

CITY OF BRADY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2024



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Table of Contents

	<u>Page</u>
Introductory Section	
City Officials.....	1
Financial Section	
Independent Auditor's Report.....	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities.....	21
Fund Financial Statements	
Balance Sheet – Governmental Funds	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	27
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds.....	33
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	35
Statement of Cash Flows – Proprietary Funds.....	37
Discretely Presented Component Unit Financial Statements	
Statement of Net Position	40
Statement of Activities.....	41
Internal Service Fund Financial Statements	
Statement of Net Position	42
Statement of Activities	43
Notes to the Financial Statements.....	44

TABLE OF CONTENTS

Page

Required Supplemental Information

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	97
Special Revenue Fund.....	99
Cemetery Fund.....	100
Hotel/ Motel Fund.....	101
Special Purpose Fund.....	102
Notes to the Budgetary Comparison Schedules.....	103
Schedule of Changes in Net Pension Liability and Related Ratios – Last 10 Years	104
Schedule of Employer Contributions.....	105
Schedule of Changes in Postemployment Benefits Other Than Pensions (OPEB) Liability and Related Ratios – Last 10 Years	106

Supplemental Section

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Construction Fund	107
Water Construction Fund.....	108
WWTP Construction Fund	109
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Proprietary Funds	
Electric	110
Water & Sewer.....	111
Gas	112
Solid Waste	113
Street Sanitation	114
Utility Support	115
Notes to the Budgetary Comparison Schedules.....	116
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Economic Development Corporation	117
Notes to the Budgetary Comparison Schedules – Economic Development Corporation	118

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Internal Service Fund	119
Notes to the Budgetary Comparison Schedules – Internal Service Fund	120
 Single Audit Compliance Information	
Schedule of Expenditures of Federal and State Awards.....	121
Notes to the Schedule of Expenditures of Federal and State Awards.....	122
Schedule of Findings and Questioned Costs.....	123
Summary Schedule of Prior Audit Findings	124
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 <i>Government Auditing Standards</i>	125
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	127

INTRODUCTORY SECTION

CITY OF BRADY, TEXAS

City Officials

Anthony Groves Mayor
Missi Elliston Mayor Pro-Tem
Gabe Moreno Council Member
Jeffrey Sutton Council Member
Felix Gomez Council Member
Terry Phillips Council Member
Erin Corbell City Manager
Lisa McElrath Director of Finance

FINANCIAL SECTION



2702 N. Loop 1604 E., Suite 202
San Antonio, TX 78232

210-979-0055
210-979-0058
www.HaynieCPAs.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Brady, Texas

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Brady, 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 unit, and each major fund of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and governmental funds budgetary comparison information, the Schedule of Changes in Net Pension Liability and Related Ratios – Last 10 Years, Schedule of Employer Contributions and the Schedule of Changes in Postemployment Benefits Other than Pensions Liability and Related Ratios – Last 10 Years on pages 5-19 and 97-106, respectively, 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

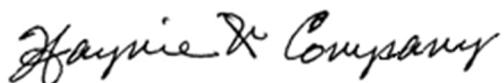
by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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.

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 proprietary fund budgetary comparison information, Economic Development Corporation budgetary comparison information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the supplementary schedules), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 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.



San Antonio, Texas
March 17, 2025

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

This section of the City of Brady, Texas (the City) and Brady Economic Development Corporation (EDC) annual financial and compliance report presents our discussion and analysis of financial performance of the City, the primary government, and EDC, the discretely presented component unit, during the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the City and EDC's audited financial statements, which follow this section.

Financial Highlights

- The City's assets exceeded liabilities at September 30, 2024 by \$79,548,727 . Of this amount \$17,573,810 or 22.1% of net position, is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,290,538 during the year.
- The total cost of all the City's programs was \$22,670,892 , representing an increase from last year by \$1,685,955 or 8%.
- During the year, the City had operating expenses of \$10,113,581 for governmental activities, which was \$87,997 less than the \$10,201,578 generated in program and general revenues. Once budgeted transfers from business-type activities of \$3,295,857 are recognized, governmental net position reflects an increase of 8.6% as compared to prior year.
- The City's business-type activities, after transfers to the general fund, reflect an decrease in business-type net position by \$93,316 .
- The City reduced its total long-term debt obligations by \$1,559,055 or 6.12%. All repayment terms are current.

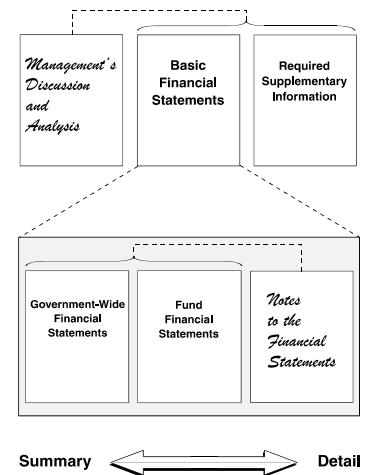
CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Overview of the Financial Statements

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *supplemental section (non-required)*. The basic financial statements include two kinds of statements that present different views of the City:

- The first statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*, such as the utility services.

Figure A-1, Required Components of the District's Annual Financial Report



Reporting the City as a Whole

The government-wide financial statements are designed to provide readers with a broad overview of the City and EDC's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 20 through 22 of these financial statements.

- ❑ The statement of net position presents information on all of the City's and EDC's assets and liabilities, with the difference between the two 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 and the EDC is improving or deteriorating.
- ❑ The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

One of the most important questions asked about the City's finances, is whether it is better off or worse off as a result of the year's activities. The Statement of Net Position and Statement of Activities report information about the City as a whole and about the EDC and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, we divide the City into two types of activities:

- Governmental activities – Most of the City's basic services are reported here, including the Police Department, EMS, Fire Department, Public Parks, Animal Control, Lake, Building Inspections and Permits, Golf Course, Airport, Streets, Communications, Municipal Court, and General Administration. Property Taxes, Sales Taxes, Hotel Occupancy Taxes, Franchise Taxes, Service Fees, and budgeted transfers from Business-type activities financially support these activities.
- Business-type activities – The City charges a rate per unit sold to customers to help cover all or most of the cost of certain services it provides. The City's Electric, Water & Sewer, Gas, Utility Support, Street Sanitation and Solid Waste departments are reported here.
- The Statement of Net Position and Statement of Activities include the following component unit activities: Sales Tax Revenue, Rental Income and Interest Income to finance these activities.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The City's financial position as a whole is stronger compared to fiscal year 2023, as its net position increased by \$3,290,538 or 4.4%. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements, infrastructure assets, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Statement of Net Position (continued)

Approximately 17% of the City's governmental activities net position is subject to restrictions on how they may be used. The remaining balance of unrestricted net position of \$6,103,186 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the fiscal year, the City can report positive balances in all categories of net position, both for the government as whole, as well as for business-type activities.

The increase in net position of the City, generated by the results of its primary activities, resulted in a net position of \$79,548,727 as of September 30, 2024. The City's total unrestricted net position of \$17,573,810 , the amount that can be used to finance day-to-day operations, decreased by 0.4% compared to last year's balance.

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CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

The following reflects a comparative condensed Statement of Net Position as of September 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total Primary Government		Component Units	
	2024	2023	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 9,374,436	\$ 6,325,057	\$ 12,665,854	\$ 13,568,301	\$ 22,040,290	\$ 19,893,358	\$ 628,794	\$ 756,139
Capital and Other Long-term Assets	56,847,772	56,796,925	30,291,812	30,012,690	87,139,584	86,809,615	767,903	590,019
Total Assets	<u>66,222,208</u>	<u>63,121,982</u>	<u>42,957,666</u>	<u>43,580,991</u>	<u>109,179,874</u>	<u>106,702,973</u>	<u>1,396,697</u>	<u>1,346,158</u>
Deferred Pension Related Outflows	10,196	1,099,092	5,046	500,005	15,242	1,599,097	-	-
Deferred OPEB Related Outflows	6,861	-	3,395	-	10,256	-	-	-
Total Deferred Outflows	<u>17,057</u>	<u>1,099,092</u>	<u>8,441</u>	<u>500,005</u>	<u>25,498</u>	<u>1,599,097</u>	<u>-</u>	<u>-</u>
Current Liabilities	2,622,401	3,392,021	1,344,451	2,166,173	3,966,852	5,558,194	74,588	37,404
Non-Current Liabilities	21,309,350	22,247,587	3,756,557	4,128,784	25,065,907	26,376,371	497,312	641,901
Total Liabilities	<u>23,931,751</u>	<u>25,639,608</u>	<u>5,101,008</u>	<u>6,294,957</u>	<u>29,032,759</u>	<u>31,934,565</u>	<u>571,900</u>	<u>679,305</u>
Deferred Pension Related Inflows	411,609	-	203,697	-	615,306	-	-	-
Deferred OPEB Related Inflows	5,708	75,123	2,872	34,193	8,580	109,316	-	-
Total Deferred Inflows	<u>417,317</u>	<u>75,123</u>	<u>206,569</u>	<u>34,193</u>	<u>623,886</u>	<u>109,316</u>	<u>-</u>	<u>-</u>
Net Position:								
Net Investment in Capital Assets	28,772,220	23,820,117	25,745,167	24,825,780	54,517,387	48,645,897	-	(37,265)
Restricted	7,014,791	9,497,612	442,739	463,980	7,457,530	9,961,592	-	-
Unrestricted	6,103,186	5,188,614	11,470,624	12,462,086	17,573,810	17,650,700	824,797	704,118
TOTAL NET POSITION	<u>\$ 41,890,197</u>	<u>\$ 38,506,343</u>	<u>\$ 37,658,530</u>	<u>\$ 37,751,846</u>	<u>\$ 79,548,727</u>	<u>\$ 76,258,189</u>	<u>\$ 824,797</u>	<u>\$ 666,853</u>

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Statement of Activities

The following reflects a comparative statement of changes in net position of the primary government for the years ended September 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total Primary Government		Component Units	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues								
Program Revenues:								
Charges for Services	\$ 3,409,693	\$ 3,150,642	\$ 14,876,127	\$ 15,344,584	\$ 18,285,820	\$ 18,495,226	\$ -	\$ -
Grants and Contributions	956,597	927,728	-	-	956,597	927,728	-	-
General Revenues:								
Property Taxes	1,008,165	997,841	-	-	1,008,165	997,841	-	-
Sales Taxes	1,428,686	1,419,925	-	-	1,428,686	1,419,925	280,122	275,041
Other Taxes	280,128	266,692	-	-	280,128	266,692	-	-
Investment Earnings	393,818	645,862	876,125	763,624	1,269,943	1,409,486	7,088	13,321
Other Revenue	6,013	1,181	-	-	6,013	1,181	-	-
Gain (Loss) on Disposal of Assets	2,714,448	1,270,116	7,600	(4,501)	2,722,048	1,265,615	-	(11,211)
Donated Assets	4,030	150	-	-	4,030	150	-	-
TOTAL REVENUES	10,201,578	8,680,137	15,759,852	16,103,707	25,961,430	24,783,844	287,210	277,151
Expenses								
Utility Enterprises	-	-	12,557,311	11,161,996	12,557,311	11,161,996	-	-
General Government	1,507,585	1,564,171	-	-	1,507,585	1,564,171	-	-
Public Safety	3,988,804	3,697,884	-	-	3,988,804	3,697,884	-	-
Streets	626,102	626,324	-	-	626,102	626,324	-	-
Recreation and Leisure	2,271,087	2,245,319	-	-	2,271,087	2,245,319	-	-
Community Development	1,309,667	1,248,048	-	-	1,309,667	1,248,048	-	-
Cemetery	67,103	64,609	-	-	67,103	64,609	-	-
Hotel/Motel	250,748	236,536	-	-	250,748	236,536	-	-
Interest and Amortization	92,485	140,050	-	-	92,485	140,050	-	-
Component Units	-	-	-	-	-	-	129,266	112,514
TOTAL EXPENSES	10,113,581	9,822,941	12,557,311	11,161,996	22,670,892	20,984,937	129,266	112,514
Excess (Deficiency) before Transfers	87,997	(1,142,804)	3,202,541	4,941,711	3,290,538	3,798,907	157,944	164,637
Transfers	3,295,857	3,446,059	(3,295,857)	(3,446,059)	-	-	-	-
Increase (Decrease) in Net Position	3,383,854	2,303,255	(93,316)	1,495,652	3,290,538	3,798,907	157,944	164,637
Net Position - Beginning	38,506,343	36,203,088	37,751,846	36,256,194	76,258,189	72,459,282	666,853	502,216
Net Position - Ending	\$ 41,890,197	\$ 38,506,343	\$ 37,658,530	\$ 37,751,846	\$ 79,548,727	\$ 76,258,189	\$ 824,797	\$ 666,853

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Total Primary Government Activities

Overall, total primary government revenues for fiscal year 2024 were more than fiscal year 2023 by \$1,177,586 or 4.8%. The increase is primarily due to an increase in a gain on disposal of assets.

Overall, total primary government expenditures have increased by \$1,685,955 or 8.0%.

Governmental Activities

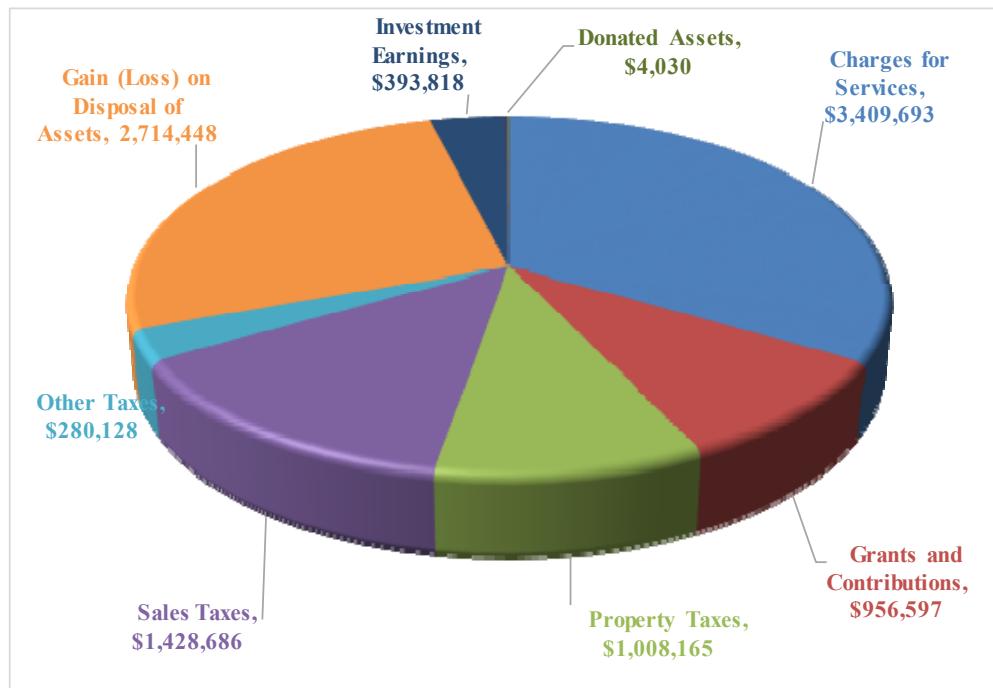
The result of fiscal year 2024 governmental activity records an increase in net position of \$3,383,854 after a \$3,295,857 transfer from proprietary funds, to \$41,890,197 . Of the total governmental activities' net position, \$7,014,791 is restricted, and \$6,103,186 is unrestricted, that is, having no legal commitment. The transfers are historically associated with funding the operational short-fall of the 25 divisional service activities.

Governmental activities reflect a 17.5% increase or \$1,521,441 in total revenues. The majority of the increase came from charge for services, grants and contributions, and gain on disposal of assets.

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CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Revenues – Governmental Activities Fiscal Year Ending September 30, 2024



For fiscal year 2024, the majority of governmental revenues were derived from five revenue sources: charges for services, sales and other taxes, property taxes, gain on disposal of assets and grants/contributions. Collectively, they provided for 96.0% of the governmental program revenues mix.

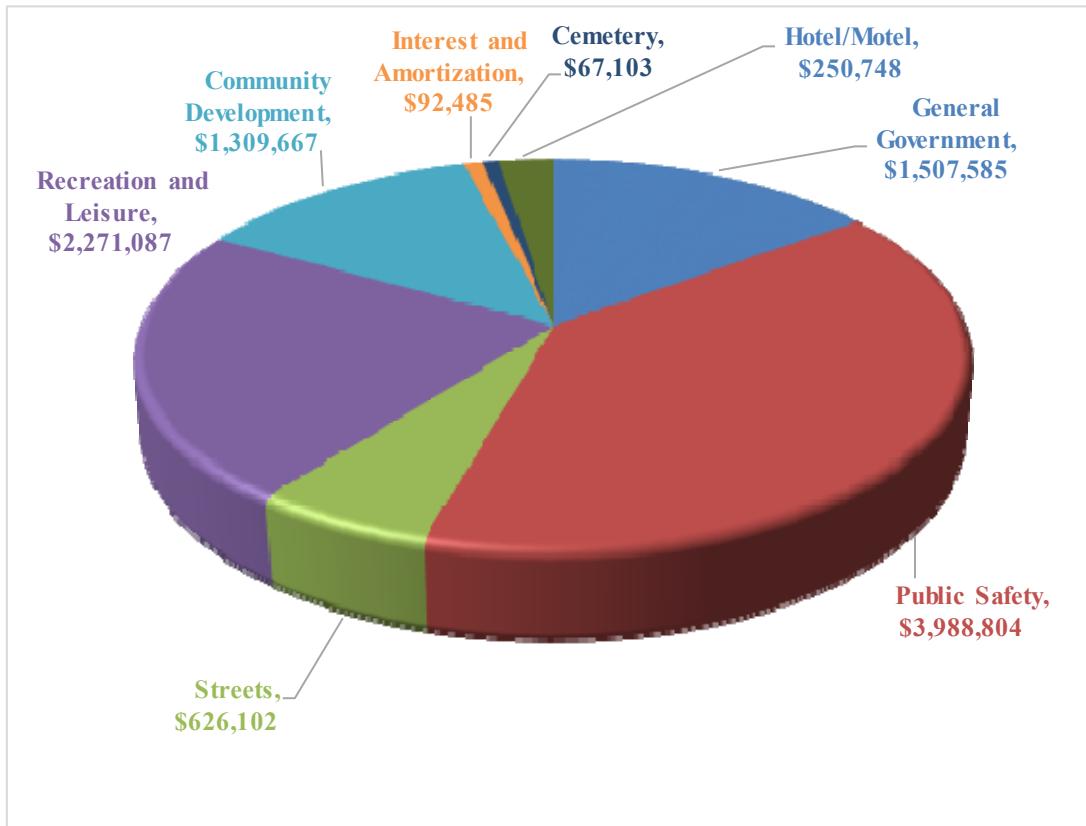
Charges for services are fee collections set by the City Council for specific activities by the end-user. Airport services make up \$304,604 or 9% of the \$3,409,693 total amount collected for services this year. EMS services generated \$674,707 or 20% of the total dollars charged for services this year. The lake department generated rental fees and donations in the amount of \$270,668 or 8% of the total charged for services this year. Other charges for services include golf course fees, municipal court fines, right of way fees, cemetery lot sales and fees, and collections for senior citizen meals. The combined revenues from the aforementioned represent the remaining 37% of total service charge revenues.

The City received \$1,428,686 in sales tax revenues, which is a 0.6% increase from last year's total collections. Included in other taxes are hotel occupancy tax collections of \$251,106 that were passed on to the Chamber of Commerce, and other qualifying organizations for the promotion of tourism to enhance sales tax dollars to the City.

The City maintains a property tax rate at \$0.034222 per \$100 of 2023 values; and collected \$1,008,165 in property tax revenue. Two cents (\$0.02), or \$53,120 of the tax rate is dedicated to cemetery maintenance.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Expenses – Governmental Activities Fiscal Year Ending September 30, 2024



The relative mix of governmental expenditure activities remains similar to last fiscal year, except for public safety of \$3,988,805 which increased by \$290,000. Public safety and recreation and leisure are the largest governmental activities expending, \$3,988,804 and \$2,271,087 , respectively, of the \$10,113,581 in total costs for all governmental programs. The Fire, EMS, Police, Animal Control, Municipal Court, and Building and Inspection divisions are included in the public safety category.

The remaining 38% of expenditures is closely divided among General Government costs totaling \$1,507,585 , Community Development totaling \$1,309,667 , Street Maintenance totaling \$626,102 , and Interest and Amortization totaling \$92,485 , hotel/motel totaling \$250,748 and cemetery totaling \$67,103.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Business-Type Activities

The business-type activities decreased the City's net position by \$93,316 .

Of the total business-type activities' net position, \$25,745,167 is invested in capital assets, net of related debt, and \$11,470,624 is unrestricted, that is, having no legal commitment. In addition, it maintains a restricted fund balance of \$442,739 .

The business-type activities include Electric, Water & Sewer, Gas, Solid Waste, Street Sanitation and Utility Support operations.

The cost of all business-type activities this year increased by 12.50% to \$12,557,311 . As shown in the statement of activities, the amounts charged to users of the utility services totaled \$14,876,127 and are 3% or \$468,457 less than last fiscal year. Factors that contributed to the decrease in revenues was primarily weather conditions. Additional revenue sources included investment earnings of \$876,125 . In total, excess revenues over expenditures for the year was \$3,202,541 .

The City historically transfers excess revenues from the business-type activities to the governmental funds as needed to cover the cost of governmental services. Transfers in the amount of \$3,295,857 were posted this fiscal year to provide for the City's governmental program cost.

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CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

Reporting the City's Most Significant Funds

Analysis of the City's major funds begins on page 23. The fund financial statements, found on 23 through 38 of the annual financial statements, provide detailed information about the most significant funds. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations at the bottom of the fund financial statements.
- Proprietary funds – When the City charges customers for the services it provides – with intent to cover all costs of the service provided – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.
- Fiduciary funds are used to account for resources held for the benefit of outside parties of the primary government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's programs and operations. The accounting for a fiduciary funds is much like that used for the proprietary funds.

In summary, fund financial statements are considered the traditional method of portraying available funds for immediate spending needs. It is a relative measure of a City government's ability to meet General fund program costs in the near future. Therefore, the City's fund balance does not reflect the equity value of the long-term investment the City has in its infrastructure and capital assets. The Statement of Net Position and the Statement of Activities are therefore designed to reflect the value of all capital assets of the City so that the total net position amounts compare similarly to a private entity's retained earnings.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

FUND FINANCIAL STATEMENT ANALYSIS

Governmental Type Funds

The City reports a combined governmental fund balance of \$13,717,899, reflecting a decrease of \$519,337 in comparison with the previous year. The decrease in overall fund balance resulted from the draw down of construction funding for the water system improvements and new wastewater treatment plant construction, considered governmental activities while classified as construction in progress.

Unassigned governmental fund balance equals \$6,646,027 and is available for spending at the government's discretion. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending because it has already been committed to provide payment for long-term debt obligations and community projects.

As stated earlier, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Government Finance Officers Association recommends, at a minimum, that governmental unassigned fund balances be maintained at no less than two months of regular general fund operational revenues or expenditures. The City's current general unassigned fund balance is considered strong as it represents six months of operating expenditures.

Business Type Funds

The City's business-type fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The City is the owner of the Electric, Water & Sewer, Gas, Solid Waste distribution, Street Sanitation and Utility Support enterprises. Each enterprise is considered a major fund.

Although some funds recorded a decrease in net position in fiscal year 2024, all funds continue to maintain positive fund balances.

COMPONENT UNIT

Component units are legally separate entities from the City but were organized to benefit the City. There is one component unit, the Brady Economic Development Corporation, at September 30, 2024, and additional information is presented in the basic financial statements and the notes to the financial statements.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

NOTES TO FINANCIAL STATEMENTS OVERVIEW

Notes to the financial statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

Capital Assets

The City has invested in a broad range of capital assets, including land, buildings, fixtures, various equipment, vehicles, park and landfill facilities, streets, water, sewer, electric, and gas infrastructure systems. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024 is \$78,432,538 , net of accumulated depreciation. 50% of the City's capital assets is invested in buildings, improvements, and infrastructure. The following is a summary statement of the City's capital assets as of September 30, 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 862,630	\$ 859,070	\$ 154,730	\$ 154,730	\$ 1,017,360	\$ 1,013,800
Buildings	7,947,655	7,116,438	15,607,487	15,607,487	23,555,142	22,723,925
Equipment	3,210,584	3,316,309	4,216,982	3,473,958	7,427,566	6,790,267
Vehicles	2,018,934	1,785,045	1,207,503	1,175,742	3,226,437	2,960,787
Infrastructure	13,423,595	13,423,595	23,092,428	21,092,691	36,516,023	34,516,286
Construction in Progress	42,390,629	38,857,575	5,307,594	6,618,068	47,698,223	45,475,643
Less:						
Accumulated Depreciation	(19,452,802)	(18,972,018)	(21,555,411)	(20,420,819)	(41,008,213)	(39,392,837)
Total	\$ 50,401,225	\$ 46,386,014	\$ 28,031,313	\$ 27,701,857	\$ 78,432,538	\$ 74,087,871

Debt Administration

At September 30, 2024, the City's total bonds and notes payable outstanding reflect a decrease of \$1,559,055 compared to prior year. All scheduled payments were met according to terms.

The City maintains a credit rating of AA- from Standard and Poor's rating service received on June 26, 2015.

The following is a summary statement of outstanding debt as of September 30, 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Certificates of Obligations	\$ 20,820,000	\$ 21,445,000	\$ 1,470,000	\$ 1,845,000	\$ 22,290,000	\$ 23,290,000
Notes to Financial Institutions	809,005	1,120,897	816,146	1,063,309	1,625,151	2,184,206
Total Bonds and Notes	\$ 21,629,005	\$ 22,565,897	\$ 2,286,146	\$ 2,908,309	\$ 23,915,151	\$ 25,474,206

Total compensated absences for Governmental Funds are \$153,934 and \$64,772 for Business activities.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

General Fund Budgetary Highlights

The City's budget is a dynamic document. Once adopted in September of each year, the Council may approve budgetary amendments during the course of the fiscal year to recognize changes in operational demands for municipal purposes.

Final general fund budget comparisons to actual performance are considered reasonable and reflect that final revenue totals were favorably over budget compared to total projections by \$440,459 and total expenditures were under budget by \$1,092,042 , resulting in a net positive variance to the final budget of \$1,532,501 before transfers.

The original revenue projections for the general fund budget were increased at the mid-year budget review by \$264,612 primarily to recognize better than expected interest income on invested funds.

The original expenditure projections for the general fund budget were also adjusted by increasing expenditures by \$664,794 . Council, at the routine request of staff, amends the original budget in October to roll over incomplete capital projects/purchases approved in the prior fiscal year. Overall, year-end actual performance was more than the final budget numbers, primarily due to several capital projects and purchases that were not completed as of fiscal year end.

CITY OF BRADY, TEXAS
Management's Discussion and Analysis
September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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. One of those factors is the economy.

The City's local economy is centered in agri-businesses and recreational activities. The economic outlook for Brady/McCulloch County is considered weak but continues to be mostly stable.

Brady is the county seat and provides goods and services for several county communities but continues to struggle with retaining large commercial businesses while having some positive results with small to medium sized businesses putting roots in Brady.

The City continues to tap into funding opportunities with the Texas Water Development Board for Water system improvements. New facilities for the Fire/EMS and Police are priority topics for council as funding for construction continues to be a challenge. Council kept all utility rates stable and adopted a "No new revenue" tax rate for fiscal year 2025.

Cost efficiencies to support the fiscal year 2025 Budget were promoted by limiting personnel expenditures. Capital expenditures are focused on maintaining the level of established services. Overall, the Council adopted a balanced budget to ensure stable fund balance positions are maintained.

Request for Information

The financial report is designed to provide a general overview of the City and EDC's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests of additional financial information should be addressed to the Director of Finance, Lisa McElrath at City of Brady 201 East Main, 325-597-2152.

Financial Statements

CITY OF BRADY, TEXAS
Statement of Net Position
September 30, 2024

	PRIMARY GOVERNMENT			Component Unit
	Governmental Activities	Business-Type Activities	TOTAL	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 8,839,310	\$ 11,550,864	\$ 20,390,174	\$ 581,709
Receivables, Net of Allowances	389,702	923,028	1,312,730	31,974
Inventory	52,481	191,962	244,443	-
Note Receivable, Current Portion	13,784	-	13,784	15,111
Note Receivable from EDC, Current Portion	74,559	-	74,559	-
Prepaid Expenses	4,600	-	4,600	-
Total Current Assets	<u>9,374,436</u>	<u>12,665,854</u>	<u>22,040,290</u>	<u>628,794</u>
Non-Current Assets				
Restricted Cash and Cash Equivalents	5,475,453	2,076,054	7,551,507	-
Note Receivable, Non-Current Portion	46,478	-	46,478	767,903
Note Receivable from EDC, Non-Current Portion	497,312	-	497,312	-
Right of Use Asset, Net of Amortization	427,304	184,445	611,749	-
Land	862,630	154,730	1,017,360	-
Construction in Progress	42,390,629	5,307,594	47,698,223	-
Property and Equipment, Net of Depreciation	7,147,966	22,568,989	29,716,955	-
Total Non-Current Assets	<u>56,847,772</u>	<u>30,291,812</u>	<u>87,139,584</u>	<u>767,903</u>
Total Assets	<u>66,222,208</u>	<u>42,957,666</u>	<u>109,179,874</u>	<u>1,396,697</u>
DEFERRED OUTFLOWS				
Deferred Pension Related Outflows	10,196	5,046	15,242	-
Deferred Other Post-employment Benefits Related Outflows	6,861	3,395	10,256	-
Total Deferred Outflows	<u>17,057</u>	<u>8,441</u>	<u>25,498</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	828,183	529,092	1,357,275	29
Accrued Expenses	156,882	197	157,079	-
Interest Payable	1,247	1,678	2,925	-
Other Payables	-	15,639	15,639	-
Net Pension Liability	556,479	275,392	831,871	-
Leases Payable, Current Portion	21,360	64,097	85,457	-
Bonds and Notes Payable, Current Portion	1,058,250	458,356	1,516,606	74,559
Total Current Liabilities	<u>2,622,401</u>	<u>1,344,451</u>	<u>3,966,852</u>	<u>74,588</u>
Noncurrent Liabilities				
Accrued Compensated Absences	153,934	64,772	218,706	-
Landfill Closure	-	887,414	887,414	-
Customer Deposits	-	734,546	734,546	-
Other Postemployment Benefit Liability	194,830	96,418	291,248	-
Leases Payable, Less Current Portion	389,831	145,617	535,448	-
Bonds and Notes Payable, Less Current Portion	20,570,755	1,827,790	22,398,545	497,312
Total Noncurrent Liabilities	<u>21,309,350</u>	<u>3,756,557</u>	<u>25,065,907</u>	<u>497,312</u>
Total Liabilities	<u>23,931,751</u>	<u>5,101,008</u>	<u>29,032,759</u>	<u>571,900</u>
DEFERRED INFLOWS				
Deferred Pension Related Inflows	411,609	203,697	615,306	-
Deferred Other Post-employment Benefit Related Inflows	5,708	2,872	8,580	-
Total Deferred Inflows	<u>417,317</u>	<u>206,569</u>	<u>623,886</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	28,772,220	25,745,167	54,517,387	-
Restricted	7,014,791	442,739	7,457,530	-
Unrestricted	6,103,186	11,470,624	17,573,810	824,797
Total Net Position	<u>\$ 41,890,197</u>	<u>\$ 37,658,530</u>	<u>\$ 79,548,727</u>	<u>\$ 824,797</u>

CITY OF BRADY, TEXAS
Statement of Activities
Year Ended September 30, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Administration	\$ 845,127	\$ 1,410,559	\$ -	\$ -
Airport	472,249	304,604	-	64,952
Public Property Maintenance	783,816	50,984	-	-
Mayor and Council	101,323	-	-	-
Golf Course	496,387	132,199	2,029	-
Swimming Pool	90,032	15,120	-	-
Fire Department	458,991	6,973	250	-
Police Department	1,512,117	68,704	-	-
Emergency Management	35,649	-	-	-
Street Department	626,102	26,547	-	-
Civic Center	109,019	132,960	-	-
Municipal Court	153,747	202,874	-	-
Community Support	1,767	-	-	-
Repair Shop	81,883	-	-	-
Animal Control	120,745	5,086	-	-
EMS	1,513,535	674,707	15,823	-
Lake Department	314,152	270,668	-	-
Cemetery Maintenance	67,103	10,825	-	-
Hotel/Motel	250,748	-	-	-
Financial Administration	396,425	9,067	-	-
Code Enforcement	194,020	65,018	-	-
G. Rollie White Complex	5,432	-	-	-
Purchasing	82,827	-	-	-
Special Revenue Fund	1,307,900	22,798	124,328	749,215
Interest on Long-Term Debt	77,115	-	-	-
Amortization	15,370	-	-	-
Total Governmental Activities	10,113,581	3,409,693	142,430	814,167
Business-Type Activities				
Electric	5,592,208	8,055,812	-	-
Water & Sewer	3,491,998	4,013,739	-	-
Gas	1,157,560	1,038,114	-	-
Solid Waste	1,450,179	1,433,617	-	-
Street Sanitation	100,407	74,301	-	-
Utility Support	764,959	260,544	-	-
Total Business-Type Activities	12,557,311	14,876,127	-	-
Total Primary Government	\$ 22,670,892	\$ 18,285,820	\$ 142,430	\$ 814,167
Total Component Unit	\$ 129,266	\$ -	\$ -	\$ -
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				
Sales Taxes				
Franchise Taxes				
Mixed Beverage Taxes				
Hotel Occupancy Taxes				
Interest Revenue				
Arbitrage Rebate				
Miscellaneous				
Gain (Loss) on the Disposal of Capital Assets				
Donations				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

CITY OF BRADY, TEXAS
Statement of Activities (Continued)
Year Ended September 30, 2024

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Total Component Units
\$ 565,432	\$ -	\$ 565,432	\$ -
(102,693)	-	(102,693)	-
(732,832)	-	(732,832)	-
(101,323)	-	(101,323)	-
(362,159)	-	(362,159)	-
(74,912)	-	(74,912)	-
(451,768)	-	(451,768)	-
(1,443,413)	-	(1,443,413)	-
(35,649)	-	(35,649)	-
(599,555)	-	(599,555)	-
23,941	-	23,941	-
49,127	-	49,127	-
(1,767)	-	(1,767)	-
(81,883)	-	(81,883)	-
(115,659)	-	(115,659)	-
(823,005)	-	(823,005)	-
(43,484)	-	(43,484)	-
(56,278)	-	(56,278)	-
(250,748)	-	(250,748)	-
(387,358)	-	(387,358)	-
(129,002)	-	(129,002)	-
(5,432)	-	(5,432)	-
(82,827)	-	(82,827)	-
(411,559)	-	(411,559)	-
(77,115)	-	(77,115)	-
(15,370)	-	(15,370)	-
<hr/>	<hr/>	<hr/>	<hr/>
(5,747,291)	-	(5,747,291)	-
-	2,463,604	2,463,604	-
-	521,741	521,741	-
-	(119,446)	(119,446)	-
-	(16,562)	(16,562)	-
-	(26,106)	(26,106)	-
-	(504,415)	(504,415)	-
-	2,318,816	2,318,816	-
<hr/>	<hr/>	<hr/>	<hr/>
\$ (5,747,291)	\$ 2,318,816	\$ (3,428,475)	\$ -
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ (129,266)
1,008,165	-	1,008,165	-
1,428,686	-	1,428,686	280,122
21,423	-	21,423	-
7,599	-	7,599	-
251,106	-	251,106	-
393,818	876,125	1,269,943	7,088
5,339	-	5,339	-
674	-	674	-
2,714,448	7,600	2,722,048	-
4,030	-	4,030	-
3,295,857	(3,295,857)	-	-
9,131,145	(2,412,132)	6,719,013	287,210
3,383,854	(93,316)	3,290,538	157,944
38,506,343	37,751,846	76,258,189	666,853
<hr/>	<hr/>	<hr/>	<hr/>
\$ 41,890,197	\$ 37,658,530	\$ 79,548,727	\$ 824,797

CITY OF BRADY, TEXAS
Balance Sheet – Governmental Funds
September 30, 2024

	Capital Projects Funds			
	General Construction Fund		Water Construction Fund	WWTP Construction Fund
	General Fund	General Fund	General Fund	General Fund
ASSETS				
Cash and Cash Equivalents	\$ 6,575,978	\$ 2,263,332	\$ 2,448,316	\$ 2,404,207
Receivables, Net of Allowances:				
Property Taxes	75,496	-	-	-
Accounts Receivable	219,244	-	-	-
Inventory	52,481	-	-	-
Prepays	4,600	-	-	-
Total Assets	<u><u>\$ 6,927,799</u></u>	<u><u>\$ 2,263,332</u></u>	<u><u>\$ 2,448,316</u></u>	<u><u>\$ 2,404,207</u></u>
LIABILITIES				
Accounts Payable	\$ 166,109	\$ -	\$ 177,550	\$ 405,014
Accrued Expenses	-	-	-	156,882
Total Liabilities	<u><u>166,109</u></u>	<u><u>-</u></u>	<u><u>177,550</u></u>	<u><u>561,896</u></u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	58,582	-	-	-
	<u><u>58,582</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES				
Fund Balance:				
Nonspendable	57,081	-	-	-
Restricted	-	2,263,332	2,270,766	1,842,311
Unassigned	6,646,027	-	-	-
Total Fund Balance	<u><u>6,703,108</u></u>	<u><u>2,263,332</u></u>	<u><u>2,270,766</u></u>	<u><u>1,842,311</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 6,927,799</u></u>	<u><u>\$ 2,263,332</u></u>	<u><u>\$ 2,448,316</u></u>	<u><u>\$ 2,404,207</u></u>

CITY OF BRADY, TEXAS
Balance Sheet – Governmental Funds (Continued)
September 30, 2024

Special Revenue Funds					
Special Revenue Fund	Cemetery Fund	Hotel/Motel Fund	Special Purpose Fund	Total Governmental Funds	
\$ 346,675	\$ 103,078	\$ 142,867	\$ 30,310	\$ 14,314,763	
-	604	-	-		76,100
28,174	-	66,184	-		313,602
-	-	-	-		52,481
-	-	-	-		4,600
\$ 374,849	\$ 103,682	\$ 209,051	\$ 30,310	\$ 14,761,546	
\$ 12,980	\$ 18	\$ 66,512	\$ -	\$ 828,183	
-	-	-	-		156,882
12,980	18	66,512	-		985,065
-	-	-	-		58,582
					58,582
-	-	-	-		57,081
361,869	103,664	142,539	30,310		7,014,791
-	-	-	-		6,646,027
361,869	103,664	142,539	30,310		13,717,899
\$ 374,849	\$ 103,682	\$ 209,051	\$ 30,310		

CITY OF BRADY, TEXAS
Balance Sheet – Governmental Funds (Continued)
September 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance	\$ 13,717,899
Some assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital Assets, Net of Accumulated Depreciation of \$19,451,274	50,401,225
Note Receivable	632,133
Right of Use Asset, Net of Accumulated Amortization	427,304
Net pension assets (and related deferred inflows and outflows of resources) do not provide current financial resources and are not reported in the funds.	
Pension Related Deferred Outflows	10,196
Pension Related Deferred Inflows	(411,609)
Deferred Other Postemployment Benefit Related Outflows	6,861
Deferred Other Postemployment Benefit Related Inflows	(5,708)
Net Pension Liability	(556,479)
Other Postemployment Benefit Liability	(194,830)
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not reported in the funds	
	58,582
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and Notes Payable	(21,629,005)
Leases Payable	(411,191)
Interest Payable	(1,247)
Accrued Compensated Absences	<u>(153,934)</u>
Net Position of Governmental Activities	<u><u>\$ 41,890,197</u></u>

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CITY OF BRADY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2024

	General Fund	Capital Projects Funds		
		General Construction Fund	Water Construction Fund	WWTP Construction Fund
REVENUES				
Property Tax	\$ 952,112	\$ -	\$ -	\$ -
Sales Tax	1,148,564	-	-	-
Franchise Tax	21,423	-	-	-
Hotel Occupancy Tax	-	-	-	-
Mixed Beverage Tax	7,599	-	-	-
Interest Income	300,855	-	47,993	43,697
Miscellaneous Revenue	674	-	-	-
Reimbursed Expenses	61,939	-	-	-
Administrative	1,517,585	-	-	-
Airport	303,934	-	-	-
Public Property Maintenance	50,680	-	-	-
Golf Course	132,119	-	-	-
Swimming Pool	15,121	-	-	-
Fire Department	5,000	-	-	-
Police Department/Municipal Court	14,051	-	-	-
Street Department	23,910	-	-	-
Civic Center	132,960	-	-	-
Senior Citizen Program	-	-	-	-
Municipal Court	197,200	-	-	-
Animal Control	5,086	-	-	-
City/County EMS	690,530	-	-	-
Lake Department	270,668	-	-	-
Community Development	-	-	-	-
Financial Administration	6,000	-	-	-
Building Inspection and Permits	63,788	-	-	-
Donations	2,279	-	-	-
Grant Revenues	64,952	-	-	-
Total Revenues	\$ 5,989,029	\$ -	\$ 47,993	\$ 43,697

CITY OF BRADY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Governmental Funds
Year Ended September 30, 2024

Special Revenue Funds					Total Governmental Funds
Special Revenue Fund	Cemetery Fund	Hotel/Motel Fund	Special Purpose Fund		Total Governmental Funds
\$ -	\$ 58,921	\$ -	\$ -	\$ 1,011,033	
280,122	-	-	-	-	1,428,686
-	-	-	-	-	21,423
-	-	251,106	-	-	251,106
-	-	-	-	-	7,599
-	-	-	1,273	393,818	
47	-	-	-	-	674
-	-	-	-	-	61,986
-	-	-	-	-	1,517,585
-	-	-	-	-	303,934
-	-	-	-	-	50,680
-	-	-	-	-	132,119
-	-	-	-	-	15,121
-	-	-	-	-	5,000
-	-	-	2,943	16,994	
-	-	-	-	-	23,910
-	-	-	-	-	132,960
22,751	-	-	-	-	22,751
-	-	-	5,674	202,874	
-	-	-	-	-	5,086
-	-	-	-	-	690,530
-	-	-	-	-	270,668
749,215	-	-	-	-	749,215
-	-	-	-	-	6,000
-	-	-	-	-	63,788
-	-	-	-	-	2,279
124,328	-	-	-	-	189,280
\$ 1,176,463	\$ 58,921	\$ 251,106	\$ 9,890	\$ 7,577,099	

CITY OF BRADY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Governmental Funds
Year Ended September 30, 2024

	Capital Projects Funds			
	General		Water	WWTP
	General Fund	Construction Fund	Construction Fund	Construction Fund
EXPENDITURES				
Current:				
Administration	\$ 728,936	\$ -	\$ -	\$ -
Airport	397,243	-	-	-
Public Property Maintenance	528,528	-	-	-
Mayor and Council	101,323	-	-	-
Golf Course	433,569	-	-	-
Swimming Pool	90,032	-	-	-
Fire Department	354,291	-	-	-
Police Department/Municipal Court	1,142,802	-	-	-
Emergency Management	24,523	-	-	-
Street Department	531,872	-	-	-
Civic Center	27,917	-	-	-
Pass-Through to EDC	-	-	-	-
Senior Citizens Program	-	-	-	-
Municipal Court	141,520	-	-	-
Community Support	1,767	-	-	-
Repair Shop	70,924	-	-	-
Animal Control	98,807	-	-	-
City/County EMS	1,750,049	-	-	-
Lake Department	264,406	-	-	-
G.R. White Complex	3,850	-	-	-
Purchasing	69,261	-	-	-
Financial Administration	338,463	-	-	-
Community Development	-	-	-	-
Cemetery Maintenance	-	-	-	-
Hotel/Motel Expenses	-	-	-	-
Building Inspection and Permits	169,333	-	-	-
Arbitrage Rebate	-	-	(5,339)	-
Capital Outlay	553,790	18,450	1,682,370	1,907,904
Debt Service:				
Principal	342,921	-	330,000	295,000
Interest	35,932	-	-	40,859
Total Expenditures	<u>8,202,059</u>	<u>18,450</u>	<u>2,007,031</u>	<u>2,243,763</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,213,030)	(18,450)	(1,959,038)	(2,200,066)
Other Financing Sources (Uses)				
Bond Proceeds	24,300	-	-	-
Donated Assets	4,030	-	-	-
Sale of Fixed Assets	2,654,186	-	-	-
Transfers In	2,493,998	1,000,000	330,000	335,859
Transfers Out	(1,000,000)	-	-	-
Total Other Financing Sources (Uses)	<u>4,176,514</u>	<u>1,000,000</u>	<u>330,000</u>	<u>335,859</u>
Change in Fund Balances	1,963,484	981,550	(1,629,038)	(1,864,207)
Total Fund Balances - Beginning of Year	4,739,624	1,281,782	3,899,804	3,706,518
Total Fund Balances - End of Year	<u>\$ 6,703,108</u>	<u>\$ 2,263,332</u>	<u>\$ 2,270,766</u>	<u>\$ 1,842,311</u>

CITY OF BRADY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Governmental Funds
Year Ended September 30, 2024

Special Revenue Funds					Total Governmental Funds
Special Revenue Fund	Cemetery Fund	Hotel/Motel Fund	Special Purpose Fund		
\$ -	\$ -	\$ -	\$ -	\$ 728,936	
-	-	-	-	397,243	
-	-	-	-	528,528	
-	-	-	-	101,323	
-	-	-	-	433,569	
-	-	-	-	90,032	
-	-	-	-	354,291	
-	-	-	5,368	1,148,170	
-	-	-	-	24,523	
-	-	-	-	531,872	
-	-	-	-	27,917	
280,122	-	-	-	280,122	
240,253	-	-	-	240,253	
-	-	-	-	141,520	
-	-	-	-	1,767	
-	-	-	-	70,924	
-	-	-	-	98,807	
-	-	-	-	1,750,049	
-	-	-	-	264,406	
-	-	-	-	3,850	
-	-	-	-	69,261	
-	-	-	-	338,463	
771,231	-	-	-	771,231	
-	55,455	-	-	55,455	
-	-	250,482	-	250,482	
-	-	-	-	169,333	
-	-	-	-	(5,339)	
595	-	-	-	4,163,109	
-	-	-	-	967,921	
-	-	-	-	76,791	
1,292,201	55,455	250,482	5,368	14,074,809	
(115,738)	3,466	624	4,522	(6,497,710)	
-	-	-	-	24,300	
-	-	-	-	4,030	
-	-	-	-	2,654,186	
150,000	-	-	-	4,309,857	
(14,000)	-	-	-	(1,014,000)	
136,000	-	-	-	5,978,373	
20,262	3,466	624	4,522	(519,337)	
341,607	100,198	141,915	25,788	14,237,236	
\$ 361,869	\$ 103,664	\$ 142,539	\$ 30,310	\$ 13,717,899	

CITY OF BRADY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Governmental Funds
Year Ended September 30, 2024

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net Change in Fund Balances - Total Governmental Funds	\$ (519,337)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	4,913,952
Depreciation Expense	(898,740)

Gains/Losses on fixed asset disposals do not provide or use current financial resources and are therefore not reported in the funds.	68,918
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Loan and bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.

Lease Proceeds	(24,300)
Note Receivable Proceeds	(115,951)
Bond and Lease Principal Payments	1,000,712

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property Tax Revenue	7,957
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The change in net position liability and deferred inflows and outflows related to the City's TMRS pension liability and other postemployment benefits:

	(1,027,217)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in Accrued Interest Expense	(324)
Amortization Expense	(15,370)
Change in Accrued Compensated Absences	<u>(6,446)</u>

Change in Net Position of Governmental Activities	<u>\$ 3,383,854</u>
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CITY OF BRADY, TEXAS
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2024

	Business-Type Activities Enterprise Funds			
	Electric	Water & Sewer	Gas	Solid Waste
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 4,468,291	\$ 5,422,915	\$ 557,886	\$ 912,321
Receivables:				
Accounts, Net	558,617	240,937	20,395	63,248
Inventory	-	-	-	-
Total Current Assets	<u>5,026,908</u>	<u>5,663,852</u>	<u>578,281</u>	<u>975,569</u>
Noncurrent Assets				
Restricted Assets:				
Cash and Cash Equivalents	-	409,947	-	887,414
Right of Use Asset, net of amortization	-	-	-	184,445
Capital Assets:				
Land	14,397	10,814	2,337	67,400
Construction in Progress	78,743	5,228,851	-	-
Property & Equipment	6,404,095	28,854,811	3,696,708	1,822,168
Accumulated Depreciation	(3,944,202)	(12,685,443)	(1,871,406)	(1,563,331)
Total Noncurrent Assets	<u>2,553,033</u>	<u>21,818,980</u>	<u>1,827,639</u>	<u>1,398,096</u>
Total Assets	<u>7,579,941</u>	<u>27,482,832</u>	<u>2,405,920</u>	<u>2,373,665</u>
DEFERRED OUTFLOWS				
Deferred Pension Related Outflows	(10,513)	(3,155)	6,397	7,309
Deferred Other Post-employment Benefits Related Outflows	613	1,191	472	690
Total Deferred Outflows	<u>(9,900)</u>	<u>(1,964)</u>	<u>6,869</u>	<u>7,999</u>
LIABILITIES				
Current				
Accounts Payable	384,035	53,189	3,834	7,232
Accrued Expenses	-	-	-	197
Interest Payable	820	561	76	221
Other Payables	-	-	-	-
Net Pension Liability	42,650	90,622	45,335	59,248
Leases Payable, Current Portion	-	-	-	64,097
Bonds and Notes Payable, Current Portion	97,163	270,637	16,685	73,871
Total Current Liabilities	<u>524,668</u>	<u>415,009</u>	<u>65,930</u>	<u>204,866</u>
Noncurrent				
Accrued Compensated Absences	16,064	25,664	3,711	10,430
Landfill Closure	-	-	-	887,414
Utility Deposits	-	-	-	-
Other Post-employment Benefit Liability	20,820	28,131	12,098	22,976
Leases Payable, Less Current Portion	-	-	-	145,617
Bonds and Notes Payable, Less Current Portion	258,097	1,447,302	45,439	76,952
Total Noncurrent Liabilities	<u>294,981</u>	<u>1,501,097</u>	<u>61,248</u>	<u>1,143,389</u>
Total Liabilities	<u>819,649</u>	<u>1,916,106</u>	<u>127,178</u>	<u>1,348,255</u>
DEFERRED INFLOWS				
Deferred Pension Related Inflows	36,768	71,457	28,317	41,417
Deferred Other Post-employment Benefit Related Inflows	(257)	661	831	991
Total Deferred Inflows	<u>36,511</u>	<u>72,118</u>	<u>29,148</u>	<u>42,408</u>
NET POSITION				
Net Investment in Capital Assets	2,197,773	19,691,094	1,765,515	175,414
Restricted	-	409,947	-	-
Unrestricted	<u>4,516,108</u>	<u>5,391,603</u>	<u>490,948</u>	<u>815,587</u>
Total Net Position	<u>\$ 6,713,881</u>	<u>\$ 25,492,644</u>	<u>\$ 2,256,463</u>	<u>\$ 991,001</u>

CITY OF BRADY, TEXAS
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2024

Business-Type Activities Enterprise Funds			Governmental Activities	
Street Sanitation	Utility Support	Totals	Internal Service Fund	
\$ -	\$ 189,451	\$ 11,550,864	\$ 1,058	
4,454	35,377	923,028	-	
-	191,962	191,962	-	
<u>4,454</u>	<u>416,790</u>	<u>12,665,854</u>	<u>1,058</u>	
44,147	734,546	2,076,054	-	
-	-	184,445	-	
-	59,782	154,730	-	
-	-	5,307,594	-	
241,090	3,164,330	44,183,202	-	
(240,240)	(1,309,591)	(21,614,213)	-	
<u>44,997</u>	<u>2,649,067</u>	<u>30,291,812</u>	<u>-</u>	
<u>49,451</u>	<u>3,065,857</u>	<u>42,957,666</u>	<u>1,058</u>	
584	4,424	5,046	-	
81	348	3,395	-	
<u>665</u>	<u>4,772</u>	<u>8,441</u>	<u>-</u>	
419	80,383	529,092	-	
-	-	197	-	
-	-	1,678	-	
-	15,639	15,639	-	
7,921	29,616	275,392	-	
-	-	64,097	-	
-	-	458,356	-	
<u>8,340</u>	<u>125,638</u>	<u>1,344,451</u>	<u>-</u>	
2,841	6,062	64,772	-	
-	-	887,414	-	
-	734,546	734,546	-	
322	12,071	96,418	-	
-	-	145,617	-	
-	-	1,827,790	-	
<u>3,163</u>	<u>752,679</u>	<u>3,756,557</u>	<u>-</u>	
<u>11,503</u>	<u>878,317</u>	<u>5,101,008</u>	<u>-</u>	
4,865	20,873	203,697		
106	540	2,872		
<u>4,971</u>	<u>21,413</u>	<u>206,569</u>	<u>-</u>	
850	1,914,521	25,745,167	-	
32,792	-	442,739	-	
-	256,378	11,470,624	1,058	
<u>\$ 33,642</u>	<u>\$ 2,170,899</u>	<u>\$ 37,658,530</u>	<u>\$ 1,058</u>	

CITY OF BRADY, TEXAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds			
	Electric	Water & Sewer	Gas	Solid Waste
	\$	\$	\$	\$
OPERATING REVENUES				
Charges for Services:				
Electrical Distribution	\$ 8,002,462	\$ -	\$ -	\$ -
Wastewater	-	1,223,871	-	-
Water Department	-	2,699,047	-	-
Gas Department	-	-	1,038,114	-
Solid Waste	-	-	-	1,433,617
Street Sanitation	-	-	-	-
Utility Support	-	-	-	-
Premiums Collected	-	-	-	-
Reimbursed Expenses	53,350	90,821	-	-
Total Operating Revenues	<u>8,055,812</u>	<u>4,013,739</u>	<u>1,038,114</u>	<u>1,433,617</u>
OPERATING EXPENSES				
Electric Department:				
Electrical Distribution	5,369,649	-	-	-
Wastewater	-	752,921	-	-
Water & Sewer Department:				
Public Works Administration	-	190,560	-	-
Water	-	1,465,049	-	-
Ground Water Treatment Plant	-	396,374	-	-
Gas Department:				
Gas	-	-	1,016,037	-
Solid Waste Department:				
Solid Waste	-	-	-	1,271,019
Street Sanitation	-	-	-	-
Utility Support:				
Administration	-	-	-	-
Meter Shop	-	-	-	-
Billing-Collection	-	-	-	-
Bad Debt Expense	14,999	14,401	1,005	2,032
Amortization	-	-	-	70,732
Depreciation	200,369	650,689	138,452	77,840
Employee Insurance	-	-	-	-
Total Operating Expenses	<u>5,585,017</u>	<u>3,469,994</u>	<u>1,155,494</u>	<u>1,421,623</u>
Operating Income (Loss)	2,470,795	543,745	(117,380)	11,994
NON-OPERATING REVENUES (EXPENSES)				
Gain (Loss) on the Disposal of Capital Assets				
Interest Income	-	7,600	-	-
Interest Expense	274,178	407,738	34,272	102,817
(22,190)	<u>(2,066)</u>	<u>(7,005)</u>	<u>(28,556)</u>	<u>(39,996)</u>
Total Non-Operating Revenues (Expenses)	<u>251,988</u>	<u>408,333</u>	<u>32,206</u>	<u>74,261</u>
Income (Loss) Before Transfers	2,722,783	952,078	(85,174)	86,255
Transfers In	-	-	-	-
Transfers Out	(2,704,998)	(910,858)	(39,996)	(40,000)
Change in Net Position	17,785	41,220	(125,170)	46,255
Total Net Position - Beginning	6,696,096	25,451,424	2,381,633	944,746
Total Net Position - Ending	<u>\$ 6,713,881</u>	<u>\$ 25,492,644</u>	<u>\$ 2,256,463</u>	<u>\$ 991,001</u>

CITY OF BRADY, TEXAS
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
Year Ended September 30, 2024

Business-Type Activities Enterprise Funds			Governmental Activities	
Street Sanitation	Utility Support	Totals	Internal Service Fund	
\$ -	\$ -	\$ 8,002,462		-
		1,223,871		-
		2,699,047		-
		1,038,114		-
		1,433,617		-
73,903		73,903		-
	260,115	260,115		-
		-	915,295	
398	429	144,998		-
<u>74,301</u>	<u>260,544</u>	<u>14,876,127</u>		<u>915,295</u>
		5,369,649		-
		752,921		-
		190,560		-
		1,465,049		-
		396,374		-
		1,016,037		-
		1,271,019		-
98,439		98,439		-
	240,243	240,243		-
	82,928	82,928		-
	312,640	312,640		-
250	4,805	37,492		-
		70,732		-
1,700	124,343	1,193,393		-
		-	915,295	
<u>100,389</u>	<u>764,959</u>	<u>12,497,476</u>		<u>915,295</u>
(26,088)	(504,415)	2,378,651		-
		7,600		-
	57,120	876,125		1,058
(18)		(59,835)		-
<u>(18)</u>	<u>57,120</u>	<u>823,890</u>		<u>1,058</u>
(26,106)	(447,295)	3,202,541		1,058
	399,995	399,995		-
		(3,695,852)		
(26,106)	(47,300)	(93,316)		1,058
59,748	2,218,199	37,751,846		-
<u>\$ 33,642</u>	<u>\$ 2,170,899</u>	<u>\$ 37,658,530</u>		<u>1,058</u>

CITY OF BRADY, TEXAS
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2024

	Electric	Water & Sewer	Gas	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 8,005,622	\$ 3,842,007	\$ 1,045,955	\$ 1,435,440
Payments to Suppliers	(4,972,555)	(1,818,964)	(642,582)	(632,717)
Payments to Employees for Services	(344,294)	(705,298)	(266,576)	(388,246)
Payments on Behalf of Employees for Benefits	(166,062)	(312,201)	(148,344)	(205,777)
Receipts (Refunds) of Customer Deposits	-	-	-	-
Receipts from Grants	-	3,500	-	-
Other Receipts (Payments)	-	12,600	-	-
Net Cash Provided (Used) by Operating Activities	<u>2,522,711</u>	<u>1,021,644</u>	<u>(11,547)</u>	<u>208,700</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Subsidies and Transfers to Other Funds	(2,585,161)	(677,959)	52,329	94,991
Operating Subsidies and Transfers from Other Funds	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,585,161)</u>	<u>(677,959)</u>	<u>52,329</u>	<u>94,991</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Right of Use Asset	-	-	-	59,675
Lease Payable	-	-	-	(128,510)
Proceeds from Sale of Fixed Assets	-	-	-	-
Purchases of Capital Assets and Construction in Progress	(367,679)	(933,984)	-	(206,527)
Gain on Disposal of Capital Assets	-	7,600	-	-
Principal Paid on Capital Debt	(92,066)	(432,386)	(16,202)	(77,711)
Interest Paid on Capital Debt	(22,397)	(10,968)	(2,086)	(28,665)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(482,142)</u>	<u>(1,369,738)</u>	<u>(18,288)</u>	<u>(381,738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends	<u>274,178</u>	<u>407,738</u>	<u>34,272</u>	<u>102,817</u>
Net Cash Provided (Used) by Investing Activities	<u>274,178</u>	<u>407,738</u>	<u>34,272</u>	<u>102,817</u>
Net Increase (Decrease) In Cash & Cash Equivalents	<u>(270,414)</u>	<u>(618,315)</u>	<u>56,766</u>	<u>24,770</u>
Balances - Beginning of the Year	<u>4,738,705</u>	<u>6,451,177</u>	<u>501,120</u>	<u>1,774,965</u>
Balances - End of the Year	<u>\$ 4,468,291</u>	<u>\$ 5,832,862</u>	<u>\$ 557,886</u>	<u>\$ 1,799,735</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 2,470,795	\$ 543,745	\$ (117,380)	\$ 11,994
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	200,369	650,689	138,452	77,840
Bad Debt Expense	14,999	14,401	1,005	2,032
Amortization Expense	-	-	-	70,732
Change In Assets & Liabilities:				
Accounts Receivable	3,394	35,724	7,842	2,056
Inventories	-	-	-	-
Accounts Payable	(148,751)	(175,758)	(11,462)	(4,998)
Other Payables	-	-	-	-
Net Pension Liability	(38,338)	(74,510)	(29,526)	(43,187)
Other Postemployment Benefit Liability	11,107	21,585	8,554	12,511
Compensated Absences	9,136	5,768	(9,032)	(2,160)
Customer Deposits Payable	-	-	-	-
Landfill Closure/Post Closure Costs	-	-	-	81,880
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,522,711</u>	<u>\$ 1,021,644</u>	<u>\$ (11,547)</u>	<u>\$ 208,700</u>
Reconciliation to Statement of Net Position - Proprietary Funds:				
Cash and Cash Equivalents - Unrestricted	\$ 4,468,291	\$ 5,422,915	\$ 557,886	\$ 912,321
Cash and Cash Equivalents - Restricted	-	409,947	-	887,414
Total Cash and Cash Equivalents - Proprietary Funds	<u>\$ 4,468,291</u>	<u>\$ 5,832,862</u>	<u>\$ 557,886</u>	<u>\$ 1,799,735</u>
SCHEDULE OF NONCASH ACTIVITIES				
Actuarial Calculation of Net Pension Liability	\$ 119,837	\$ 232,899	\$ 92,325	\$ 134,991
Total Noncash Activities	<u>\$ 119,837</u>	<u>\$ 232,899</u>	<u>\$ 92,325</u>	<u>\$ 134,991</u>

CITY OF BRADY, TEXAS
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2024

Street Santitation	Utility Support	Total	Internal Service Fund
\$ 70,416	\$ 259,748	\$ 14,659,188	\$ 915,295
(28,444)	(390,533)	(8,485,795)	(915,295)
(43,866)	(165,181)	(1,913,461)	-
(25,732)	(130,000)	(988,116)	-
-	8,063	8,063	-
-	-	3,500	-
-	-	12,600	-
(27,626)	(417,903)	3,295,979	-
 15,857	 -	 (3,099,943)	 -
 -	 468,026	 468,026	 -
 15,857	 468,026	 (2,631,917)	 -
 - - - - - (3,798) (18) (3,816)	 - (6,283) (14,659) - - - - (20,942)	 59,675 (134,793) (14,659) (1,508,190) 7,600 (622,163) (64,134) (2,276,664)	 - - - - - - - -
 - - (15,585) 59,732	 57,120 57,120 86,301 837,696	 876,125 876,125 (736,477) 14,363,395	 1,058 1,058 1,058 - -
 \$ 44,147	 \$ 923,997	 \$ 13,626,918	 \$ 1,058
 \$ (26,088)	 \$ (504,415)	 \$ 2,378,651	 \$ -
 1,700 250 - (474) - (1,253) (5,072) 1,469 1,842 - - \$ (27,626)	 124,343 4,805 - (6,350) 6,213 (27,168) (1,132) (21,765) 6,305 (6,802) 8,063 - - \$ (417,903)	 1,193,393 37,492 70,732 42,192 6,213 (369,390) (1,132) (212,398) 61,531 (1,248) 8,063 81,880 \$ 3,295,979	 - - - - - - - - - - \$ -
 \$ - 44,147 \$ 44,147	 \$ 189,451 734,546 \$ 923,997	 \$ 11,550,864 \$ 2,076,054 \$ 13,626,918	 \$ 1,058 \$ - \$ 1,058
 \$ 15,857 \$ 15,857	 \$ 68,031 \$ 68,031	 \$ 663,940 \$ 663,940	 \$ - \$ -

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CITY OF BRADY, TEXAS
Statement of Net Position
Discretely Presented Component Unit
September 30, 2024

Brady Economic
 Development
 Corporation

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 581,709
Receivables, Net of Allowances	31,974
Notes Receivable, Current Portion	15,111
Total Current Assets	<u>628,794</u>
Non-Current Assets	
Notes Receivable, Non-Current Portion	<u>767,903</u>
Total Non-Current Assets	767,903
Total Assets	<u>1,396,697</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	29
Note Payable, Current Portion	74,559
Total Current Liabilities	<u>74,588</u>
Noncurrent Liabilities	
Note Payable, Non-Current Portion	497,312
Total Noncurrent Liabilities	<u>497,312</u>
Total Liabilities	<u>571,900</u>
NET POSITION	
Unrestricted	<u>824,797</u>
Total Net Position	<u><u>824,797</u></u>

CITY OF BRADY, TEXAS
Statement of Activities
Discretely Presented Component Unit
Year Ended September 30, 2024

Functions/Programs			Program Revenues		Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Economic Development		Corporation	Total
Economic Development Corporation						
General Government:						
Administration	\$ 43,000	\$ -	\$ (43,000)	\$ (43,000)		
Professional/Legal Fees	6,384	-	(6,384)		(6,384)	
Grant Funding	40,653	-	(40,653)		(40,653)	
Travel and Training	38,461	-	(38,461)		(38,461)	
Office Supplies	768	-	(768)		(768)	
Total Economic Development Corporation	129,266	-	(129,266)		(129,266)	
Total Component Unit	129,266	-	(129,266)		(129,266)	
General Revenues						
Taxes						
Sales Taxes			280,122		280,122	
Interest Revenue			7,088		7,088	
Total General Revenues, Special Items, and Transfers			287,210		287,210	
Change in Net Position			157,944		157,944	
Net Position - Beginning			666,853		666,853	
Net Position - Ending	\$ 824,797	\$ -	\$ 824,797		\$ 824,797	

CITY OF BRADY, TEXAS
Statement of Net Position
Internal Service Fund
Year Ended September 30, 2024

	Employee Benefits Trust Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,058
Total Current Assets	<u>1,058</u>
Total Assets	<u>1,058</u>
NET POSITION	
Unrestricted	<u>1,058</u>
Total Net Position	<u>1,058</u>

CITY OF BRADY, TEXAS
Statement of Activities
Internal Service Fund
Year Ended September 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Trust Fund	Employee Benefits	
					Total
Employee Benefits Trust					
Premiums Collected	\$ -	\$ 915,295	\$ 915,295	\$ -	\$ 915,295
Employee Insurance	915,295	-	(915,295)		(915,295)
Total Employee Benefits Trust Fund	<u>915,295</u>	<u>915,295</u>	<u>-</u>		<u>-</u>
Total Employee Benefits Trust Fund	<u>915,295</u>	<u>915,295</u>	<u>-</u>		<u>-</u>
General Revenues					
Interest Revenue			1,058		1,058
Total General Revenues, Special Items, and Transfers			<u>1,058</u>		<u>1,058</u>
Change in Net Position			1,058		1,058
Net Position - Beginning			-		-
Net Position - Ending		\$ 1,058	\$ 1,058		\$ 1,058

CITY OF BRADY, TEXAS

Notes to Financial Statements

September 30, 2024

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Brady (the City) operates under a Council-Manager form of government. All powers of the City shall be vested in the elected council, which shall enact local legislation, adopt budgets, determine policies, make appointments, and control the funds of the City. All powers of the City are to be exercised in the manner provided by its Charter, or if the manner is not prescribed, then in such manner as may be prescribed by ordinance. The Mayor shall be the Chief Executive Officer of the City. The Council shall appoint a City Manager who shall be held responsible to the Council for the execution of the laws and the routine administration of the government, either as prescribed in its Charter, or from time to time by the Council through ordinance. The City provides the following services: public safety, streets, public improvements, water, sewer, electricity, natural gas, sanitation, and general administrative services.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the Organization is legally separate (can sue and 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
- the exclusion of the government would result in misleading or incomplete financial statements

Based on the aforementioned criteria, the City has one component unit, the Brady Economic Development Corporation. Additionally, the City is not a component unit of any other reporting entity as defined by the GASB Standards.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

The EDC is a non-profit corporation organized under the laws of the State of Texas to provide economic development in and for the benefit of the City. The City appoints the board of directors and approves the annual budget. The EDC's financial statements are presented discretely alongside the financial statements of the City.

Basis of Presentation – Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and the discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City, the EDC activities, and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The City does not allocate indirect expenses in the Statement of Activities. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which the EDC, each program, or business segment is self-financing or drawing from the general revenues of the City.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

Net Position should be reported as restricted when constraints placed on the use of assets use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Net Position restricted for community projects result from special revenue funds and the restrictions on their use.

Separate financial statements are provided for governmental funds, proprietary funds, and the discretely presented component unit. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City's funds are grouped into two broad fund categories for financial statement presentation purposes. Governmental funds include the General Fund and Special Revenue Fund. Proprietary funds include the enterprise funds.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than on types of funds. Each major fund is presented in a separate column.

GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Measurement Focus and Basis of Accounting (Continued)

GOVERNMENTAL FUNDS (Continued)

The major governmental funds are:

General Fund – This is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

General Construction Fund – This fund accounts for specific program expenditures associated with construction of various City construction projects and revenue sources supporting these costs.

Special Revenue Fund – This fund accounts for specific program revenue sources and related expenditures, such as the City's Senior Citizen's Center, sales taxes passed through to other entities, and miscellaneous grant revenues and expenditures.

Water Construction Fund – This fund accounts for specific program expenditures associated with construction of the City's drinking water system infrastructure and revenue sources supporting these costs.

WWTP Construction Fund – This fund accounts for specific program expenditures associated with the new construction of the City's wastewater treatment plant and revenue sources supporting these costs.

Cemetery Fund – This fund accounts for specific program revenue sources and related expenditures associated with the upkeep of the two City owned cemeteries.

Hotel/Motel Fund – This fund accounts for specific program revenue sources and related expenditures associated with hotel taxes spent on qualified projects and passed through to the Chamber of Commerce per formal agreement.

Special Purpose Fund – This fund accounts for specific program revenue sources and related expenditures associated with Police and Municipal Court funds.

There are no non-major governmental funds.

Revenue Recognition – In applying the susceptible to accrual concept under the modified accrual basis, revenue sources are deemed both measurable and available if they are collectible within the current year or within sixty days of year-end and available to pay obligations of the current period. This includes special assessments, interest revenue, and reimbursed revenues.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Measurement Focus and Basis of Accounting (Continued)

GOVERNMENTAL FUNDS (Continued)

Property taxes, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax receivables and deferred inflows of resources are recorded until they become available. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent, they are collected within sixty days of year-end.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition:

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal on general long-term debt which has not matured is recognized when paid. Allocations of costs, such as depreciation, are not recognized in the governmental funds.

PROPRIETARY FUNDS

All proprietary funds are accounted for using the accrual basis of accounting and economic resource measurement focus. These funds account for operations that are primarily financed by user charges and presents both long- and short-term assets and liabilities. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds. Proprietary funds have elected to consistently not follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989, as permitted under Governmental Accounting Standards Board Statement No. 20.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the City's enterprise funds are charges to customers for sales and services. Capital grant revenues are also reported as operating revenues. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Measurement Focus and Basis of Accounting (Continued)

PROPRIETARY FUNDS (Continued)

The major proprietary funds are:

Electric Fund – This fund is used to account for the provision of electric services to the residential and commercial users of the City.

Water & Sewer Fund – This fund is used to account for the provision of water treatment and distribution and sewer treatment and collection services to the residential and commercial users of the City.

Gas Fund – This fund is used to account for the provision of natural gas distribution to the residential and commercial users of the City.

Solid Waste Fund – This fund is used to account for trash collection services operation of the City landfill.

Street Sanitation Fund – This fund is used to account for street cleaning services provided to the residential and commercial citizens of the City.

Utility Support Fund – This fund is used to account for utility penalties and service charges collected in connection with the other proprietary funds and accounts for all the expenses of the City's service center.

There are no non-major proprietary funds.

INTERNAL SERVICE FUNDS

The City has one internal service fund. The employee benefits trust fund is used to report resources held in trust for employee health insurance.

Cash and Cash Equivalents

The City and EDCs' cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with initial maturities of three months or less.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Investments

In accordance with GASB standards, investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. The City records an allowance for accounts it deems to be uncollectible. The allowance for uncollectible accounts receivable was \$38,469 at September 30, 2024 and is reported in the business-type activities. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

The EDC believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. The EDC records an allowance for accounts it deems to be uncollectible. Management has deemed EDC accounts receivable fully collectible as of September 30, 2024, and therefore, has not established a reserve for uncollectible receivables. In 2013, the EDC entered into an agreement to repay the City for upgrades to the Civic Center. A portion of sales tax revenues are to be allocated to pay off the outstanding balance each year. As of September 30, 2024, the EDC owed \$571,871.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City and EDC as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and reported as capital assets in the government-wide financial statements. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000. Additions/betterments at or exceeding \$20,000 are considered capital improvements.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

General infrastructure assets include, but are not limited to, streets, bridges, and underground pipe (other than related to utilities) and are the largest asset class of the City.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Depreciation of capital assets is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and Improvements	20 - 50 years
Infrastructure	5 - 50 years
Equipment	2 - 15 years
Vehicles	4-5 years

Inventory of Supplies

Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenses in the general and proprietary fund types in the periods they are used.

Equity Classifications

Government-Wide Financial Statement Equity

Equity is classified as net position and displayed in three components:

- a. Net investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City’s policy to use restricted resources first, then unrestricted resources.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Fund Statement Equity

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, requires that fund balances for each of the City's governmental funds be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- *Restricted fund balance*—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.
- *Committed fund balance*—amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City's highest level of decision-making authority is the City Council. The City did not have any committed fund balances at September 30, 2024.
- *Assigned fund balance*—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has authorized the City Manager to assign, reassign, and unassign fund balances. The City did not have any assigned fund balances at September 30, 2024.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts can be reported only in the City's General Fund, unless a negative fund balance occurs in another fund type, which is then reported as unassigned.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

For the EDC, the Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as designation or commitment of the fund. Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes). The EDC strives to maintain an unassigned fund balance to be used for operations.

CITY OF BRADY, TEXAS

Notes to Financial Statements (continued)

September 30, 2024

1. Summary of Significant Accounting Policies (Continued)

Unpaid Compensated Absences

The City accrues unused portions of vacation pay in the period the fund liability is incurred. Even though the City has appropriated, accumulated, and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources is not reported as a fund liability in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board - *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Pensions

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

2. Discretely Presented Component Unit

The component unit column on the government-wide financial statements includes the financial data of the City's component unit. Component units are presented in a separate column to emphasize that they are legally separate from the primary government. Combining financial statements are presented as part of the basic financial statements.

3. Compliance and Accountability

Budget Requirements, Accounting, and Reporting

The budget requirements for all funds are as follows:

Annual budgets are adopted for all City funds. Under state law, the City Manager submits an annual budget to the Council for consideration and approval no later than September 30. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

By Charter the City Manager submits budget amendment ordinances to the City Council. These ordinances are updated for any estimate revisions as well as year-end encumbrances and may include any additional information requested by Council. Council may subsequently amend such ordinances.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

3. Compliance and Accountability (Continued)

Budget Requirements, Accounting, and Reporting (Continued)

Amendments to the appropriation ordinance during the fiscal year ending September 30, 2024 were approved by City Council as provided by the Charter.

For day-to-day management control, expenditures may not exceed the budget at the expenditure-type (i.e. personal services, other operations and maintenance, etc.) level of each cost center (activity within a program within a fund). The staff may transfer appropriations within departments within funds.

Appropriation control (City Council appropriated budget) is by program within a fund. The City Council may, by ordinance, transfer amounts among programs within and between funds. Budgetary comparison schedules are presented in the Required Supplemental Information section of the report for the General Fund and the Special Revenue Fund. The budgetary basis is the modified accrual basis of accounting.

Interfund Transfers

Transfers within the City are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, and maintaining debt service on a routine basis. The following transfers were made for the fiscal year ending September 30, 2024:

	Transfers In	Transfers Out	Net Transfers In/Out
Governmental Activities			
General Fund	\$ 2,493,998	\$ 1,000,000	\$ 1,493,998
Special Revenue Fund	150,000	14,000	136,000
General Construction Fund	1,000,000	-	1,000,000
Water Construction Fund	330,000	-	330,000
WWTP Construction Fund	335,859	-	335,859
Total Governmental Transfers	<u>4,309,857</u>	<u>1,014,000</u>	<u>3,295,857</u>
Business-Type Activities			
Electric	-	2,704,998	(2,704,998)
Water & Sewer	-	910,858	(910,858)
Gas	-	39,996	(39,996)
Solid Waste	-	40,000	(40,000)
Utility Support	<u>399,995</u>	-	399,995
Total Business-Type Transfers	<u>399,995</u>	<u>3,695,852</u>	<u>(3,295,857)</u>
	<u><u>\$ 4,709,852</u></u>	<u><u>\$ 4,709,852</u></u>	<u><u>\$ -</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

4. Deposits and Investments

Policies and Practices

The City's Charter specifies that the Finance Officer is responsible for selecting depositories and investing idle funds. The City Council also has the authority to choose the types of deposits and investments made by the City. The Federal Depository Insurance Corporation (FDIC) provides protection of the City's cash and investments as well as qualified pledged or pooled securities by the institutions holding the assets. The Commercial National Bank holds such securities. The City does not enter into reverse repurchase agreements.

The City pools all individual fund cash balances. Each fund's portion of this pool is displayed on the Statement of Net Position or balance sheets as cash and cash equivalents.

The EDC Board of Directors has the authority to choose the types of deposits and investments made by the EDC. The Federal Deposit Insurance Corporation provides protection of cash and investments. In addition, the Brady National Bank has pledged qualified securities against the deposits of the EDC. The EDC does not enter into reverse repurchase agreements.

The carrying amount of the City's cash held with financial institutions was \$20,390,174 and the bank balance was \$23,538,440. The bank balance is categorized as follows:

Insured by FDIC or collateralized with securities held by the City or its agent in the City's name.	\$ 250,000
Collateralized with securities held by the pledging financial institution or its agent but not in the City's name.	23,288,440
Total Bank Balance	<u>\$ 23,538,440</u>

The carrying amount of the EDCs' cash held with financial institutions was \$581,709 and the bank balance was \$332,159. The bank balance is categorized as follows:

Insured by FDIC or collateralized with securities held by the EDCs or its agent in the EDCs' name.	\$ 250,000
Collateralized with securities held by the pledging financial institution or its agent but not in the EDCs' name.	82,159
Total Bank Balance	<u>\$ 332,159</u>

All of the City's deposits were fully secured at the balance sheet date. The disclosure presented above excludes escrow balances.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

4. Deposits and Investments (Continued)

Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas; (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

The City had deposits and investments restricted for the following purposes at September 30, 2024:

Restricted For:	Governmental Activities	Business-Type Activities	Total
State, Local and Federally Funded Programs	\$ 5,199,199	\$ -	\$ 5,199,199
Police Activities	30,309	-	30,309
Debt Service	-	189,947	189,947
Cemetery	103,078	-	103,078
Hotel/Motel	142,867	-	142,867
Street Sanitation	-	44,147	44,147
Texas Water Development Board Covenant	-	220,000	220,000
Utility Customer Deposits	-	734,546	734,546
Landfill Closure Reserve	-	887,414	887,414
Total Restricted Cash	\$ 5,475,453	\$ 2,076,054	\$ 7,551,507

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

5. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E of the Texas Property Tax Code. Taxes are due and payable upon receipt of the tax bill and are considered delinquent if not paid by February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the City's fiscal year.

The McCulloch County Appraisal District appraises and collects taxes for the City. For 2024, the City of Brady had property with an assessed valuation of \$289,941,824 . The tax rate was 0.034222 per \$100 valuation.

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CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

6. Capital Assets and Depreciation

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

Governmental Activities	Balance 10/1/2023	Additions	Deletions	Transfers	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 859,070	\$ 3,560	\$ -	\$ -	\$ 862,630
Construction in progress	38,857,575	4,348,271	-	(815,217)	42,390,629
Subtotal	39,716,645	4,351,831	-	(815,217)	43,253,259
Capital assets being depreciated:					
Buildings and improvements	7,116,438	16,000	-	815,217	7,947,655
Infrastructure	13,423,595	-	-	-	13,423,595
Vehicles	1,785,045	482,845	(248,956)	-	2,018,934
Equipment	3,316,309	63,275	(169,000)	-	3,210,584
Subtotal	25,641,387	562,120	(417,956)	815,217	26,600,768
Accumulated depreciation	(18,972,018)	(898,740)	417,956	-	(19,452,802)
Net capital assets being depreciated	6,669,369	(336,620)	-	815,217	7,147,966
Net capital assets	\$ 46,386,014	\$ 4,015,211	\$ -	\$ -	\$ 50,401,225

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

6. Capital Assets and Depreciation (Continued)

Business-Type Activities	Balance 10/1/2023	Additions	Deletions	Transfers	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 154,730	\$ -	\$ -	\$ -	\$ 154,730
Construction in progress	6,618,068	689,263	-	(1,999,737)	5,307,594
Subtotal	<u>6,772,798</u>	<u>689,263</u>	<u>-</u>	<u>(1,999,737)</u>	<u>5,462,324</u>
Capital assets being depreciated:					
Buildings and improvements	15,607,487	-	-	-	15,607,487
Infrastructure	21,092,691	-	-	1,999,737	23,092,428
Vehicles	1,175,742	31,761	-	-	1,207,503
Equipment	3,473,958	801,825	(58,801)	-	4,216,982
Subtotal	<u>41,349,878</u>	<u>833,586</u>	<u>(58,801)</u>	<u>1,999,737</u>	<u>44,124,400</u>
Accumulated depreciation	(20,420,819)	(1,193,393)	58,801	-	(21,555,411)
Net capital assets being depreciated	<u>20,929,059</u>	<u>(359,807)</u>	<u>-</u>	<u>1,999,737</u>	<u>22,568,989</u>
Net capital assets	<u><u>\$ 27,701,857</u></u>	<u><u>\$ 329,456</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 28,031,313</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

6. Capital Assets and Depreciation (Continued)

Depreciation was charged to the functions of the City as follows:

Governmental Activities		
Administration	\$	44,021
Airport		88,750
Public Property Maintenance		198,990
Golf Course		28,896
Fire Department		60,136
Police Department		152,173
Emergency Management		11,126
Street Department		47,391
Civic Center		81,102
Senior Citizens Program		2,378
Municipal Court		8,085
Animal Control		10,081
EMS Department		126,099
Lake Department		34,560
G. Rollie White Complex		1,582
Cemetery		3,370
Total Depreciation Expense	\$	<u>898,740</u>

Business-Type Activities		
Electric	\$	200,369
Sewer		92,360
Water		558,329
Gas		138,452
Solid Waste		77,840
Street Sanitation		1,700
Utility Support		124,343
Total Depreciation Expense	\$	<u>1,193,393</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans

Plan Description

The City of Brady participates as one of the 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

At retirement, the Member's benefit is calculated based on the sum of the member's contributions, with interest, and the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

Employees covered by benefit terms

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

	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	119
Active employees	96
	<u>284</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans (Continued)

Contributions

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

Employees for the City of Brady were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Brady were 9.33% and 9.55% in calendar years 2023 and 2024, respectively. The city's contributions to TMRS for the year ended September 30, 2024, were \$529,546, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of September 30, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

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

Salary increases were based on a service-related table. Mortality rates for active members were based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans (Continued)

Net Pension Liability (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of returns (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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Real Return	12.0%	8.00%
Real Estate	12.0%	7.60%
Absolute Return	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans (Continued)

Net Pension Liability (Continued)

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
Balance at 12/31/ 2022	\$ 14,796,613	\$ 13,237,144	\$ 1,559,469
Changes for the year:			
Service Cost	737,784	-	737,784
Interest	1,005,106	-	1,005,106
Difference between expected and actual experience	25,903	-	25,903
Change of assumptions	(181,350)	-	(181,350)
Contributions - employer	-	484,220	(484,220)
Contributions - employee	-	311,396	(311,396)
Net investment income	-	1,529,242	(1,529,242)
refunds of employee contributions	(550,094)	(550,094)	-
Administrative expense	-	(9,747)	9,747
Other Changes	-	(70)	70
Net changes	1,037,349	1,764,947	(727,598)
Balance at 12/31/ 2023	\$ 15,833,962	\$ 15,002,091	\$ 831,871

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

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans (Continued)

Net Pension Liability (Continued)

Changes in the Net Pension Liability (Continued)

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 2,985,889	\$ 831,871	\$ (931,251)

Pension Plan Fiduciary Net Position

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

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans (Continued)

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 \$529,546 .

At December 31, 2022, TMRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 15,242	\$ -
Change in assumption	- -	(106,720)
Differences Between Projected and Actual Investment Earnings	- -	(508,586)
Contributions Subsequent to the Measurement Date	<u>387,166</u> <u>402,408</u>	<u>-</u> <u>(615,306)</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

7. Defined Benefit Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At September 30, 2024, \$387,166 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2024	\$ 40,211
2025	86,402
2026	266,059
2027	207,392
Total	<u><u>600,064</u></u>

8. Other Post-employment Benefits

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of the employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during the employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 GASB No. 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contribution for retirees.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

8. Other Post-employment Benefits (Continued)

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$10,000. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2023 is summarized below:

	2024
Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>96</u>
	<u><u>155</u></u>

Total OPEB Liability

The City's total OPEB liability of \$291,248 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

8. Other Post-employment Benefits (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined by using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.85% including inflation
Discount rate*	3.77%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rates as of December 31, 2023.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

8. Other Post-employment Benefits (Continued)

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service Cost	\$ 17,640
Interest	11,070
Benefit payments	(8,301)
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(11,082)
Changes in assumptions or other inputs	13,248
Total OPEB expense	\$ 22,575

* Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB No. 75.

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following present the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Decrease in Discount Rate (4.77%)
Total OPEB Liability	\$ 343,897	\$ 291,248	\$ 249,588

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

8. Other Post-employment Benefits (Continued)

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

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between Expected and Actual Experience	\$ (19,013)	\$ -
Changes in Assumptions and Other Inputs	27,593	-
Contributions Subsequent to the Measurement Date	- \$ 8,580	10,256 \$ 10,256

At September 30, 2024, \$10,256 reported as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of total OPEB for the fiscal year ending September 30, 2024.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
	Amount
2024	\$ 8,580
Total	<u><u>\$ 8,580</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

9. Other Employee Benefits

Compensated Absences

The City allows employees, after the completion of a six-month probation period, to begin accruing vacation leave immediately upon hire, but cannot use it until after completion of a 6-month new hire probation period. Vacation leave may be accrued to a maximum of 18.75 days, which will be paid to an employee upon resignation, death, or termination. No sick leave will be paid to an employee upon termination of employment. The total vacation accrual obligation for the City amounted to \$218,706 at September 30, 2024.

10. Risk Management

Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these losses through participation in the Texas Municipal League (TML), a public entity risk pool. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop-loss coverage. Contributions are set annually by TML. The liability to the City is generally limited to contributed amounts.

Management believes the insurance coverage is enough to preclude any significant losses to the City. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

The EDC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The EDC is covered by the City's TML policy.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

11. Leases

The City has entered into numerous agreements to lease certain equipment. The leases qualify as other than short-term leases under GASB 87 and, therefore have been recorded at the present value of the future minimum lease payments as of their date of inception.

The City presents leases at their amortized right of use asset and right of use lease liability balances. The City uses the discount rate (which ranges from 1.62% to 10.19%) to determine the appropriate interest and amortization expense amounts. The assets and liabilities are amortized each month by the difference between the lease payment and the interest amount. Interest is determined by adopting the prevailing interest rates that would be used if a loan had been obtained to acquire the assets. Amortization expense at fiscal year-end was recorded in the General Fund as \$15,370.

The following is a schedule of the approximate future minimum lease payments required under the leases:

Year Ending September 30,	Principal Payments	Interest Payments	Total
2025	85,457	25,132	110,589
2026	161,494	7,523	169,017
2027	15,778	7,082	22,860
2028	10,250	6,760	17,010
2029-2051	347,926	84,868	432,794
Total	\$ 620,905	\$ 131,365	\$ 752,270

The right of use lease asset is as follows:

	Governmental Activities	Business-Type Activities	Total
Right of Use Asset	\$ 498,267	\$ 745,435	\$ 1,243,702
Accumulated Amortization	(70,963)	(560,990)	(631,953)
Right of Use Asset, Net	\$ 427,304	\$ 184,445	\$ 611,749

The lease liability is as follow:

	Governmental Activities	Business-Type Activities	Total
Lease, Current Portion	\$ 21,360	\$ 64,097	\$ 85,457
Lease, Long-Term Portion	389,831	145,617	535,448
Total	\$ 411,191	\$ 209,714	\$ 620,905

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024 includes the following:

Governmental Activities	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024	Amount Due Within One Year
General:					
Government Capital	\$ 37,010	\$ -	\$ (37,010)	\$ -	\$ -
Government Capital	96,073	- -	(26,883)	69,190	27,888
Government Capital	20,001	- -	(20,001)	- -	- -
Government Capital	19,921	- -	(10,221)	9,700	9,700
Government Capital	12,965	- -	(5,074)	7,891	5,223
Government Capital	64,836	- -	(7,290)	57,546	7,533
Government Capital	23,178	- -	(4,081)	19,097	4,232
Government Capital	23,083	- -	(5,869)	17,214	6,073
Government Capital	33,949	- -	(5,977)	27,972	6,199
Government Capital	81,321	- -	(34,168)	47,153	35,190
Government Capital	51,880	- -	(8,270)	43,610	8,836
Government Capital	150,088	- -	(43,463)	106,625	44,785
AXON	67,076	- -	(16,769)	50,307	16,769
AXON	65,424	- -	(16,356)	49,068	16,356
Government Capital	51,595	- -	(13,741)	37,854	14,519
Government Capital	44,523	- -	(8,710)	35,813	9,242
Government Capital	34,238	- -	(6,698)	27,540	7,106
Government Capital	63,638	- -	(12,450)	51,188	13,210
Government Capital	16,803	- -	(3,287)	13,516	3,488
Government Capital	43,551	- -	(5,745)	37,806	6,097
Government Capital	119,744	- -	(19,829)	99,915	20,804
Certificate of Obligation, Series 2019	9,840,000	- -	(330,000)	9,510,000	370,000
Certificate of Obligation, Series 2019A	7,945,000	- -	(155,000)	7,790,000	285,000
Certificate of Obligation, Series 2019B	1,825,000	- -	(70,000)	1,755,000	70,000
Certificate of Obligation, Series 2021	1,835,000	- -	(70,000)	1,765,000	70,000
Total Bonds and Notes Payable	22,565,897	- -	(936,892)	21,629,005	1,058,250
Compensated Absences	147,488	6,446	- -	153,934	- -
Total Governmental Activities	<u>\$ 22,713,385</u>	<u>\$ 6,446</u>	<u>\$ (936,892)</u>	<u>\$ 21,782,939</u>	<u>\$ 1,058,250</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

Business-Type Activities	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
	<u>10/1/2023</u>			<u>9/30/2024</u>	
Electric:					
Government Capital	\$ 69,331	\$ -	\$ (18,118)	\$ 51,213	\$ 18,700
Government Capital	<u>377,996</u>	<u>-</u>	<u>(73,949)</u>	<u>304,047</u>	<u>78,463</u>
	<u>447,327</u>	<u>-</u>	<u>(92,067)</u>	<u>355,260</u>	<u>97,163</u>
Water & Sewer:					
Certificates of Obligation, Series 2000	\$ 1,680,000	\$ -	\$ (210,000)	\$ 1,470,000	\$ 210,000
Certificates of Obligation, Series 2013	35,000	-	(35,000)	-	-
Certificates of Obligation - WWTP, Series 2012	130,000	-	(130,000)	-	-
Government Capital	64,748	-	(10,321)	54,427	10,699
Government Capital	169,596	-	(33,178)	136,418	35,204
Government Capital	<u>70,981</u>	<u>-</u>	<u>(13,887)</u>	<u>57,094</u>	<u>14,734</u>
	<u>2,150,325</u>	<u>-</u>	<u>(432,386)</u>	<u>1,717,939</u>	<u>270,637</u>
Gas:					
Government Capital	78,324	-	(16,200)	62,124	16,685
	<u>78,324</u>	<u>-</u>	<u>(16,200)</u>	<u>62,124</u>	<u>16,685</u>
Street Sanitation:					
Government Capital	3,798	-	(3,798)	-	-
	<u>3,798</u>	<u>-</u>	<u>(3,798)</u>	<u>-</u>	<u>-</u>
Solid Waste:					
Government Capital	69,398	-	(37,362)	32,036	32,036
Government Capital	159,137	-	(40,350)	118,787	41,835
	<u>228,535</u>	<u>-</u>	<u>(77,712)</u>	<u>150,823</u>	<u>73,871</u>
Total Bonds, Notes, and Capital Leases Payable	2,908,309	-	(622,163)	2,286,146	458,356
Compensated Absences	55,950	8,822	-	64,772	-
Total Business-Type Activities	<u>\$ 2,964,259</u>	<u>\$ 8,822</u>	<u>\$ (622,163)</u>	<u>\$ 2,350,918</u>	<u>\$ 458,356</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules

Government Capital

On April 2, 2019, the City entered a finance agreement with Government Capital. This loan was for the purchase of an ambulance. This loan is due and payable in 60 monthly payments of \$4,185 beginning July 15, 2019. Payments include interest of 4.24%. This loan was paid in full during the fiscal year.

Government Capital

On December 20, 2016, the City entered a finance agreement with Government Capital. This loan was for the purchase of a pumper fire engine and related equipment. This loan is due and payable in 120 monthly payments of \$2,497 beginning March 15, 2017. Payments include interest of 3.678%. This loan will be paid in full on February 15, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 27,888	\$ 2,078	\$ 29,966
2026	28,931	1,035	29,966
2027	12,371	113	12,484
	<u>\$ 69,190</u>	<u>\$ 3,226</u>	<u>\$ 72,416</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On July 7, 2020, the City entered a finance agreement with Government Capital. This loan was for the purchase of two police vehicles. This loan is due and payable in 60 monthly payments of \$2,030 beginning August 15, 2020. Payments include interest of 3.29%. This loan was paid in full during the fiscal year.

Government Capital

On December 30, 2019, the City entered a finance agreement with Government Capital. This loan was for the purchase of a cab and chassis. This loan is due and payable in 60 monthly payments of \$898 beginning September 15, 2020. Payments include interest of 3.644%. This loan will be paid in full on August 15, 2025.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 9,700	\$ 178	\$ 9,878
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CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On February 16, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of vehicles and related equipment. This loan is due and payable in 60 monthly payments of \$449 beginning April 15, 2021. Payments include interest of 2.90%. This loan will be paid in full on March 15, 2026.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 5,223	\$ 160	\$ 5,383
2026	2,668	23	2,691
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	\$ 7,891	\$ 183	\$ 8,074

Government Capital

On June 15, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of a 2002 International 4700 Jet A Fuel Truck. This loan is due and payable in 120 monthly payments of \$776 beginning September 15, 2021. Payments include interest of 3.29%. This loan will be paid in full on August 15, 2031.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 7,533	\$ 1,780	\$ 9,313
2026	7,785	1,529	9,314
2027	8,045	1,269	9,314
2028	9,019	1,000	10,019
2029-2031	25,164	1,296	26,460
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	\$ 57,546	\$ 6,874	\$ 64,420

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On December 15, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of two zero turn mowers. This loan is due and payable in 84 monthly payments of \$405 beginning January 15, 2022. Payments include interest of 3.64%. This loan will be paid in full on December 15, 2028.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 4,232	\$ 625	\$ 4,857
2026	4,388	468	4,856
2027	4,551	306	4,857
2028	4,719	138	4,857
2029	1,207	7	1,214
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 19,097	\$ 1,544	\$ 20,641

Government Capital

On April 25, 2022, the City entered a finance agreement with Government Capital. This loan was for the purchase of a Ford F250 pickup truck. This loan is due and payable in 60 monthly payments of \$547 beginning July 15, 2022. Payments include interest of 3.42%. This loan will be paid in full on June 15, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 6,073	\$ 494	\$ 6,567
2026	6,284	283	6,567
2027	4,857	69	4,926
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	\$ 17,214	\$ 846	\$ 18,060

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On December 15, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of six self-contained breathing apparatuses. This loan is due and payable in 84 monthly payments of \$593 beginning January 15, 2022. Payments include interest of 3.639%. This loan will be paid in full on December 15, 2028.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 6,199	\$ 915	\$ 7,114
2026	6,428	686	7,114
2027	6,666	448	7,114
2028	6,912	201	7,113
2029	1,767	11	1,778
	<u><u>\$ 27,972</u></u>	<u><u>\$ 2,261</u></u>	<u><u>\$ 30,233</u></u>

Government Capital

On December 28, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of police vehicles and related equipment. This loan is due and payable in 48 monthly payments of \$3,009 beginning February 15, 2022. Payments include interest of 2.95%. This loan will be paid in full on January 15, 2026.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 35,190	\$ 918	\$ 36,108
2026	11,963	73	12,036
	<u><u>\$ 47,153</u></u>	<u><u>\$ 991</u></u>	<u><u>\$ 48,144</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On April 25, 2022, the City entered a finance agreement with Government Capital. This loan was for the purchase of a pneumatic tire roller. This loan is due and payable in 84 monthly payments of \$834 beginning July 15, 2022. Payments include interest of 3.60%. This loan will be paid in full on June 15, 2029.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 8,836	\$ 1,166	\$ 10,002
2026	9,105	897	10,002
2027	9,382	620	10,002
2028	9,667	335	10,002
2029	6,620	61	6,681
	<u><u>\$ 43,610</u></u>	<u><u>\$ 3,079</u></u>	<u><u>\$ 46,689</u></u>

Government Capital

On December 28, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of an ambulance. This loan is due and payable in 60 monthly payments of \$3,948 beginning February 15, 2022. Payments include interest of 3%. This loan will be paid in full on January 15, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 44,785	\$ 2,586	\$ 47,371
2026	46,147	1,224	47,371
2027	15,693	98	15,791
	<u><u>\$ 106,625</u></u>	<u><u>\$ 3,908</u></u>	<u><u>\$ 110,533</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

AXON

On October 1, 2022, the City obtained a note payable with AXON Enterprise, Inc. This note was for the purchase of in-car police cameras. This note is due and payable in 60 months, with four annual payments of \$16,769 beginning October 1, 2022, which includes 0% interest. The note will be paid in full on October 1, 2026.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 16,769	\$ -	\$ 16,769
2026	16,769	-	16,769
2027	16,769	-	16,769
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 50,307	\$ -	\$ 50,307

AXON

On October 1, 2022, the City obtained a note payable with AXON Enterprise, Inc. This note was for the purchase of in-car police cameras. This note is due and payable in 60 months, with four annual payments of \$16,769 beginning March 1, 2023, which includes 0% interest. The note will be paid in full on March 1, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 16,356	\$ -	\$ 16,356
2026	16,356	-	16,356
2027	16,356	-	16,356
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 49,068	\$ -	\$ 49,068

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On December 28, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of two police cars. This loan is due and payable in 48 monthly payments of \$1,354 beginning April 15, 2023. Payments include interest of 5.52%. This loan will be paid in full on March 15, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 14,519	\$ 1,726	\$ 16,245
2026	15,431	904	16,335
2027	7,904	129	8,033
	\$ 37,854	\$ 2,759	\$ 40,613

Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2019

On March 21, 2019, the City issued the Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2019 in the amount of \$10,830,000. The City filed an application for financial assistance in the amount of \$13,375,000 with the Texas Water Development Board (TWBD) from the Economically Distressed Area Program (EDAP) Grant to fund the construction activities associated with the water system improvement project. TWDB approved a Loan Forgiveness Grant in the amount of \$4,700,000; the remaining \$10,830,000 was issued as debt. Principal amounts on these certificates are due and payable annually beginning September 1, 2021. The certificate bears a zero percent interest rate. These certificates will be paid in full on September 1, 2050.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 370,000	\$ -	\$ 370,000
2026	370,000	-	370,000
2027	370,000	-	370,000
2028	365,000	-	365,000
2028-2050	8,035,000	-	8,035,000
	\$ 9,510,000	\$ -	\$ 9,510,000

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

*Combination Tax & Surplus Waterworks & Sewer System Revenue
Certificates of Obligation, Series 2019A*

On August 8, 2019, the City issued the Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2019A in the amount of \$8,400,000. The City filed an application for financial assistance in the amount of \$14,685,000 with the Texas Water Development Board (TWBD) from the Clean Water State Revolving Fund to finance the construction activities associated with the waterworks and sewer system improvement project. TWDB approved a Loan Forgiveness Grant in the amount of \$4,250,000; Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2019B in the amount of \$2,035,000 (see note disclosure on next page); the remaining \$8,400,000 was issued as debt. Principal amounts on these certificates are due and payable annually beginning September 1, 2021. Interest is due and payable semi-annually beginning March 1, 2020 at rates ranging from .02% to 0.84%. These certificates will be paid in full on September 1, 2050.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 285,000	\$ 40,755	\$ 325,755
2026	285,000	40,755	325,755
2027	285,000	40,755	325,755
2028	285,000	40,755	325,755
2029-2050	6,650,000	567,706	7,217,706
	<u><u>\$ 7,790,000</u></u>	<u><u>\$ 730,726</u></u>	<u><u>\$ 8,520,726</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

*Combination Tax & Surplus Waterworks & Sewer System Revenue
Certificates of Obligation, Series 2019B*

On August 8, 2019, the City issued the Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2019B in the amount of \$2,035,000. The City filed an application for financial assistance in the amount of \$14,685,000 with the Texas Water Development Board (TWBD) from the Clean Water State Revolving Fund to finance the construction activities associated with the waterworks and sewer system improvement project. TWDB approved a Loan Forgiveness Grant in the amount of \$4,250,000; Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2019A in the amount of \$8,400,000 (see note disclosure on previous page); the remaining \$2,035,000 was issued as debt. Principal amounts on these certificates are due and payable annually beginning September 1, 2021. The certificate bears a zero percent interest rate. These certificates will be paid in full on September 1, 2050.

Year Ended September 30,	Principal	Interest	Total
2024	\$ 70,000	\$ -	\$ 70,000
2025	70,000	-	70,000
2026	70,000	-	70,000
2027	70,000	-	70,000
2027-2050	1,475,000	-	1,475,000
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 1,755,000	\$ -	\$ 1,755,000
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>

*Combination Tax & Surplus Waterworks & Sewer System Revenue
Certificates of Obligation, Series 2021*

On June 8, 2021, the City issued the Combination Tax & Surplus Waterworks & Sewer System Revenue Certificates of Obligation, Series 2021 in the amount of \$1,095,000. Principal amounts on these certificates are due and payable annually beginning March 1, 2022. The certificate bears a 0.098% percent interest rate. These certificates will be paid in full on September 30, 2050.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 70,000	\$ 105	\$ 70,105
2026	70,000	105	70,105
2027	70,000	105	70,105
2028	70,000	105	70,105
2029-2050	1,485,000	2,160	1,487,160
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 1,765,000	\$ 2,580	\$ 1,767,580
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Combination Tax and Waterworks Surplus Revenue Certificates of Obligation, Series 2000

On May 1, 2000, the City issued the Combination Tax and Waterworks Surplus Revenue Certificates of Obligation, Series 2000. These bonds were issued by the Texas Water Development Board (TWBD) through the Drinking Water State Revolving Fund to finance water system improvements. Principal amounts on these certificates are due and payable annually on May 1. The certificates are interest free and will be paid in full on May 1, 2031.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 210,000	\$ -	\$ 210,000
2026	210,000	-	210,000
2027	210,000	-	210,000
2028	210,000	-	210,000
2029-2031	630,000	-	630,000
	<u>\$ 1,470,000</u>	<u>\$ -</u>	<u>\$ 1,470,000</u>

*Combination Tax & Surplus Waterworks System Revenue
Certificates of Obligation, Series 2013*

On September 30, 2015, the City issued the Combination Tax & Surplus Waterworks System Revenue Certificates of Obligation, Series 2013 in the amount of \$350,000. These bonds were issued by the Texas Water Development Board (TWBD) through the Drinking Water State Revolving Fund to finance the planning for certain water system improvements. Principal amounts on these certificates are due and payable annually on September 1. Interest is due and payable semi-annually on March 1 and September 1 at rates ranging from .020% to 2.860%. These certificates were paid in full during the fiscal year.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

*Combination Tax & Surplus Wastewater & Sewer System Revenue
Certificates of Obligation, Series 2012*

On October 15, 2012, the City issued the Combination Tax & Surplus Wastewater & Sewer System Revenue Certificates of Obligation, Series 2012 in the amount of \$1,200,000. The City filed an application for financial assistance in the amount of \$2,651,990 with the Texas Water Development Board (TWBD) from the Clean Water State Revolving Fund to finance the planning, acquisition, and design activities associated with the wastewater system improvement project. TWDB approved a Loan Forgiveness Grant in the amount of \$1,441,990; the remaining \$1,210,000 was issued as debt. Principal amounts on these certificates are due and payable annually beginning September 1, 2015. Interest is due and payable semi-annually beginning March 1, 2013 at rates ranging from .42% to 2.3%. These certificates was paid in full during the fiscal year.

Government Capital

On March 10, 2020, the City entered a finance agreement with Government Capital. This loan was for the purchase of a bucket truck. This loan is due and payable in 84 monthly payments of \$1,671 beginning May 1, 2015. Payments include interest of 3.17%. This loan will be paid in full on May 15, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 18,700	\$ 1,353	\$ 20,053
2026	19,302	752	20,054
2027	13,211	158	13,369
	<u>\$ 51,213</u>	<u>\$ 2,263</u>	<u>\$ 53,476</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On April 25, 2022, the City entered a finance agreement with Government Capital. This loan was for the purchase of a dump truck. This loan is due and payable in 84 monthly payments of \$1,040 beginning July 15, 2022. Payments include interest of 3.60%. This loan will be paid in full on June 15, 2029.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 10,699	\$ 1,784	\$ 12,483
2026	11,091	1,392	12,483
2027	11,497	986	12,483
2028	11,917	566	12,483
2029	9,223	139	9,362
	<u><u>\$ 54,427</u></u>	<u><u>\$ 4,867</u></u>	<u><u>\$ 59,294</u></u>

Government Capital

On March 2, 2021, the City entered a finance agreement with Government Capital. This loan was for the purchase of a dump truck and related equipment. This loan is due and payable in 84 monthly payments of \$7,620 beginning May 15, 2020. Payments include interest of 2.94%. This loan will be paid in full on April 15, 2028.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 16,685	\$ 1,603	\$ 18,288
2026	17,181	1,106	18,287
2027	17,694	594	18,288
2028	10,564	103	10,667
	<u><u>\$ 62,124</u></u>	<u><u>\$ 3,406</u></u>	<u><u>\$ 65,530</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On October 15, 2013, the City entered a finance agreement with Government Capital. This loan was for the purchase of a street sweeper. This loan is due and payable in 120 monthly payments of \$1,908 beginning December 15, 2013. Payments include interest of 3.76%. This loan was paid in full during the fiscal year.

Government Capital

On May 22, 2020, the City entered a finance agreement with Government Capital. This loan was for the purchase of a commercial trash truck. This loan is due and payable in 60 monthly payments of \$3,250 beginning August 15, 2020. Payments include interest of 3.12%. This loan will be paid in full on July 15, 2025.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 32,036	\$ 460	\$ 32,496
	<u>32,036</u>	<u>460</u>	<u>32,496</u>

Government Capital

On April 25, 2022, the City entered a finance agreement with Government Capital. This loan was for the purchase of a trash truck. This loan is due and payable in 60 monthly payments of \$3,787 beginning July 15, 2022. Payments include interest of 3.62%. This loan will be paid in full on April 15, 2028.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 41,835	\$ 3,611	\$ 45,446
2026	43,375	2,071	45,446
2027	33,577	508	34,085
	<u>118,787</u>	<u>6,190</u>	<u>124,977</u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On April 14, 2023, the City entered a finance agreement with Government Capital. This loan was for the purchase of various equipment. This loan is due and payable in 60 monthly payments of \$16,188 beginning May 15, 2023. Payments include interest of 5.94%. This loan will be paid in full on June 15, 2027.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 161,447	\$ 32,813	\$ 194,260
2026	171,302	22,958	194,260
2027	181,760	12,501	194,261
2028	111,107	2,211	113,318
	<u><u>\$ 625,616</u></u>	<u><u>\$ 70,483</u></u>	<u><u>\$ 696,099</u></u>

Government Capital

On January 30, 2023, the City entered a finance agreement with Government Capital. This loan was for the purchase of five SCBAs at the fire department. This loan is due and payable in 84 monthly payments of \$682 beginning March 15, 2023. Payments include interest of 5.95%. This loan will be paid in full on February 15, 2030.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 6,097	\$ 2,085	\$ 8,182
2026	6,470	1,712	8,182
2027	6,865	1,317	8,182
2028	7,285	897	8,182
2029-2030	11,089	501	11,590
	<u><u>\$ 37,806</u></u>	<u><u>\$ 6,512</u></u>	<u><u>\$ 44,318</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt and Maturity Schedules (Continued)

Government Capital

On January 30, 2023, the City entered a finance agreement with Government Capital. This loan was for the purchase of a motor grader. This loan is due and payable in 72 monthly payments of \$2,096 beginning March 15, 2023. Payments include interest of 4.81%. This loan will be paid in full on February 15, 2029.

Year Ended September 30,	Principal	Interest	Total
2025	\$ 20,804	\$ 4,351	\$ 25,155
2026	21,827	3,328	25,155
2027	22,900	2,255	25,155
2028	24,027	1,129	25,156
2029	10,357	579	10,936
	<u><u>\$ 99,915</u></u>	<u><u>\$ 11,642</u></u>	<u><u>\$ 111,557</u></u>

City of Brady Civic Center Improvements

On March 19, 2019, the City approved a performance agreement with the EDC to pay the City of Brady for remodeling and expansion of the Civic Center. The amount due to the City was \$679,166 as of September 30, 2024. The liability bears no interest. The City records a note receivable for the same amount.

The agreement states that one quarter of sales tax revenues will be applied to the outstanding balance until paid in full to the City. Payment terms also state that there will be a period of no payments equal to \$219,537 as a result of the EDC donating an airport hangar to the City to be applied as credit towards the note payable.

Economic Development Corporation	Balance	Additions	Reductions	Balance	Amount Due Within One Year
	10/1/2023			9/30/2024	
City of Brady Civic Center Improvements	\$ 679,166	\$ -	\$ (107,295)	\$ 571,871	\$ 74,559
Total Bonds, Notes, and Capital Leases Payable	<u><u>\$ 679,166</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (107,295)</u></u>	<u><u>\$ 571,871</u></u>	<u><u>\$ 74,559</u></u>

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt Agreement Default Terms

Notes Payable

The following are considered to be events of default under the loan agreements:

- (a) failure by the City to pay or cause to be paid any amounts required to be paid when due, which failure shall continue for a period of ten days;
- (b) failure by the City to make or cause to be made any required payments of principal or redemption premium (if any) and interest on any notes or other obligations for borrowed money, after giving effect to the applicable grace period, the payments of which are secured by pledged property;
- (c) failure by the City to pay or cause to be paid the Administrative Fee or any portion thereof when due or to observe and perform any duty covenant obligation or agreement on its part to be observed or performed under the loan agreement and other than a failure to comply with the provisions of the loan agreement, which failure shall continue for a period of thirty days after written notice specifying such failure and requesting that it be remedied is given to the City by the Trustee;
- (d) a petition is filed by or against the City under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of the loan agreement or thereafter enacted unless in the case of any such petition filed against the City such petition shall be dismissed within thirty days after such filing and such dismissal shall be final and not subject to appeal or the City shall become insolvent or bankrupt or make an assignment for the benefit of its creditors or a custodian including without limitation a receiver liquidator or trustee of the Town or any of its property shall be appointed by court order to take possession of the City or its property or assets if such order remains in effect or such possession continues for more than thirty days.

In the event of default, the lender may initiate legal proceedings to enforce their rights under the loan agreement.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

12. Long-Term Liabilities (Continued)

Description of Debt Agreement Default Terms (Continued)

Certificates of Obligation

The following are considered to be events of default under the 2019, 2019A, 2019B and 2020 Certificates of Obligation:

- a) failure by the City to pay amounts due during the term of the agreement when due;
- b) failure to make, or cause to be made, any required payments of principal redemption premium, if any, and interest;
- c) failure by the City to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed, other than as excluded by the agreement, for a period of 30 days after written notice; or
- d) a petition is filed by or against the City under any federal or State bankruptcy or insolvency law or other similar law in effect or the City becomes insolvent or bankrupt or make an assignment for the benefit of its creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee of the City or any of its property) is appointed by court order to take possession of the City or its property or assets if such order remains in effect or such possession continues for more than 30 days.

In the event of default, the trustee has the right to terminate the agreement. They may also recover any unpaid amounts and take any additional action allowed by law.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

13. Landfill Closure and Post-Closure Costs

State and federal laws and regulations require that the City of Brady place final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill use during the year.

The estimated liability for landfill closure and post-closure care costs was \$887,414 as of September 30, 2024, which was based on 39.03% usage (filled) of the landfill. It is estimated that an additional \$2,064,097 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care (\$2,064,097) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were incurred as of September 30, 2024. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The remaining capacity of the facility based on fiscal year 2023 is approximately 24 years. The current estimated liability of \$887,414 is reported in the Solid Waste Fund as a long-term liability. The City of Brady is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The City is in compliance with these requirements.

14. TWDB Compliance

The City is compliant with applicable requirements of Section 16.356 of the Texas Water Development Code relating to transfers of funds associated with EDAP funded projects. All revenues derived from EDPA funded projects are used solely for utility purposes.

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

15. Net Position

Deferred Outflows/Inflows of Resources

In addition, to assets and liabilities, the Statement of Financial Position will sometimes report a separate section for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item reported as deferred outflows of resources, in both the governmental and proprietary funds on the Statement of Net Position, which arises under the full accrual basis of accounting. These items are related to differences between projected and actual investment earnings on pensions and contributions made to the pension plan to the measurement date of the actuarial valuation. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The city has one type of item reported as deferred inflows of resources, in both the governmental and proprietary funds on the Statement of Net Position, which arises under the full accrual basis of accounting. These items are related to differences between expected and actual economic experience based on the actuarial valuation for other post-employment benefits. At the governmental fund level only one type of item arises only under a modified accrual basis of accounting that qualifies for reporting as deferred inflows of resources. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from uncollected property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

16. Restricted Net Position

The City reported the following restricted net position at September 30, 2024:

Restricted For:	Governmental Activities	Business-Type Activities	Total
Restricted For:			
Debt Service	\$ -	\$ 189,947	\$ 189,947
State, Local, and Federally Funded Programs	4,474,946	220,000	4,694,946
Cemetery	103,664	-	103,664
Street Sanitation	-	32,792	32,792
Police Activities, Court Technology & Security	30,310	-	30,310
Hotel/Motel	142,539	-	142,539
General Construction	2,263,332	-	2,263,332
Total Restricted	\$ 7,014,791	\$ 442,739	\$ 7,457,530

CITY OF BRADY, TEXAS
Notes to Financial Statements (continued)
September 30, 2024

17. Fund Balances

The City reported the following fund balance designations at September 30, 2024:

	General Fund	General Construction Fund	Water Construction Fund	WWTP Construction Fund	Special Revenue Fund	Cemetery Fund	Hotel/Motel Fund	Special Purpose Fund	Total Governmental Funds
Nonspendable:									
Inventory and Prepaids	\$ 57,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,081
Total Nonspendable		57,081	-	-	-	-	-	-	57,081
Restricted For:									
Fire Station	-	2,263,332	-	-	-	-	-	-	2,263,332
State and Federally Funded Programs	-	-	2,270,766	1,842,311	361,869	-	-	-	4,474,946
Police Activities	-	-	-	-	-	-	-	30,310	30,310
Cemetery	-	-	-	-	-	103,664	-	-	103,664
Hotel/Motel	-	-	-	-	-	-	142,539	-	142,539
Total Restricted	-	2,263,332	2,270,766	1,842,311	361,869	103,664	142,539	30,310	7,014,791
Unassigned	6,646,027	-	-	-	-	-	-	-	6,646,027
Total Fund Balances	\$ 6,703,108	\$ 2,263,332	\$ 2,270,766	\$ 1,842,311	\$ 361,869	\$ 103,664	\$ 142,539	\$ 30,310	\$ 13,717,899

18. Subsequent Events

The City has evaluated subsequent events through March 17, 2025, the date which the financial statements were available to be issued. No such events have occurred subsequent to the balance sheet date and through the date of the City's evaluation that would require adjustment to, or disclosure in, the financial statements.

Required Supplementary Information

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
General Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Tax	\$ 929,500	\$ 929,500	\$ 952,112	\$ 22,612
Sales Tax	1,030,000	1,030,000	1,148,564	118,564
Franchise Taxes	15,000	15,000	21,423	6,423
Mixed Beverage Tax	7,000	7,000	7,599	599
Interest Income	150,500	275,500	300,855	25,355
Miscellaneous Revenue	-	-	674	674
Reimbursed Expenses	44,000	47,500	61,939	14,439
Administrative Services	1,553,880	1,553,880	1,517,585	(36,295)
Airport Revenue	282,640	302,640	303,934	1,294
Public Property Maintenance	49,000	49,000	50,680	1,680
Golf Course	117,800	117,800	132,119	14,319
Swimming Pool	12,500	12,500	15,121	2,621
Fire Department	2,000	2,000	5,000	3,000
Police Department	500	500	14,051	13,551
Street Department	3,000	3,000	23,910	20,910
Civic Center	85,000	85,000	132,960	47,960
Municipal Court	161,500	206,500	197,200	(9,300)
Animal Control	1,500	1,500	5,086	3,586
City/County EMS	534,938	564,938	690,530	125,592
Lake Department	213,200	213,200	270,668	57,468
Financial Administration	5,000	5,000	6,000	1,000
Building & Permitting	35,500	65,500	63,788	(1,712)
Donations	-	-	2,279	2,279
Grant Revenue	50,000	61,112	64,952	3,840
Total Revenues	\$ 5,283,958	\$ 5,548,570	\$ 5,989,029	\$ 440,459

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Continued)
General Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)		
EXPENDITURES					
Administration	\$ 716,427	\$ 713,556	\$ 728,936	\$	(15,380)
Airport	524,849	551,547	397,243		154,304
Public Property Maintenance	583,445	555,997	528,528		27,469
Mayor and Council	95,816	97,016	101,323		(4,307)
Golf Course	507,558	498,731	433,569		65,162
Swimming Pool	103,777	114,577	90,032		24,545
Fire Department	400,572	404,958	354,291		50,667
Police Department	1,363,001	1,313,456	1,142,802		170,654
Emergency Management	16,400	14,400	24,523		(10,123)
Street Department	639,028	631,994	531,872		100,122
Civic Center	23,400	25,900	27,917		(2,017)
Municipal Court	145,879	185,879	141,520		44,359
Special Services	4,900	4,900	1,767		3,133
Repair Shop	77,045	74,838	70,924		3,914
Animal Control	123,209	121,002	98,807		22,195
City/County EMS	1,824,356	1,821,156	1,750,049		71,107
Lake Department	278,632	284,218	264,406		19,812
G.R. White Complex	6,500	6,500	3,850		2,650
Purchasing	73,229	73,222	69,261		3,961
Financial Administration	347,662	345,462	338,463		6,999
Building & Permitting	194,232	232,432	169,333		63,099
Capital Outlay	205,600	842,720	553,790		288,930
Debt Service					
Principal	337,480	343,330	342,921		409
Interest	36,310	36,310	35,932		378
Total Expenditures	<u>8,629,307</u>	<u>9,294,101</u>	<u>8,202,059</u>		<u>1,092,042</u>
Excess (Deficiency) of Revenues					
Over Expenditures	(3,345,349)	(3,745,531)	(2,213,030)		1,532,501
OTHER FINANCING SOURCES (USES)					
Transfers In	2,494,000	2,494,000	2,493,998		(2)
Donated Assets	-	-	4,030		4,030
Lease Proceeds	-	24,300	24,300		-
Sale of Capital Assets	-	81,500	2,654,186		2,572,686
Transfers Out	-	(1,000,000)	(1,000,000)		-
Total Other Financing Sources (Uses)	<u>2,494,000</u>	<u>1,599,800</u>	<u>4,176,514</u>		<u>2,576,714</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(851,349)	(2,145,731)	1,963,484		4,109,215
Fund Balance - Beginning, GAAP Basis	<u>4,739,624</u>	<u>4,739,624</u>	<u>4,739,624</u>		<u>-</u>
Fund Balance - Ending, GAAP and Budgetary Basis	\$ <u>3,888,275</u>	\$ <u>2,593,893</u>	\$ <u>6,703,108</u>	\$	<u>4,109,215</u>

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Special Revenue Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Variance with Final Budget Positive (Negative)
	Original	Final	Original	Final	
REVENUES					
Sales Taxes for EDC	\$ 250,000	\$ 250,000	\$ 280,122	\$	30,122
Senior Citizen Program Revenues	12,000	12,000	22,751		10,751
Reimbursed Expenses	-	-	47		47
Community Development Grants	720,000	720,000	749,215		29,215
Grant Revenues	84,500	89,500	124,328		34,828
Total Revenues	1,066,500	1,071,500	1,176,463		104,963
EXPENDITURES					
Pass-Through to EDC	250,000	250,000	280,122		(30,122)
Senior Citizens Program	245,155	250,155	240,253		9,902
Capital Outlay	720,000	756,527	771,826		(15,299)
Total Expenditures	1,215,155	1,256,682	1,292,201		(35,519)
Excess (Deficiency) of Revenues Over Expenditures	(148,655)	(185,182)	(115,738)		69,444
OTHER FINANCING SOURCES (USES)					
Operating Transfers	150,000	150,000	150,000		-
Operating Transfers Out	(14,000)	(14,000)	(14,000)		-
Total Other Financing Sources and Uses	136,000	136,000	136,000		-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(12,655)	(49,182)	20,262		69,444
Fund Balance - Beginning, GAAP Basis	341,607	341,607	341,607		-
Fund Balance - Ending, GAAP and Budgetary Basis	\$ 328,952	\$ 292,425	\$ 361,869	\$ 69,444	

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Cemetery Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Tax	\$ 48,800	\$ 48,800	\$ 58,921	\$ 10,121
Total Revenues	<u>48,800</u>	<u>48,800</u>	<u>58,921</u>	<u>10,121</u>
EXPENDITURES				
Cemetery Maintenance	68,529	68,529	55,455	13,074
Total Expenditures	<u>68,529</u>	<u>68,529</u>	<u>55,455</u>	<u>13,074</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,729)	(19,729)	3,466	23,195
Fund Balance - Beginning, GAAP Basis	<u>100,198</u>	<u>100,198</u>	<u>100,198</u>	<u>-</u>
Fund Balance - Ending, GAAP and Budgetary Basis	\$ <u>80,469</u>	\$ <u>80,469</u>	\$ <u>103,664</u>	\$ <u>23,195</u>

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Hotel/Motel Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Hotel Occupancy Taxes	\$ 215,000	\$ 215,000	\$ 251,106	\$ 36,106
Total Revenues	<u>215,000</u>	<u>215,000</u>	<u>251,106</u>	<u>36,106</u>
EXPENDITURES				
Hotel/Motel	229,250	229,250	250,482	(21,232)
Total Expenditures	<u>229,250</u>	<u>229,250</u>	<u>250,482</u>	<u>(21,232)</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,250)	(14,250)	624	14,874
Fund Balance - Beginning, GAAP Basis	<u>141,915</u>	<u>141,915</u>	<u>141,915</u>	-
Fund Balance - Ending, GAAP and Budgetary Basis	\$ <u>127,665</u>	\$ <u>127,665</u>	\$ <u>142,539</u>	\$ <u>14,874</u>

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Special Purpose Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Police Department/Municipal Court	\$ 5,000	\$ 5,000	\$ 8,617	\$ 3,617
Interest Income	-	-	1,273	1,273
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>9,890</u>	<u>4,890</u>
EXPENDITURES				
Police Department/Municipal Court	17,500	17,500	5,368	12,132
Total Expenditures	<u>17,500</u>	<u>17,500</u>	<u>5,368</u>	<u>12,132</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,500)	(12,500)	4,522	17,022
Fund Balance - Beginning, GAAP Basis	25,788	25,788	25,788	-
Fund Balance - Ending, GAAP and Budgetary Basis	\$ <u>13,288</u>	\$ <u>13,288</u>	\$ <u>30,310</u>	\$ <u>17,022</u>

CITY OF BRADY, TEXAS
Notes to the Budgetary Comparison Schedules
September 30, 2024

Budget Requirements, Accounting, and Reporting

The budget requirements for all funds are as follows:

Annual budgets are adopted for all City funds. Under state law, the City Manager submits an annual budget to the City Council for consideration and approval no later than September 30. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

By Charter the City Manager submits budget amendment ordinances to the City Council. These ordinances are updated for any estimate revisions as well as year-end encumbrances and may include any additional information requested by the City Council. The City Council may subsequently amend such ordinances. Amendments to the appropriation ordinance during the fiscal year are approved by the City Council as provided by the Charter.

For day-to-day management control, expenditures may not exceed the budget at the expenditure-type level (i.e., personnel, operations and maintenance, etc.) of each cost center (activity within a program within a fund). The City Manager and Finance Director may transfer unencumbered appropriations within programs within funds.

Appropriation control (the budgeted appropriations approved by the City Council) is by program within a fund. The City Council may, by ordinance, transfer amounts among programs within and between funds. The budgetary basis is the modified accrual basis of accounting.

Budgetary comparison schedules for the General Fund, Special Revenue Fund, Cemetery Fund, Hotel/Motel Fund and the Special Purpose Fund are presented as Required Supplemental Information.

Expenditures Exceeding Budget

The City's General, Cemetery, and Special Purpose Funds had no expenditures in excess of budgeted amounts for the fiscal year ending September 30, 2024.

The City's Special Revenue and Hotel/Motel Funds had expenditures in excess of appropriations for fiscal year ending September 30, 2024.

CITY OF BRADY, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios –
Last 10 Years*
September 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 737,784	\$ 686,703	\$ 680,465	\$ 650,712	\$ 626,429	\$ 601,139	\$ 540,688	\$ 521,298	\$ 464,500	\$ 407,549
Interest (on the Total Pension Liability)	1,005,106	926,284	841,059	783,098	725,298	679,809	641,623	588,735	577,768	540,559
Difference between expected and actual experience	25,903	42,698	182,517	(175,844)	(137,771)	(232,070)	(285,297)	15,972	(375,588)	(123,488)
Change of assumptions	(181,350)	-	(181,350)	-	42,890	-	-	-	123,568	-
Benefit payments, including refunds of employee contributions	(550,094)	(476,880)	(412,257)	(416,066)	(409,339)	(365,873)	(357,154)	(347,221)	(353,720)	(289,341)
Net Change in Total Pension Liability	1,037,349	1,178,805	1,110,434	841,900	847,507	683,005	539,860	778,784	436,528	535,279
Total Pension Liability - Beginning	14,796,613	13,617,808	12,326,024	11,484,124	10,636,617	9,953,612	9,413,752	8,634,968	8,198,440	7,663,161
Total Pension Liability - Ending (a)	\$ 15,833,962	\$ 14,796,613	\$ 13,436,458	\$ 12,326,024	\$ 11,484,124	\$ 10,636,617	\$ 9,953,612	\$ 9,413,752	\$ 8,634,968	\$ 8,198,440
Plan Fiduciary Net Position										
Contributions - Employer	\$ 484,220	\$ 445,586	\$ 457,607	\$ 444,510	\$ 445,884	\$ 438,477	\$ 403,616	\$ 365,382	\$ 370,043	\$ 351,829
Contributions - Employee	311,396	289,341	285,111	271,318	260,831	249,608	227,818	218,574	212,262	194,223
Net Investment Income	1,529,242	(1,021,138)	1,577,382	832,552	1,429,501	(275,782)	1,087,822	482,335	10,197	360,294
Benefit payments, including refunds of employee contributions	(550,094)	(476,880)	(412,257)	(416,066)	(409,339)	(365,873)	(357,154)	(347,221)	(353,720)	(289,341)
Administrative Expense	(9,747)	(8,842)	(7,297)	(5,389)	(8,083)	(5,333)	(5,642)	(5,451)	(6,211)	(3,761)
Other	(70)	10,552	50	(210)	(242)	(279)	(286)	(294)	(308)	(309)
Net Change in Plan Fiduciary Net Position	1,764,947	(761,381)	1,900,596	1,126,715	1,718,552	40,818	1,356,174	713,325	232,263	612,935
Plan Fiduciary Net Position - Beginning	13,237,144	13,998,525	12,097,929	10,971,214	9,252,662	9,211,844	7,855,670	7,142,345	6,910,082	6,297,147
Plan Fiduciary Net Position - Ending (b)	\$ 15,002,091	\$ 13,237,144	\$ 13,998,525	\$ 12,097,929	\$ 10,971,214	\$ 9,252,662	\$ 9,211,844	\$ 7,855,670	\$ 7,142,345	\$ 6,910,082
Net Pension Liability - Ending (a) - (b)	\$ 831,871	\$ 1,559,469	\$ (562,067)	\$ 228,095	\$ 512,910	\$ 1,383,955	\$ 741,768	\$ 1,558,082	\$ 1,492,623	\$ 1,288,358
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.75%	89.46%	104.18%	98.15%	95.53%	86.99%	92.55%	83.45%	82.71%	84.29%
Covered Payroll	\$ 5,188,355	\$ 4,822,353	\$ 4,751,849	\$ 4,521,974	\$ 4,347,183	\$ 4,160,130	\$ 3,796,968	\$ 3,642,893	\$ 3,537,699	\$ 3,178,565
Net Pension Liability as a Percentage of Covered Payroll	16.03%	32.34%	-11.83%	5.04%	11.80%	33.27%	19.54%	42.77%	42.19%	40.53%

*Note: GASB No. 68 requires ten fiscal years of data to be provided in this schedule. Fiscal year ending 2015 was the first year of implementation. The City will develop the schedule prospectively.

CITY OF BRADY, TEXAS
Schedule of Employer Contributions –
Last 10 Years*
September 30, 2024

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	\$ 351,829	\$ 351,829	-	\$3,178,565	11.1%
2015	\$ 370,043	\$ 370,043	-	\$3,537,699	10.5%
2016	\$ 365,382	\$ 365,382	-	\$3,642,893	10.0%
2017	\$ 403,616	\$ 403,616	-	\$3,796,968	10.6%
2018	\$ 438,477	\$ 438,477	-	\$4,160,130	10.5%
2019	\$ 445,884	\$ 445,884	-	\$4,347,183	10.3%
2020	\$ 444,510	\$ 444,510	-	\$4,521,974	9.8%
2021	\$ 457,607	\$ 457,607	-	\$4,751,849	9.6%
2022	\$ 445,586	\$ 445,586	-	\$4,822,353	9.2%
2023	\$ 484,220	\$ 484,220	-	\$5,188,355	9.3%

CITY OF BRADY, TEXAS

Schedule of Changes in Post-employment Benefits Other Than Pensions (OPEB) Liability and Related Ratios – Last 10 Years* September 30, 2024

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 17,640	\$ 28,452	\$ 27,086	\$ 20,801	\$ 16,519	\$ 16,225	\$ 13,289
Interest (on the Total OPEB Liability)	11,070	7,191	7,125	8,245	9,320	8,551	8,326
Difference between expected and actual experience	(11,082)	(10,972)	(4,848)	(15,647)	(24,128)	(12,463)	-
Change of assumptions	13,248	(128,966)	11,450	44,581	47,639	(16,408)	17,990
Benefit payments, including refunds of employee contributions	(8,301)	(7,234)	(6,653)	(2,714)	(3,043)	(3,328)	(2,658)
Net Change in Total OPEB Liability	<u>22,575</u>	<u>(111,529)</u>	<u>34,160</u>	<u>55,266</u>	<u>46,307</u>	<u>(7,423)</u>	<u>36,947</u>
Total OPEB Liability - Beginning	<u>268,672</u>	<u>380,201</u>	<u>346,041</u>	<u>290,775</u>	<u>244,468</u>	<u>251,891</u>	<u>214,944</u>
Total OPEB Liability - Ending	<u>\$ 291,247</u>	<u>\$ 268,672</u>	<u>\$ 380,201</u>	<u>\$ 346,041</u>	<u>\$ 290,775</u>	<u>\$ 244,468</u>	<u>\$ 251,891</u>
Covered Payroll	<u>\$ 5,188,355</u>	<u>\$ 4,822,353</u>	<u>\$ 4,751,849</u>	<u>\$ 4,521,974</u>	<u>\$ 4,347,183</u>	<u>\$ 4,160,130</u>	<u>\$ 3,796,968</u>
OPEB Liability as a Percentage of Covered Payroll	5.61%	5.57%	8.00%	7.65%	6.69%	5.88%	6.63%

SUPPLEMENTAL SECTION

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
General Construction Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
General Construction Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	- 280,405	18,450	261,955	
Total Expenditures	<u>-</u>	<u>280,405</u>	<u>18,450</u>	<u>261,955</u>
Excess (Deficiency) of Revenues Over Expenditures	- (280,405)	(18,450)	261,955	
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	- 1,000,000	1,000,000	-	
Total Other Financing Sources and Uses	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	- 719,595	981,550	261,955	
Fund Balance - Beginning, GAAP Basis	1,281,782	1,281,782	1,281,782	-
Fund Balance - Ending, GAAP and Budgetary Basis	<u>\$ 1,281,782</u>	<u>\$ 2,001,377</u>	<u>\$ 2,263,332</u>	<u>\$ 261,955</u>

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Water Construction Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)		
REVENUES					
Interest Income	\$ 800,000	\$ -	\$ -	\$ -	-
Total Revenues	<u>800,000</u>	<u>-</u>	<u>47,993</u>		<u>47,993</u>
EXPENDITURES					
Capital Outlay	2,300,000	3,664,006	1,682,370	1,981,636	
Principal	330,000	330,000	330,000	-	
Arbitrage Rebate	-	-	(5,339)	5,339	
Total Expenditures	<u>2,630,000</u>	<u>3,994,006</u>	<u>2,007,031</u>		<u>1,986,975</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,830,000)	(3,994,006)	(1,959,038)	2,034,968	
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	1,330,000	330,000	330,000	-	
Total Other Financing Sources and Uses	<u>1,330,000</u>	<u>330,000</u>	<u>330,000</u>		<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(500,000)	(3,664,006)	(1,629,038)	2,034,968	
Fund Balance - Beginning, GAAP Basis	<u>3,899,804</u>	<u>3,899,804</u>	<u>3,899,804</u>		<u>-</u>
Fund Balance - Ending, GAAP and Budgetary Basis	\$ <u>3,399,804</u>	\$ <u>235,798</u>	\$ <u>2,270,766</u>	\$ <u>2,034,968</u>	

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
WWTP Construction Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)		
REVENUES					
Interest Income	\$ -	\$ -	\$ 43,697	\$ 43,697	43,697
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,697</u>	<u>\$ 43,697</u>	<u>43,697</u>
EXPENDITURES					
Capital Outlay	2,000,000	3,477,039	1,907,904	1,569,135	
Debt Service					
Principal	295,000	295,000	295,000	-	
Interest	40,860	40,860	40,859	1	
Total Expenditures	<u>2,335,860</u>	<u>3,812,899</u>	<u>2,243,763</u>	<u>1,569,136</u>	
Excess (Deficiency) of Revenues Over Expenditures	(2,335,860)	(3,812,899)	(2,200,066)	1,612,833	
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	335,860	335,860	335,859	(1)	
Total Other Financing Sources and Uses	<u>335,860</u>	<u>335,860</u>	<u>335,859</u>	<u>(1)</u>	
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,000,000)	(3,477,039)	(1,864,207)	1,612,832	
Fund Balance - Beginning, GAAP Basis	<u>3,706,518</u>	<u>3,706,518</u>	<u>3,706,518</u>	<u>-</u>	
Fund Balance - Ending, GAAP and Budgetary Basis	\$ <u>1,706,518</u>	\$ <u>229,479</u>	\$ <u>1,842,311</u>	\$ <u>1,612,832</u>	

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual
Electric Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	
REVENUES				
Electrical Distribution	\$ 7,876,600	\$ 7,876,600	\$ 8,002,462	\$ 125,862
Interest Income	135,000	245,000	274,178	29,178
Reimbursed Expenses	-	49,000	53,350	4,350
Total Revenues	<u>8,011,600</u>	<u>8,170,600</u>	<u>8,329,990</u>	<u>159,390</u>
EXPENDITURES				
Electrical Distribution	5,428,611	5,544,754	5,267,907	276,847
Bad Debt Expense	32,000	32,000	14,999	17,001
Capital Outlay	150,000	557,500	367,679	189,821
Debt Service				
Principal Payments	92,100	92,100	92,066	34
Interest Payments	22,400	22,400	22,397	3
Total Expenditures	<u>5,725,111</u>	<u>6,248,754</u>	<u>5,765,048</u>	<u>483,706</u>
Excess Revenues Over (Under) Expenditures	2,286,489	1,921,846	2,564,942	643,096
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,705,000)	(2,705,000)	(2,704,998)	2
Total Other Financing Sources (Uses)	<u>(2,705,000)</u>	<u>(2,705,000)</u>	<u>(2,704,998)</u>	<u>2</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(418,511)	(783,154)	(140,056)	643,098
Net Position - Beginning, GAAP Basis	<u>6,696,096</u>	<u>6,696,096</u>	<u>6,696,096</u>	<u>-</u>
Net Position - Ending, Budgetary Basis	<u>\$ 6,277,585</u>	<u>\$ 5,912,942</u>	<u>6,556,040</u>	<u>\$ 643,098</u>
Adjustments to Reconcile the Budgetary Amounts to GAAP:				
Depreciation - The City does not budget for depreciation expense			(200,369)	
Accrued Compensated Absences - The City does not budget for compensated leave			(101,742)	
Principal Payments - The City budgets for principal debt payments			92,066	
Capital Outlay - The City budgets for capital outlay			367,679	
Net Position- Ending, GAAP Basis	<u>\$ 6,713,881</u>			

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual
Water & Sewer Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Water Department	\$ 2,743,000	\$ 2,800,025	\$ 2,699,047	\$ (100,978)
Wastewater	1,243,000	1,243,000	1,223,871	(19,129)
Interest Revenue	185,000	340,000	407,738	67,738
Reimbursed Expenses	-	-	90,821	90,821
Total Revenues	<u>4,171,000</u>	<u>4,383,025</u>	<u>4,421,477</u>	<u>38,452</u>
EXPENDITURES				
Water Department	1,564,291	1,696,837	1,567,604	129,233
Wastewater Department	722,902	722,902	696,578	26,324
Groundwater Treatment Plant Department	561,245	508,245	358,942	149,303
Bad Debt Expense	16,000	16,000	14,401	1,599
Capital Outlay	380,000	1,523,525	933,985	589,540
Debt Service				
Principal Payments	432,550	432,550	432,386	164
Interest Payments	7,200	7,200	7,005	195
Total Expenditures	<u>3,684,188</u>	<u>4,907,259</u>	<u>4,010,901</u>	<u>896,358</u>
Excess Revenues Over (Under) Expenditures	486,812	(524,234)	410,576	934,810
OTHER FINANCING SOURCES (USES)				
Gain (Loss) on the Disposal of Capital Assets	-	-	7,600	7,600
Transfers Out	(1,910,860)	(910,860)	(910,858)	2
Total Other Financing Sources (Uses)	<u>(1,910,860)</u>	<u>(910,860)</u>	<u>(903,258)</u>	<u>7,602</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,424,048)	(1,435,094)	(492,682)	942,412
Net Position - Beginning, GAAP Basis	<u>25,451,424</u>	<u>25,451,424</u>	<u>25,451,424</u>	-
Net Position - Ending, Budgetary Basis	\$ <u>24,027,376</u>	\$ <u>24,016,330</u>	\$ <u>24,958,742</u>	\$ <u>942,412</u>
Adjustments to Reconcile the Budgetary Amounts to GAAP:				
Depreciation - The City does not budget for depreciation expense			(650,689)	
Accrued Compensated Absences - The City does not budget for compensated leave			(181,780)	
Principal Payments - The City budgets for principal debt payments			432,386	
Capital Outlay - The City budgets for capital outlay			933,985	
Net Position - Ending, GAAP Basis			\$ <u>25,492,644</u>	

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual
Gas Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Gas Distribution	\$ 1,248,500	\$ 1,248,500	\$ 1,038,114	\$ (210,386)
Interest Revenue	15,000	28,000	34,272	6,272
Reimbursed Expenses	-	-	-	-
Total Revenues	<u>1,263,500</u>	<u>1,276,500</u>	<u>1,072,386</u>	<u>(204,114)</u>
EXPENDITURES				
Gas Department	1,253,722	1,253,722	953,717	300,005
Bad Debt Expense	5,000	5,000	1,005	3,995
Debt Service				
Principal Payments	16,200	16,200	16,202	(2)
Interest Payments	2,100	2,100	2,086	14
Total Expenditures	<u>1,277,022</u>	<u>1,277,022</u>	<u>973,010</u>	<u>304,012</u>
Excess Revenues Over (Under) Expenditures	(13,522)	(522)	99,376	99,898
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(39,996)</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(39,996)</u>	<u>4</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(53,522)	(40,522)	59,380	99,902
Net Position - Beginning, GAAP Basis	<u>2,381,633</u>	<u>2,381,633</u>	<u>2,381,633</u>	<u>-</u>
Net Position - Ending, Budgetary Basis	\$ <u>2,328,111</u>	\$ <u>2,341,111</u>	\$ <u>2,441,013</u>	\$ <u>99,902</u>
Adjustments to Reconcile the Budgetary Amounts to GAAP:				
Depreciation - The City does not budget for depreciation expense			(138,452)	
Accrued Compensated Absences - The City does not budget for compensated leave			(62,320)	
Principal Payments - The City budgets for principal debt payments			16,202	
Net Position - Ending, GAAP Basis	\$ <u>2,256,463</u>			

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual
Solid Waste Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)		
REVENUES					
Solid Waste	\$ 1,371,000	\$ 1,371,000	\$ 1,433,617	\$ 62,617	
Interest Revenue	50,000	92,000	102,817	10,817	
Reimbursed Expenses	-	-	-	-	
Total Revenues	<u>1,421,000</u>	<u>1,463,000</u>	<u>1,536,434</u>	<u>73,434</u>	
EXPENDITURES					
Solid Waste	1,373,697	1,397,457	1,259,635	137,822	
Bad Debt Expense	4,000	4,000	2,032	1,968	
Capital Outlay	-	206,527	206,527	-	
Debt Service					
Principal Payments	77,720	77,720	77,711	9	
Interest Payments	6,730	6,730	6,730	-	
Total Expenditures	<u>1,462,147</u>	<u>1,692,434</u>	<u>1,552,635</u>	<u>139,799</u>	
Excess Revenues Over (Under) Expenditures	(41,147)	(229,434)	(16,201)	213,233	
OTHER FINANCING SOURCES (USES)					
Transfers Out	(40,000)	(40,000)	(40,000)	-	
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(81,147)	(269,434)	(56,201)	213,233	
Net Position - Beginning, GAAP Basis	<u>944,746</u>	<u>944,746</u>	<u>944,746</u>	<u>-</u>	
Net Position - Ending, Budgetary Basis	\$ <u>863,599</u>	\$ <u>675,312</u>	\$ <u>888,545</u>	\$ <u>213,233</u>	
Adjustments to Reconcile the Budgetary Amounts to GAAP:					
Depreciation - The City does not budget for depreciation expense			(77,840)		
Accrued Compensated Absences - The City does not budget for compensated leave			(11,384)		
Principal Payments- The City budgets for principal debt payments			77,711		
Amortization - The City does not budget for amortization expense			(70,732)		
Net Position - Ending, GAAP Basis	\$ <u>991,001</u>				

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual
Street Sanitation Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Street Sanitation	\$ 74,000	\$ 74,000	\$ 73,903	\$ (97)
Total Revenues	<u>74,000</u>	<u>74,000</u>	<u>74,301</u>	<u>301</u>
EXPENDITURES				
Street Sanitation	90,482	90,482	84,344	6,138
Bad Debt Expense	1,000	1,000	250	750
Debt Service				
Principal Payments	3,800	3,800	3,798	2
Interest Payments	20	20	18	2
Total Expenditures	<u>95,302</u>	<u>95,302</u>	<u>88,410</u>	<u>6,892</u>
Excess Revenues Over (Under) Expenditures	(21,302)	(21,302)	(14,109)	7,193
Net Position - Beginning, GAAP Basis	<u>59,748</u>	<u>59,748</u>	<u>59,748</u>	<u>-</u>
Net Position - Ending, Budgetary Basis	\$ <u>38,446</u>	\$ <u>38,446</u>	\$ <u>45,639</u>	\$ <u>7,193</u>
Adjustments to Reconcile the Budgetary Amounts to GAAP:				
Depreciation - The City does not budget for depreciation expense			(1,700)	
Accrued Compensated Absences - The City does not budget for compensated leave			(14,095)	
Principal Payments- The City budgets for principal debt payments			3,798	
Net Position - Ending, GAAP Basis			\$ <u>33,642</u>	

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual
Utility Support Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Utility Support	\$ 253,900	\$ 253,900	\$ 260,115	\$ 6,215
Interest Revenue	30,000	52,000	57,120	5,120
Reimbursed Expenses	-	-	429	429
Total Revenues	<u>283,900</u>	<u>305,900</u>	<u>317,664</u>	<u>11,764</u>
EXPENDITURES				
Administration	265,200	265,200	246,526	18,674
Meter Shop	74,839	74,839	73,259	1,580
Billing-Collection	311,441	311,441	276,539	34,902
Bad Debt Expense	5,000	5,000	4,805	195
Capital Outlay	17,000	17,000	14,659	2,341
Total Expenditures	<u>673,480</u>	<u>673,480</u>	<u>615,788</u>	<u>57,692</u>
Excess of Revenues Over (Under) Expenditures	(389,580)	(367,580)	(298,124)	69,456
OTHER FINANCING SOURCES (USES)				
Transfers In	400,000	400,000	399,995	(5)
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>399,995</u>	<u>(5)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	10,420	32,420	101,871	69,451
Net Position - Beginning, GAAP Basis	<u>2,218,199</u>	<u>2,218,199</u>	<u>2,218,199</u>	-
Net Position - Ending, Budgetary Basis	\$ <u>2,228,619</u>	\$ <u>2,250,619</u>	\$ <u>2,320,070</u>	\$ <u>69,451</u>
Adjustments to Reconcile the Budgetary Amounts to GAAP:				
Depreciation - The City does not budget for depreciation expense			(124,343)	
Accrued Compensated Absences - The City does not budget for compensated leave			(45,770)	
Net Position - Ending, GAAP Basis	\$ <u>2,170,899</u>			

CITY OF BRADY, TEXAS
Notes to the Budgetary Comparison Schedules
Proprietary Funds
September 30, 2024

Budget Requirements, Accounting, and Reporting

The budget requirements for all funds are as follows:

Annual budgets are adopted for all City funds. Under state law, the City Manager submits an annual budget to the City Council for consideration and approval no later than September 30. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

By Charter the City Manager submits budget amendment ordinances to the City Council. These ordinances are updated for any estimate revisions as well as year-end encumbrances and may include any additional information requested by the City Council. The City Council may subsequently amend such ordinances. Amendments to the appropriation ordinance during the fiscal year are approved by the City Council as provided by the Charter.

For day-to-day management control, expenditures may not exceed the budget at the expenditure-type level (i.e., personnel, operations and maintenance, etc.) of each cost center (activity within a program within a fund). The City Manager and Finance Director may transfer unencumbered appropriations within programs within funds.

Appropriation control (the budgeted appropriations approved by the City Council) is by program within a fund. The City Council may, by ordinance, transfer amounts among programs within and between funds. The budgetary basis is the modified accrual basis of accounting.

Budgetary comparison schedules for the Capital Projects Funds and Proprietary Funds are presented as Supplemental Information.

Expenditures Exceeding Budget

The City's General Construction, Water Construction, WWTP Construction, Electric, Water & Sewer, Gas, Solid Waste, Street Sanitation and Utility Support Funds had no expenditures in excess of budgeted amounts for the fiscal year ending September 30, 2024.

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and
Actual
Economic Development Corporation
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
General Revenues				
Sales Tax Collections	\$ 260,000	\$ 260,000	\$ 280,122	\$ 20,122
Interest Income	-	-	7,088	7,088
Total Revenues	<u>260,000</u>	<u>260,000</u>	<u>287,210</u>	<u>27,210</u>
EXPENDITURES				
Current				
Professional/Legal Fees	10,600	10,600	6,384	4,216
Administration	38,000	38,000	43,000	(5,000)
Travel and Training	341,000	341,000	38,461	302,539
Grant Funding	-	-	40,653	(40,653)
Office Supplies	-	-	768	(768)
Total Expenditures	<u>389,600</u>	<u>389,600</u>	<u>129,266</u>	<u>260,334</u>
Excess of Revenues Over (Under) Expenditures	(129,600)	(129,600)	157,944	287,544
Net Position - Beginning	<u>666,853</u>	<u>666,853</u>	<u>666,853</u>	<u>-</u>
Net Position - Ending, Budgetary Basis	<u>\$ 537,253</u>	<u>\$ 537,253</u>	<u>\$ 824,797</u>	<u>\$ 287,544</u>

CITY OF BRADY, TEXAS
Notes to the Budgetary Comparison Schedules
Economic Development Corporation
September 30, 2024

Budget Requirements, Accounting, and Reporting

The budget requirements for all funds are as follows:

An annual budget is adopted for all EDC funds. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

The annual budget may be amended by the EDC and approved by City Council based on EDC recommendation before year end. The budget was amended during the fiscal year ending September 30, 2024.

For day-to-day management control, expenditures may not exceed the budget at the expenditure-type level (i.e., personnel, operations and maintenance, etc.) of each cost center (activity within a program within a fund).

The EDC Director or EDC President may transfer when cumbered appropriations within programs within funds. Appropriation control (the budgeted appropriations approved by the Board of Directors and City Council) is by program within a fund. The Board of Directors may transfer amounts among programs within and between funds with City Council approval. The budgetary basis is the modified accrual basis of accounting.

Budgetary comparison schedules for the EDC is presented as Supplemental Information.

Expenditures Exceeding Budget

The EDC overall had no expenditures in excess of budgeted amounts for the fiscal year ended September 30, 2024.

CITY OF BRADY, TEXAS
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and
Actual
Internal Service Fund
September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Premiums Collected	\$ 1,116,252	\$ 1,116,252	\$ 915,295	\$ (200,957)
Interest Income	200	200	1,058	858
Total Revenues	<u>1,116,452</u>	<u>1,116,452</u>	<u>916,353</u>	<u>(200,099)</u>
EXPENDITURES				
Current				
Employee Insurance	1,116,252	1,116,252	915,295	200,957
Total Expenditures	<u>1,116,252</u>	<u>1,116,252</u>	<u>915,295</u>	<u>200,957</u>
Excess of Revenues Over (Under) Expenditures	200	200	1,058	858
Net Position - Beginning	-	-	-	-
Net Position - Ending, Budgetary Basis	\$ 200	\$ 200	\$ 1,058	\$ 858

CITY OF BRADY, TEXAS
Notes to the Budgetary Comparison Schedules
Internal Service Fund
September 30, 2024

Budget Requirements, Accounting, and Reporting

The budget requirements for all funds are as follows:

Annual budgets are adopted for all City funds. Under state law, the City Manager submits an annual budget to the City Council for consideration and approval no later than September 30. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

By Charter the City Manager submits budget amendment ordinances to the City Council. These ordinances are updated for any estimate revisions as well as year-end encumbrances and may include any additional information requested by the City Council. The City Council may subsequently amend such ordinances. Amendments to the appropriation ordinance during the fiscal year are approved by the City Council as provided by the Charter.

For day-to-day management control, expenditures may not exceed the budget at the expenditure-type level (i.e., personnel, operations and maintenance, etc.) of each cost center (activity within a program within a fund). The City Manager and Finance Director may transfer unencumbered appropriations within programs within funds.

Appropriation control (the budgeted appropriations approved by the City Council) is by program within a fund. The City Council may, by ordinance, transfer amounts among programs within and between funds. The budgetary basis is the modified accrual basis of accounting.

Budgetary comparison schedules for the Internal Service Fund is presented as Supplemental Information.

Expenditures Exceeding Budget

The Internal Service Fund had no expenditures in excess of budgeted amounts for the fiscal year ending September 30, 2024.

CITY OF BRADY, TEXAS
Single Audit Compliance Information
Schedule of Expenditures of Federal and State Awards
September 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	State Expenditures
<i>Aging Cluster</i>				
U.S. Department of Health and Human Services				
Passed Through the Concho Valley Council of Governments				
Title III, Part B - Nutrition Services	93.045	N/A	\$ 48,140	\$ -
Nutrition Services Incentive Program	93.053	N/A	75,047	-
Total U.S. Department of Health and Human Services			123,187	-
<i>Total Aging Cluster</i>			123,187	-
U.S. Department of Transportation				
Passed Through the Texas Department of Transportation				
Airport Improvement Program	20.106	2223BRADY	747,537	-
CARES ACT Airport Grant	20.106	20CRBRADY	22,010	-
Total U.S. Department of Transportation			769,547	-
U.S. Department of Housing and Urban Development				
Passed Through Texas Department of Agriculture				
Community Development Block Grant	14.228	7219499	3,500	-
Total U.S. Department of Agriculture			3,500	-
U.S. Environmental Protection Agency				
Passed Through the Texas Water Development Board				
<i>Clean Water State Revolving Fund Cluster</i>				
Clean Water State Revolving Funds - Loan	66.458	#L1001180	2,708	-
Clean Water State Revolving Funds - Loan	66.458	#L1001004	1,722,079	-
Clean Water State Revolving Funds - Loan	66.458	#L1001005	4,975	-
Clean Water State Revolving Funds - Loan Forgiveness	66.458	#LF1001006	178,142	-
<i>Subtotal for Clean Water State Revolving Fund Cluster</i>			1,907,904	-
<i>Drinking Water State Revolving Fund Cluster</i>				
Drinking Water State Revolving Funds - Grant EDAP	66.468	#G1000916	32,075	-
Drinking Water State Revolving Funds - Loan	66.468	L1000917	1,650,295	-
<i>Subtotal for Clean Water State Revolving Fund Cluster</i>			1,682,370	-
Total U.S. Environmental Protection Agency			3,590,274	-
Total Federal Awards Expended			4,486,508	-
State Grantor/Program or Grant Title				
Texas Department of Transportation				
RAMP Grant	N/A	M2323BRAD	-	42,942
Total Texas Department of Transportation			-	42,942
Texas Comptroller				
Peace Officer Allocation	N/A		-	2,943
Total Texas Comptroller			-	2,943
Texas Department of Agriculture				
Home-Delivered Meal Grant Program	N/A	HDM-2023	-	533
Total Texas Department of Agriculture			-	533
Texas Department of Health and Human Services				
Passed Through the Concho Valley Regional Advisory Council				
EMS County Pass-Thru	N/A	124600018	-	15,823
Total Texas Department of Health and Human Services			-	15,823
Total State Awards Expended			-	62,241
Total Federal and State Awards Expended	\$ 4,486,508	\$ 62,241		

CITY OF BRADY, TEXAS
Single Audit Compliance Information
Notes to the Schedule of Expenditures of Federal and State Awards
September 30, 2024

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of the City of Brady under the programs of the federal government and the State of Texas for the year ended September 30, 2024. The information in this SEFSA is presented in accordance with the requirements of the *Uniform Guidance* and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of the City of Brady, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Brady.

Note B – Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as reimbursements.

The City did not elect to use the 10% de minimus indirect cost rate.

Note C – Loans Outstanding

City of Brady had the following loan balances outstanding at September 30, 2024. The expenditures made during the year are included in the SEFSA in the federal expenditures presented in the schedule. Balances and transactions related to these programs are included in the City of Brady's financial statements.

<u>Program Name</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Amount Outstanding</u>
CO 2019 - DWSRF	66.468	L1000917	\$ 9,510,000
CO 2019A - CWSRF	66.458	L1001004	\$ 7,790,000
CO 2019B - CWSRF	66.458	L1001005	\$ 1,755,000
CO 2021 - CWSRF	66.458	L1001180	\$ 1,765,000

CITY OF BRADY, TEXAS
Single Audit Compliance Information
Schedule of Findings and Questioned Costs
September 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements	
Type of Auditor's Report Issued on Financial Statements	Unmodified
Internal Control over Financial Reporting:	
Material Weakness	None reported
Significant Deficiencies Identified that are not Considered to be Material Weaknesses	None reported
Noncompliance Material to Financial Statements	None reported
Federal Awards	
Internal Control over Major Programs:	
Material Weakness	None
Significant Deficiencies Identified that are not Considered to be Material Weaknesses	None reported
Type of Auditor's Report Issued on Compliance for Major Programs	Unmodified
Findings and Questioned Costs for Federal Awards as Defined by the Uniform Guidance:	None
Identification of Major Programs:	<p>Capitalization Grants for Drinking Water State Revolving Funds. <u>Assistance Listing No. 66.468</u></p> <p>Capitalization Grants for Clean Water State Revolving Funds. <u>Assistance Listing No. 66.458</u></p> <p>Airport Improvement Program Listing No. 20.106</p>
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Low Risk Audit Statement	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal or State Award findings.

CITY OF BRADY, TEXAS
Single Audit Compliance Information
Summary Schedule of Prior Audit Findings
September 30, 2024

No prior year findings.



2702 N. Loop 1604 E., Suite 202
San Antonio, TX 78232

210-979-0055
210-979-0058
www.HaynieCPAs.com

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

To the Honorable Mayor and City Council
City of Brady, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Brady, 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 March 17, 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.

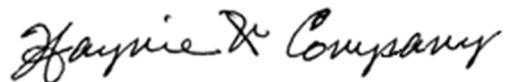
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Haynie & Company". The signature is fluid and cursive, with a large, stylized ampersand between "Haynie" and "Company".

San Antonio, Texas
March 17, 2025



2702 N. Loop 1604 E., Suite 202
San Antonio, TX 78232

210-979-0055
210-979-0058
www.HayneCPAs.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Council
City of Brady, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Brady, Texas (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fayne & Company

San Antonio, Texas
March 17, 2025