<u>192,224</u>	<u>33,889</u>
Landfill				
Personnel Services	305,797	305,797	216,522	89,275
Supplies	34,832	34,832	37,553	(2,721)
Maintenance & Repairs	26,200	26,200	45,951	(19,751)
Outside Services	235,521	235,521	249,387	(13,866)
Other Operating Expense	-	-	-	-
	<u>602,350</u>	<u>602,350</u>	<u>549,414</u>	<u>52,936</u>
Landfill closure	40,000	40,000	322,673	(282,673)
Depreciation	382,449	382,449	379,153	3,296
	<u>422,449</u>	<u>422,449</u>	<u>701,826</u>	<u>(279,377)</u>
Total Operating Expenses	<u>\$ 2,186,906</u>	<u>\$ 2,186,906</u>	<u>\$ 2,426,990</u>	<u>\$ (240,084)</u>
NON-OPERATING EXPENSE				
Loss on Disposal of Assets	\$ -	\$ -	\$ -	-
Total Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ 2,186,906</u>	<u>\$ 2,186,906</u>	<u>\$ 2,426,990</u>	<u>\$ (240,084)</u>

COMBINING FINANCIAL STATEMENT CUSTODIAL FUNDS

Custodial funds are used to report resources held by the City in a purely custodial capacity (assets = liabilities).

ESCROW FUND - To account for funds deposited with the city by developers for curb and gutter, paving, and water and sewer extensions. At the time the improvements are made, it is paid for by the developer and the deposit refunded.

EMPLOYEE CHRISTMAS FUND - To account for funds withheld by the City from participating employees each pay period to enable the employees to save for Christmas. Funds are disbursed to employees enrolled in the plan on or about December 1 each year.

**City of Andrews, Texas
Custodial Funds
Combining Statement of Net Position
September 30, 2024**

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	Escrow Fund	Employee Christmas Fund	Total
ASSETS			
Cash and cash equivalents	\$ 15,572	\$ 109,217	\$ 124,789
Total Assets	15,572	109,217	\$ 124,789
LIABILITIES			
Deposits held for others	15,572	109,217	124,789
Total Liabilities	\$ 15,572	\$ 109,217	\$ 124,789
NET POSITION	-	-	-

City of Andrews, Texas
Custodial Funds
Combining Statement of Changes in Net Position
For the year ended September 30, 2024

	Balance Oct. 1 2023	Additions	Deductions	Balance Sept. 30 2024
ESCROW FUND				
Assets				
Cash and cash equivalents	\$ 15,572	\$ -	\$ -	\$ 15,572
	<u>15,572</u>	<u>-</u>	<u>-</u>	<u>15,572</u>
Liabilities				
Deposits held for others	15,572	\$ -	-	15,572
	<u>\$ 15,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,572</u>
 EMPLOYEE CHRISTMAS FUND				
Assets				
Cash and cash equivalents	\$ 114,505	\$ 130,742	\$ 136,030	\$ 109,217
	<u>114,505</u>	<u>130,742</u>	<u>136,030</u>	<u>109,217</u>
Liabilities				
Deposits held for others	114,505	130,742	136,030	109,217
	<u>\$ 114,505</u>	<u>\$ 130,742</u>	<u>\$ 136,030</u>	<u>\$ 109,217</u>
 TOTAL - ALL CUSTODIAL FUNDS				
Assets				
Cash and cash equivalents	\$ 130,077	\$ 130,742	\$ 136,030	\$ 124,789
	<u>130,077</u>	<u>130,742</u>	<u>136,030</u>	<u>124,789</u>
Liabilities				
Deposits held for others	130,077	130,742	136,030	124,789
	<u>\$ 130,077</u>	<u>\$ 130,742</u>	<u>\$ 136,030</u>	<u>\$ 124,789</u>

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

City of Andrews, Texas
Capital Assets used in the Operation of Governmental Funds
Comparative Schedules by Source
September 30, 2024 and 2023

	2024	2023
Governmental Fund Capital Assets		
Land	\$ 1,071,357	\$ 1,071,357
Buildings	11,112,064	11,013,633
Improvements other than buildings	8,982,819	8,828,637
Machinery and equipment	8,054,582	7,328,476
Infrastructure	33,669,282	33,512,074
Total Governmental Funds Capital Assets	62,890,105	61,754,176
 Investments in Governmental Funds		
Capital Assets by Source		
General fund	41,686,091	41,686,091
Donations	5,453,715	5,405,679
Subdividers	1,267,406	1,267,406
General obligation bonds	13,395,000	13,395,000
	\$ 61,802,212	\$ 61,754,176

City of Andrews, Texas
Capital Assets used in the Operation of Governmental Funds
Schedule by Function and Activity
September 30, 2024

Function and Activity	Total	Land	Building	Improvements Other Than Buildings	Infrastructure	Machinery and Equipment
General Government:						
City Hall - City Mgr., Finance, Court Business/Technology Center	\$ 3,085,116	\$ 385,090	\$ 1,898,122	\$ 427,909	\$ -	\$ 373,996
	-	-	-	-	-	-
Total General Government	3,085,116	385,090	1,898,122	427,909	-	373,996
Public Safety:						
Police protection	4,340,051	146,741	829,182	-	-	3,364,128
Emergency medical services	3,361,115	-	1,331,894	-	-	2,029,221
Animal pound	437,968	-	233,185	-	-	204,784
Fire protection	3,356,828	25,296	2,490,021	65,104	-	776,407
Total Public Safety	11,495,963	172,037	4,884,282	65,104	-	6,374,539
Streets and storm drainage	38,382,687	484,349	-	3,256,567	33,669,282	972,490
Inspection	325,858	-	-	-	-	325,858
Recreation and parks	9,600,480	29,881	4,329,660	5,233,240	-	7,699
Total Governmental Funds Capital Assets	\$ 62,890,105	\$ 1,071,357	\$ 11,112,064	\$ 8,982,819	\$ 33,669,282	\$ 8,054,582

City of Andrews, Texas
Capital Assets used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the year ended September 30, 2024

Function and Activity	Governmental Funds Capital Assets 2023	Additions	Deductions	Governmental Funds Capital Assets 2024
General Government				
City Hall - City Mgr., Finance, Court Business/Technology Center	\$ 3,024,415 (0)	\$ 62,850	\$ 2,148	\$ 3,085,117 (0)
Total General Government	<u>3,024,414</u>	<u>62,850</u>	<u>2,148</u>	<u>3,085,117</u>
Public Safety				
Police protection	3,974,529	547,989	182,466	4,340,051
Emergency medical services	3,005,251	491,406	135,542	3,361,115
Animal pound	434,968	3,000	-	437,968
Fire protection	3,399,247	14,000	56,419	3,356,828
Total Public Safety	<u>10,813,995</u>	<u>1,056,395</u>	<u>374,427</u>	<u>11,495,962</u>
Streets and storm drainage	38,061,402	413,426	92,142	38,382,687
Inspection	312,822	49,931	36,895	325,858
Recreation and parks	9,541,542	173,239	114,300	9,600,481
Total Governmental Funds Capital Assets	<u>\$ 61,754,176</u>	<u>\$ 1,755,841</u>	<u>\$ 619,913</u>	<u>\$ 62,890,105</u>

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**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

ANDREWS ECONOMIC DEVELOPMENT CORPORATION

Component Unit
(Discretely Presented)

Andrews Economic Development Corporation is a 501(C)(3) non-profit industrial development corporation whose five member Board of Directors is appointed by the City Council. The Corporation's purpose is to promote and develop industrial and manufacturing enterprises in order to eliminate unemployment and underemployment and promote the public welfare for and in behalf of the City as authorized by Section 4A of of Article 5190.6, TX Rev. Statue Ann. Funding is derived from a 1/2% sales tax approved by voters in May, 2005.

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City of Andrews, Texas
Andrews Economic Development Corporation
Comparative Statements of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 5,281,657	\$ 7,731,593
Investment - treasury securities/cert. of deposit	1,000,000	\$ 2,080,000
Sales tax receivable	188,951	179,857
Miscellaneous receivable	15,919	20,903
Total Current Assets	6,486,527	10,012,353
Capital Assets		
Land	4,362,202	3,938,457
Improvements other than Buildings	766,910	766,910
Furniture & Fixtures	7,035	7,035
Accumulated depreciation	(294,309)	(261,348)
Total Capital Assets Net of Accum. Depr.	4,841,838	4,451,054
Total Assets	11,328,365	14,463,407
DEFERRED OUTFLOWS		
Pension Related:		
Difference between expected and actual experience	60,705	65,489
Difference between projected and actual earnings		
Difference due to changes in actuarial assumptions	815	815
Deferred pension contributions	5,086	5,086
Total Deferred Outflows	66,606	71,390
LIABILITIES		
Current Liabilities:		
Accounts payable	241,214	1,157,347
Other payables	8,461	1,889
Compensated absences payable	16,017	14,805
Pension liability payable	2,609	61,747
Total Current Liabilities	268,301	1,235,788
DEFERRED INFLOWS		
Pension Related:		
Difference between projected and actual earnings	83,086	32,359
Difference between expected and actual experience		10,403
Total Deferred Inflows	83,086	42,762
NET POSITION		
Net investment in capital assets	4,841,838	4,451,054
Restricted	-	-
Unrestricted	6,201,746	8,805,194
Total Net Position	\$ 11,043,584	\$ 13,256,248

City of Andrews, Texas
Andrews Economic Development Corporation
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the years ended September 30, 2024 and 2023

	2024	2023
Support and revenues		
Economic development sales tax	\$ 2,311,276	\$ 2,619,407
Interest income	389,803	417,484
Miscellaneous	4,000	34,000
Contribution	230,454	
Total support and revenues	2,935,534	3,070,891
 Expenses		
Personnel services	229,128	226,488
Supplies	1,921	1,692
Maintenance & Repairs	-	-
Outside Services	77,782	121,992
Other Operating Expense	11,549	10,965
Incentives	67,616	76,305
Business Park Maintenance	482,370	16,400
Contributions to County or City	4,284,679	2,059,812
Depreciation	32,961	32,962
Total Expenses	5,188,006	2,546,615
 Income from Operations	(2,252,472)	524,276
 Sale of Land	39,808	72,612.28
 Increase in Net Position	(2,212,664)	596,888
 Net Position, beginning	13,256,248	12,659,360
Prior Period Adjustment	-	-
 Net Position, ending	\$ 11,043,584	\$ 13,256,248

City of Andrews, Texas
Andrews Economic Development Corporation
Comparative Statements of Cash Flows
For the years ended September 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from sales tax	\$ 2,302,182	\$ 2,670,992
Other operating cash receipts	398,788	432,780
Cash payments to suppliers for goods and services	(1,550,799)	926,245
Cash payments to employees for services	(241,944)	(221,830)
Cash payments for other funds	(4,284,679)	(2,059,812)
Net cash provided (used) by operating activities	(3,376,453)	1,748,375
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(230,455)	(1,533,391)
Sale of Assets	39,808	72,613
Land incentives from Business Parks	37,163	95,238
Prior Period Adjustments	-	-
Net cash provided (used) by capital and related financing activities	(153,483)	(1,365,541)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of treasury securities/certificate of deposit	-	(751,000)
Redemption of treasury securities/certificate of deposit	1,080,000	
Net cash provided (used) by investing activities	1,080,000	(751,000)
Net increase (decrease) in cash and cash equivalents	(2,449,936)	(368,166)
Cash and cash equivalents, beginning	7,731,593	8,099,758
Cash and cash equivalents, ending	\$ 5,281,657	\$ 7,731,593
Reconciliation of income from operations to net cash provided (used) by operating activities		
Operating Income/Loss	\$ (2,252,472)	\$ 524,276
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	32,961	32,962
Prior Period Adjustment - Pension	-	-
Change in assets and liabilities:		
Decrease (increase) in sales tax receivable	(9,095)	51,585
Decrease (increase) in misc receivable	4,984	(18,703)
Decrease (increase) in deferred outflows of resources for pensions	4,784	(23,839)
Increase (decrease) in accounts payable	(916,134)	1,152,465
Increase (decrease) in other payables	6,572	1,133
Increase (decrease) in compensated absences	1,212	697
Increase (decrease) in pension liability	(59,137)	43,588
Increase (decrease) in deferred inflows of resources for pension	40,325	(15,788)
Net cash provided (used) by operating activities	\$ (3,145,999)	\$ 1,748,375

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UNAUDITED STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	130-134
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and sales tax.</i>	135-141
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	142-145
Demographic & Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	146-148
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	149-150

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

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CITY OF ANDREWS, TEXAS
Net Position by Component
2015-2024
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 24,496,304	\$ 29,797,572	\$ 29,346,908	\$ 28,205,202	\$ 26,846,512	\$ 26,732,759	\$ 25,930,250	\$ 26,746,527	\$ 28,575,908	\$ 28,175,054
Nonspendable							\$ 28,683	\$ 26,125	\$ 24,428	\$ 23,386
Restricted	10,982	153,694	143,398	353,167	473,392	302,144	1,983,996	2,408,096	1,444,462	1,258,682
Unrestricted	14,640,177	9,889,769	10,855,317	11,906,453	15,725,770	15,648,706	15,135,111	15,223,199	12,687,751	14,482,441
Total governmental activities net position	<u>39,147,463</u>	<u>39,841,035</u>	<u>40,345,623</u>	<u>40,464,823</u>	<u>43,045,673</u>	<u>42,683,609</u>	<u>43,078,040</u>	<u>44,403,947</u>	<u>42,732,550</u>	<u>43,939,563</u>
Business-type activities										
Net investment in capital assets	18,722,336	20,050,869	21,347,109	21,915,482	23,985,637	25,608,034	26,155,489	23,116,441	28,571,154	33,503,620
Restricted	685,007	696,274	756,272	779,346	822,804	840,088	879,568	989,862	1,087,490	1,410,163
Unrestricted	4,411,228	3,667,163	2,544,031	2,571,953	2,849,486	2,431,306	3,175,876	7,627,269	5,016,075	4,045,865
Total business-type activities net position	<u>23,818,570</u>	<u>24,414,306</u>	<u>24,647,412</u>	<u>25,266,780</u>	<u>27,657,926</u>	<u>28,879,428</u>	<u>30,210,933</u>	<u>31,733,572</u>	<u>34,674,719</u>	<u>38,959,648</u>
Primary government:										
Net investment in capital assets	43,218,640	49,848,441	50,694,017	50,120,684	50,832,148	52,340,793	52,085,739	49,862,968	57,147,062	61,678,674
Nonspendable							28,683	26,125	24,428	23,386
Restricted	695,989	849,968	899,670	1,132,513	1,296,195	1,142,232	2,863,564	3,397,958	2,531,952	2,668,845
Unrestricted	19,051,405	13,556,932	13,399,349	14,478,406	18,575,255	18,080,012	18,310,987	22,850,468	17,703,826	18,528,306
Total primary government net position	<u>\$ 62,966,033</u>	<u>\$ 64,255,341</u>	<u>\$ 64,993,036</u>	<u>\$ 65,731,603</u>	<u>\$ 70,703,599</u>	<u>\$ 71,563,037</u>	<u>\$ 73,288,973</u>	<u>\$ 76,137,519</u>	<u>\$ 77,407,269</u>	<u>\$ 82,899,211</u>

CITY OF ANDREWS, TEXAS
Changes in Net Position
2015-2024
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities										
General government & administration	\$ (1,685,449)	\$ (1,655,183)	\$ (1,767,007)	\$ (1,610,247)	\$ (1,750,648)	\$ (2,087,904)	\$ (2,188,053)	\$ (1,776,158)	\$ (1,903,947)	\$ (1,809,456)
Public safety	(3,581,837)	(3,952,042)	(4,286,401)	(4,543,854)	(4,896,299)	(5,216,583)	(5,581,014)	(6,072,632)	(6,870,729)	(6,791,844)
Highways and streets	(1,876,510)	(1,747,200)	(1,985,850)	(2,269,169)	(2,491,985)	(2,514,906)	(2,633,496)	(2,424,567)	(2,835,662)	(2,919,845)
Culture-recreation	(391,582)	(407,877)	(386,330)	(1,011,387)	(988,684)	(1,204,712)	(1,065,481)	(1,220,101)	(3,284,459)	(1,151,776)
Economic development	(464,337)	(311,924)	(319,047)	(434,032)	(358,412)	(414,841)	(385,909)	(292,019)	(425,264)	(479,045)
Other financing uses	(182,150)	(549,556)	(425,597)	(448,757)	(431,221)	(427,576)	(418,701)	(356,535)	(708,464)	(556,070)
Total governmental activities	(8,181,866)	(8,623,781)	(9,170,232)	(10,317,447)	(10,917,248)	(11,866,522)	(12,272,654)	(12,142,012)	(16,028,525)	(13,708,036)
Business-type activities:										
Water and sewer	(3,005,372)	(3,638,712)	(4,030,842)	(4,103,460)	(4,386,166)	(4,794,955)	(4,256,597)	(4,698,739)	(4,875,981)	(5,468,669)
Sanitation	(1,820,343)	(1,802,015)	(1,876,421)	(1,848,628)	(2,062,859)	(1,894,473)	(1,909,831)	(1,914,635)	(2,199,087)	(2,426,990)
Total business-type activities	(4,825,715)	(5,440,727)	(5,907,263)	(5,952,088)	(6,449,024)	(6,689,428)	(6,166,428)	(6,613,374)	(7,075,068)	(7,895,659)
Total Expenses	\$ (13,007,580)	\$ (14,064,508)	\$ (15,077,495)	\$ (16,269,534)	\$ (17,366,272)	\$ (18,555,950)	\$ (18,439,082)	\$ (18,755,386)	\$ (23,103,593)	\$ (21,603,695)
Program revenues:										
Governmental Activities:										
Fees, fines and charges for services:										
General government	\$ 56,520	\$ 53,581	\$ 50,555	\$ 58,045	\$ 88,078	\$ 74,016	\$ 81,293	\$ 70,229	\$ 63,187	\$ 131,303
Public safety	222,783	339,073	619,529	555,225	559,626	399,110	371,324	447,272	432,670	355,231
Culture-recreation	84,713	76,404	71,063	64,365	48,814	45,957	52,022	58,514	57,387	64,622
Economic development	12,995	39,845	21,928	20,645	23,494	61,675	54,950	43,295	42,760	34,600
Other financing uses	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,266,488	1,219,910	1,271,515	1,375,004	1,567,900	2,489,187	3,500,370	4,092,042	2,166,817	2,852,688
Capital grants and contributions	413,043	780,453	766,743	29,449	16,196	17,022	51,746	21,103	22,070	91,546
Total governmental activities	2,056,542	2,509,266	2,801,334	2,102,733	2,304,107	3,086,967	4,111,705	4,732,455	2,784,891	3,529,990
Business-type activities:										
Charges for services:										
Water and sewer	3,766,892	3,683,795	4,125,295	4,487,245	4,200,597	4,587,609	4,753,126	5,056,233	5,001,623	5,162,238
Sanitation	1,606,884	1,754,166	1,755,038	1,797,000	1,981,008	2,076,907	2,028,370	2,098,780	2,068,935	2,125,046
Capital grants and contributions	519,792	392,068	3,850	-	-	-	503,696	-	-	-
Total business-type activities	5,893,568	5,830,029	5,884,182	6,284,245	6,181,604	6,664,516	7,285,192	7,155,013	7,070,558	7,287,284
Total Program Revenues	\$ 7,950,110	\$ 8,339,295	\$ 8,685,516	\$ 8,386,977	\$ 8,485,711	\$ 9,751,483	\$ 11,396,897	\$ 11,887,468	\$ 9,855,449	\$ 10,817,274
Net revenues (expenses)										
Governmental activities	(6,125,324)	(6,114,515)	(6,368,898)	(8,214,714)	(8,613,141)	(8,779,555)	(8,160,949)	(7,409,557)	(13,243,634)	(10,178,046)
Business-type activities	1,067,853	389,302	(23,081)	332,157	(267,420)	(24,912)	1,118,764	541,639	(4,510)	(608,375)
Total net revenues (expenses)	(5,057,470)	(5,725,213)	(6,391,979)	(7,882,557)	(8,880,561)	(8,804,467)	(7,042,185)	(6,867,918)	(13,248,143)	(10,786,420)

(Continued)

CITY OF ANDREWS, TEXAS
Changes in Net Position
2015-2024
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues:										
Governmental Activities										
Taxes:										
Property taxes	1,208,573	1,392,060	1,429,731	1,439,005	1,460,786	1,700,765	1,706,226	1,690,985	1,827,955	1,961,122
Sales	6,186,791	4,476,948	4,545,349	5,325,167	6,269,542	6,003,939	5,280,382	6,646,486	7,868,317	6,947,286
Franchise	781,609	739,276	704,419	650,398	787,221	718,504	705,078	701,972	722,607	695,616
Other	107,140	82,027	68,826	589,596	492,148	282,800	216,906	239,282	373,470	380,547
Miscellaneous revenue	108,166	31,121	(0)	103,442	4,172,329	422,380	528,061	42,173	5,224	123,357
Investment income	75,689	89,519	125,162	218,555	357,715	263,194	108,201	116,760	774,029	892,303
Gain/Loss on disposition of assets	-	44,410	-	-	-	-	-	-	-	121,406
Transfers	(999,000)	(1,344)	-	-	(2,338,000)	(1,015,000)	10,527	(702,196)	635	263,423
Total governmental activities	<u>7,468,967</u>	<u>6,854,017</u>	<u>6,873,486</u>	<u>8,326,163</u>	<u>11,201,741</u>	<u>8,376,582</u>	<u>8,555,381</u>	<u>8,735,462</u>	<u>11,572,236</u>	<u>11,385,060</u>
Business-type activities:										
Miscellaneous revenue	324,916	222,085	218,368	213,711	198,139	159,921	164,726	184,103	2,182,137	4,680,073
Investment income	27,949	26,709	36,820	66,900	122,427	54,756	6,064	92,702	488,772	428,529
Gain/Loss on disposition of assets	2,000	(43,704)	1,000	6,599	-	16,737	41,950	2,000	275,383	48,125
Transfers	1,055,000	1,343	-	(0)	2,338,000	1,015,000	-	702,196	(635)	(263,423)
Total business-type activities	<u>1,409,866</u>	<u>206,433</u>	<u>256,188</u>	<u>287,210</u>	<u>2,658,566</u>	<u>1,246,414</u>	<u>212,740</u>	<u>981,001</u>	<u>2,945,657</u>	<u>4,893,304</u>
Total primary government	<u>8,878,833</u>	<u>7,060,450</u>	<u>7,129,674</u>	<u>8,613,373</u>	<u>13,860,306</u>	<u>9,622,996</u>	<u>8,768,121</u>	<u>9,716,463</u>	<u>14,517,893</u>	<u>16,278,364</u>
Changes in net position										
Governmental activities	1,343,643	739,502	504,587	111,449	2,588,599	(402,973)	394,432	1,325,906	(1,671,398)	1,207,014
Business-type activities	2,477,719	595,736	233,107	619,367	2,391,146	1,221,502	1,331,504	1,522,640	2,941,147	4,284,929
Total change in net position	<u>\$ 3,821,362</u>	<u>\$ 1,335,238</u>	<u>\$ 737,695</u>	<u>\$ 730,816</u>	<u>\$ 4,979,745</u>	<u>\$ 818,529</u>	<u>\$ 1,725,936</u>	<u>\$ 2,848,546</u>	<u>\$ 1,269,749</u>	<u>\$ 5,491,943</u>

CITY OF ANDREWS, TEXAS
Fund Balances of Governmental Funds
2015-2024
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Committed	11,814,859	6,488,900	6,089,540	6,843,950	10,570,129	8,728,730	7,806,745	7,197,652	6,812,361	11,243,545
Assigned	2,206,194	2,995,903	3,316,783	3,410,618	4,006,627	2,844,605	2,595,062	1,458,985	4,266,019	2,469,312
Unassigned	<u>2,168,319</u>	<u>2,332,892</u>	<u>3,607,238</u>	<u>3,686,954</u>	<u>3,191,447</u>	<u>5,875,360</u>	<u>6,709,265</u>	<u>8,231,519</u>	<u>3,227,126</u>	<u>1,844,014</u>
Total general fund	<u>16,189,373</u>	<u>11,817,694</u>	<u>13,013,561</u>	<u>13,941,522</u>	<u>17,768,204</u>	<u>17,448,695</u>	<u>17,111,072</u>	<u>16,888,156</u>	<u>14,305,506</u>	<u>15,556,871</u>
All other governmental funds:										
Unspendable										
Reported in special revenue funds	-	-	-	-	-	21,514	28,683	26,125	24,428	23,386
Restricted										
Reported in special revenue funds	10,982	17,398	15,913	225,682	345,907	153,145	1,856,511	2,280,611	1,316,977	1,131,197
Debt Service	207,799	136,296	127,485	127,485	127,485	127,485	127,485	127,485	127,485	127,485
Committed										
Reported in special revenue funds	<u>26,404</u>	<u>119,740</u>	<u>152,388</u>	<u>287,404</u>	<u>585,602</u>	<u>789,737</u>	<u>469,581</u>	<u>348,219</u>	<u>304,006</u>	<u>331,474</u>
Total all other governmental funds	<u>245,186</u>	<u>273,434</u>	<u>295,786</u>	<u>640,571</u>	<u>1,058,994</u>	<u>1,091,881</u>	<u>2,482,260</u>	<u>2,782,440</u>	<u>1,772,896</u>	<u>1,613,542</u>
Total Governmental Funds	<u>\$ 16,434,559</u>	<u>\$ 12,091,128</u>	<u>\$ 13,309,347</u>	<u>\$ 14,582,094</u>	<u>\$ 18,827,197</u>	<u>\$ 18,540,576</u>	<u>\$ 19,593,332</u>	<u>\$ 19,670,596</u>	<u>\$ 16,078,402</u>	<u>\$ 17,170,413</u>

CITY OF ANDREWS, TEXAS
Changes in Fund Balances of Governmental Funds
2015-2024
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 7,541,277	\$ 5,905,039	\$ 6,008,093	\$ 7,377,931	\$ 8,228,508	\$ 7,946,091	\$ 7,171,388	\$ 7,490,739	\$ 10,055,673	\$ 9,292,312
Franchise fees	781,609	739,276	704,419	650,398	787,221	718,504	705,078	701,972	722,606	695,616
License, permits, fees	65,504	72,009	48,494	64,746	93,073	88,431	89,594	67,255	73,682	128,872
Charges for services	84,713	76,404	71,063	64,365	48,814	45,957	52,022	58,514	57,387	64,622
Fines and court costs	218,077	319,434	408,514	391,761	415,451	283,708	269,243	304,276	252,445	215,171
Miscellaneous	639,161	555,613	544,024	684,486	640,824	422,380	513,011	564,781	575,904	752,356
Investment income	75,689	89,520	125,162	218,555	357,715	263,194	108,201	116,760	774,030	892,303
Intergovernmental revenue	1,243,900	1,222,710	1,276,451	1,382,947	1,601,410	1,767,320	1,848,992	3,530,485	2,275,201	2,964,123
Grant income	89,203	64,778	68,484	67,582	67,406	873,489	1,837,723	1,823,675	73,286	46,764
Contributions	60	32	750,023	-	-	-	-	-	-	48,036
Voluntary non-exchange revenues	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	-
Total revenues	10,739,193	9,044,815	10,004,727	10,902,770	12,240,421	12,409,074	12,595,252	14,658,457	14,860,214	15,100,175
Expenditures:										
Current										
General gov't and admin.	2,022,609	1,977,545	2,196,540	2,053,724	1,949,488	1,992,506	2,108,081	2,202,395	2,237,299	2,509,857
Public safety	3,307,742	3,432,976	3,557,704	3,938,204	4,238,296	4,601,742	5,075,869	5,792,663	6,059,983	6,455,658
Highway and streets	1,349,240	1,159,857	703,367	975,784	1,192,109	1,215,770	1,339,130	1,280,869	1,579,125	1,701,798
Culture-recreation	153,749	177,505	126,018	749,789	697,762	914,230	648,667	713,896	761,312	841,445
Economic development	155,603	156,851	161,116	180,394	109,388	147,018	141,104	118,731	156,821	-
Debt Service										
Principal	345,000	355,000	310,000	270,000	285,000	295,000	305,000	320,000	415,000	570,000
Interest	119,088	496,231	434,408	443,940	436,038	427,576	418,701	409,320	710,683	558,393
Bond Issuance Costs	165,645	-	-	-	-	-	-	-	-	-
Capital outlay	9,954,366	5,684,444	1,297,355	1,018,190	749,237	2,127,762	1,531,523	3,048,353	6,532,821	1,755,841
Total expenditures	17,573,043	13,440,409	8,786,508	9,630,025	9,657,318	11,721,604	11,568,076	13,886,227	18,453,044	14,392,992
Excess (deficiency) of revenues over expenditures	(6,833,850)	(4,395,594)	1,218,219	1,272,746	2,583,103	687,470	1,027,177	772,230	(3,592,830)	707,183
Other financing sources (uses):										
Transfers in	1,072,887	5,191,197	735,597	713,940	721,038	722,576	1,148,986	1,132,320	1,683,561	1,657,080
Transfers out	(1,671,887)	(5,192,541)	(735,597)	(713,940)	(3,059,038)	(1,737,576)	(1,123,407)	(1,834,516)	(1,682,926)	(1,393,657)
Sale of general capital assets	-	53,507	-	-	-	-	-	7,231	-	121,406
Lawsuit settlement	-	-	-	-	4,000,000	-	-	-	-	-
General obligation bond issued	8,251,619	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	7,652,619	52,163	-	-	1,662,000	(1,015,000)	25,579	(694,965)	635	384,829
Net change in fund balance	\$ 818,769	\$ (4,343,431)	\$ 1,218,219	\$ 1,272,746	\$ 4,245,103	\$ (327,530)	\$ 1,052,756	\$ 77,265	\$ (3,592,195)	\$ 1,092,012
Debt service as a percentage of noncapital expenditures	6.1%	11.0%	9.9%	8.3%	8.1%	7.5%	7.2%	6.7%	9.4%	8.9%

CITY OF ANDREWS, TEXAS
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years
(in thousands of dollars)

Fiscal Year Ended Sept. 30	Real Property		Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate per \$100	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2015	526,116	132,827	138,946	75,224	722,664	0.18900	722,664	100%
2016	538,304	202,862	123,785	143,062	721,888	0.18900	721,888	100%
2017	554,765	208,994	134,032	149,116	748,675	0.18900	748,675	100%
2018	559,098	212,099	143,514	138,043	776,668	0.18900	776,668	100%
2019	592,350	226,084	196,744	139,786	875,392	0.18900	875,392	100%
2020	636,409	230,949	188,688	149,762	906,285	0.18192	906,285	100%
2021	679,669	302,790	173,367	219,620	936,207	0.18048	936,207	100%
2022	699,144	349,762	185,921	249,906	984,921	0.18048	984,921	100%
2023	740,705	359,109	199,683	233,613	1,065,884	0.18048	1,065,884	100%
2024	771,414	393,738	240,493	241,443	1,164,202	0.18048	1,164,202	100%

Information furnished by Andrews County Appraisal District.

CITY OF ANDREWS, TEXAS
Property Tax Rates - All Direct and Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Fiscal Period	City (1)			School (2)			County (3)			Overlapping Rates			Hospital (4)			Total Direct and Overlapping		
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total
2015	0.18900	-	0.18900	1.06000	0.11000	1.17000	0.43550	-	0.43550	0.07500	-	0.07500	0.28650	0.10000	0.38650	2.04600	0.21000	2.25600
2016	0.18900	-	0.18900	1.06000	0.14000	1.20000	0.48050	-	0.48050	0.08500	-	0.08500	0.43037	0.11135	0.54172	2.24487	0.25135	2.49622
2017	0.18900	-	0.18900	1.06000	0.14000	1.20000	0.43840	-	0.43840	0.07730	-	0.07730	0.40603	0.09308	0.49911	2.17073	0.23308	2.40381
2018	0.18900	-	0.18900	1.06000	0.14000	1.20000	0.43250	0.02740	0.45990	0.05900	-	0.05900	0.39966	0.08489	0.48455	2.14016	0.25229	2.39245
2019	0.18900	-	0.18900	0.99000	0.14000	1.13000	0.42820	0.02330	0.45150	0.05840	-	0.05840	0.39233	0.07690	0.46923	2.05793	0.24020	2.29813
2020	0.18192	-	0.18192	0.97640	0.14000	1.11640	0.42790	0.02370	0.45160	0.05830	-	0.05830	0.44266	0.07752	0.52017	2.08717	0.24122	2.32839
2021	0.18048	-	0.18048	0.97340	0.14000	1.11340	0.43120	0.02500	0.45620	0.05880	-	0.05880	0.47496	0.08204	0.55700	2.11883	0.24704	2.36587
2022	0.18048	-	0.18048	0.86460	0.14000	1.00460	0.35480	0.01680	0.37160	0.04840	-	0.04840	0.31284	0.04995	0.36279	1.76112	0.20675	1.96786
2023	0.18048	-	0.18048	0.67920	0.20000	0.87920	0.27930	0.01260	0.29190	0.03810	-	0.03810	0.23719	0.03808	0.27527	1.41427	0.25068	1.66494
2024	0.18048	-	0.18048	0.67690	0.20000	0.87690	0.25830	0.01070	0.26900	0.03520	-	0.03520	0.22940	0.03271	0.26211	1.38028	0.24341	1.62369

Notes:

- (1) All for general fund revenue
- (2) Rates obtained from Andrews Independent School District
- (3) Rates obtained from Andrews County
- (4) Rates obtained from Andrews Hospital District

**CITY OF ANDREWS, TEXAS
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2024 Tax Roll			2015 Tax Roll		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Enterprise FM Trust	\$ 29,559,144	1	2.5%			
Summit ESP	18,663,311	2	1.6%			
Viva Well Servicing Co., LP	16,075,309	3	1.4%	10,943,253	1	1.5%
Andrews Apartments LP	9,910,872	4	0.9%			
Anixter Inc	8,630,683	5	0.7%			
Hoffman Leasing, LLC	7,988,000	6	0.7%			
Brigade Energy Services LLC	6,548,172	7	0.6%			
CP Energy Services	6,542,209	8	0.6%			
Oncor Electric Delivery Co	6,200,604	9	0.5%	3,980,500	6	0.6%
Benny Boyd Chrysler Dodge Jeep R	5,500,373	10	0.5%			
Govind Rama Inc				3,725,774	8	0.5%
Andrews Pump & Supply Co				3,502,270	9	0.5%
Nabors Well Service				8,294,883	2	1.1%
Basic Energy - Permian Reg 201				6,632,894	4	0.9%
AE Hotels LLC				8,165,734	3	1.1%
Schrogin Baar XIII Llt'd LP				3,439,713	10	0.5%
Basic Energy Services Inc. 100				3,906,479	7	0.5%
Globe Energy Services				5,124,133	5	0.7%
	<u>\$ 115,618,677</u>		<u>9.9%</u>	<u>\$57,715,633</u>		<u>7.9%</u>

Information furnished by Andrews County Appraisal District (tax rolls)

CITY OF ANDREWS, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount Collected	% of Levy		Amount Collected	% of Levy
2015	\$1,221	\$1,173	96.1%	\$38	\$1,211	99.2%
2016	\$1,358	\$1,279	94.2%	\$74	\$1,353	99.6%
2017	\$1,364	\$1,284	94.1%	\$74	\$1,358	99.6%
2018	\$1,413	\$1,357	96.0%	\$49	\$1,406	99.5%
2019	\$1,449	\$1,398	96.5%	\$41	\$1,439	99.3%
2020	\$1,619	\$1,531	94.6%	\$73	\$1,604	99.1%
2021	\$1,634	\$1,556	95.2%	\$55	\$1,610	98.6%
2022	\$1,679	\$1,613	96.1%	\$32	\$1,645	98.0%
2023	\$1,777	\$1,733	97.5%	\$1	\$1,733	97.5%
2024	\$2,097	\$1,912	91.2%		\$1,912	91.2%

Information furnished by Andrews Independent School District (which provides collection services.)

CITY OF ANDREWS, TEXAS
Calendar Year Sales Tax Collections
Last Ten Calendar Years

Calendar Year	City (1.00%)	Economic Development (1) (0.50%)	Property Tax Reduction (1) (0.25%)	Reliever Route Project (1) (0.25%)	Total
2015	\$ 3,766,943	\$ 1,883,471	\$ 941,736	\$ 941,736	\$ 7,533,885
2016	\$ 2,839,901	\$ 1,419,950	\$ 709,975	\$ 709,975	\$ 5,679,802
2017	\$ 3,037,640	\$ 1,518,820	\$ 759,410	\$ 759,410	\$ 6,075,280
2018	\$ 3,794,997	\$ 1,897,499	\$ 948,749	\$ 948,749	\$ 7,589,995
2019	\$ 4,319,036	\$ 2,159,518	\$ 1,079,759	\$ 1,079,759	\$ 8,638,072
2020	\$ 3,715,070	\$ 1,857,535	\$ 928,767	\$ 928,767	\$ 7,430,139
2021	\$ 3,664,823	\$ 1,832,412	\$ 916,206	\$ 916,206	\$ 7,329,646
2022	\$ 4,887,096	\$ 2,443,548	\$ 1,221,774	\$ 1,221,774	\$ 9,774,192
2023	\$ 4,993,317	\$ 2,496,659	\$ 1,248,329	\$ 1,248,329	\$ 9,986,634
2024	\$ 4,541,456	\$ 2,270,728	\$ 1,135,364	\$ 1,135,364	\$ 9,082,912

Information furnished by Texas Comptroller of Public Accounts

Note:

(1) Truck Reliever Route sales tax approved by citizens in May, 2011 to be effective October 1, 2011. First collection received from State Comptroller in December, 2011.

CITY OF ANDREWS, TEXAS
Taxable Sales by Category
Last Ten Calendar Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ag., Forestry, Fishing, Hunting	-	-	-	-	-	-	-	-	\$ -	\$ -
Mining	\$ 70,843,340	\$ 43,842,841	\$ 33,130,329	\$ 37,957,884	\$ 51,938,000	\$ 63,933,000	\$ 49,156,331	\$ 62,675,000	84,344,000	82,008,000
Utilities	-	-	-	-	-	-	-	-	-	-
Construction	45,526,311	33,659,184	17,719,850	22,330,165	37,451,000	44,147,000	23,939,669	27,723,000	46,068,000	30,234,000
Manufacturing	38,041,036	29,992,523	26,613,235	40,966,752	23,071,000	23,865,000	10,951,869	14,512,000	26,955,000	19,631,000
Wholesale Trade	13,335,380	12,994,066	16,423,391	11,893,888	20,371,000	13,919,000	5,315,975	4,397,000	7,419,000	8,542,000
Retail Trade	96,349,634	80,754,524	62,318,683	75,828,886	98,291,000	91,086,000	72,190,823	81,696,000	93,445,000	91,461,000
Transportation / Warehousing	1,366,341	1,291,177	864,489	1,377,905	1,651,000	1,412,000	373,215	412,000	782,000	457,000
Information	-	3,910,107	5,212,568	5,071,993	5,709,000	6,076,000	4,736,209	3,774,000	1,976,000	1,504,000
Finance, Insurance	853,051	425,279	204,445	199,142	137,000	127,000	25,751	37,000	65,000	29,000
Real Estate, Rental, Leasing	28,569,259	19,946,670	15,226,943	26,896,333	37,174,000	41,306,000	25,779,833	29,179,000	46,294,000	38,883,000
Professional, Scientific, Tech. Svc	920,384	537,755	583,446	604,118	716,000	811,000	617,203	681,000	835,000	1,047,000
Mgmt of Companies, Enterprises	-	-	-	-	-	-	-	-	-	-
Admin, Supp., Waste Mgt., Remed.	10,652,629	8,550,106	6,541,460	2,094,232	2,159,000	2,878,000	2,199,750	1,725,000	2,672,000	2,876,000
Educational Services	-	-	-	-	-	-	-	-	-	26,000
Health Care, Social Assist.	-	-	-	160	-	-	31,072	-	-	-
Arts, Entertainment, Recreation	558,771	620,723	824,702	476,121	725,000	773,000	642,213	639,000	726,000	663,000
Accommodation, Food Svc.	26,897,177	27,180,384	24,112,489	27,551,778	29,716,000	31,405,000	27,376,987	31,533,000	35,514,000	39,058,000
Other Services	10,966,788	9,945,878	9,529,602	11,965,694	13,595,000	14,287,000	11,996,246	13,602,000	14,587,000	15,953,000
Public Administration	-	-	-	-	-	-	-	-	-	-
Other	4,785,197	1,504,807	83,770	197,092	-	-	-	104,000	-	-
Total	\$349,665,298	\$275,156,024	\$219,389,402	\$265,412,143	\$322,704,000	\$321,248,000	\$235,333,146	\$272,689,000	\$361,682,000	\$332,372,000
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Economic Development (eff. 10/1/05)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Property Tax Reduction (eff. 10/1/05)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Truck Reliever Route (eff. 10/1/11)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Annual data for 2024 not available

Information furnished by TX Comptroller of Public Accounts

Note: .50% economic development tax, .25% property tax reduction sales taxes, and .25% truck reliever route tax are also levied.

CITY OF ANDREWS, TEXAS
Sales Tax Revenue Payers by Industry
Current Calendar Year and Nine Years Ago
(thousands of dollars)

	2023				2014			
	Number of Filers	Percentage of Total	Subject to Tax	Percentage of Total	Number of Filers	Percentage of Total	Subject to Tax	Percentage of Total
Ag., Forestry, Fishing, Hunting	1	0.16%	\$ -	-	-	0.20%	\$ -	-
Mining	59	9.50%	82,008	24.67%	52	8.47%	70,843	19.47%
Utilities	2	0.32%	-	-	-	0.40%	-	-
Construction	49	7.93%	30,234	9.10%	52	9.48%	45,526	9.31%
Manufacturing	37	5.94%	19,631	5.91%	23	4.44%	38,041	4.72%
Wholesale Trade	24	3.88%	8,542	2.57%	23	4.03%	13,335	5.97%
Retail Trade	205	33.12%	91,461	27.52%	157	33.06%	96,350	31.54%
Transportation, Warehousing	17	2.75%	457	0.14%	19	4.03%	1,366	1.28%
Information	5	0.81%	1,504	0.45%	3	0.20%	-	0.00%
Finance, Insurance	5	0.81%	29	0.01%	7	1.41%	853	0.20%
Real Estate, Rental, Leasing	26	4.16%	38,883	11.70%	22	5.65%	28,569	11.14%
Professional, Scientific, Tech. Svc	27	4.41%	1,047	0.32%	19	5.04%	920	0.54%
Mgmt of Companies, Enterprises	-	0.00%	-	-	-	0.00%	-	-
Admin, Supp., Waste Mgt., Remed.	17	2.75%	2,876	0.87%	15	3.83%	10,653	3.96%
Educational Services	3	0.49%	26	-	1	0.20%	-	-
Health Care, Social Assist.	2	0.32%	-	-	-	0.20%	-	-
Arts, Entertainment, Recreation	7	1.13%	663	0.20%	8	1.61%	559	0.29%
Accommodation, Food Svc.	84	13.63%	39,058	11.75%	51	8.87%	26,897	6.79%
Other Services	46	7.40%	15,953	4.80%	47	8.47%	10,967	3.21%
Public Administration	2	0.32%	-	-	1	0.20%	-	-
Other	1	0.16%	-	0.00%	2	0.20%	4,785	1.57%
Total	618	100.00%	\$ 332,372	99.99%	502	100.00%	\$ 349,665	100.00%

Annual data for 2024 not available
Information furnished by TX Comptroller of Public Accounts

CITY OF ANDREWS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal year	Governmental Activities			Business-Type Activities		Total Outstanding Debt	% of Est. Taxable Value of Property (2)	% of Personal Income (3)	Population (4)	Debt per Capita
	General Obligation Bonds (1)	Bond Premium	Capital Leases	General Obligation Bonds (1)	Bond Premium					
2024	\$10,250,000	\$ 172,112.00	\$ -	\$5,400,000.00	\$538,335.00	\$16,360,447	2.77%	3.02%	13,700	\$ 1,194
2023	\$10,595,000	\$ 180,500.00	\$ -	\$5,625,000.00	\$570,002.00	\$16,970,502	2.61%	3.40%	13,502	\$ 1,257
2022	\$10,930,000	\$ 188,887.00	\$ -	\$5,705,000.00	\$601,669.00	\$17,425,556	2.41%	2.42%	13,276	\$ 1,313
2021	\$11,250,000	\$ 197,274.00	\$ -	\$ -	\$ -	\$11,447,274	1.59%	1.60%	13,483	\$ 849
2020	\$11,555,000	\$ 205,661.00	\$ -	\$ -	\$ -	\$11,760,661	1.51%	1.67%	13,487	\$ 872
2019	\$12,055,663	\$ 214,048.00	\$ -	\$ -	\$ -	\$12,269,711	1.40%	1.74%	13,762	\$ 892
2018	\$12,357,436	\$ 222,435.00	\$ -	\$ -	\$ -	\$12,579,871	1.62%	1.78%	13,762	\$ 914
2017	\$12,635,823	\$ 230,822.00	\$ -	\$ -	\$ -	\$12,866,645	1.72%	2.24%	13,333	\$ 965
2016	\$12,954,211	\$ 239,209.00	\$ -	\$ -	\$ -	\$13,193,420	1.83%	2.38%	13,574	\$ 972
2015	\$13,317,598	\$ 247,596.00	\$ -	\$ -	\$ -	\$13,565,194	1.88%	2.16%	13,722	\$ 989

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources:

- (1) Presented net of original issuance discounts and premiums
- (2) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 135 for property value data.
- (3) Personal income is disclosed on page 146.
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 146.

CITY OF ANDREWS
Direct and Overlapping Governmental Activities Debt
September 30, 2024

	Net Debt Outstanding		Estimated Percentage Applicable to City		Amount Applicable to City
Andrews County Hospital District	\$ 26,921,415	(1)	11.35%	(4)	\$ 3,054,294
Andrews Independent School District	82,742,790	(2)	11.67%	(5)	9,655,367
County of Andrews	13,685,000	(3)	10.36%	(6)	1,417,957
Subtotal, Overlapping Debt					14,127,619
City of Andrews Direct Debt					10,422,112
Total Direct and Overlapping Debt					<u>\$ 24,549,731</u>

Sources:

- (1) Obtained from Andrews Hospital District
- (2) Obtained from Andrews Independent School District
- (3) Obtained from Andrews County
- (4) 2024 City assessed value of \$1,164,202,399 ÷ hospital assessed value of \$10,261,609,316
- (5) 2024 City assessed value of \$1,164,202,399 ÷ school assessed value of \$9,976,767,357
- (6) 2024 City assessed value of \$1,164,202,399 ÷ county assessed value of \$11,235,962,468

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Andrews. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**CITY OF ANDREWS
Legal Debt Margin Information
Last Ten Fiscal Years**

Fiscal year	Total Taxable Property Value (1)	Total Debt Margin Available (2)	General Obligation Debt (GO)			GO Principal Payments		Margin of Indebtedness Available (4)
			Total Outstanding	Self-Supporting	Payable from Ad Valorem Taxes	Payable from Sales Taxes	Payable from Ad Valorem Taxes	
2024	\$ 1,164,202,399	\$ 17,463,036	\$ 15,650,000	\$ 15,650,000	\$ -	\$ 360,000	\$ -	\$ 17,463,036
2023	\$ 1,065,883,709	\$ 15,988,256	\$ 16,220,000	\$ 16,220,000	\$ -	\$ 335,000	\$ -	\$ 15,988,256
2022	\$ 984,920,701	\$ 14,773,811	\$ 16,635,000	\$ 16,635,000	\$ -	\$ 320,000	\$ -	\$ 14,773,811
2021	\$ 936,207,318	\$ 14,043,110	\$ 11,250,000	\$ 11,250,000	\$ -	\$ 305,000	\$ -	\$ 14,043,110
2020	\$ 906,285,927	\$ 13,594,289	\$ 11,555,000	\$ 11,555,000	\$ -	\$ 295,000	\$ -	\$ 13,594,289
2019	\$ 875,391,989	\$ 13,130,880	\$ 11,850,000	\$ 11,850,000	\$ -	\$ 285,000	\$ -	\$ 13,130,880
2018	776,668,125	11,650,022	12,135,000	12,135,000	-	270,000	-	11,650,022
2017	748,675,396	11,230,131	12,405,000	12,405,000	-	310,000	-	11,230,131
2016	721,888,358	10,828,325	12,715,000	12,715,000	-	355,000	-	10,828,325
2015	722,664,407	10,839,966	13,070,000	13,070,000	-	337,520	-	10,839,966

Sources:

(1) Obtained from Andrews County Appraisal District

(2) There is not statutory debt limitation in the City Charter or under State Law. The City operates under a Home Rule Charter that limits the maximum ad valorem tax rate, for all City purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

(3) General Obligation Bonds supported completely by a limited Sales Tax approved by voters in May 2011 for the construction of a truck reliever route.

(4) Total Debt Margin Available less General Obligation Principal Payments Payable from Ad Valorem Taxes

CITY OF ANDREWS
Ratio of Annual Debt Service Expenditures for General Obligation Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal year	Required Principal Payment	Additional Principal Payment	Required Interest Payment	Total Debt Service	Total General Governmental Expenditures (1)	% of Debt Service to Total General Expenditures
2024	\$ 570,000	\$ -	\$ 558,393	\$ 1,128,393	\$ 14,392,992	7.8%
2023	\$ 415,000	\$ -	\$ 710,683	\$ 1,125,683	\$ 16,028,525	7.0%
2022	\$ 320,000	\$ -	\$ 409,320	\$ 729,320	\$ 12,165,192	6.0%
2021	\$ 305,000	\$ -	\$ 417,576	\$ 723,701	\$ 12,272,654	5.9%
2020	\$ 295,000	\$ -	\$ 427,576	\$ 722,576	\$ 11,866,522	6.1%
2019	\$ 285,000	\$ -	\$ 436,038	\$ 721,038	\$ 10,917,248	6.6%
2018	270,000	-	443,940	713,940	10,309,697	6.9%
2017	310,000	-	434,408	744,408	9,170,232	8.1%
2016	355,000	-	496,231	851,231	8,623,781	9.9%
2015	345,000	-	119,088	464,088	8,181,866	5.7%
2014	340,000	-	126,530	466,530	7,059,663	6.6%
2013	330,000	325,000	140,984	795,984	5,356,998	14.9%

(1) Total Governmental Activities Expenses from Government-Wide Statement of Activities.

Note: The City's Fiscal Principles and Policies states: "The City will strive to limit general obligation annual debt service requirements to 20% of general governmental expenditures... Debt limits may be exceeded if a new or additional revenue source is utilized (e.g. sales and use tax)." The debt initiated in 2012 is supported completely by a limited Sales Tax approved by voters in May 2011 for the construction of a truck reliever.

CITY OF ANDREWS, TEXAS
Demographic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u> <u>(in thousands)</u>	<u>Per Capita</u> <u>Income (2)</u>	<u>Public School</u> <u>Enrollment (3)</u>	<u>Unemployment</u> <u>Rate (4)</u>
2015	13,722	\$628,962	\$45,836	4,018	3.3%
2016	13,574	\$554,498	\$40,850	3,968	3.9%
2017	13,333	\$574,719	\$43,105	4,037	2.9%
2018	13,762	\$706,032	\$51,303	4,335	2.4%
2019	13,762	\$733,047	\$53,266	4,382	2.2%
2020	13,487	\$665,300	\$49,329	4,195	7.9%
2021	13,483	\$713,830	\$52,943	4,172	4.5%
2022	13,276	\$721,192	\$54,323	4,190	3.1%
2023	13,502	\$498,696	\$36,935	4,240	2.9%
2024	13,700	*\$542,301	*\$39,584	4,235	3.1%

Sources:

- (1) Population data furnished by U.S. Census Bureau (American FactFinder - Community Facts)
- (2) Per capita and personal income data furnished by the Bureau of Economic Analysis for Andrews Count
- (3) School Census data furnished by Andrews Independent School District.
- (4) Bureau of Labor Statistics

* Best available estimate

**CITY OF ANDREWS, TEXAS
Principal Employers
2024 and 2014**

Employer	2024		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Andrews Ind. School District	620	7.1%	524	5.3%
Permian Regional Medical Center	425	4.9%	400	4.0%
Andrews County	220	2.5%	260	2.6%
Waste Control Specialists Brigade	130	1.5%	190	1.9%
KV Power	115	1.3%		
Lowe's Supermarket	138	1.6%		
City of Andrews	102	1.2%	120	1.2%
Mustang Well Service	91	1.0%		
NOV	90	1.0%		
Kirby West	105	1.2%		
Palmer of Texas			195	2.0%
Key Energy Services			148	1.5%
Basic Energy Services			146	1.5%
Nabors Industries			115	1.2%
			110	1.1%

Source: Andrews Economic Development Corporation
 "Total employment" as used above represents the total employment of all employers located in Andrews County. The City of Andrews is the only city in the county.

CITY OF ANDREWS, TEXAS
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Full-time Employees by Function</u>										
General Government	14	14	14	15	15	15	15	14.25	17.25	17.25
Public safety										
Police	20	20	20	20	21	22	22	25	25	25.75
EMS	10	9	10	10	11	12	14	14	14	14
Animal Control	1	1	1	1	2	2	2	2	2	2
Economic Development	1	1	1	1	1	2	2	2	1.5	1.5
Street	3	3	3	3	3	3	2.5	5	5	5
Water and Sewer	11	11	11	11	11	12	11	11.75	11.25	13.25
Sanitation	11	11	11	11	11	11	11.5	10	10	10
Total	<u>71</u>	<u>70</u>	<u>71</u>	<u>72</u>	<u>75</u>	<u>79</u>	<u>80</u>	<u>84</u>	<u>86</u>	<u>88.75</u>
<u>Part-time Employees by Function</u>										
General Government	1	2	3	3	3	3	1.38	1	0.5	0.5
Public safety										
Police (includes School Crossing)	5	3	3	3	3	3	0.77	0.25	0.25	0.25
EMS	11	11	5	5	7	5	1.5	1.5	1.5	1.5
*Fire	1	1	1	1	1	1	1	0.5	0.5	0.5
Economic Development	0	0	0	0	0	0	0	0	0	0
Street	1	1	0	0	0	0	0.8	0	0	0
Water and Sewer	2	0	0	0	0	0	1.89	1.25	1.25	1.25
Sanitation	6	5	4	4	4	5	2.3	2.3	2.3	2.3
Total	<u>27</u>	<u>23</u>	<u>16</u>	<u>16</u>	<u>18</u>	<u>17</u>	<u>9.64</u>	<u>6.8</u>	<u>6.3</u>	<u>6.3</u>
Total full and part-time employees	<u>98</u>	<u>93</u>	<u>87</u>	<u>88</u>	<u>93</u>	<u>96</u>	<u>89.64</u>	<u>90.8</u>	<u>92.3</u>	<u>95.05</u>

*Fire department is an all-volunteer organization. A part-time high school student is employed to wash trucks, etc.

Information furnished by City of Andrews Personnel Department

CITY OF ANDREWS, TEXAS
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year Ending September 30										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:											
Physical arrests	496	691	676	497	714	777	638	528	611	505	380
Citations issued	2,051	1,509	3,105	3,164	3,605	2,984	2,241	2,280	2,066	2,068	1,012
Fire:											
Number of emergency calls	503	519	361	433	570	697	635	499	606	530	432
Emergency Medical Services											
Number of emergency calls	805	845	756	796	916	990	904	1,054	1,117	1,248	1,194
Number of transfers-out of county	276	263	298	334	111	191	191	82	59	61	63
Total number of runs	1,081	1,108	1,054	1,130	1,037	1,181	1,095	825	831	899	880
Animal Control											
Number of calls handled	2,223	2,147	2,426	2,048	1,983	1,295	1,382	1,909	2,555	1,733	1,542
Streets											
Street resurfacing (miles)	4.00	4.00	0.25	0.57	2.00	5.50	-	7.34	6.00	6.50	7.00
Potholes repaired (estimated)	109	100	378	421	457	532	560	575	570	600	575
Water											
New connections	109	68	68	68	54	56	57	53	67	36	35
Service calls	12,367	12,522	9,566	11,689	8,580	8,402	3,144	3,715	6,022	5,640	4,848
Avg. consumption/day (thousand gallons)	2,779	2,378	2,293	2,122	2,269	2,042	2,337	2,125	2,299	2,132	2,055
Sewer											
Service calls	233	208	186	151	148	160	182	159	120	145	129
Wastewater											
Avg. sewage treated/day (thousand gallons)	1,101	1,061	982	1,110	1,021	1,157	1,127	871	1,112	1,059	1,047

**Extremely dry year created fire hazard

Information furnished by City of Andrews departments

CITY OF ANDREWS, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal year ending September 30										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Fire (Volunteer Department)											
Stations	1	1	1	1	1	1	1	1	1	1	1
Number of volunteers	45	45	45	45	45	45	45	47	47	47	47
Public works:											
Streets (miles)											
Paved	86.64	89.17	89.25	89.30	89.30	89.30	89.30	89.30	89.50	89.50	100.00
Graded	4.96	6.30	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Sidewalks	40.10	40.10	40.18	40.20	40.22	40.22	40.22	40.22	40.25	40.25	40.25
Alleys	43.12	43.12	43.67	43.69	43.69	43.69	43.69	43.69	43.89	43.89	50.00
Parks and recreation											
Parks (owned by Andrews Co.)	6	6	6	6	6	6	6	6	6	6	6
Parks (owned by City of Andrews)	2	2	2	2	2	2	2	2	2	2	2
Number of acres	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of playgrounds	8	8	8	8	8	8	7	7	7	7	7
Swimming pools	1	1	1	1	1	1	1	1	1	1	1
Golf courses (owned-Andrews Co.)	1	1	1	1	1	1	1	1	1	1	1
Water											
Number of customers	4,897	4,940	4,900	4,945	5,010	5,050	5,064	5,059	5,059	5,092	5,139
Water mains (miles)	187.37	187.56	188.36	188.36	188.46	190.21	190.21	190.21	190.35	192.00	193.00
Fire hydrants	250	251	251	251	252	265	267	267	267	270	275
Maximum daily consumption (thousands of gallons)	5,575	4,512	4,520	4,212	3,972	6,410	6,410	4,275	5,238	5,167	5,134
M/gallons pumped	1,014,260	867,851	836,959	774,651	828,342	745,150	853,119	775,475	839,231	777,651	750,000
M/gallons billed	842,423	726,683	723,599	730,988	793,475	704,353	810,770	738,217	792,878	730,396	716,000
Sewer and wastewater											
Sanitary sewers (miles)	98.35	98.52	98.57	98.57	98.67	99.17	99.17	99.17	99.36	99.36	100.00
Storm sewers (miles)	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Maximum daily treatment capacity (million gallons daily)	1.6	1.6 (2)	7.2	7.2	7.2	7.2	7.2	7.2	7.3	7.3	7.3

(1) TCEQ raised maximum treatment capacity to 1.6 million gallons per day

(2) New water treatment facility came on-line in November 2015

Information furnished by City of Andrews