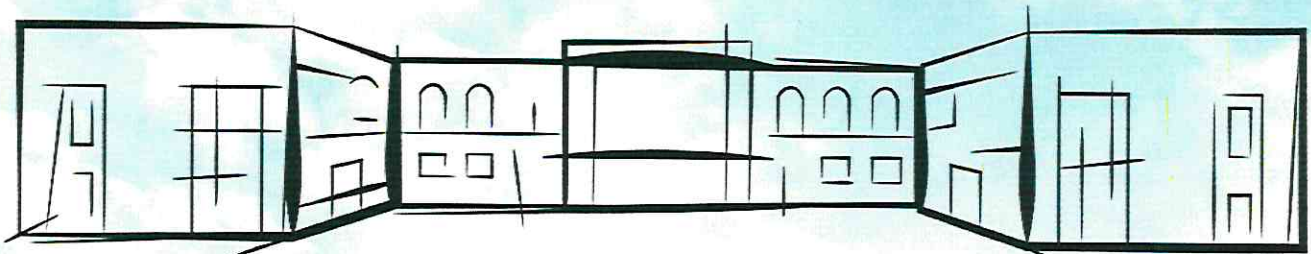




CITY OF SAN JUAN



100+

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023



GARCIA & PEÑA
Certified Public Accountants
301 W. 4th • P. O. Box 8032
Weslaco, Texas 78599
969-1433 969-4460

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ANNUAL COMPREHENSIVE FINANCIAL COMPLIANCE REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

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PART I
INTRODUCTION SECTION

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CITY OFFICIALS

FYE: 2022-2023

Mayor

Mario Garza

Commissioners

Marco “Markie” Villegas - Mayor Pro-Tem

Leonardo “Lenny” Sanchez

Adina “Dina” Santillan

Ernesto “Neto” Guajardo

City Manager

Benjamin Arjona

Director of Finance

Leroy Gonzales

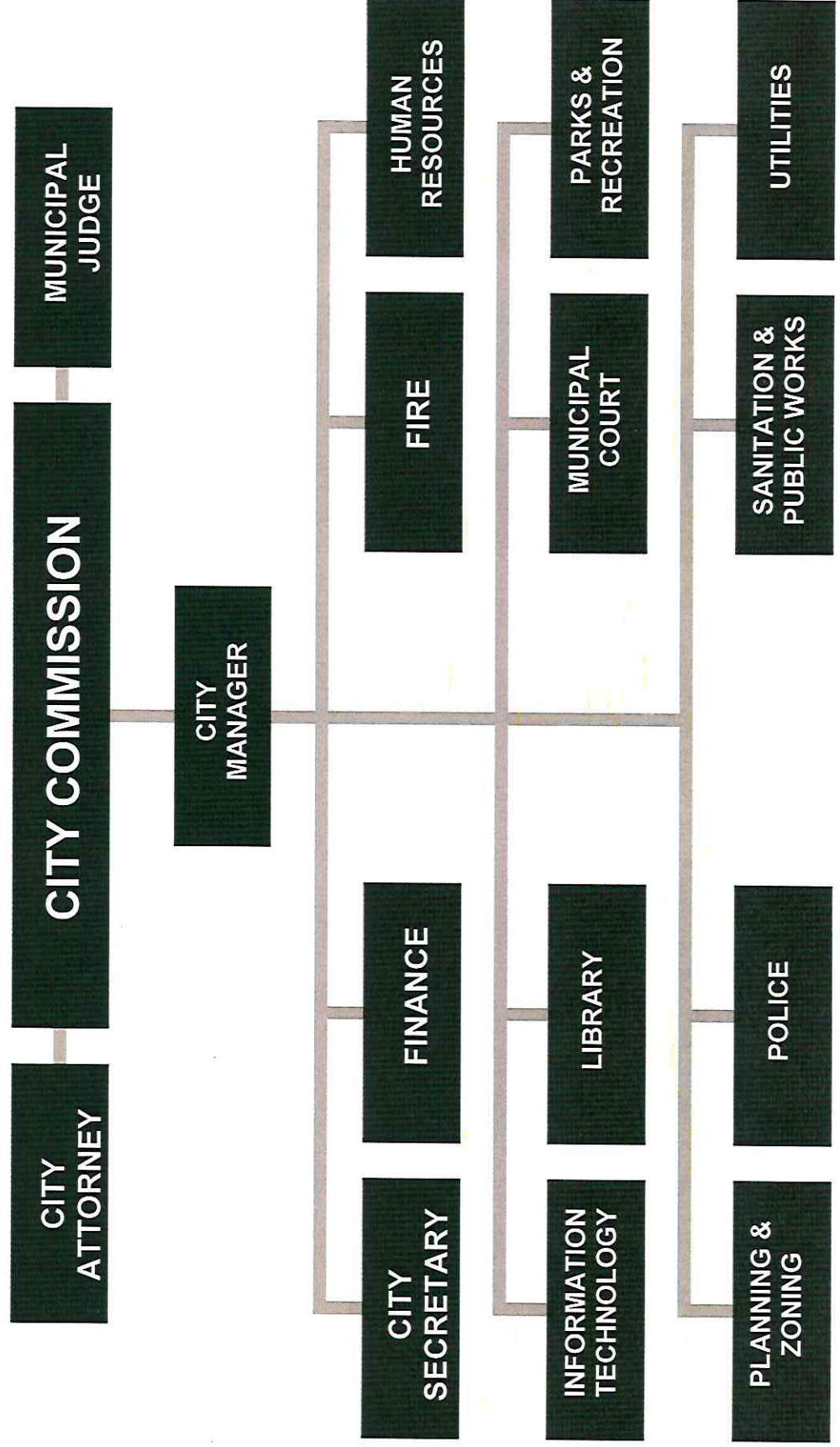
City Secretary

Brenda Escalante

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CITY OF SAN JUAN
ORGANIZATIONAL CHART 2022 - 2023



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Mayor: Mario Garza
Mayor Pro-Tem: Leonardo "Lenny" Sanchez
Commissioners: Ernesto "Neto" Guajardo
Marco "Markie" Villegas
Adina "Dina" Santillan

March 26, 2024

The Honorable Mayor, City Commission
City of San Juan
San Juan, Texas, 78589

Dear Honorable Mayor Mario Garza,
City Commission, and Citizens of San Juan

The Finance Department is pleased to submit the Annual Comprehensive Financial Report for the City of San Juan, Texas for the fiscal year ending September 30, 2023. This report is published to provide the City Commission, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all materials respects and is organized in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds.

Garcia & Pena Certified Public Accountants, have issued an unmodified opinion on the City's financial statements for the year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of San Juan, Texas was incorporated in December 29, 1917 under the laws of State of Texas and adopted the Commission-Mayor Form of government with the adoption of its Charter on April 05, 1975. City currently occupies a land area of 11 square miles and serves a population of 37,276. The City's Home Rule Chapter provides for a Board of Commissioners form of government, comprised of a Mayor and four Commissioners. The City Commission is responsible for enacting ordinances, resolutions, and regulation governing the City, appointing members of various statutory and advisory boards commission and City Manager, City Attorney, City Secretary, and Municipal Judge. The City Manager is responsible

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Phone: (956)223-2200 • Fax: (956) 787-5978

for the enforcement of laws and ordinances, and appoints of those Directors of the Department under his supervision and direction in accordance with the Charter.

The City provides the following municipal government services including police and fire protection, municipal courts, highways & streets, water and sewer services, planning and zoning, code enforcement, building inspections, parks & recreation, library, solid waste and general administration services. The City of San Juan is not financially accountable for any of the other area entities within its jurisdiction such as school districts or other non-profit or for profit corporations.

Components units are legally separate organizations that a primary government must include as part of its financial entity. The City has included financial statement for the San Juan Economic Development Corporation (4B). The 4B Funds account for the local sales tax used to stimulate local economy, development, and redevelopment.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

The City Ordinance establishes the fiscal year as October 1 through September 30. The City budget will be prepared in accordance with the State Law, City Charter. The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager during the annual budget process. The City Manager presents the proposed budget to the City Commission for review. The City of San Juan is required to hold a public hearing on the proposed budget. The City Commission formally adopts a final budget no later than September 30th, the end of the City's fiscal year by the passage of a budget ordinance. The City Commission adopts an annual budget for the General Fund, Debt Service Fund, Special Revenue Funds, and Proprietary Funds. The appropriated budget is prepared by fund, department and function. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Commissioners.

Budgetary control has been established at the department level. The City maintains internal budgetary control at the expenditure category (i.e. Personnel Services, Purchased Professional/Technical Services, Purchase Professional Services & Other, Supplies, Capital Outlay). Monthly financial reports for the City Commission are provided showing budget vs actual revenues and expenditures.

ECONOMIC CONDITION AND OUTLOOK

San Juan is located in the heart of the Rio Grande Valley in South Texas, which is the largest U.S./ Mexico border region in the country with 2.3 million people. The Rio Grande Valley is the third-largest metropolitan area in Texas and 23rd in the nation, making San Juan an ideal place to locate your business. San Juan boasts a consumer base of 436,000 within a 10-mile radius.

With the Basilica of Our Lady of San Juan del Valle, a world-renowned shrine, garnering more than 1.5 million visitors a year, and the Gelman Stained Glass Museum, which contains the most comprehensive collection of stained glass in the entire country, San Juan has gained an influx of visitors which in turn make it a hotspot for businesses of all kinds. A sense of togetherness is one of the many driving forces that add to the dedication our community puts forth every day to ensure we are always on the upward trend, without wavering. Our culture & community both present characteristics that define the drive to remain the Spirit of the Rio Grande Valley. San Juan boasts the camaraderie, proficiency, and professionalism to help us live up to our title of the Friendly City.

Economic prosperity leads to availability of quality education and healthcare, accessibility to retail shopping, luxury car dealerships, multiple restaurant venues and beautiful parks and neighborhoods. Unlike other areas the City of San Juan enters into economic development agreements to promote development and redevelopment within the city, generate additional sales tax revenues, enhance our property tax base and improve the quality of life for our citizens.

San Juan continues working hard to ensure proper infrastructure in place to work with local industries to determine the best package that can be offered for each project. This is done in a refined and expedited manner. On a case-by-case basis, the City of San Juan along with the San Juan EDC offers a variety of incentives, which could include tax abatements, multiple incentives and several grant opportunities.

In the past several years, the City of San Juan has seen an influx in population growth. In fiscal year 2022 the City of San Juan had an increase and stable property tax values totaling \$1,772,524,018 about 30% more from the previous year (2021). As a result, San Juan has been able to keep property taxes, at the same level as last year of 0.6876. In October 2023 San Juan has moved into a new City Hall building at a cost of a \$6.5 Million. Also San Juan is currently building a \$7.5 Million Parks and Recreation Complex structure along with an all-inclusive park: including walking trails, soccer fields, basketball court, etc., and a \$3.8 Million Fire Station.

As the City of San Juan continues to grow with the partnership of the San Juan Economic Development Corporation. The San Juan EDC has been very instrumental in promoting, incentivizing and acquiring several retail chain stores to include but not limited to: Denny's, Wing Barn, Azure Bistro, Starbucks, The Wings, Marco's Pizza, Chili's, Olive Garden, BlueWave, Pollo Asados El Mesquite, Dutch Bros, McDonalds, Take 5 Oil Change, Car Life Oil Change, Wingstop, along with numerous more.

The City's sales tax revenue has increased steadily over the last few years. Total sales tax revenue increased 7.51% in collections compared to fiscal year 2022-2023. San Juan has quickly become one of the top locations in the Rio Grande Valley where faith, community, and business all converge to bring a culture of prosperity to our humble city.

LONG-TERM FINANCIAL PLANNING

During the budget planning the City annually reviews the needs for capital improvements, infrastructure replacement and renovation, and the individual needs of each department. Capital improvements projects are funded with general governmental revenues or the issues of long-term debt. The City annually prepares short-term improvement plans for parks, streets, water, sewer, and solid waste.

Cash Management Policies and Practices. Cash temporarily idle during the year was invested in Texpool, TexStar, and ICS Accounts during periods when their rates were higher than the depository banks' rates. All funds kept with the depository bank are collateralized at a minimum rate of 102% of the market value. The City continues to evaluate ways in which further earnings could be realized.

FINANCIAL INFORMATION

The City's management team is responsible for all accounting and finance matters relating to the City operations, in accordance with the state law, the City Charter and ordinances enacted by the City Commission and internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statement in conformity with generally accepted accounting principles.

INDEPENDENT AUDIT

The Charter of the City requires that the City Commission appoint a certified public account who will be responsible to the City Commission, to perform an independent audit of all funds of the City on an annual basis. The independent auditor's report, prepared by Garcia & Pena, CPA is presented as the first component of the financial section of this report.

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficiency and dedication of the entire staff of the Finance Department. We would like to express our appreciation to all staff that assisted and contributed to the preparation of this report. I would like to thank the Mayor and City Commission for their continued support for maintaining the highest standards of professionalism in the management of the City of San Juan, Texas finances.

Respectfully submitted,



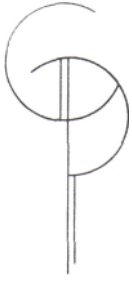
Benjamin Arjona
City Manager



Leroy Gonzales
Director of Finance

PART II
FINANCIAL SECTION

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GARCIA & PENA
Certified Public Accountants
R O. Box 8032
301 West 4th
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956-969-1433 • Fax 956-968-1467 • 956-421-4601

Manuel B. Garcia, CPA
Jaime X. Pena, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
City of San Juan, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the government activities, the business-type activities, and the aggregate blended presented components units, each major fund, and the aggregate remaining fund information of the City of San Juan, Texas as of and for the year ended September 30, 2023 with comparison to September 30, 2022, and the related notes to the financial statements which collectively comprise the City of San Juan, Texas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of San Juan, Texas as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages d-k and 13 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 of San Juan, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and 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*, 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

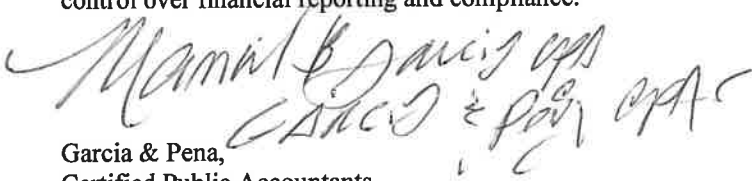
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2024, on our consideration of the City of San Juan, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of San Juan, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of San Juan, Texas' internal control over financial reporting and compliance.



Garcia & Pena,
Certified Public Accountants
Weslaco, Texas 78599

March 19, 2024

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City of San Juan, Texas

Management's Discussion and Analysis

This discussion and analysis is intended to provide an overview of the City of San Juan, Texas financial performance for the fiscal year ended September 30, 2023, and the related effect on the City of San Juan, Texas financial condition. Please read it in conjunction with the financial statements which begin on page 1.

Financial Highlights

- The City's Government-Wide Net Position increased to \$91,758,973, as a result of this year's operations. Governmental activities were at \$36,615,007, with the balance of \$55,143,966 resulting from the business-type activities.
- Statement of Activities – Governmental and Business-Type Activities - Total government-wide net position increased by \$10,090,393. An increase of \$4,6883,262 from governmental activities and \$5,402,131 from the business-type activities.
- Governmental Activities-Revenue and Expenses Compared to Last Year- Total revenues in the aggregate increased by \$6,419,342 from the prior year, where property taxes increased by \$945,002, sales tax increased by \$335,548, other taxes increased by \$48,186, charges for services increased by \$612,242, operating grants increased by \$2,727,612, and capital grants increased by \$225,768, and other revenues increased by \$1,524,984. Transfers out decreased \$2,743,754. Expenses increased by \$4,804,927, due to an increase of \$1,309,214 in general government, increases in public safety of \$2,413,627, increases of \$279,827 in public works, an increase of \$391,749 in culture and recreation, increases in economic development of \$402,900, and \$7,610 in interest expense.
- At September 30, 2023, the City's governmental funds reported revenues in excess of expenditures of \$5,255,411, thus increasing the fund balance from \$17,677,644, after adjustments, to \$22,933,055 in the previous year.
- At the end of the current fiscal year, the general fund's fund balance increased by \$632,713 to \$7,192,858; compared to \$6,560,145 from the previous year.
- Business-Type Activities – Revenues and Expenses Compared to Last Year – Total operating revenues in the aggregate increased \$3,354,481 from last year. Operating revenues increased \$982,780, capital grants increased \$4,245,760, a \$625,900 increase in interest income, and an increase of \$260,480 in miscellaneous income, with a decrease of \$2,743,754 in transfers; while operating grants decreased by \$16,685. Operating expenses increased \$799,305: water, sewer, garbage and brush increasing \$844,765, with long-term debt interest decreasing \$45,460 over last year.
- City as a Whole: Statement of Activities - Revenues and Expenses – Governmental revenues were \$25,819,609, and business-type activity revenues were \$15,020,144, while expenses were \$21,131,347 for governmental activities and \$9,618,013 for business-type activities.
- The City's governmental activities debt increased by \$7,063,000 in bond, \$860,630 in leases, \$30,990 in accrued interest, \$101,472 in compensated absences, and an increase of \$128,327 in pension liability. Total long-term debt for governmental funds was \$42,280,922 at September 30, 2023.
- The City's business-type activities debt decreased by \$1,724,249 in bond and notes payable, a decrease of \$110,630 in capital lease, and a decrease of \$5,948 in accrued interest, with an increase of \$47,441 in compensated absences, and \$247,402 in pension liability. Total long-term debt for business-type funds was \$23,384,331 at September 30, 2023.

City of San Juan, Texas

Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City's assets and liabilities, with the differences 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 is improving or deteriorating. The statement of activities presents information showing how the City'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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, health, economic development, and culture and recreation. The business-type activities of the City include the Utility System, which includes water, sewer, garbage, and brush services.

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate component unit for which the City is financially accountable: Economic Development Corporation.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into four categories: governmental funds, proprietary funds, trust and agency, and blended presented component units.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of San Juan, Texas

Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains two major and eighteen non-major governmental funds. Information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. Data from the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its general funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds – The City maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its collection of garbage, the pick-up of brush and water/sewer services. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Blended presented component units – Blended presented component units are legally separate from the City. The component units are intended to operate on a self-supporting basis through user charges or the collection of sales tax. The unit is blended presented because the City has a voting majority, imposition of will, financial benefit and financial accountability over the units. The unit also maintains a September 30 fiscal year-end. There is one blended presented component unit, the San Juan Economic Development Corporation. A separate financial statement is issued and can be obtained by contacting the Office of the City Secretary, 709 S. Nebraska, San Juan, Texas 78589.

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

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's revenues and expenditures budget to actual comparison.

Government-wide Financial Analysis

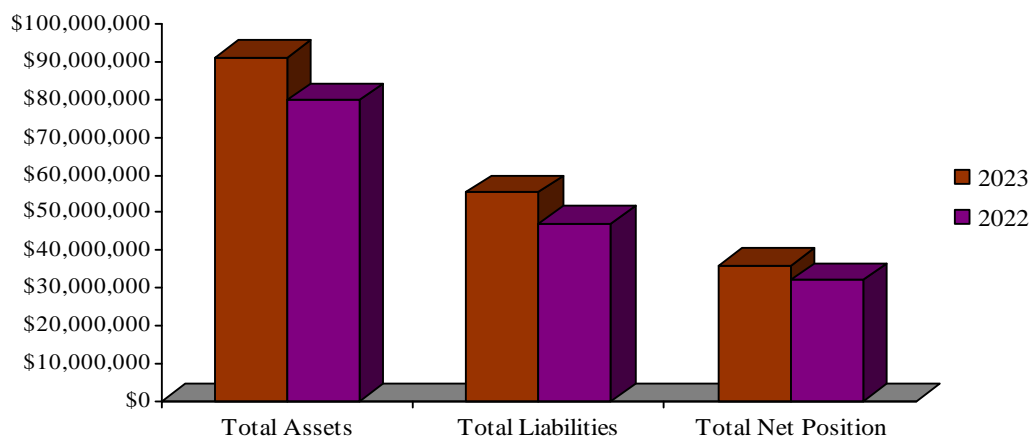
As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

In the case of the City, assets exceeded liabilities by \$36,615,007 and \$31,926,745, after adjustments, for 2023 and 2022, respectively, for governmental activities.

City of San Juan, Texas Management's Discussion and Analysis

By far the largest portion of the City's net position (64 percent) reflects its investment in capital assets (e.g., land building, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

City of San Juan's Sources Net Position Governmental Activities



The City's condensed Statement of Net Position along with the last fiscal year's numbers are presented for comparison in the table below.

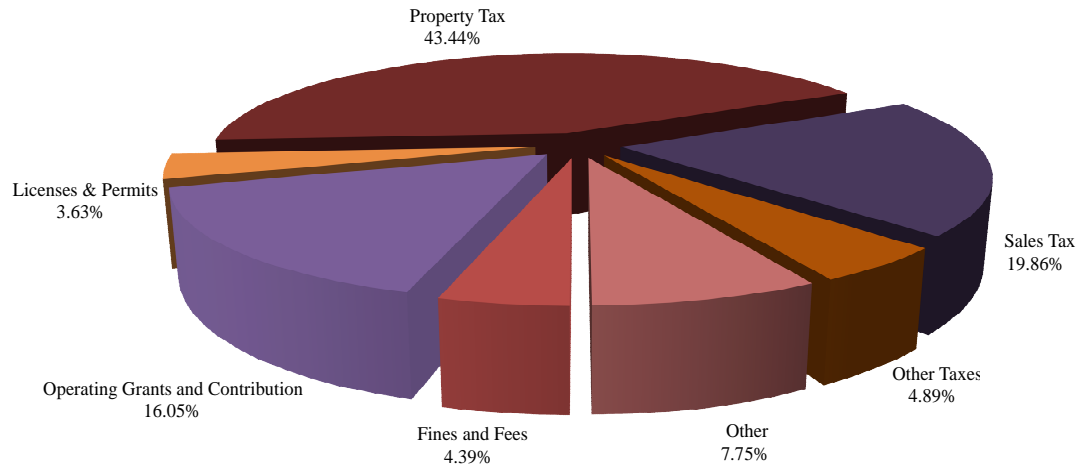
City of San Juan's Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 37,140,044	\$ 33,636,073	\$ 26,085,344	\$ 27,081,478	\$ 63,225,388	\$ 60,717,551
Capital assets	54,064,888	45,750,976	53,511,330	49,437,467	107,576,218	95,188,443
Total Assets	91,204,932	79,387,049	79,596,674	76,518,945	170,801,606	155,905,994
Deferred Outflow of Resources	764,224	371,691	796,707	187,097	1,560,931	558,788
Total Assets and Deferred Outflows	91,969,156	79,758,740	80,393,381	76,706,042	172,362,537	156,464,782
Current liabilities	16,734,530	15,869,900	3,993,702	3,535,305	20,728,232	19,405,205
Long-term debt due in more than one year	38,385,650	31,159,476	21,094,928	23,022,486	59,480,578	54,181,962
Total Liabilities	55,120,180	47,029,376	25,088,630	26,557,791	80,208,810	73,587,167
Deferred Inflow of Resources	233,969	724,055	160,785	406,416	394,754	1,130,471
Net Position						
Invested in capital assets, Net	23,600,195	11,707,759	38,980,431	24,859,831	62,580,626	36,567,590
Restricted	15,933,717	11,249,660	3,880,849	12,350,950	19,814,566	23,600,610
Unrestricted	(2,918,905)	9,047,890	12,282,686	12,531,054	9,363,781	21,578,944
Total Net Position	\$ 36,615,007	\$ 32,005,309	\$ 55,143,966	\$ 49,741,835	\$ 91,758,973	\$ 81,747,144

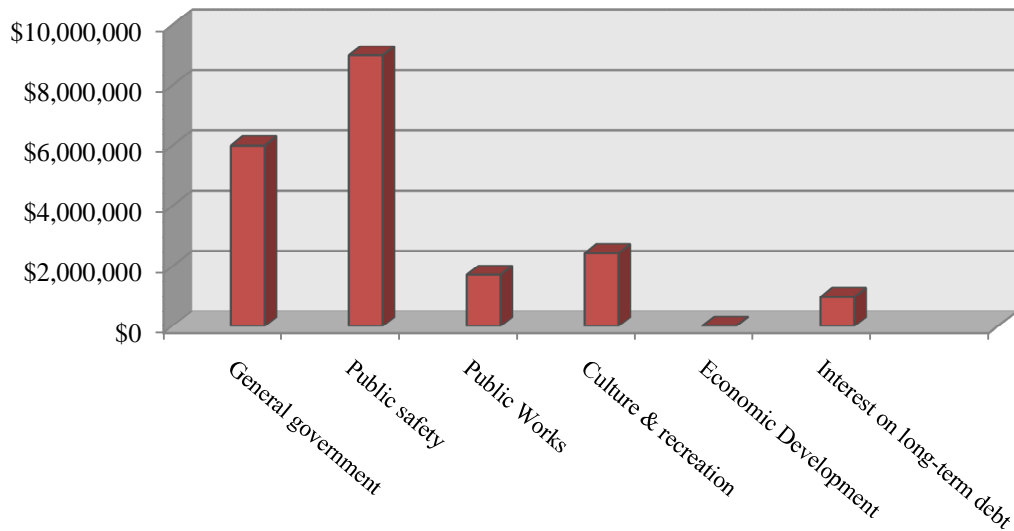
City of San Juan, Texas Management's Discussion and Analysis

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of San Juan's Sources of Income Governmental Activities



City of San Juan's Expenditures Governmental Activities



City of San Juan, Texas
Management's Discussion and Analysis

Governmental Activities/Business-Type Activities

Governmental activities increased net position by \$4,688,262 in 2023.

The business-type activities decreased by \$5,402,131 in 2023.

The City's condensed Changes in Net Position are presented in the table below.

City of San Juan's
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenues						
Charges for services	\$ 1,983,602	\$ 1,371,360	\$ 10,192,352	\$ 9,209,572	\$ 12,175,954	\$ 10,580,932
Operating grants and contributions	3,138,735	411,123	-	16,685	3,138,735	427,808
Capital grants and contributions	225,768	-	4,296,160	50,400	4,521,928	50,400
General revenues						
Property tax	10,405,015	9,460,013	-	-	10,405,015	9,460,013
Other taxes	7,513,627	7,129,893	-	-	7,513,627	7,129,893
Interest Earnings	1,267,239	167,877	685,857	-	1,953,096	167,877
Other	<u>791,525</u>	<u>295,273</u>	<u>339,873</u>	<u>139,350</u>	<u>1,131,398</u>	<u>434,623</u>
Total revenues	<u>25,325,511</u>	<u>18,835,539</u>	<u>15,514,242</u>	<u>9,416,007</u>	<u>40,839,753</u>	<u>28,251,546</u>
Expenses						
General government	6,010,418	4,630,574	-	-	6,010,418	4,630,574
Public safety	9,000,000	6,586,373	-	-	9,000,000	6,586,373
Highways/streets	1,727,434	1,447,607	-	-	1,727,434	1,447,607
Culture & recreation	2,436,209	2,044,460	-	-	2,436,209	2,044,460
Economic Development	879,324	476,424	-	-	879,324	476,424
Interest -Long-term debt	1,077,962	1,070,352	381,246	426,707	1,459,208	1,497,059
Water services	-	-	2,762,794	2,277,192	2,762,794	2,277,192
Sewer services	-	-	2,950,689	2,578,339	2,950,689	2,578,339
Garbage and brush	-	-	3,523,284	3,536,470	3,523,284	3,536,470
Other	-	-	-	-	-	-
Total expenses	<u>21,131,347</u>	<u>16,255,790</u>	<u>9,618,013</u>	<u>8,818,708</u>	<u>30,749,360</u>	<u>25,074,498</u>
Non-Operating Transfers (Net)	494,098	(2,249,656)	(494,098)	2,249,656	-	-
Change in Net Position	4,688,262	330,093	5,402,131	2,846,955	10,090,393	3,177,048
Net position - beginning (Note O)	<u>31,926,745</u>	<u>31,596,652</u>	<u>49,741,835</u>	<u>46,894,880</u>	<u>81,668,580</u>	<u>78,491,532</u>
Net position - ending	<u>\$ 36,615,007</u>	<u>\$ 31,926,745</u>	<u>\$ 55,143,966</u>	<u>\$ 49,741,835</u>	<u>\$ 91,758,973</u>	<u>\$ 81,668,580</u>

City of San Juan, Texas

Management's Discussion and Analysis

Business-Type Activities

Business-type activities consist of operating expenses of \$8,392,001 for 2022 and interest expense and issuance costs of \$426,707 for 2022; with operating revenues of \$9,209,572 for 2022, operating grants of \$16,685, and capital grants of \$50,400, and transfers in of \$2,249,656, resulting in an increase in net position of \$2,846,955 in 2022.

Capital Assets and Debt Administration

Capital Assets

The City of San Juan's investments in capital assets for its governmental and business-type activities amount to \$107,576,218 and \$95,110,379 (net of accumulated depreciation) for 2023 and 2022. This investment in capital assets includes land, buildings, and systems improvements, machinery and equipment.

City of San Juan's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital assets, not being depreciated:						
Land	\$ 1,721,760	\$ 1,721,760	\$ 344,215	\$ 344,215	\$ 2,065,975	\$ 2,065,975
Construction-in-progress	<u>13,745,406</u>	<u>5,901,035</u>	<u>15,203,522</u>	<u>13,881,184</u>	<u>28,948,928</u>	<u>19,782,219</u>
	15,467,166	7,622,795	15,547,737	14,225,399	31,014,903	21,848,194
Capital assets, being depreciated:						
Buildings	6,434,502	6,434,502	260,278	252,855	6,694,780	6,687,357
Machinery & Equipment	6,944,354	6,689,835	3,826,350	3,222,619	10,770,704	9,912,454
Vehicles	7,753,043	6,190,893	7,357,965	7,430,965	15,111,008	13,621,858
Improvements other than buildings	4,284,232	3,455,370	8,575,047	8,373,356	12,859,279	11,828,726
Infrastructure	<u>40,833,846</u>	<u>40,833,846</u>	<u>36,750,141</u>	<u>33,333,746</u>	<u>77,583,987</u>	<u>74,167,592</u>
	66,249,977	63,604,446	56,769,781	52,613,541	123,019,758	116,217,987
Less accumulated depreciation for:						
Buildings	2,059,734	1,926,022	144,257	134,803	2,203,991	2,060,825
Machinery & Equipment	3,415,766	3,113,468	2,000,502	1,802,539	5,416,268	4,916,007
Vehicles	3,327,525	2,931,684	3,298,869	2,916,989	6,626,394	5,848,673
Improvements other than buildings	2,186,253	1,981,660	2,228,750	2,040,804	4,415,003	4,022,464
Infrastructure	<u>16,662,977</u>	<u>15,601,495</u>	<u>11,133,810</u>	<u>10,506,338</u>	<u>27,796,787</u>	<u>26,107,833</u>
Total accumulated depreciation	<u>27,652,255</u>	<u>25,554,329</u>	<u>18,806,188</u>	<u>17,401,473</u>	<u>46,458,443</u>	<u>42,955,802</u>
Total capital assets, being depreciated, net	<u>38,597,722</u>	<u>38,050,117</u>	<u>37,963,593</u>	<u>35,212,068</u>	<u>76,561,315</u>	<u>73,262,185</u>
Capital assets, net	<u>\$ 54,064,888</u>	<u>\$ 45,672,912</u>	<u>\$ 53,511,330</u>	<u>\$ 49,437,467</u>	<u>\$ 107,576,218</u>	<u>\$ 95,110,379</u>

Additional information on the City of San Juan's capital assets can be found in Note F on pages 34 and 35 of this report.

City of San Juan, Texas Management's Discussion and Analysis

Long-Term Debt

At year-end, the City's outstanding long-term debt was \$65,629,253 and \$58,937,531 for 2023 and 2022. The City's governmental activities debt increased by \$8,237,705 and decreased by \$1,545,983 in business-type activities in 2023.

Additional information on the City of San Juan's long-term debt can be found in Note G on pages 36 through 41 of this report.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Secretary, 709 S. Nebraska, San Juan, Texas 78589.

BASIC FINANCIAL STATEMENTS

CITY OF SAN JUAN, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023 AND 2022

	Primary Government			
	Governmental Activities	Business-type Activities	2023	2022
ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
Cash and Cash Equivalents	\$ 7,001,529	\$ 2,766,920	\$ 9,768,449	\$ 19,427,327
Investments	28,879,019	6,835,481	35,714,500	21,150,900
Receivable, Net	2,382,060	2,488,303	4,870,363	4,282,118
Internal Balances, Net	1,137,539	1,721,820	2,859,359	-
Due from Other Governments	183,137	-	183,137	208,735
Due from Others	15,552	43,148	58,700	26,456
Inventory	18,780	15,533	34,313	24,042
Prepays	176,140	-	176,140	115,283
Note Receivables	30,760	2,053,333	2,084,093	2,113,087
Restricted Assets:				
Temporarily Restricted	121,601	10,160,806	10,282,407	10,939,808
Capital Assets:				
Land	1,721,760	344,215	2,065,975	2,065,975
Buildings	6,434,502	260,278	6,694,780	6,687,357
Infrastructure	40,833,846	36,750,141	77,583,987	74,167,591
Improvements Other Than Buildings	4,284,232	8,575,047	12,859,279	11,828,726
Machinery and Equipment	6,944,354	3,826,350	10,770,704	9,912,454
Vehicles	7,753,043	7,357,965	15,111,008	13,621,858
Accumulated Depreciation	(27,652,255)	(18,806,188)	(46,458,443)	(42,955,802)
Construction-In-Progress	13,745,406	15,203,522	28,948,928	19,782,220
Other Assets	-	-	-	2,429,295
Intangible Assets: Equipment Right-to-Use	53,286	-	53,286	-
Total Assets	<u>94,064,291</u>	<u>79,596,674</u>	<u>173,660,965</u>	<u>155,827,430</u>
Deferred Outflow of Resources (Note I)	<u>764,224</u>	<u>796,707</u>	<u>1,560,931</u>	<u>558,788</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 94,828,515</u>	<u>\$ 80,393,381</u>	<u>\$ 175,221,896</u>	<u>\$ 156,386,218</u>

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

CITY OF SAN JUAN, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023 AND 2022

	Primary Government			
	Governmental Activities	Business-type Activities	2023	2022
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION				
Liabilities				
Accounts Payable	\$ 807,951	\$ 355,349	\$ 1,163,300	\$ 1,673,857
Bank Payable	3,920,690	-	3,920,690	-
Accrued Liabilities	378,343	121,713	500,056	457,532
Contract Payable	1,682,501	-	1,682,501	1,359,738
Other Liabilities	-	173,904	173,904	37,905
Trust-PEG Fund	71,451	-	71,451	71,451
Unearned Revenues	5,403,792	-	5,403,792	9,403,739
Customer Deposits Payable	3,433,889	1,089,333	4,523,222	1,645,414
Non-current Liabilities				
Due in one year	3,895,272	2,253,403	6,148,675	4,755,569
Due in more than one year	38,385,650	21,094,928	59,480,578	54,181,962
Total Liabilities	<u>57,979,539</u>	<u>25,088,630</u>	<u>83,068,169</u>	<u>73,587,167</u>
Deferred Inflow of Resources (Note I)	<u>233,969</u>	<u>160,785</u>	<u>394,754</u>	<u>1,130,471</u>
Net Position				
Net Investment in Capital Assets	23,600,195	38,980,431	62,580,626	36,567,590
Restricted For:				
Debt Service	1,726,531	808,371	2,534,902	2,159,247
Capital Projects	9,884,475	1,983,145	11,867,620	16,830,611
Economic Development	2,822,532	-	2,822,532	2,299,005
Municipal Court	138,434	-	138,434	120,118
Federal and State Awards	322,131	-	322,131	292,180
Other Purposes	1,039,614	1,089,333	2,128,947	1,899,449
Unrestricted	(2,918,905)	12,282,686	9,363,781	21,500,380
Total Net Position	<u>36,615,007</u>	<u>55,143,966</u>	<u>91,758,973</u>	<u>81,668,580</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 94,828,515</u>	<u>\$ 80,393,381</u>	<u>\$ 175,221,896</u>	<u>\$ 156,386,218</u>

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

CITY OF SAN JUAN, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 6,010,418	\$ 1,091,899	\$ 15,000	\$ -
Public Safety	9,000,000	201,609	503,899	225,768
Public Works	1,727,434	301,206	685,035	-
Culture & Recreation	2,436,209	326,288	1,934,801	-
Economic Development	879,324	62,600	-	-
Interest on Long-Term Debt	1,077,962	-	-	-
Total Governmental Activities	21,131,347	1,983,602	3,138,735	225,768
Business-type Activities:				
Water Services	2,762,794	2,844,752	-	543,934
Sewer Services	2,950,689	3,351,521	-	3,752,226
Garbage and Brush	3,523,285	3,996,079	-	-
Interest on Long-Term Debt	381,246	-	-	-
Total Business-type Activities	9,618,013	10,192,352	-	4,296,160
Total Governmental and Business-type Activities	\$ 30,749,360	\$ 12,175,954	\$ 3,138,735	\$ 4,521,928

General Revenues

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Other Taxes

Miscellaneous

Investment Earnings

Transfers In (Out)

Total General Revenues

Changes in Net Position

Net Position, Beginning of Year

Net Position at End of Year

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Totals
\$ (4,903,519)	\$ -	\$ (4,903,519)
(8,068,724)		(8,068,724)
(741,193)		(741,193)
(175,120)		(175,120)
(816,724)		(816,724)
(1,077,962)		(1,077,962)
(15,783,242)		(15,783,242)
	625,893	625,893
	4,153,058	4,153,058
	472,794	472,794
	(381,246)	(381,246)
-	4,870,499	4,870,499
(15,783,242)	4,870,499	(10,912,743)
10,405,015	-	10,405,015
6,342,536	-	6,342,536
1,082,507	-	1,082,507
88,584	-	88,584
791,525	339,873	1,131,398
1,267,239	685,857	1,953,096
494,098	(494,098)	-
20,471,504	531,632	21,003,136
4,688,262	5,402,131	10,090,393
31,926,745	49,741,835	81,668,580
\$ 36,615,007	\$ 55,143,966	\$ 91,758,973

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

CITY OF SAN JUAN, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED 2022

Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 4,701,204	\$ 765,021	\$ 30,000	\$ -
Public Safety	6,586,373	154,801	366,260	-
Public Works	1,447,607	297,061	-	-
Culture & Recreation	2,044,460	91,877	14,863	-
Economic Development	476,424	62,600	-	-
Interest on Long-Term Debt	1,070,352	-	-	-
Total Governmental Activities	16,326,420	1,371,360	411,123	-
Business-type Activities:				
Water Services	2,277,193	2,704,012	1,530	-
Sewer Services	2,578,339	3,184,784	9,915	50,400
Garbage and Brush	3,536,470	3,320,776	5,240	-
Interest on Long-Term Debt	426,706	-	-	-
Total Business-type Activities	8,818,708	9,209,572	16,685	50,400
Total Governmental and Business-type Activities	\$ 25,145,128	\$ 10,580,932	\$ 427,808	\$ 50,400

General Revenues

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Other Taxes

Miscellaneous

Investment Earnings

Bond Premium Proceeds

Administrative Transfers In (Out)

Transfers In (Out)

Total General Revenues

Changes in Net Position

Net Position, Beginning of Year, As Adjusted (Note O)

Net Position at End of Year

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Totals
\$ (3,906,183)	\$ -	\$ (3,906,183)
(6,065,312)		(6,065,312)
(1,150,546)		(1,150,546)
(1,937,720)		(1,937,720)
(413,824)		(413,824)
(1,070,352)		(1,070,352)
<u>(14,543,937)</u>		<u>(14,543,937)</u>
	428,349	428,349
	666,760	666,760
	(210,454)	(210,454)
	<u>(426,706)</u>	<u>(426,706)</u>
<u>-</u>	<u>457,949</u>	<u>457,949</u>
<u>(14,543,937)</u>	<u>457,949</u>	<u>(14,085,988)</u>
9,460,013	-	9,460,013
6,006,988	-	6,006,988
1,051,773	-	1,051,773
71,132	-	71,132
365,903	79,393	445,296
167,877	59,957	227,834
-	-	-
(2,249,656)	2,249,656	-
-	-	-
<u>14,874,030</u>	<u>2,389,006</u>	<u>17,263,036</u>
330,093	2,846,955	3,177,048
31,596,652	46,894,880	78,491,532
<u>\$ 31,926,745</u>	<u>\$ 49,741,835</u>	<u>\$ 81,668,580</u>

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

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GOVERNMENTAL FUNDS

CITY OF SAN JUAN, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEETS
SEPTEMBER 30, 2023 AND 2022

	General Fund	Debt Service Fund	Economic Development Fund	Certificates of Obligation 2018 Fund
ASSETS				
Cash and Cash Equivalents	\$ 1,361,173	\$ 23,140	\$ 330,222	\$ -
Investments	5,985,451	1,624,153	1,981,702	2,100,669
Designated Cash and Investments	65,371	-	56,230	-
Receivables, net				
Property Taxes	1,029,092	362,511	-	-
Sales Taxes	720,337	-	-	-
Franchise Taxes	96,253	-	-	-
Other Receivables	118,715	-	-	-
Notes Receivable	-	-	-	-
Due from Other Funds	1,197	3,619	1,272,348	-
Due from Other Governments	-	-	-	-
Due from Others	15,552	-	-	-
Inventories	18,780	-	-	-
Prepays	174,740	-	-	-
Total Assets	<u>\$ 9,586,661</u>	<u>\$ 2,013,423</u>	<u>\$ 3,640,502</u>	<u>\$ 2,100,669</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 348,057	\$ -	\$ 310,858	\$ -
Bank Payable	-	-	-	2,100,669
Wages Payable	354,308	-	3,585	-
Contract Payable	91,110	-	-	-
Due to Other Funds	134,809	-	4,816	-
Due to Others	211,134	-	-	-
Trust-PEG Fund	71,451	-	-	-
Unearned Revenues	211,611	-	-	-
Total Liabilities	<u>1,422,480</u>	<u>-</u>	<u>319,259</u>	<u>2,100,669</u>
Deferred Inflows of Resources				
Deferred Revenues (Note I)	971,323	343,122	-	-
Total Deferred Inflows of Resources	<u>971,323</u>	<u>343,122</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable:				
Inventories	18,780	-	-	-
Prepaid Items	174,740	-	-	-
Assigned to:				
Debt Service	-	1,670,301	56,230	-
Capital Projects	-	-	1,137,539	-
Economic Development	-	-	2,127,474	-
Municipal Court	-	-	-	-
Federal or State Funds Grant Restriction	-	-	-	-
Other Purposes	-	-	-	-
Unassigned:	6,999,338	-	-	-
Total Fund Balances	<u>7,192,858</u>	<u>1,670,301</u>	<u>3,321,243</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 9,586,661</u>	<u>\$ 2,013,423</u>	<u>\$ 3,640,502</u>	<u>\$ 2,100,669</u>

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

Certificates of Obligation 2020 Fund	Certificates of Obligation 2023 Fund	TDEM Grant Fund	Non-Major Governmental Funds	Totals	
				2023	2022
\$ -	\$ 3,000,000	\$ 97,825	\$ 2,189,169	\$ 7,001,529	\$ 16,066,514
1,920,023	6,002,628	5,597,704	3,666,689	28,879,019	14,759,956
-	-	-	-	121,601	117,743
-	-	-	-	1,391,603	1,251,533
-	-	-	-	720,337	708,991
-	-	-	-	96,253	128,892
-	-	-	55,152	173,867	119,026
-	-	-	30,760	30,760	59,754
-	-	-	-	1,277,164	1,145,778
-	-	-	183,137	183,137	208,735
-	-	-	-	15,552	22,858
-	-	-	-	18,780	16,426
-	-	-	1,400	176,140	115,283
<u>\$ 1,920,023</u>	<u>\$ 9,002,628</u>	<u>\$ 5,695,529</u>	<u>\$ 6,126,307</u>	<u>\$ 40,085,742</u>	<u>\$ 34,721,489</u>
\$ -	\$ -	\$ 140,181	\$ 8,855	\$ 807,951	\$ 1,157,987
1,316,616	-	-	503,405	3,920,690	-
-	-	-	20,450	378,343	354,615
1,030,153	-	-	561,238	1,682,501	1,359,738
-	-	-	-	139,625	2,867,598
2,859,359	-	-	363,396	3,433,889	638,629
-	-	-	-	71,451	71,451
-	-	5,177,486	14,695	5,403,792	9,403,739
<u>5,206,128</u>	<u>-</u>	<u>5,317,667</u>	<u>1,472,039</u>	<u>15,838,242</u>	<u>15,853,757</u>
-	-	-	-	1,314,445	1,190,088
-	-	-	-	1,314,445	1,190,088
-	-	-	-	18,780	16,426
-	-	-	-	174,740	115,235
-	-	-	-	1,726,531	1,440,645
(3,286,105)	9,002,628	377,862	2,652,551	9,884,475	6,205,048
-	-	-	695,058	2,822,532	2,299,005
-	-	-	138,434	138,434	120,118
-	-	-	322,131	322,131	292,180
-	-	-	846,094	846,094	761,003
-	-	-	-	6,999,338	6,427,984
<u>(3,286,105)</u>	<u>9,002,628</u>	<u>377,862</u>	<u>4,654,268</u>	<u>22,933,055</u>	<u>17,677,644</u>
<u>\$ 1,920,023</u>	<u>\$ 9,002,628</u>	<u>\$ 5,695,529</u>	<u>\$ 6,126,307</u>	<u>\$ 40,085,742</u>	<u>\$ 34,721,489</u>

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

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CITY OF SAN JUAN, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Total fund balance-total governmental funds	\$ 22,933,055	\$ 17,677,644
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources; therefore, are not reported in the governmental fund balance sheet	54,064,888	45,672,912
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds		
Property Taxes	1,314,445	1,190,088
Long-term liabilities are not due and payable in the current period; therefore, are not reported in the governmental fund balance sheet	(40,587,575)	(32,579,669)
Payables for compensated absences which are not due in the current period are not reported in the funds	(1,058,873)	(957,400)
Net pension deferred asset which is not due in the current period and; therefore, not reported in the funds	764,224	371,691
Net pension asset (liability) which is not due in the current period and; therefore, not reported in the funds	(634,474)	1,275,534
Unamortized pension liability unavailable for current period revenue and; therefore, deferred in the Statement of Net Position	(233,969)	(724,055)
GASB 87, Lease Recognition		
Intangible Asset: Equipment Right-to-Use	<u>53,286</u>	<u>-</u>
Net Position of governmental activities	<u>\$ 36,615,007</u>	<u>\$ 31,926,745</u>

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

CITY OF SAN JUAN, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	General Fund	Debt Service Fund	Economic Development Fund	Certificates of Obligation 2018 Fund
Revenues				
Taxes:				
Property Taxes	\$ 7,656,162	\$ 2,624,496	\$ -	\$ -
Sales Taxes	4,756,902	-	1,585,634	-
Franchise Taxes	1,082,507	-	-	-
Hotel Occupancy Taxes	-	-	-	-
Other Taxes	62,537	-	-	-
Licenses and Permits	869,249	-	-	-
Intergovernmental Revenues	782,132	-	-	-
Fines and Fees	408,649	-	-	-
Forfeitures	-	-	-	-
Interest Earned	418,031	68,856	87,498	92,902
Miscellaneous & Other Income	458,074	-	-	-
Total Revenues	<u>16,494,243</u>	<u>2,693,352</u>	<u>1,673,132</u>	<u>92,902</u>
Expenditures				
Current:				
General Government	2,628,093	11,555	-	-
Public Safety	6,867,831	-	-	-
Public Works	1,148,790	-	-	-
Culture & Recreation	1,994,264	-	-	-
Economic Development	-	-	857,017	-
Non-Departmental Expenditures	2,249,715	-	-	-
Capital Outlay	1,608,318	-	306,336	-
Debt Service:				
Principal	463,238	1,537,000	220,000	-
Interest	87,950	859,150	99,872	-
Total Expenditures	<u>17,048,199</u>	<u>2,407,705</u>	<u>1,483,225</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(553,956)	285,647	189,907	92,902
Other Financing Sources (Uses)				
Transfers In (Out)	(22,199)	-	-	(2,683,071)
Lawsuit Settlement	-	-	-	-
Bond/Note Issuance of Debt	1,208,868	-	-	-
Bond Premium Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,186,669</u>	<u>-</u>	<u>-</u>	<u>(2,683,071)</u>
Net Changes in Fund Balances	632,713	285,647	189,907	(2,590,169)
Fund balances, October 1, As Restated (Note O)	<u>6,560,145</u>	<u>1,384,654</u>	<u>3,131,336</u>	<u>2,590,169</u>
Fund balances, September 30	<u>\$ 7,192,858</u>	<u>\$ 1,670,301</u>	<u>\$ 3,321,243</u>	<u>\$ -</u>

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

Certificates of Obligation 2020 Fund	Certificates of Obligation 2023 Fund	TDEM Grant Fund	Non-Major Governmental Funds	2023	2022
\$ -	\$ -	\$ -	\$ -	\$ 10,280,658	\$ 9,512,736
-	-	-	-	6,342,536	6,006,988
-	-	-	-	1,082,507	1,051,773
-	-	-	26,047	26,047	18,353
-	-	-	-	62,537	52,779
-	-	-	-	869,249	732,409
1,920,023	-	15,000	1,126,433	3,843,588	919,469
-	-	-	643,104	1,051,753	576,351
-	-	-	202,765	202,765	173,504
775	2,628	362,814	233,735	1,267,239	167,877
-	-	-	16,422	474,496	365,903
<u>1,920,798</u>	<u>2,628</u>	<u>377,814</u>	<u>2,248,506</u>	<u>25,503,375</u>	<u>19,578,142</u>
-	252,029	15,000	8,625	2,915,302	2,444,750
-	-	-	283,242	7,151,073	5,904,769
-	-	-	257,103	1,405,893	1,295,007
-	-	-	13,074	2,007,338	1,848,256
-	-	-	-	857,017	479,461
-	-	-	-	2,249,715	1,843,263
4,571,728	-	-	4,243,779	10,730,161	8,865,839
-	-	-	-	2,220,238	1,893,702
-	-	-	-	1,046,972	1,074,333
<u>4,571,728</u>	<u>252,029</u>	<u>15,000</u>	<u>4,805,823</u>	<u>30,583,709</u>	<u>25,649,380</u>
(2,650,930)	(249,401)	362,814	(2,557,317)	(5,080,334)	(6,071,238)
2,945,327	-	-	(365,209)	(125,152)	(2,868,906)
-	-	-	-	-	-
-	8,935,000	-	-	10,143,868	577,000
-	317,029	-	-	317,029	-
<u>2,945,327</u>	<u>9,252,029</u>	<u>-</u>	<u>(365,209)</u>	<u>10,335,745</u>	<u>(2,291,906)</u>
294,397	9,002,628	362,814	(2,922,526)	5,255,411	(8,363,144)
(3,580,502)	-	15,048	7,576,794	17,677,644	26,040,788
<u>\$ (3,286,105)</u>	<u>\$ 9,002,628</u>	<u>\$ 377,862</u>	<u>\$ 4,654,268</u>	<u>\$ 22,933,055</u>	<u>\$ 17,677,644</u>

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

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CITY OF SAN JUAN, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget			Variance
	Original	Final	Actual	Final Budget Favorable (Unfavorable)
Revenues				
Property Taxes	\$ 9,385,504	\$ 9,385,504	\$ 10,280,658	\$ 895,154
Sales Taxes	4,840,922	4,840,922	6,342,536	1,501,614
Franchise Taxes	1,000,000	1,000,000	1,082,507	82,507
Hotel Occupancy Taxes	24,600	24,600	26,047	1,447
Other Taxes	40,000	40,000	62,537	22,537
Licenses & Permits	626,175	626,175	869,249	243,074
Intergovernmental Revenues	1,433,831	1,433,831	3,843,588	2,409,757
Fines and Fees	773,051	905,031	1,051,753	146,722
Forfeitures	165,300	165,300	202,765	37,465
Interest Earned	36,310	36,310	1,267,239	1,230,929
Miscellaneous & Other Income	154,134	154,134	474,496	320,362
Total revenues	18,479,827	18,611,807	25,503,375	6,891,568
Expenditures				
Current				
General Government	2,516,953	2,530,418	2,915,302	(384,884)
Public Safety	7,464,283	7,480,447	7,151,073	329,374
Public Works	1,306,603	1,313,455	1,405,893	(92,438)
Culture & Recreation	1,797,204	1,825,603	2,007,338	(181,735)
Economic Development	801,757	801,757	857,017	(55,260)
Non-Departmental Expenses	1,827,534	1,879,363	2,249,715	(370,352)
Capital Outlay	12,561,007	10,682,257	10,730,161	(47,904)
Debt Service:				
Principal	1,725,010	1,725,010	2,220,238	(495,228)
Interest	846,353	846,353	1,046,972	(200,619)
Total expenditures	30,846,704	29,084,663	30,583,709	(1,499,046)
Excess (Deficiency) of Revenues Over Expenditures	(12,366,877)	(10,472,856)	(5,080,334)	5,392,522
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	(125,152)	(125,152)
Lawsuit Settlement	-	-	-	-
Bond/Note Proceeds	-	-	10,143,868	10,143,868
Bond Premium Proceeds	-	-	317,029	317,029
Total Other Financing Sources (Uses)	-	-	10,335,745	10,335,745
Net Changes in Fund Balances	\$ (12,366,877)	\$ (10,472,856)	5,255,411	\$ 15,728,267
Fund Balance, October 1,			17,677,644	
Fund Balance, September 30			\$ 22,933,055	

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

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PROPRIETARY FUNDS

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023 AND 2022

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2023 Enterprise Funds	2022 Enterprise Funds
Assets					
Cash and cash equivalents	\$ 1,561,993	\$ 1,110,699	\$ 94,228	\$ 2,766,920	\$ 3,360,813
Investments	5,262,663	782,603	790,215	6,835,481	6,390,944
Restricted cash and investments	728,058	-	9,432,748	10,160,806	10,822,065
Utility and trade receivables, net	1,507,758	980,545	-	2,488,303	2,073,676
Due from other funds	1,153,051	568,769	-	1,721,820	1,721,820
Due from others	3,634	39,514	-	43,148	3,598
Inventory	-	15,533	-	15,533	7,616
Long-Term Loan	-	2,053,333	-	2,053,333	2,053,333
Capital assets - net					
Non-depreciable assets	13,001,244	8,783	2,537,710	15,547,737	14,225,399
Depreciable assets	33,520,732	4,442,861	-	37,963,593	35,212,068
Other Assets	-	-	-	-	647,613
Total Assets	56,739,133	10,002,640	12,854,901	79,596,674	76,518,945
Deferred Outflow of Resources	454,483	342,224	-	796,707	187,097
Total Assets and Deferred Outflows of Resources	\$ 57,193,616	\$ 10,344,864	\$ 12,854,901	\$ 80,393,381	\$ 76,706,042
Liabilities Deferred Inflow of Resources and Net Position					
Liabilities					
Accounts payable	\$ 248,450	\$ 73,798	\$ 33,101	\$ 355,349	\$ 515,870
Wages payable	75,973	45,740	-	121,713	102,917
Other liabilities	108,163	65,741	-	173,904	37,905
Customer deposits payable	688,323	401,010	-	1,089,333	1,006,785
Due to other funds	-	-	-	-	-
Non-current liabilities :					
Due in one year	1,354,209	538,122	361,072	2,253,403	1,871,828
Due in more than one year	9,927,263	1,179,547	9,988,118	21,094,928	23,022,486
Total Liabilities	12,402,381	2,303,958	10,382,291	25,088,630	26,557,791
Deferred Inflow of Resources	91,720	69,065	-	160,785	406,416
Net Position					
Net Investment in capital assets	35,590,041	2,981,238	409,152	38,980,431	24,859,831
Restricted					
Customer deposits	688,323	401,010	-	1,089,333	1,006,785
Debt service	-	-	808,371	808,371	718,602
Capital projects	728,058	-	1,255,087	1,983,145	10,625,563
Unrestricted	7,693,093	4,589,593	-	12,282,686	12,531,054
Total Net Position	44,699,515	7,971,841	2,472,610	55,143,966	49,741,835
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 57,193,616	\$ 10,344,864	\$ 12,854,901	\$ 80,393,381	\$ 76,706,042

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

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2023 Enterprise Funds	2022 Enterprise Funds
Operating Revenues					
Water sales	\$ 2,688,945	\$ -	\$ -	\$ 2,688,945	\$ 2,583,117
Sewer charges	3,167,958	-	-	3,167,958	3,042,394
Refuse fees	-	3,711,219	-	3,711,219	3,112,687
Other operating revenues					
Penalties	100,950	-	-	100,950	93,580
Tap fees	164,200	-	-	164,200	108,185
Connect/Reconnect fees	74,220	-	-	74,220	61,520
Other	-	284,860	-	284,860	208,089
Miscellaneous	107,367	232,506	-	339,873	79,393
Total Operating Revenues	6,303,640	4,228,585	-	10,532,225	9,288,965
Operating Expenses					
Personal expenses	1,863,553	1,193,574	-	3,057,127	2,539,187
Other services and charges	1,874,439	496,106	12,555	2,383,100	2,299,254
Supplies	921,995	576,620	-	1,498,615	1,344,026
Contractual services-Administrative	407,820	211,430	-	619,250	619,250
Contractual services-Operations	-	593,490	-	593,490	729,030
Total Operating Expenses	5,067,807	3,071,220	12,555	8,151,582	7,530,747
Operating Income (Loss) Before Depreciation	1,235,833	1,157,365	(12,555)	2,380,643	1,758,218
Depreciation	1,040,940	663,495	-	1,704,435	1,480,504
Operating Income (Loss)	194,893	493,870	(12,555)	676,208	277,714
Non-operating Revenues (Expenses)					
Interest income	257,836	29,968	398,053	685,857	59,957
Interest expense	-	(39,701)	(341,545)	(381,246)	(426,707)
Total non-operating revenues (expenses)	257,836	(9,733)	56,508	304,611	(366,750)
Excess of Revenues Over Expenditures Before Capital Grants and Transfers	452,729	484,137	43,953	980,819	(89,036)
Capital Grants and Transfers					
Capital Grants	3,954,254	-	341,906	4,296,160	67,085
Transfers In (Out)	(692,043)	125,152	692,043	125,152	2,868,906
Total Capital Grants and Transfers	3,262,211	125,152	1,033,949	4,421,312	2,935,991
Changes in Net Position	3,714,940	609,289	1,077,902	5,402,131	2,846,955
Net position, October 1	40,984,575	7,362,552	1,394,708	49,741,835	46,894,880
Net position, September 30	\$ 44,699,515	\$ 7,971,841	\$ 2,472,610	\$ 55,143,966	\$49,741,835

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

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2023 Enterprise Funds	2022 Enterprise Funds
Cash flows provided (used) by operating activities:					
Receipts from customers	\$ 5,977,366	\$ 3,983,677	\$ -	\$ 9,961,043	\$ 9,143,846
Receipts from others	215,494	192,992	-	408,486	80,476
Operating grants	-	-	-	-	-
Payment (to) from other funds	-	-	-	-	-
Payments to employees for services	(1,947,757)	(1,246,524)	-	(3,194,281)	(2,578,808)
Payments to suppliers for good and services	(3,075,121)	(1,884,189)	(12,555)	(4,971,865)	(4,922,071)
Net cash provided (used) by operating activities	<u>1,169,982</u>	<u>1,045,956</u>	<u>(12,555)</u>	<u>2,203,383</u>	<u>1,723,443</u>
Cash flow from non-capital financing activities					
Transfers in (out)	(692,043)	125,152	692,043	125,152	2,740,277
Cash flows provided (used) by capital and related financing activities					
Capital asset purchases	(4,270,617)	(673,502)	(1,097,370)	(6,041,489)	(3,811,541)
Long-term note receivable repayment	-	-	-	-	-
Retirement of long-term debt	(787,294)	(280,109)	(631,028)	(1,698,431)	(1,477,925)
Interest paid	-	(39,701)	(341,545)	(381,246)	(426,707)
Note/Bond/Bond premium proceeds	-	-	-	-	-
Capital grants	3,954,254	-	341,906	4,296,160	67,085
Net cash provided (used) by capital and related financial activities	<u>(1,103,657)</u>	<u>(993,312)</u>	<u>(1,728,037)</u>	<u>(3,825,006)</u>	<u>(5,649,088)</u>
Cash flow provided (used) by investing activities:					
Proceeds from sale & maturities of securities	257,836	29,967	398,053	685,856	59,957
Lawsuit Settlement	-	-	-	-	-
Net cash provided (used) by investment activities	<u>257,836</u>	<u>29,967</u>	<u>398,053</u>	<u>685,856</u>	<u>59,957</u>
Net increase (decrease) in cash and cash equivalents	(367,882)	207,763	(650,496)	(810,615)	(1,125,411)
Cash and cash equivalents, October 1	7,920,596	1,685,539	10,967,687	20,573,822	21,699,233
Cash and cash equivalents, September 30	<u>\$ 7,552,714</u>	<u>\$ 1,893,302</u>	<u>\$ 10,317,191</u>	<u>\$ 19,763,207</u>	<u>\$ 20,573,822</u>

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

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2023 Enterprise Funds	2022 Enterprise Funds
Reconciliation of operating loss to net cash provided by (used) in operating activities:					
Operating Income (Loss)	\$ 194,893	\$ 493,870	\$ (12,555)	\$ 676,208	\$ 277,714
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation expense	1,040,940	663,495	-	1,704,435	1,480,504
(Increase) Decrease in accounts receivable	(249,772)	(164,855)	-	(414,627)	(102,230)
(Increase) Decrease in due from other funds	-	-	-	-	-
(Increase) Decrease in due from others	(36)	(39,514)	-	(39,550)	1,082
(Increase) Decrease in inventory	-	(7,916)	-	(7,916)	1,831
(Increase) Decrease in other assets	363,959	283,654	-	647,613	(71,865)
(Increase) Decrease in deferred outflow of resources	(495,416)	(369,582)	-	(864,998)	(143,680)
Increase (Decrease) in accounts payable	129,133	(26,462)	-	102,671	(166,001)
Increase (Decrease) in wages payable	8,759	10,037	-	18,796	(3,456)
Increase (Decrease) in other liabilities	108,163	27,836	-	135,999	9,340
Increase (Decrease) in customer deposits	30,865	51,682	-	82,547	84,803
Increase (Decrease) in due to other funds	-	-	-	-	-
Increase (Decrease) in compensated absences	29,493	122,956	-	152,449	27,999
Increase (Decrease) in deferred inflow of resources	(124,824)	(100,014)	-	(224,838)	327,402
Net cash provided (used) by operating activities	<u><u>\$ 1,036,157</u></u>	<u><u>\$ 945,187</u></u>	<u><u>\$ (12,555)</u></u>	<u><u>\$ 1,968,789</u></u>	<u><u>\$ 1,723,443</u></u>

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2023 Enterprise Funds	2022 Enterprise Funds
Reconciliation of total cash and cash investments:					
Cash and cash equivalents	\$ 1,561,993	\$ 1,110,699	\$ 94,228	\$ 2,766,920	\$ 3,360,813
Investments	5,262,663	782,603	790,215	6,835,481	6,390,944
Restricted cash and investments	728,058	-	9,432,748	10,160,806	10,822,065
Total cash and cash equivalents	<u><u>\$ 7,552,714</u></u>	<u><u>\$ 1,893,302</u></u>	<u><u>\$ 10,317,191</u></u>	<u><u>\$ 19,763,207</u></u>	<u><u>\$ 20,573,822</u></u>

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

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FIDUCIARY FUNDS

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**CITY OF SAN JUAN, TEXAS
FIDUCIARY FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 2,851	\$ 1,843
Due from other funds	<u>169</u>	<u>169</u>
Total Assets	<u><u>\$ 3,020</u></u>	<u><u>\$ 2,012</u></u>
 LIABILITIES AND NET POSITION		
LIABILITIES		
Wages Payable	\$ 2,112	\$ 2,012
Due from other funds	<u>908</u>	<u>-</u>
	<u><u>3,020</u></u>	<u><u>2,012</u></u>
 NET POSITION		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u><u>\$ 3,020</u></u>	<u><u>\$ 2,012</u></u>

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NOTES TO FINANCIAL STATEMENTS

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CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Statement

The City of San Juan, Texas (the “City”) was incorporated on December 29, 1917, under Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a City Commission-Manager form of government and provides the following services as authorized by its charter. The services include public safety (police and fire), public works, health, and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities (water and sewer services and solid waste collection).

On April 5, 1975, the voters officially adopted the Home Rule Act, which conferred the City the powers of Title 22, Revised Civil Statutes of Texas, 1911, Chapter 13 Title 28, AN 1175 Revised Civil Statutes of Texas, 1925, and Section 4, Chapter 147, Acts of the 33rd Legislative, General Laws Regular Session.

The accounting and reporting policies of the City San Juan, Texas as reflected in the accompanying financial statements conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the more significant accounting and reporting policies and reported practices used by the City.

2. Financial Reporting Entity

The accompanying financial statements present the reporting entity, which consists of the primary government. Financial reporting standards also require the City of San Juan, Texas to include, if any, legally-separate entities or organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City’s basic financial statements to be misleading or incomplete.

Financial accountability exists if a primary government appoints a voting majority of an organization’s governing Board and either is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing Board, a governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the primary government.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of San Juan, Texas, and its component units, entities for which the City is considered to be financial accountable. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended component units – Blended component units, although legally separate entities, are in substance part of the government’s operations and so data from these units are combined with data of the primary government. Blended presented component units include the following:

- The San Juan Economic Development Corporation (the “Corporation”) was incorporated on May 31, 1996, under the Development Corporation Act of 1979, of the State of Texas. The Corporation operates as a component unit of the City of San Juan, Texas. The Corporation’s specific public purpose is to promote economic development and encourage employment for the public welfare on behalf of the City by developing, implementing, providing, and financing projects under the Act as defined in Section 4B of the Act. The Corporation’s primary source of revenues is sales tax revenues generated by the City of San Juan, Texas. There were no significant adjustments needed to convert the fund statements of the Corporation to compliance with GASB 34 requirements.

A copy of the component units’ financial statements can be obtained by contacting the Office of the City Secretary at City Hall, 709 S. Nebraska Street, San Juan, Texas 78589.

Government Accounting Standards Board has issued the following pronouncements, which are relevant to the City, and have been implemented in prior years:

GASB Statement No 60, *Accounting and Financial Reporting For Service Concession Arrangements*

GASB Statement No 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB AICPA Pronouncements*

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*

GASB Statement No 65, *Items Previously Reported as Assets and Liabilities*

GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 27*

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

GASB Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*

GASB Statement No. 87, *Leases*

GASB Statement No. 98, *The Annual Comprehensive Financial Report*

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*: This statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The implementation of GASB Statement No. 96 didn’t have a material impact on the financial statements.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future accounting standards possibly applicable to the City of San Juan, Texas that have been issued by the Governmental Accounting Standards Board are:

GASB Statement No. 99, Omnibus 2022

GASB Statement No. 100, Accounting Changes and Error Corrections

GASB Statement No. 101, Compensated Absences

3. Use of Estimates

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

4. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements –

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on all the activities of the City. Generally, the effect of inter-fund activity, within the governmental and business-type activities columns, has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely on a significant extent on fees and charges for support.

The statement of activities reflects the extent to which direct expenses of each function are offset by program revenues. *Direct expenses* are those that are attributable to a specific function and are clearly identifiable. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a specific function as well as grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not appropriately included with program revenues are shown as general revenues.

In addition to and apart from the government-wide financial statements, fund financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. In each of these financial statements, major funds are presented in separate columns.

Fund Financial Statements –

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary, and fiduciary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds –

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund –

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund –

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Non-major Governmental Funds:

Capital Project Funds –

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Special Revenue Funds –

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to finance specific activities.

Proprietary Funds –

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

Utility Fund –

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

Solid Waste Fund –

Solid Waste Fund is used to account for the provision of garbage and brush pick-up service to the residents of the City. Activities of the fund include administration, operations and maintenance of the garbage and brush pick-up and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Utility Debt Service Fund –

The fund accounts for the accumulation of resources from the Utility Fund for the payment of long-term debt principal and interest for water and wastewater debt.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. 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.

5. Measurement Focus/Basis of Accounting and Financial Statement Presentation

The government-wide statements and fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, consistent with the presentation of the proprietary fund and fiduciary fund financial statements, with the exception that custodial funds that use the *economic resources measurement focus*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurements focus* and are accounted for using the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period, except for property taxes, which is 60 days required by GAAP. However, debt service expenditures, as well as those related to compensated absences and claims, and judgments are recognized only when payment is made.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the City to refund all or part of the unused amount.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stewardship, Compliance and Accountability

6. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain major and non-major special revenue funds, which adopt project-length budgets. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds, as well as for the water and sewer funds.

Unused appropriations for the annual budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

On or before the end of June of each year, all agencies of the City submit requests for appropriation to the city secretary so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates and requested appropriations by fund function, and activity for the next fiscal year.

Before October 1, the proposed budget is presented to the City Commission for review. The City Commissioners hold a public hearing and may add to, subtract from, or change appropriations by fund, function and activity but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Secretary or the revenue estimates must be changed by an affirmative vote of a majority of the City Commissioners.

The City Manager is authorized to transfer budgeted amounts within a department within any fund; however, any revisions that alter the overall fund total of appropriated expenditures of any fund must be approved by the City Commission.

Expenditures Over-Appropriations

For the fiscal year ended September 30, 2023, expenditures in the General Fund exceeded budgeted appropriations in three (3) expenditure categories.

General fund expenditures exceeded appropriations by the indicated amounts in the following categories, which are budgeted in conformity with accounting principles generally accepted in the United States of America.

	<u>Expenditures (Over)</u> <u>Appropriations</u>
Non-Departmental Expenditures (Page 72)	\$ (5,406)
Capital Outlay (Page 72)	(379,918)
Debt Service - Principal (Page 72)	(48,088)

These expenditures over appropriations are the result of underestimating actual expenditures for the year. Revenue sufficient to provide for the excess was made available through the use of excess actual revenues over budgeted revenues.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Encumbrances

Encumbrance accounting, under which purchase orders for the future expenditure of monies are recorded in order to reserve the portion of the applicable budget appropriations, is not used by the City of San Juan, Texas, except for an appropriation for a capital expenditure, but shall be deemed abandoned if three years pass without disbursement from an encumbrance of the appropriation.

8. Assets, Liabilities and Equity

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund type considers cash and cash equivalents to include all highly liquid investments with maturity of three months or less when purchased.

Investments

In accordance with provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," investments are reported at fair value, which is determined by market value. Certificates of deposits are reported at carrying amount which reasonably estimates fair value.

b. Credit Risks

Custodial Credit Risk

Deposits and Certificates of Deposits

Custodial credit risk refers to the risk that in the event of a bank failure, the City's deposits may not be returned to it.

In accordance with the City's fiscal policy as approved by the Board, the City maintains demand and time deposits under the terms of the depository agreement. The local depository banks are members of the Federal Reserve System.

In no time during the fiscal year did the City's deposits go over the Federal Deposit Insurance Corporation (FDIC) insurance of \$250,000 and the pledged securities at the local depository bank.

Interest Rate Risk

The City's investment policy limits investment maturities to no more than two years from the date of purchase.

Concentration of Credit Risk

The City's policy limits the deposits in any one-bank institution to their extent of FDIC coverage, and where applicable with bank depository agreements, but it is silent in the concentration of balances in the various types of accounts.

Fair Values of Financial Instruments

The following methods of assumptions were used by the City in estimating its fair value disclosures for financial instruments:

- Cash, cash equivalents, short-term investments, and promises to give are due in less than one year. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State statutes authorize the City to invest in the obligations of the United States of America, State of Texas, obligations of states, agencies, counties, cities, and any other political subdivisions of any state having a rating no less than A or its equivalent by a nationally recognized investment rating firm, certificates of deposit issued by state and national banks guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) and/or further collateralized by additional pledged securities above the FDIC limits, and fully collateralized direct repurchased agreements.

c. Property Tax

The State of Texas Constitution limits the City's ad valorem tax rate for all purposes to \$2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2023, was levied using a rate of \$.6765 per one hundred dollars of assessed valuation based on 100 percent of estimated market value.

Legislation has been passed by the Texas Legislature which affects the methods of property appraisal in the City. This legislation, with certain exceptions, exempts intangible personal property, household goods, and family-owned automobiles (unless specifically authorized by resolution of the governing body) from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county appraisal districts and for a state property board.

The appraisal of property within the city is the responsibility of the Hidalgo County Tax Appraisal District.

The Appraisal District is required under the Property Tax Code to appraise all property within the county on the basis of 100 percent of its market value. The value of real property within the Appraisal District must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The city may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action.

Under this legislation, the City continues to set tax rates on city property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate of the previous year by more than 8 percent, qualified voters of the city may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the effective tax rate.

The city bills and collects its own property taxes through a contractual agreement with the County of Hidalgo. Collections of the city taxes and remittance of them are accounted for in the County of Hidalgo Tax Collection Agency Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables. January 1 is the assessment date. March 31 is the end of the rendition period for the Appraisal District.

By September 30, the City adopts the tax rate. On October 1 taxes are levied and payable by January 31. Property taxes attach as an enforceable lien on property as of January 1. Uncollected taxes are placed in the hands of the attorney for legal action on February 1, following year of assessment.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after July 1 to file suits on real estate property. As of July 1, 15% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2023, were 95.99% of the current tax levy.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

The City charter of the City of San Juan, Texas, does not provide for a debt limit, therefore, no computation can be made. However, at September 30, 2023, the City had a tax margin of \$1.8235 for every \$100 valuation based upon a maximum ad valorem tax of \$2.50 for every \$100 valuation imposed by Texas Constitutional law.

d. Prepaid Items and Inventories

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the prepaid items have been recorded as unspendable to signify that a portion of fund balance is not available for other subsequent expenditures.

e. Inventories

The inventories in the Governmental Funds and Proprietary Funds consist of supplies and are recorded at the lower of weighted average cost or market.

f. Inter-fund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "Internal balances."

g. Transactions Between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both Governmental and Proprietary Funds. The City allocates to the Proprietary Funds an indirect cost percentage of information technology services, salaries, and related costs of personnel who perform administrative services for those funds but are paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2023, the City allocated \$407,820 from the Utility Fund and \$211,430 from the Solid Waste Fund.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets, because their use is limited by applicable bond covenants or City Ordinance. Funds restricted include amounts set aside to subsidize potential deficiencies from the enterprise funds operations that could adversely affect debt service payments, amounts set aside from the proceeds of revenue bond issuances that are required for payment of construction, amounts set aside for debt service payments over the succeeding twelve months, amounts set aside for unexpected contingencies or to fund asset replacements, as well as amounts set aside from customer's deposits.

Restricted assets at September 30, 2023, were as follows:

	2023	2022
Trust - PEG Fund	\$ 65,371	\$ 65,371
Cash in Bank - Escrow	10,160,806	10,822,065
Debt Service - Component Unit	56,230	52,372
Total Restricted Assets	<u>\$ 10,282,407</u>	<u>\$ 10,939,808</u>

In accordance with Texas Water Code, Chapter 16, Section 16.356, the City did not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available.

Donated assets are valued at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Infrastructure assets are capitalized and have an original cost of \$5,000 or more.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 years
Water and Wastewater System	30-50 years
Infrastructure	20-35 years
Machinery and Equipment	5 –10 years
Improvements	20 years

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Compensated Absences

Vacation

Full-time employees shall be eligible to use vacation leave with pay after one (1) year of service with the City. 0-5 years: Eight (8) hours or one (1) day per month Maximum accumulation is ninety-six (96) hours. 5-10 years: Ten (10) hours or one (1) day per month Maximum accumulation is one hundred twenty (120) hours. 10 years or More: Twelve (12) hours per month. Maximum accumulation is one hundred forty-four (144) hours. Leave accumulated over maximum during the year will not be lost until the end of the calendar year.

Sick Leave

Full-time employees shall accrue 96 hours of sick leave per year, accrued at a rate of eight (8) hours per month and may accrue up to ninety-six (96) hours. Sick leave shall accumulate during the first full year of full-time employment but may not be granted use during the first six (6) month period only at the discretion of the department director.

If an employee resigns with at least 2 weeks notice and works the remaining 2 weeks, they will be paid for unpaid vacation and sick time that has accrued through the last day of work. If an employee leaves for any reason during the first year, no payment will be made for accrued sick leave.

At September 30, 2023, the liability for accrued vacation leave and accrued sick leave is approximately \$1,258,787. The amount applicable to the Proprietary Funds of \$199,915 has been recorded in the Proprietary Funds. The amount applicable to the General Fund Long-Term Debt has been recorded in the Long-Term Debt as \$1,058,872.

k. Nature and Purpose of Reservations and Designation of Fund Equity

The fund equity reserves for revenue bonds retirement and construction. Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The “revenue bond construction” account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The “revenue bond current debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond future debt service” account is used to report resources set aside to make potential future deficiencies in the revenue bond current debt service account. The fund equity designation for subsequent years’ expenditures primarily represents capital outlays.

Fund balance, reported in governmental funds, which has some level of constraint placed on it, is classified as non-spendable, restricted, committed, or assigned. The amount remaining, which can be spent for any lawful purpose is classified as unassigned. Amounts classified as restricted have constraints placed on the use by law, regulations of other governments, creditors, grantors or be enabling legislation.

Those classified as committed are constrained by the City Commission through an ordinance for specific purposes but are neither restricted nor committed. Reversing a commitment would require City Commission approval through an ordinance. Non-spendable are amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Net Position

Net position represents the difference between assets, deferred outflow of resources, and liabilities, deferred inflow of resources. Net position in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

m. Implementation of New Accounting Principles

The City elected to utilize the infrastructure transition option in the implementation of GASB Statement No. 34 (GASB 34), "Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments" and in fiscal year 2010 capitalized its major infrastructure networks; street, drainage, and parks. It is using in the absence of actual cost information, weighted average age calculation for estimating the historical cost of these infrastructure networks.

n. Reclassification

Certain items in the prior year have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported net income.

As a result of implementing the infrastructure transition provision of GASB 34, net assets at October 1, 2022, is reconciled as follows:

	<u>Governmental Activities</u>
Net Assets, October 1, 2022 as previously reported	\$ 17,677,144
Deferred Revenue - Tax	1,190,088
Deferred Outflow - Pension	923,170
Capital Fixed Assets	71,227,241
Estimated Depreciation	(25,554,329)
Long-Term Debt	(33,537,069)
Long-Term Debt - Pension	-
Prior Period Reclassification	500
Net Assets, October 1, 2022	<u><u>\$ 31,926,745</u></u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B. BUDGET BASIS OF ACCOUNTING

The City of San Juan, Texas prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statements of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-General Fund to provide a meaningful comparison of actual results with the budget.

The major differences between budget and GAAP basis in the General Fund are that total property taxes collected are recognized as revenues (budget) as opposed to recognizing the current year levy as revenues (GAAP).

Adjustments necessary to convert the General Fund's excess of revenues and other sources over expenditure and other uses on the budget basis to a GAAP basis are provided below:

	General Fund
Excess of revenues and other uses over expenditures and other sources-budget basis	\$ 632,713
Accrued Interest	1,925
Net of Capital Fixed Assets	1,608,318
Net of Long-Term Debt	463,238
Current Year Levy in Excess of Collection	(68,674)
Excess of revenues and other sources over expenditures and other uses-GAAP Basic	<u>\$ 2,637,520</u>

NOTE C. CASH AND CASH INVESTMENTS

The City's funds are deposited and invested under the terms of a depository agreement, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC) insurance.

Deposit and Credit Risks

Custodial Credit Risk

Custodial credit risk refers to the risk that in the event of a bank failure, the City's deposits may not be returned to them.

It is the City's policy, as well as a requirement in its depository agreement, for deposits plus accrued interest thereon to be 110% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. The City's deposits, including certificates of deposit, were fully insured, or collateralized as required by the state statutes at September 30, 2023. At year-end, the City's carrying amount was \$7,114,278 and the respective bank balance totaled \$6,823,831. Deposits in financial institutions are carried at cost plus accrued interest. At September 30, 2023, checking as well as time and savings deposits are summarized as follows:

	Bank Balance	Carrying Value
Lone Star National Bank	\$ 6,823,831	\$ 7,114,278
Total	<u>\$ 6,823,831</u>	<u>\$ 7,114,278</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE C. CASH AND CASH INVESTMENTS (CONTINUED)

At September 30, 2023, the insurance and collateral pledges are summarized as follows:

<u>Financial Institution</u>	<u>FDIC Coverage</u>	<u>Securities Pledged</u>	<u>Cash on Deposit</u>	<u>(Deficiency) In Depository Security</u>
Lone Star National Bank	\$ 250,000	\$ 12,949,200	\$ 6,823,831	\$ 6,375,369
Total	<u>\$ 250,000</u>	<u>\$ 12,949,200</u>	<u>\$ 6,823,831</u>	<u>\$ 6,375,369</u>

At September 30, 2023, the City is covered under the City of San Juan, Texas' FDIC coverage and securities pledged.

As of September 30, 2023, the City of San Juan, Texas had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Certificates of Deposit	\$ -
TexPool Investments	7,914
TexStar Investments	32,866,720
TexStar Investments	919,843
Total	<u>\$ 33,794,477</u>

NOTE D. PROPERTY TAX

A summary of all activity regarding delinquent taxes for the year ended September 30, 2023, is as follows:

	<u>2023</u>
Delinquent Taxes Receivable, October 1, 2022	\$ 1,251,533
Tax Levy 2022	10,077,462
Less: Collections and Tax Roll Adjustments	<u>(9,937,392)</u>
Net Delinquent Taxes Receivable, September 30, 2023	<u>\$ 1,391,603</u>

The addition to the tax levy for the year ended September 30, 2023 consisted of the following:

Taxable Value of Real and Tangible Property and Improvements	\$ 1,537,667,138
Tax Rate per \$100 of Valuation	<u>0.6765%</u>
Subtotal	10,402,318
2022 Tax Ceilings (Tax Freeze) Adjusted Levy	<u>(324,856)</u>
Total Tax Levy 2022	<u>\$ 10,077,462</u>

Allowances for uncollectible tax receivables within the General Fund and the Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2023, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund		
Economic Development Corporation	\$ 1,197	\$ 134,809
Debt Service Fund		
Economic Development Corporation	3,619	-
Capital Projects Fund (2020 CO Bond)		
Economic Development Corporation	-	1,137,539
Utility Fund	-	1,153,051
Sanitation Fund	-	568,769
Total General Fund	-	2,859,359
Economic Development Corporation		
General Fund	-	1,197
Debt Service Fund	-	3,619
Capital Projects Fund (2020 CO Bond)	1,272,348	-
Total Economic Development Corporation	1,272,348	4,816
Utility Fund		
Capital Projects Fund (2020 CO Bond)	1,153,051	-
Sanitation Fund		
Capital Projects Fund (2020 CO Bond)	568,769	-
Total Enterprise Funds	1,721,820	-
Total Funds	<u>\$ 2,998,984</u>	<u>\$ 2,998,984</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, is as follows:

	Balance @ 9/30/2022	Additions	Retirements	Balance @ 9/30/2023
Governmental Activities:				
Capital assets, not depreciated:				
Land	\$ 1,721,760	\$ -	\$ -	\$ 1,721,760
Construction-in-Progress	5,901,035	7,906,271	61,900	13,745,406
Total Non-Depreciable	<u>7,622,795</u>	<u>7,906,271</u>	<u>61,900</u>	<u>15,467,166</u>
Capital assets, being depreciated:				
Buildings	6,434,502	-	-	6,434,502
Machinery & Equipment	6,689,835	525,682	271,163	6,944,354
Vehicles	6,190,893	1,602,983	40,833	7,753,043
Improvements other than Buildings	3,455,370	828,862	-	4,284,232
Infrastructure	40,833,846	-	-	40,833,846
Total Depreciable Assets	<u>63,604,446</u>	<u>2,957,527</u>	<u>311,996</u>	<u>66,249,977</u>
Less: Accumulated depreciation for:				
Buildings	1,926,022	133,712	-	2,059,734
Machinery & Equipment	3,113,468	573,461	271,163	3,415,766
Vehicles	2,931,684	426,466	30,625	3,327,525
Improvements other than Buildings	1,981,660	204,593	-	2,186,253
Infrastructure	15,601,495	1,061,482	-	16,662,977
Total Accumulated Depreciation	<u>25,554,329</u>	<u>2,399,714</u>	<u>301,788</u>	<u>27,652,255</u>
Total Capital assets, being depreciation, Net	<u>38,050,117</u>	<u>557,813</u>	<u>10,208</u>	<u>38,597,722</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 45,672,912</u>	<u>\$ 8,464,084</u>	<u>\$ 72,108</u>	<u>\$ 54,064,888</u>

Depreciation is provided in the funds in amounts sufficient to allocate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service life by type of assets are noted in Note A.

Depreciation was charged to government functions as follows:

	2023
General Government	\$ 607,807
Public Safety	1,229,036
Public Works	243,506
Culture and Recreation	316,366
Economic Development	2,999
Total Depreciation-Governmental Activities	<u>\$ 2,399,714</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended September 30, 2023, is as follows:

	Balance @ 9/30/2022	Additions	Retirements	Balance @ 9/30/2023
Business-Type Activities:				
Capital assets, not depreciated:				
Land	\$ 344,215	\$ -	\$ -	\$ 344,215
Construction-in-Progress	13,881,184	1,322,338	-	15,203,522
Total Non-Depreciable	<u>14,225,399</u>	<u>1,322,338</u>	<u>-</u>	<u>15,547,737</u>
Capital assets, being depreciated:				
Buildings	252,855	7,423	-	260,278
Machinery & Equipment	3,222,619	662,995	59,264	3,826,350
Vehicles	7,430,965	167,456	240,456	7,357,965
Improvements other than Buildings	8,373,356	201,691	-	8,575,047
Infrastructure	33,333,746	3,416,395	-	36,750,141
Total Depreciable Assets	<u>52,613,541</u>	<u>4,455,960</u>	<u>299,720</u>	<u>56,769,781</u>
Less: Accumulated depreciation for:				
Buildings	134,803	9,454	-	144,257
Machinery & Equipment	1,802,539	257,227	59,264	2,000,502
Vehicles	2,916,989	622,336	240,456	3,298,869
Improvements other than Buildings	2,040,804	187,946	-	2,228,750
Infrastructure	10,506,338	627,472	-	11,133,810
Total Accumulated Depreciation	<u>17,401,473</u>	<u>1,704,435</u>	<u>299,720</u>	<u>18,806,188</u>
Total Capital assets, being depreciation, Net	<u>35,212,068</u>	<u>2,751,525</u>	<u>-</u>	<u>37,963,593</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 49,437,467</u>	<u>\$ 4,073,863</u>	<u>\$ -</u>	<u>\$ 53,511,330</u>

Depreciation and amortization was charged to business-type activity functions as follows:

	2023
Water	\$ 288,074
Sewer	752,866
Solid Waste	663,495
Total Depreciation-Business-Type Activities	<u>\$ 1,704,435</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. LONG-TERM DEBT

Long-Term Debt as of September 30, 2023, is as follows:

	<u>2023</u>	<u>2022</u>
<u>Governmental Activities Long-Term Debt</u>		
<u>Bonds Payable</u>		
\$3,920,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2015, due in annual installments of \$125,000 to \$300,000 through February 15, 2024; Interest rate at 4.25%	\$ 3,725,000	\$ 3,920,000
\$3,800,000 General Obligation Refunding Bonds, Series 2015, due annual installments of \$340,000 to \$590,000 through February 15, 2024; Interest rate from 2.00% to 3.50%	440,000	860,000
\$3,985,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2017, due in annual installments of \$125,000 to \$335,000 through February 15, 2022; Interest rates from 3% to 4%	2,900,000	3,100,000
\$3,950,000 General Obligation Refunding Bonds, Series 2016, due annual installments of \$175,000 to \$365,000 through February 15, 2032; Interest rate from 3.00% to 4.00%	2,760,000	2,960,000
\$3,020,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2018, due in annual installment of \$60,000 to \$250,000, through February 15, 2048, interest rate of 4.00%.	2,780,000	2,840,000
\$1,820,000 General Obligation Refunding Bonds, Series 2020, due annual installments of \$135,000 to \$250,000 through February 15, 2030; Interest rate from 4.00% to 5.00%	1,140,000	1,375,000
\$2,070,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2020, due in annual installments of \$80,000 to \$125,000 through February 15, 2040; Interest rates from 1% to 4%	1,830,000	1,910,000
\$1,155,000 Tax Note, Series 2020, due in annual installments of \$40,000 to \$315,000 through February 15, 2028; interest rate from 4.0% to 5.0%.	985,000	1,050,000
\$8,205,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2021, due on annual installments of \$170,000 to \$950,000 through February 15, 2041; interest rates from 2% to 5%.	7,885,000	8,035,000
\$577,000 Texas Public Property Finance Contractual Obligation, Series 2022, due on annual installments of \$47,000 to \$65,000 through February 15, 2032; interest rate at 2.480%.	530,000	577,000
\$8,935,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2023, due on annual installments of \$275,000 to \$660,000 through February 15, 2043; interest rates from 2% to 5%.	8,935,000	-
Total Governmental Bonds	<u>33,910,000</u>	<u>26,627,000</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. LONG-TERM DEBT (CONTINUED)

Long-Term Debt as of September 30, 2023, is as follows:

	<u>2023</u>	<u>2022</u>
<u>Governmental Activities Long-Term Debt</u>		
<u>Note Payable</u>		
\$2,200,000 General Fund Note Payable due to the Solid Waste Fund in annual installments of \$73,333 through December 31, 2047	\$ 2,053,333	\$ 2,053,333
<u>Capital Leases</u>		
\$470,465 Capital Lease Agreement on October 27, 2018 for the purchase of a 2016 E-One Typhoon Fire Truck payable to US Bank due in annual installments of \$54,900 through October 1, 2028; interest rate at 2.91%	252,072	298,292
\$449,500 Capital Lease Agreement on March 26, 2018 for the purchase of a Light Structure Foundation-to-Pole System payable to Musco Finance due in annual installments of \$58,393 through March 26, 2028; interest of 4.95%.	252,365	295,780
\$90,540 Capital Lease Agreement on October 21, 2020 for the purchase of bunker gear payable to Community First National Bank due in annual installments of \$20,078 through October 1, 2025; interest of 4.95%.	38,117	56,203
\$1,208,868 Capital Lease Agreement on March 2023 for the purchase of 28 vehicles payable to Enterprise Finance due in monthly installments from \$735 to \$1,527 through August 31, 2028; interest of 1.50%.	968,351	-
Total Governmental Long-term Debt	<u>\$ 37,474,238</u>	<u>\$ 29,330,608</u>
<u>Economic Development Corporation Bonds Payable</u>		
\$1,795,000 General Obligation Refunding Bonds, Series 2016, due in annual installments of \$85,000 to \$165,000 through February 15, 2032; Interest rate from 3.00% to 4.00%	1,225,000	1,325,000
\$3,090,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2018, due in annual installment of \$60,000 to \$250,000, through February 15, 2048, interest rate of 4.00%.	685,000	760,000
\$1,100,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2020, due in annual installment of \$40,000 to \$65,000 through February 15, 2040; Interest rates from 1.00% to 4.00%	970,000	1,015,000
Total Economic Development Corporation Bonds	<u>\$ 2,880,000</u>	<u>\$ 3,100,000</u>
<u>Business-Type Activities Long-Term Debt</u>		
<u>Solid Waste Fund</u>		
\$285,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2015, due in annual installments of \$45,000 to \$50,000 through February 15, 2022; Interest rate at 2.00%	\$ -	\$ -
\$695,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2017, due in annual installments of \$35,000 to \$110,000 through February 15, 2027; Interest rate from 3.00% to 4.00%	410,000	505,000
\$550,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2020, due in annual installments of \$20,000 to \$35,000 through February 15, 2040; Interest rate from 1.00% to 4.00%	490,000	510,000
Total Solid Waste Bonds Payable	<u>\$ 900,000</u>	<u>\$ 1,015,000</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. LONG-TERM DEBT (CONTINUED)

Long-Term Debt as of September 30, 2023, is as follows:

	<u>2023</u>	<u>2022</u>
<u>Business-Type Activities Long-Term Debt</u>		
<u>Utility Fund</u>		
\$6,170,000 Combination Tax & Revenue Certificates of Obligation, Series 2013, due in annual installments of \$90,000 to \$410,000 through February 15, 2033; Interest rate from 0.13% to 2.48%	\$ 3,725,000	\$ 4,060,000
\$2,586,308 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	-	-
\$1,400,000 Waterworks and Sewer System Revenue Bonds, Series 2013B, due in annual installments of \$65,000 to \$95,000 through January 1, 2033; Interest rate from 0.00% to 3.57%	805,000	875,000
\$600,000 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	-	-
\$2,240,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2014, due in annual installments of \$90,000 to \$410,000 through February 15, 2034; Interest rate from 2.0% to 4.0%	1,440,000	1,545,000
\$135,000 EDAP Waterworks and Sewer System Revenue Bonds, Series 2014, due in annual installments of \$10,000 to \$15,000 through January 1, 2024; Interest rate from 1.03% to 3.05%	15,000	30,000
\$135,000 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	18,019	18,019
\$730,000 General Obligation Refunding Bonds, Series 2015, due in annual installments of \$65,000 to \$90,000 through February 15, 2025; Interest rate from 2.00% to 3.50%	175,000	260,000
\$1,440,000 General Obligation Refunding Bonds, Series 2016, due in annual installments of \$125,000 to \$225,000 through February 15, 2025; Interest rate at 3.00%	425,000	610,000
\$2,285,000 Waterworks and Sewer System Revenue Bonds, Series 2017, due in annual installments of \$65,000 to \$100,000 through January 1, 2047; Interest rate from 0.00% to 3.57%	1,960,000	2,025,000
\$1,100,000 Tax Notes, Series 2020, due in annual installments of \$40,000 to \$410,000 through February 15, 2027; Interest rate from 4.0% to 5.0%	925,000	995,000
\$1,115,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2020, due in annual installments of \$75,000 to \$95,000 through February 15, 2040; Interest rate from 1.0% to 4.0%	1,115,000	1,115,000
Total Utility Fund	<u>\$ 10,603,019</u>	<u>\$ 11,533,019</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. LONG-TERM DEBT (CONTINUED)

Long-Term Debt as of September 30, 2023, is as follows:

	<u>2023</u>	<u>2022</u>
<u>Business-Type Activities Long-Term Debt</u>		
<u>Other Enterprise Funds</u>		
\$1,270,000 Waterworks and Sewer System Revenue Bonds, Series 2018, due in annual installments of \$65,000 to \$100,000 through January 1, 2047; Interest rate from 0.00% to 3.56%.	\$ 1,095,000	\$ 1,130,000
\$6,645,000 Waterwork and Sewer System Revenue Bonds; Series 2019 due in annual installments of \$200,000 to \$260,000 through January 1, 2049, Interest rates from 0.01% to 1.43%.	5,855,000	6,055,000
\$2,562,000 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	1,777,777	1,777,777
\$1,715,000 Waterworks and Sewer System Revenue Bonds, Series 2019A, due in annual installments of \$50,000 to \$70,000 through January 1, 2049; Interest rates from 0.01% to 1.43%.	1,515,000	1,565,000
\$498,000 TWDB Loan Forgiveness Funds, no repayment due upon completion of fulfillment of loan stipulations	30,341	372,247
Total Other Enterprise Funds Bonds	<u>\$ 10,273,118</u>	<u>\$ 10,900,024</u>
 <u>Leases</u>		
<u>Utility Fund</u>		
\$42,305 Lease Agreement on February 16, 2023 for the purchase of a 2023 Chevrolet Silverado 1500 payable in 48 monthly payments of \$902; through February 28, 2027; Interest rate of 1.5%.	\$ 42,305	\$ -
<u>Solid Waste Fund</u>		
\$1,072,760 Lease Agreement on February 15, 2019 for the purchase of miscellaneous equipment/vehicles payable to US Bancorp Government, due in annual installments of \$173,941 through February 15, 2026; Interest rate of 3.27%.	489,464	642,398
Total Leases	<u>\$ 531,769</u>	<u>\$ 642,398</u>
 Total Business-Type Activities Long-Term Debt	<u>\$ 22,307,906</u>	<u>\$ 24,090,441</u>

In accordance with Texas Water Development Board covenant requirements:

- The City of San Juan has contributed to a reserve fund. At September 30, 2023, the City reserved \$717,140. Total reserve requirement for these bonds is \$684,833.
- The City of San Juan has contributed to an interest and sinking fund. At September 30, 2023, the City contributed a total of \$167,303. At September 30, 2022, the total interest and sinking requirements for these bonds are \$134,146. The City has met the requirements in the 2023 fiscal year.
- At September 30, 2023, the City of San Juan was in compliance with the Public Funds Investment Act (PFIA). The funds are secured by funds pledged in the amount of \$12,949,200.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. LONG-TERM DEBT (CONTINUED)

During the year ended September 30, 2023, the following changes occurred:

	Balance @ 9/30/2022	Additions	Retirements	Balance @ 9/30/2023	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 26,627,000	\$ 8,935,000	\$ 1,652,000	\$ 33,910,000	\$ 1,903,000
Notes Payable	2,053,334	-	-	2,053,334	-
Leases	650,275	1,208,868	348,238	1,510,905	471,913
Intangible Lease	-	71,423	18,137	53,286	18,319
Accrued Interest	136,101	168,041	136,101	168,041	168,041
Compensated Absences	957,400	1,058,873	957,400	1,058,873	462,516
Net Pension Liability	506,148	634,474	506,148	634,474	634,474
Subtotal	30,930,258	12,076,679	3,618,024	39,388,913	3,658,263
Economic Development Corporation					
Bonds Payable	3,100,000	-	220,000	2,880,000	225,000
Notes Payable	-	-	-	-	-
Accrued Interest	12,959	12,009	12,959	12,009	12,009
Subtotal	3,112,959	12,009	232,959	2,892,009	237,009
Total Governmental	\$ 34,043,217	\$ 12,088,688	\$ 3,850,983	\$ 42,280,922	\$ 3,895,272
Business-Type Activities:					
Bonds Payable	\$ 21,280,000	\$ -	\$ 1,330,000	\$ 19,950,000	\$ 1,350,000
Loan Forgiveness	2,168,042	-	341,906	1,826,136	-
Bond Premiums	412,323	-	52,343	359,980	54,199
Leases	642,398	42,305	152,934	531,769	168,758
Accrued Interest	89,592	83,645	89,592	83,645	83,645
Compensated Absences	152,475	199,915	152,475	199,915	199,915
Net Pension Liability	149,484	396,886	149,484	396,886	396,886
Total Business-Type	24,894,314	722,751	2,268,734	23,348,331	2,253,403
Total Long-Term Debt	\$ 58,937,531	\$ 12,811,439	\$ 6,119,717	\$ 65,629,253	\$ 6,148,675

Debt Service bond requirements are as follows:

Year Ending September 30,	Bonds				
	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 2,128,000	\$ 1,334,348	\$ 1,350,000	\$ 393,117	\$ 5,205,465
2025	2,345,000	1,292,348	1,385,000	362,472	5,384,820
2026	2,366,000	1,210,329	1,415,000	328,686	5,320,015
2027	2,462,000	1,120,603	1,460,000	291,265	5,333,868
2028	2,559,000	1,018,597	1,255,000	260,971	5,093,568
2029-2033	12,240,000	3,429,816	5,530,000	951,154	22,150,970
2034-2038	8,105,000	1,535,519	2,905,000	506,035	13,051,554
2039-2043	4,585,000	376,138	2,415,000	291,873	7,668,011
2044-2048	-	-	2,235,000	110,091	2,345,091
Total	\$ 36,790,000	\$ 11,317,698	\$ 19,950,000	\$ 3,495,664	\$ 71,553,362

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. LONG-TERM DEBT (CONTINUED)

Year Ending September 30,	Leases				
	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 449,217	\$ 20,115	\$ 168,760	\$ 16,006	\$ 654,098
2023	451,444	16,421	173,924	10,841	652,630
2024	405,713	12,570	179,251	30,538	628,072
2025	104,739	8,554	9,834	5,508	128,635
2026	99,792	8,554	-	-	108,346
2027-2030	-	4,367	-	-	4,367
Total	<u>\$ 1,510,905</u>	<u>\$ 70,581</u>	<u>\$ 531,769</u>	<u>\$ 62,893</u>	<u>\$ 2,176,148</u>

On March 21, 2021, the City of San Juan, Texas entered an agreement with NDS Leasing for the right-to-use copiers for \$8,651 on a monthly basis for the term of its lease with the University of Texas Systems. The City of San Juan, Texas has committed to disburse the following:

Year	Principal	Interest	Total
2024	\$ 18,319	\$ 449	\$ 18,768
2025	18,503	265	18,768
2026	16,464	80	16,544
Total	<u>\$ 53,286</u>	<u>\$ 794</u>	<u>\$ 54,080</u>

NOTE H. RECEIVABLES

	Governmental Activities			Business-Type Activities	Total
	General Fund	Debt Service Fund	Stormwater Fund	Utility Fund	
Property Tax	\$ 1,029,092	\$ 362,511	\$ -	\$ -	\$ 1,391,603
Sales Tax	720,337	-	-	-	720,337
Franchise Tax	96,253	-	-	-	96,253
Other Receivables	118,715	-	55,152	-	173,867
Utility Receivables	-	-	-	2,493,409	2,493,409
Allowance for Uncollectible	-	-	-	(5,106)	(5,106)
Total	<u>\$ 1,964,397</u>	<u>\$ 362,511</u>	<u>\$ 55,152</u>	<u>\$ 2,488,303</u>	<u>\$ 4,870,363</u>

NOTE I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period (s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

<u>Deferred Outflows of Resources</u>	Activities	Activities	Total
Deferred Revenue-Pension	<u>\$ 764,224</u>	<u>\$ 796,707</u>	<u>\$ 1,560,931</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period (s) and so will not be recognized as an inflow of resources (revenue) until that time.

<u>Deferred Inflows of Resources</u>	General Activities	Business-Type Activities	Total
Deferred Revenue-Pension	\$ 233,969	\$ 160,785	\$ 394,754

At the government fund level, revenues that have been billed but not yet collected or collected within the availability period are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has one category that qualified as deferred inflows or resources. The following table describes the items and amounts:

<u>Deferred Inflows of Resources</u>	General Fund	Debt Service Fund	Total
Deferred Revenue-Property Taxes	\$ 971,323	\$ 343,122	\$ 1,314,445

NOTE J. PENSION PLAN

(1). Texas Municipal Retirement System

a. Plan Description

The City of San Juan, Texas participates as of 860 plans in the non-traditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.org.

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

b. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the governing body of the City, within the options available in the state statues governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financial monetary credits with interest were used to purchase an annuity.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest. Plan provisions for the City are as follows:

	<u>2022</u>	<u>2021</u>
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Retirement Eligibility (Age/Service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%
Annuity Increase (to retirees)	0% to CPI	0% to CPI
Supplemental Death Benefits to Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees covered by benefit terms:

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

	<u>2022</u>	<u>2021</u>
Inactive employees or beneficiaries currently receiving benefits	101	87
Inactive employees entitles to but not yet receiving benefits	191	171
Active Employees	<u>235</u>	<u>236</u>
Total Employees	<u><u>527</u></u>	<u><u>494</u></u>

c. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employees gross earnings, and the City matching 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 consulting 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 of the City of San Juan, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of San Juan, Texas were 4.61% and 4.48% in calendar year 2023 and 2022, respectively. The City's contributions to TMRS for fiscal year ending September 30, 2023, were \$755,520 and were equal to the required contributions.

d. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Valuation Date:

Notes

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

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 Years smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a generational basis with scale UMP

Other Information:

Notes	There were no benefit changes during the year.
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Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Health Mortality Table, with male rates and female rates multiplied by 107.5%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2022, valuations were based on the results of actuarial investigation of the experience over the four-year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering through 2027 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013, valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Assumptions are reviewed annually.

The long-term expected rate of return on pension plan investment is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation 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 estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed the employee contributions will remain at the current 6.75% and employee contributions will be made at the rates specified in statute.

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

Covered Payroll	\$ 9,462,897
Changes for the year:	
Service Cost	\$ 980,356
Interest on Total Pension Liability	1,131,650
Changes in Current Period Benefits including Substantively Automatic Status	-
Employee Contributions (Reduction of Expense)	(567,774)
Projected Earnings on Plan Investments (Reduction of Expense)	(1,253,110)
Administrative Expense	11,727
Other Changes in Fiduciary Net Position	(13,993)
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(33,357)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	521,707
Amortization of Prior Year Outflow (Inflow) of Resources	(331,560)
Total Pension Expense (Income)	<u>\$ 445,646</u>

At September 30, 2023, the City reported a net pension asset of \$634,474.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position (b)	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2021	\$ 16,782,915	\$ 18,564,597	\$ (1,781,682)
Changes for the year:			
Service cost	980,356	-	980,356
Interest	1,131,650	-	1,131,650
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(136,094)	-	(136,094)
Changes of assumptions	-	-	-
Contributions-employer	-	406,905	(406,905)
Contributions-employee	-	567,775	(567,775)
Net investment income	-	(1,355,424)	1,355,424
Benefit payment, including refunds of employee contributions	(1,015,830)	(1,015,830)	-
Administrative expense	-	(11,727)	11,727
Other Changes	-	13,993	(13,993)
Net changes	960,082	(1,394,308)	2,354,390
Balance at 12/31/2022	\$ 17,742,997	\$ 17,170,289	\$ 572,708
Plan Fiduciary Net Position as a Percentage of Total Pension		96.77%	
Net Pension Liability as a Percentage of Covered Payroll		6.05%	

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0% 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 (6.75%) 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	\$ 3,312,627	\$ 572,708	\$ (1,641,540)

Pension Plan Fiduciary Net Position

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

- e. Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2023, the City recognized pension expense of \$755,520.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

At the end of fiscal year 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Recognition Period Amortization Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (Actual (gains) or losses)	4.08	\$ -	\$ 247,514
Changes in actuarial assumptions	4.08	-	3,123
Total		-	250,637
Difference between projected and actual investment earnings on pension plan investments (Actual (gains) or losses)	5.00	1,210,849	-
Contributions paid subsequent to the Measurement Date		350,082	-
Total		1,560,931	-
Total		<u>\$ 1,560,931</u>	<u>\$ 250,637</u>

\$350,082 reported as deferred outflows of resources related to pensions resulting from contributions subsequent the measurement data will be recognized as a reduction of the net pension liability for the measurement year ending September 30, 2023.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in future pension expense as follows:

Year-Ended 31-Dec	Net Deferred Outflows (Inflows) of Resources
2023	\$ (46,813)
2024	216,760
2025	271,225
2026	519,040
2027	-
Thereafter	-
Total	<u>\$ 960,212</u>

(2). Texas Municipal Retirement System

Other Post Employment Benefit (OPEB) Programs

a. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Funds ("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.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

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 earning, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is an unfunded OPEB plan (i.e. no assets are accumulated). The City contributes to the SDBF at a contractual required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service expense of all expenses covered by the SDBF and the demographics specific to the workforce of the City. 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. As such, contributions fund the covered active member and retiree deaths on a pay-as-you-go basis.

GASB 75 requires employers to recognize the total OPEB liability and the OPEB expense on their financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

In the year of implementation, the employer should make a prior period adjustment for the total OPEB liability as of the 12/31/2022 measurement date (provided) and record a deferred outflow of resources for contributions recorded by the city (retiree porting of SDB rate only) from December 31, 2022 to its prior fiscal year end. TMRS has elected to not calculate other deferrals as of the December 31, 2022 measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2022 and a measurement date of December 31, 2022; as such, no roll-forward is required.

b. **Supplemental Death Benefit (SDBF) Plan Contributions**

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not pre-fund retiree term life insurance during employees' entire careers.

<u>Plan/Calendar Year</u>	<u>Total SDB Contribution (Rate)</u>	<u>Retiree Portion of SDB Contribution (Rate)</u>
2023	0.33%	0.13%
2022	0.19%	0.09%
2021	0.20%	0.10%
2020	0.17%	0.04%
2019	0.17%	0.03%
2018	0.16%	0.03%

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

c. OPEB Liability

The Other Post-Employment Benefits (OPEB) was measured as of December 31, 2022 and the Total Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. Actuarial Assumptions: The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	4.05%
Retiree's Share of benefit-related costs	\$-0-
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates-disabled retirees 2019 Municipal Retirees of Texas Mortality with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.50% and 3% minimum mortality rates 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 with scale UMP to account for future mortality improvements subject to the floor.

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

Note: The actuarial assumptions used in December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

The following employees were covered by the benefit terms:

Membership*	2022	2021
Number of :		
Inactive employees currently receiving benefits	74	65
Inactive employees entitled to but not yet receiving benefits	32	32
Active employees	235	236
Total Membership	341	333

*Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (i.e. excludes beneficiaries, non-vested termination due a refund, etc.).

Covered Payroll	\$ 9,462,897
Changes in the Total OPEB Liability:	
Total OPEB Liability - beginning of year	\$ 655,632
Changes for the year:	
Service Cost	50,153
Interest on Total OPEB Liability	12,447
Changes of Benefit Terms	-
Difference between expected and actual experience	(5,401)
Changes in Assumptions or Other Inputs	(245,662)
Benefit Payments**	(8,517)
Net changes	(196,980)
Total OPEB Liability - end of year	\$ 458,652
Net OPEB Liability as a Percentage of Covered Payroll	4.85%

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

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

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

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's OPEB Liability	\$ 551,847	\$ 458,652	\$ 387,041

d. OPEB Expense

OPEB Expense	
Service Cost	\$ 50,153
Interest on Total OPEB Liability	12,447
Changes of Benefit Terms	-
Recognition of deferred outflows/inflows of resources:	
Difference between expected and actual experience	(8,299)
Changes in assumptions or other inputs	(10,311)
Net changes	<u>43,990</u>
Total OPEB Expense	<u>\$ 43,990</u>

Generally, this will only be the annual change in the Municipal Bond Index Rate.

e. OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At the end of fiscal year 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB pensions from the following sources:

	Recognition Period Amortization Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (Actual (gains) or losses)	6.05	\$ -	\$ 30,259
Changes in actuarial assumptions	6.05	-	113,858
Total		<u>-</u>	<u>144,117</u>
Difference between projected and actual investment earnings on pension plan investments (Actual (gains) or losses)		-	-
Contributions paid subsequent to the Measurement Date		-	-
Total		<u>-</u>	<u>-</u>
Total		<u>\$ -</u>	<u>\$ 144,117</u>

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J. PENSION PLAN (CONTINUED)

The net amounts of the City's balances of deferred outflows of resources and deferred inflows related to pensions will be recognized in OPEB expense as follows:

Year-Ended 31-Dec	Net Deferred Outflows (Inflows) of Resources
2023	\$ (18,908)
2024	(22,387)
2025	(19,787)
2026	(38,960)
2027	(42,006)
Thereafter	(2,069)
Total	\$ (144,117)

*The recognition period for liability (gains) or losses may differ from GASB 68 reporting due to differences in the covered inactive populations.

NOTE K. RISK MANAGEMENT

The City is exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors-and-omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the City carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years. The City is a member of an intergovernmental risk pool.

The risk pool is an inter-local non-assessable agency with present unreserved resources in excess of \$225,700,000 (as of September 30, 2005, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A and A++ rated companies in amounts ranging from \$3,000,000 to \$90,000,000 depending on type of insurance coverage.

City management is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

NOTE L. CONTINGENT LIABILITIES

The City is currently involved in litigation claims against it that are generally incidental to its operations. However, it is the opinion of the City's management that the City's liability in those cases that are not covered by liability insurance will not be material to the financial statements. Accordingly, no provision has been made in the financial statements for these contingent liabilities. The City received a substantial portion of its financial resources in the form of state and federal grants. Expenditure of such funds generally requires compliance with terms and conditions specified in the grant agreement. These funds are also subject by the grantor agency. Any disallowed costs resulting from such audit could become the responsibility of the City and repayment could be requested from nonfederal resources.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE M. 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

The City of San Juan, Texas is committed to the promotion of high-quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. The City of San Juan, Texas has previously developed economic development programs and incentives designed to encourage high quality business, commercial, professional sports, and manufacturing concerns to locate, remain, and expand in the City of San Juan, Texas. Now the City of Juan, Texas seeks to enhance its economic development efforts to attract and retain high quality development and jobs by establishing Chapter 380 Economic Development Program Agreements. These 380 Economic Development Program Agreements are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance the City's economic base and diversify and expand job opportunities or by promoting and encouraging projects that create additional revenue for the City without substantially increasing the demand on City services or infrastructure. The ultimate goal and public purpose of programs established is to protect and enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of the City of San Juan, Texas residents.

SALES TAX REBATE AGREEMENTS – CHAPTER 378 AGREEMENTS

In addition to the 380 Agreement, the City also offered sales rebates as additional incentives to the developer and retail establishments, locating within the development project. These rebates are not recorded as a liability or commitment, as the individual amounts are not known until the sales taxes are collected. In the current fiscal year, the City expended \$198,978 and the San Juan Economic Development Corporation expended \$135,000 in agreement payments.

To obtain information on the Economic Development Agreement Contract, contact Office of the City Secretary, 709 S. Nebraska, City of San Juan, Texas 78589.

NOTE N. COVID-19 DISCLOSURE

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The City of San Juan, Texas is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the City's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which the COVID-19 may impact the City's financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE O. PRIOR PERIOD ADJUSTMENT

	Total Governmental Funds	Government-Wide Governmental Activities
Net Position, October 1, 2022	\$ 26,041,288	\$ 31,675,216
Changes in Net Position	(8,363,144)	330,093
Prior Period Adjustment:		
Closeout petty cash balance	(500)	(500)
Capital Asset Adjustment		
Re-evaluation of assets	-	(78,064)
Total Prior Period Adjustment:	(500)	(78,564)
Net Position, October 1, 2022, Restated	<u>\$ 17,677,644</u>	<u>\$ 31,926,745</u>

NOTE P. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 19, 2024, which is the date the financial statements were available to be issued.

**CITY OF SAN JUAN, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN JUAN, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST NINE YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
A. Total Pension Liability									
Service Cost	\$ 607,938	\$ 614,786	\$ 655,845	\$ 670,077	\$ 712,642	\$ 929,294	\$ 1,157,112	\$ 1,004,890	\$ 980,356
Interest (on the Pension Liability)	618,566	651,956	710,247	757,785	818,663	911,590	972,226	1,061,377	1,131,650
Change in benefit terms	-	-	-	-	-	504,864	-	-	-
Difference between expected and actual experience	(287,662)	25,017	(209,999)	(72,234)	(129,213)	(260,816)	(10,744)	(189,850)	(136,094)
Change of assumptions	-	391,268	-	-	-	(21,231)	-	-	-
Benefit Payments, including refunds of employee contributions	(449,710)	(480,839)	(509,227)	(408,645)	(541,399)	(735,770)	(813,101)	(630,333)	(1,015,830)
Net Change in Total Pension Liability	489,132	1,202,188	646,866	946,983	860,693	1,327,931	1,305,493	1,246,084	960,082
Total Pension Liability - Beginning	8,757,545	9,246,677	10,448,865	11,095,731	12,042,714	12,903,407	14,231,338	15,536,831	16,782,915
Total Pension Liability - Ending	\$ 9,246,677	\$10,448,865	\$11,095,731	\$12,042,714	\$12,903,407	\$14,231,338	\$15,536,831	\$16,782,915	\$17,742,997
B. Total Fiduciary Net Position									
Contributions - Employer	\$ 86,499	\$ 143,613	\$ 132,221	\$ 201,940	\$ 210,792	\$ 224,404	\$ 518,359	\$ 427,854	\$ 406,905
Contributions - Employee	447,416	448,749	450,753	458,957	486,445	528,008	668,850	584,805	567,775
Net Investment Income	549,514	15,095	698,876	1,538,028	(386,059)	1,955,832	1,109,035	2,097,653	(1,355,424)
Benefit Payments, including refunds of employee contributions	(449,710)	(480,839)	(509,227)	(408,645)	(541,399)	(735,770)	(813,101)	(630,333)	(1,015,830)
Administrative Expense	(5,737)	(9,197)	(7,899)	(7,983)	(7,466)	(11,057)	(7,180)	(9,708)	(11,727)
Other	(472)	(454)	(426)	(405)	(390)	(332)	(280)	76	13,993
Net Change in Plan Fiduciary Net Position	627,510	116,967	764,298	1,781,892	(238,077)	1,961,085	1,475,683	2,470,347	(1,394,308)
Plan Fiduciary Net Position - Beginning	9,604,892	10,232,402	10,349,369	11,113,667	12,895,559	12,657,482	14,618,567	16,094,250	18,564,597
Plan Fiduciary Net Position - Ending	<u>\$10,232,402</u>	<u>\$10,349,369</u>	<u>\$11,113,667</u>	<u>\$12,895,559</u>	<u>\$12,657,482</u>	<u>\$14,618,567</u>	<u>\$16,094,250</u>	<u>\$18,564,597</u>	<u>\$17,170,289</u>
C. Net Pension Liability	\$ (985,725)	\$ 99,496	\$ (17,936)	\$ (852,845)	\$ 245,925	\$ (387,229)	\$ (557,419)	\$ (1,781,682)	\$ 572,708
D. Plan Fiduciary net position as a percentage of the total pension liability	110.66%	99.05%	100.16%	107.08%	98.09%	102.72%	103.59%	110.62%	96.77%
E. Covered Employee Payroll	\$ 7,456,939	\$ 7,479,151	\$ 7,512,548	\$ 7,649,278	\$ 8,107,421	\$ 8,800,135	\$11,147,514	\$ 9,746,754	\$ 9,462,897
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-13.22%	1.33%	-0.24%	-11.15%	3.03%	-4.40%	-5.00%	-18.28%	6.05%

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138, "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CITY OF SAN JUAN, TEXAS
SCHEDULE OF CONTRIBUTIONS (UNAUDITED)
TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST NINE YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 86,499	\$ 143,613	\$ 132,221	\$ 201,940	\$ 210,792	\$ 224,404	\$ 518,359	\$ 427,864	\$ 427,864
Contributions in Relation to the Actuarially Determined Contributions	<u>86,499</u>	<u>143,613</u>	<u>132,221</u>	<u>222,562</u>	<u>234,223</u>	<u>463,489</u>	<u>458,174</u>	<u>418,997</u>	<u>418,997</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,622)</u>	<u>\$ (23,431)</u>	<u>\$ (239,085)</u>	<u>\$ 60,185</u>	<u>\$ 8,867</u>	<u>\$ 8,867</u>
Covered Employee Payroll	\$ 7,466,511	\$ 7,812,281	\$ 7,582,238	\$ 8,044,078	\$ 8,353,409	\$ 10,530,612	\$ 9,845,923	\$ 9,288,388	\$ 10,451,150
Contributions as a Percentage of Covered Employee Payroll	1.16%	1.84%	1.74%	2.51%	2.52%	2.13%	5.26%	4.61%	4.09%

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138, "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

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COMBINING
NON-MAJOR GOVERNMENTAL FUNDS

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**CITY OF SAN JUAN, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023 AND 2022**

	Total Nonmajor <u>Capital Project</u> Funds	Total Nonmajor <u>Special Revenue</u> Funds	2023 Nonmajor Governmental Funds	2022 Nonmajor Governmental Funds
Assets				
Cash	\$ 590,183	\$ 1,598,986	\$ 2,189,169	\$ 11,836,530
Investments	2,934,494	732,195	3,666,689	8,878,888
Receivables, net				
Other	-	55,152	55,152	50,859
Notes Receivable	-	30,760	30,760	59,754
Due from other funds	-	-	-	1,001
Due from other governments	-	183,137	183,137	208,735
Prepaid Items	-	1,400	1,400	-
Total Assets	<u><u>\$ 3,524,677</u></u>	<u><u>\$ 2,601,630</u></u>	<u><u>\$ 6,126,307</u></u>	<u><u>\$ 21,035,767</u></u>
Liabilities				
Accounts payable	\$ -	\$ 8,855	\$ 8,855	\$ 763,201
Bank payable	310,888	192,517	503,405	-
Wages and salaries	-	20,450	20,450	20,559
Contract Payable	561,238	-	561,238	1,284,948
Due to other funds	-	-	-	2,860,360
Due to others	-	363,396	363,396	343,565
Unearned revenue	-	14,695	14,695	9,161,625
Total Liabilities	<u><u>872,126</u></u>	<u><u>599,913</u></u>	<u><u>1,472,039</u></u>	<u><u>14,434,258</u></u>
Fund Balances				
Non-Major funds	<u>2,652,551</u>	<u>2,001,717</u>	<u>4,654,268</u>	<u>6,601,509</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,524,677</u></u>	<u><u>\$ 2,601,630</u></u>	<u><u>\$ 6,126,307</u></u>	<u><u>\$ 21,035,767</u></u>

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

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CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Total Nonmajor <u>Capital Project</u> Funds	Total Nonmajor <u>Special Revenue</u> Funds	2023 Nonmajor Governmental Funds	2022 Nonmajor Governmental Funds
Revenues				
Hotel Occupancy Tax	\$ -	\$ 26,047	\$ 26,047	\$ 18,353
Intergovernmental revenue	685,035	441,398	1,126,433	190,055
Fines and Fees	-	643,104	643,104	401,358
Forfeitures	-	202,765	202,765	173,504
Interest	197,498	36,237	233,735	88,894
Miscellaneous & Other Income	-	16,422	16,422	33,793
Total Revenues	<u>882,533</u>	<u>1,365,973</u>	<u>2,248,506</u>	<u>905,957</u>
Expenditures				
Current:				
General Government	-	8,625	8,625	58,015
Public Safety	-	283,242	283,242	287,049
Public Works	-	257,103	257,103	262,203
Culture & Recreation	-	13,074	13,074	12,567
Economic Development	-	-	-	-
Capital outlay	3,900,416	343,363	4,243,779	8,367,743
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>3,900,416</u>	<u>905,407</u>	<u>4,805,823</u>	<u>8,987,577</u>
Excess (deficiency) of revenues over expenditures	<u>(3,017,883)</u>	<u>460,566</u>	<u>(2,557,317)</u>	<u>(8,081,620)</u>
Other financing sources (uses)				
Transfers In (Out)	(387,408)	22,199	(365,209)	(2,861,217)
Bond/Note Proceeds	-	-	-	577,000
Bond Premium Proceeds	-	-	-	-
Net other financing sources (uses)	<u>(387,408)</u>	<u>22,199</u>	<u>(365,209)</u>	<u>(2,284,217)</u>
Net change in fund balances	(3,405,291)	482,765	(2,922,526)	(10,365,837)
Fund Balances, October 1	<u>6,057,842</u>	<u>1,518,952</u>	<u>7,576,794</u>	<u>16,967,346</u>
Fund Balances, September 30	<u>\$ 2,652,551</u>	<u>\$ 2,001,717</u>	<u>\$ 4,654,268</u>	<u>\$ 6,601,509</u>

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

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NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

CITY OF SAN JUAN, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
SEPTEMBER 30, 2023 AND 2022

	Certificates of Obligation 2007 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund	Capital Projects Library Fund	Certificates of Obligation 2017 Fund
Assets					
Cash	\$ 237,654	\$ 54,189	\$ 2,770	\$ 200,853	\$ -
Investments	-	263,657	316,922	-	357,651
Receivables, net	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 237,654</u>	<u>\$ 317,846</u>	<u>\$ 319,692</u>	<u>\$ 200,853</u>	<u>\$ 357,651</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bank payable	-	-	-	-	30,509
Wages and salaries	-	-	-	-	-
Contract Payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to others	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,509</u>
Fund Balances					
Non-Major funds	<u>237,654</u>	<u>317,846</u>	<u>319,692</u>	<u>200,853</u>	<u>327,142</u>
Total Liabilities and Fund Balances	<u>\$ 237,654</u>	<u>\$ 317,846</u>	<u>\$ 319,692</u>	<u>\$ 200,853</u>	<u>\$ 357,651</u>

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

Tax Note 2020 Fund	Certificates of Obligation 2021 Fund	Texas Public Property Finance Obligation 2021 Fund	2023 Non-Major Capital Project Funds	2022 Non-Major Capital Project Funds
\$ 94,717	\$ -	\$ -	\$ 590,183	\$ 1,571,554
-	1,996,264	-	2,934,494	8,374,431
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,001
-	-	-	-	-
-	-	-	-	-
<u>\$ 94,717</u>	<u>\$ 1,996,264</u>	<u>\$ -</u>	<u>\$ 3,524,677</u>	<u>\$ 9,946,986</u>
\$ -	\$ -	\$ -	\$ -	\$ 735,170
-	280,379	-	310,888	-
-	-	-	-	-
-	561,238	-	561,238	1,284,948
-	-	-	-	-
-	-	-	-	2,859,359
-	-	-	-	-
<u>-</u>	<u>841,617</u>	<u>-</u>	<u>872,126</u>	<u>4,879,477</u>
<u>94,717</u>	<u>1,154,647</u>	<u>-</u>	<u>2,652,551</u>	<u>5,067,509</u>
<u>\$ 94,717</u>	<u>\$ 1,996,264</u>	<u>\$ -</u>	<u>\$ 3,524,677</u>	<u>\$ 9,946,986</u>

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

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Certificates of Obligation 2007 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund	Capital Projects Library Fund	Certificates of Obligation 2017 Fund
Revenues					
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Occupancy Tax	-	-	-	-	-
Intergovernmental revenue	-	-	685,035	-	-
Fines and Fees	-	-	-	-	-
Forfeitures	-	-	-	-	-
Interest	-	11,660	14,016	-	18,388
Miscellaneous & Other Income	-	-	-	-	-
Total Revenues	<u>-</u>	<u>11,660</u>	<u>699,051</u>	<u>-</u>	<u>18,388</u>
Expenditures					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Economic Development	-	-	-	-	-
Capital outlay	-	-	685,035	-	37,078
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>685,035</u>	<u>-</u>	<u>37,078</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>11,660</u>	<u>14,016</u>	<u>-</u>	<u>(18,690)</u>
Other financing sources (uses)					
Transfers In (Out)	-	-	(262,256)	-	-
Bond/Note Proceeds	-	-	-	-	-
Bond Premium Proceeds	-	-	-	-	-
Net other financing sources (use)	<u>-</u>	<u>-</u>	<u>(262,256)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	11,660	(248,240)	-	(18,690)
Fund Balances, October 1	<u>237,654</u>	<u>306,186</u>	<u>567,932</u>	<u>200,853</u>	<u>345,832</u>
Fund Balances, September 30	<u>\$ 237,654</u>	<u>\$ 317,846</u>	<u>\$ 319,692</u>	<u>\$ 200,853</u>	<u>\$ 327,142</u>

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

Tax Note 2020 Fund	Certificates of Obligation 2021 Funds	Texas Public Property Finance Obligation 2021 Fund	2023 Non-Major Capital Project Funds	2022 Non-Major Capital Project Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	685,035	-
-	-	-	-	-
-	-	-	-	-
-	153,434	-	197,498	71,606
-	-	-	-	-
-	153,434	-	882,533	71,606
-	-	-	-	-
-	-	-	-	37,770
-	-	-	-	71,738
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,178,303	-	3,900,416	8,336,143
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,178,303	-	3,900,416	8,445,651
-	(3,024,869)	-	(3,017,883)	(8,374,045)
-	(125,152)	-	(387,408)	(2,868,906)
-	-	-	-	577,000
-	-	-	-	-
-	(125,152)	-	(387,408)	(2,291,906)
-	(3,150,021)	-	(3,405,291)	(10,665,951)
94,717	4,304,668	-	6,057,842	15,733,460
\$ 94,717	\$ 1,154,647	\$ -	\$ 2,652,551	\$ 5,067,509

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

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

CITY OF SAN JUAN, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023 AND 2022

	Revolving Loan Fund	Federal Asset Forfeiture Fund	State Asset Forfeiture Fund	Miscellaneous Grants Fund	Crime Victims Liaison Fund	Wrecker Fees Fund
Assets						
Cash	\$ 274,386	\$ 314,583	\$ 9,759	\$ -	\$ -	\$ 25,544
Investments	893	-	-	-	-	-
Receivables, net	-	-	-	-	-	-
Notes Receivable	27,583	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	183,137	-	-
Prepaid Items	-	1,400	-	-	-	-
Total Assets	<u>\$ 302,862</u>	<u>\$ 315,983</u>	<u>\$ 9,759</u>	<u>\$ 183,137</u>	<u>\$ -</u>	<u>\$ 25,544</u>
Liabilities						
Accounts payable	\$ -	\$ 3,611	\$ -	\$ 951	\$ -	\$ 22
Bank Payable	-	-	-	192,517	-	-
Wages and salaries	-	-	-	4,884	-	-
Contract Payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Deferred revenue	-	-	-	14,695	-	-
Total Liabilities	<u>-</u>	<u>3,611</u>	<u>-</u>	<u>213,047</u>	<u>-</u>	<u>22</u>
Fund Balances						
Non-Major funds	<u>302,862</u>	<u>312,372</u>	<u>9,759</u>	<u>(29,910)</u>	<u>-</u>	<u>25,522</u>
Total Liabilities and Fund Balances	<u>\$ 302,862</u>	<u>\$ 315,983</u>	<u>\$ 9,759</u>	<u>\$ 183,137</u>	<u>\$ -</u>	<u>\$ 25,544</u>

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

Park Development Fund	Park Sports Fee Fund	Municipal Court Funds	Hotel/ Motel Tax Fund	Development Escrow Fund	Storm Water Fees Fund	2023 Non-Major Special Revenue Funds	2022 Non-Major Special Revenue Funds
\$ 162,232	\$ 12,804	\$ 138,434	\$ 91,461	\$ 167,113	\$ 402,670	\$ 1,598,986	\$ 10,264,976
520,022	-	-	-	211,280	-	732,195	504,457
-	-	-	-	-	55,152	55,152	50,859
-	-	-	3,177	-	-	30,760	59,754
-	-	-	-	-	-	-	-
-	-	-	-	-	-	183,137	208,735
-	-	-	-	-	-	1,400	-
<u>\$ 682,254</u>	<u>\$ 12,804</u>	<u>\$ 138,434</u>	<u>\$ 94,638</u>	<u>\$ 378,393</u>	<u>\$ 457,822</u>	<u>\$ 2,601,630</u>	<u>\$ 11,088,781</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,271	\$ 8,855	\$ 28,031
-	-	-	-	-	-	192,517	-
-	-	-	-	-	15,566	20,450	20,559
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,001
-	-	-	-	363,396	-	363,396	343,565
-	-	-	-	-	-	14,695	9,161,625
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,396</u>	<u>19,837</u>	<u>599,913</u>	<u>9,554,781</u>
682,254	12,804	138,434	94,638	14,997	437,985	2,001,717	1,534,000
<u>\$ 682,254</u>	<u>\$ 12,804</u>	<u>\$ 138,434</u>	<u>\$ 94,638</u>	<u>\$ 378,393</u>	<u>\$ 457,822</u>	<u>\$ 2,601,630</u>	<u>\$ 11,088,781</u>

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

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Revolving Loan Fund	Federal Asset Forfeiture Fund	State Asset Forfeiture Fund	Miscellaneous Grants Fund	Crime Victims Liaison Fund	Wrecker Fees Fund
Revenues						
Hotel Occupancy Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	441,398	-	-
Fines and Fees	-	-	-	-	-	7,150
Forfeitures	-	202,765	-	-	-	-
Interest	39	8,499	-	-	-	-
Miscellaneous & Other Income	-	3,107	-	-	-	12,050
Total Revenues	<u>39</u>	<u>214,371</u>	<u>-</u>	<u>441,398</u>	<u>-</u>	<u>19,200</u>
Expenditures						
Current:						
General Government	8,197	-	-	-	-	-
Public Safety	-	48,881	8,487	203,970	-	21,904
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	13,074	-	-
Economic Development	-	-	-	-	-	-
Capital outlay	-	112,004	-	221,169	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>8,197</u>	<u>160,885</u>	<u>8,487</u>	<u>438,213</u>	<u>-</u>	<u>21,904</u>
Excess (deficiency) of revenues over expenditures	<u>(8,158)</u>	<u>53,486</u>	<u>(8,487)</u>	<u>3,185</u>	<u>-</u>	<u>(2,704)</u>
Other financing sources (uses)						
Transfers In (Out)	-	-	-	22,199	-	-
Bond/Note Proceeds	-	-	-	-	-	-
Bond/Note Premium	-	-	-	-	-	-
Bond/Note Issuance Costs	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,199</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,158)	53,486	(8,487)	25,384	-	(2,704)
Fund Balances, October 1	<u>311,020</u>	<u>258,886</u>	<u>18,246</u>	<u>(55,294)</u>	<u>-</u>	<u>28,226</u>
Fund Balances, September 30	<u>\$ 302,862</u>	<u>\$ 312,372</u>	<u>\$ 9,759</u>	<u>\$ (29,910)</u>	<u>\$ -</u>	<u>\$ 25,522</u>

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

<u>Park Development Fund</u>	<u>Park Sports Fee Fund</u>	<u>Municipal Court Funds</u>	<u>Hotel/ Motel Tax Fund</u>	<u>Development Escrow Fund</u>	<u>Storm Water Fees Fund</u>	<u>2023 Non-Major Special Revenue Funds</u>	<u>2022 Non-Major Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 26,047	\$ -	\$ -	\$ 26,047	\$ 18,353
-	-	-	-	-	-	441,398	190,055
313,425	2,579	18,744	-	-	301,206	643,104	401,358
-	-	-	-	-	-	202,765	173,504
18,355	-	-	-	9,344	-	36,237	17,288
-	-	-	1,200	-	65	16,422	33,793
<u>331,780</u>	<u>2,579</u>	<u>18,744</u>	<u>27,247</u>	<u>9,344</u>	<u>301,271</u>	<u>1,365,973</u>	<u>834,351</u>
-	-	428	-	-	-	8,625	20,245
-	-	-	-	-	-	283,242	215,311
-	-	-	-	-	257,103	257,103	262,203
-	-	-	-	-	-	13,074	12,567
-	-	-	-	-	-	-	-
-	-	-	-	-	10,190	343,363	31,600
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>428</u>	<u>-</u>	<u>-</u>	<u>267,293</u>	<u>905,407</u>	<u>541,926</u>
<u>331,780</u>	<u>2,579</u>	<u>18,316</u>	<u>27,247</u>	<u>9,344</u>	<u>33,978</u>	<u>460,566</u>	<u>292,425</u>
-	-	-	-	-	-	22,199	7,689
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,199</u>	<u>7,689</u>
331,780	2,579	18,316	27,247	9,344	33,978	482,765	300,114
<u>350,474</u>	<u>10,225</u>	<u>120,118</u>	<u>67,391</u>	<u>5,653</u>	<u>404,007</u>	<u>1,518,952</u>	<u>1,233,886</u>
<u>\$ 682,254</u>	<u>\$ 12,804</u>	<u>\$ 138,434</u>	<u>\$ 94,638</u>	<u>\$ 14,997</u>	<u>\$ 437,985</u>	<u>\$ 2,001,717</u>	<u>\$ 1,534,000</u>

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

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NON-MAJOR ENTERPRISE FUNDS

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2023 AND 2022

	Utility I&S Fund	Utility Reserve Fund	2018 Construction Fund	2019 Construction Fund	2019A Construction Fund
Assets					
Cash and cash equivalents	\$ 29,219	\$ 65,009	\$ -	\$ -	\$ -
Investments	138,084	652,131	-	-	-
Restricted cash and investments	-	-	-	8,726,969	705,779
Due from other funds	-	-	-	-	-
Due from others	-	-	-	-	-
Capital assets - net					
Non-depreciable assets	-	-	-	923,510	1,614,200
Depreciable assets	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>167,303</u>	<u>717,140</u>	<u>-</u>	<u>9,650,479</u>	<u>2,319,979</u>
Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Defferred Outflows of Resources	<u>\$ 167,303</u>	<u>\$ 717,140</u>	<u>\$ -</u>	<u>\$ 9,650,479</u>	<u>\$ 2,319,979</u>
Liabilities Deferred Inflow of Resources and Net Position					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 33,101
Other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Non-current liabilities :					
Due in one year	76,072	-	35,000	200,000	50,000
Due in more than one year	-	-	1,060,000	7,432,777	1,495,341
Total Liabilities	<u>76,072</u>	<u>-</u>	<u>1,095,000</u>	<u>7,632,777</u>	<u>1,578,442</u>
Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position					
Net investment in capital assets	-	-	(1,095,000)	923,510	580,642
Restricted					
Debt service	91,231	717,140	-	-	-
Capital projects	-	-	-	1,094,192	160,895
Unrestricted	-	-	-	-	-
Total Net Position	<u>91,231</u>	<u>717,140</u>	<u>(1,095,000)</u>	<u>2,017,702</u>	<u>741,537</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 167,303</u>	<u>\$ 717,140</u>	<u>\$ -</u>	<u>\$ 9,650,479</u>	<u>\$ 2,319,979</u>

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

2023 Non-Major Enterprise Funds	2022 Non-Major Enterprise Funds
\$ 94,228	\$ 90,198
790,215	808,388
9,432,748	10,069,101
-	-
-	-
2,537,710	1,703,531
-	-
-	-
<u>12,854,901</u>	<u>12,671,218</u>
-	-
<u><u>\$ 12,854,901</u></u>	<u><u>\$ 12,671,218</u></u>

\$ 33,101	\$ 296,292
-	-
-	-
361,072	365,194
<u>9,988,118</u>	<u>10,615,024</u>
10,382,291	11,276,510
-	-
409,152	(9,196,493)
808,371	718,602
1,255,087	9,872,599
-	-
<u>2,472,610</u>	<u>1,394,708</u>
<u><u>\$ 12,854,901</u></u>	<u><u>\$ 12,671,218</u></u>

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

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	Utility I&S Fund	Utility Reserve Fund	2018 Construction Fund	2019 Construction Fund	2019A Construction Fund
Operating Revenues					
Utility fees	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Total Operating Revenues	-	-	-	-	-
Operating Expenses					
Personal expenses	-	-	-	-	-
Other services and charges	12,555	-	-	-	-
Supplies	-	-	-	-	-
Total Operating Expenses	12,555	-	-	-	-
Operating Income (Loss)	(12,555)	-	-	-	-
Non-operating Revenues (Expenses)					
Interest income	7,985	28,841	-	317,035	44,192
Interest expense	(341,545)	-	-	-	-
Total non-operating revenues (expenses)	(333,560)	28,841	-	317,035	44,192
Excess of Revenues Over Expenditures Before Capital Grants and Transfers	(346,115)	28,841	-	317,035	44,192
Capital Grants and Transfers					
Capital Grants	-	-	-	-	341,906
Transfers In (Out)	345,665	61,378	35,000	200,000	50,000
Total Capital Grants and Transfers	345,665	61,378	35,000	200,000	391,906
Changes in Net Position	(450)	90,219	35,000	517,035	436,098
Net position, October 1	91,681	626,921	(1,130,000)	1,500,667	305,439
Net position, September 30	\$ 91,231	\$ 717,140	\$ (1,095,000)	\$ 2,017,702	\$ 741,537

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

2023 Non-Major Enterprise Funds	2022 Non-Major Enterprise Funds
\$ -	\$ -
-	-
-	-
-	-
12,555	13,254
-	-
12,555	13,254
(12,555)	(13,254)
398,053	33,499
(341,545)	(372,799)
56,508	(339,300)
43,953	(352,554)
341,906	50,400
692,043	(549,857)
1,033,949	(499,457)
1,077,902	(852,011)
1,394,708	2,246,719
\$ 2,472,610	\$ 1,394,708

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

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SUPPLEMENTARY INFORMATION

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CITY OF SAN JUAN, TEXAS
NOTES TO SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain major and non-major special revenue funds, which adopt project-length budgets. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds, as well as for the Utility Funds.

Unused appropriations for the annual budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

On or before the end of June of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations by fund function, and activity for the next fiscal year.

Before October 1, the proposed budget is presented to the City Commission for review. The City Commissioners hold a public hearing and may add to, subtract from or change appropriations by fund, function and activity, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Commissioners.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the overall fund total of appropriated expenditures of any fund must be approved by the Board of Commissioners.

Expenditures Over Appropriations

For the fiscal year September 30, 2023, expenditures in the General Fund exceeded budgeted appropriations in the following functions:

Non-Departmental Expenditures	\$	(5,406)
Capital Outlay		(379,918)
Debt Service - Principal		(48,088)

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GENERAL FUND SCHEDULES

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CITY OF SAN JUAN TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023 AND 2022

	<u>Budget</u>	<u>2023 Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>	<u>2022 Actual</u>
Revenues				
Taxes:				
Property Taxes	\$ 7,735,948	\$ 7,656,162	\$ (79,786)	\$ 7,327,599
Sales Taxes	4,680,480	4,756,902	76,422	4,505,241
Franchise Taxes	1,046,500	1,082,507	36,007	1,051,773
Other Taxes	62,000	62,537	537	52,779
Licenses & Permits	729,525	869,249	139,724	732,409
Intergovernmental Revenues	974,258	782,132	(192,126)	729,414
Fines & Forfeitures	228,107	408,649	180,542	174,993
Interest Earned	35,000	418,031	383,031	63,380
Miscellaneous & Other Income	388,951	458,074	69,123	329,846
Total revenues	<u>15,880,769</u>	<u>16,494,243</u>	<u>613,474</u>	<u>14,967,434</u>
Expenditures				
Current				
General Government	2,777,189	2,628,093	149,096	2,338,012
Public Safety	7,127,368	6,867,831	259,537	5,617,720
Public Works	1,158,790	1,148,790	10,000	1,032,804
Culture & Recreation	2,005,421	1,994,264	11,157	1,750,252
Non-Departmental Expenditures	2,244,309	2,249,715	(5,406)	1,843,263
Capital Outlay	1,228,400	1,608,318	(379,918)	407,500
Debt Service				
Principal	415,150	463,238	(48,088)	218,702
Interest	91,250	87,950	3,300	96,568
Total expenditures	<u>17,047,877</u>	<u>17,048,199</u>	<u>(322)</u>	<u>13,304,821</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,167,108)	(553,956)	613,152	1,662,613
Other Financing Sources (Uses)				
Transfers (Out)	-	(22,199)	(22,199)	(7,689)
Bond/Note Issuance of Debt	-	1,208,868	1,208,868	-
Bond Premium Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,186,669</u>	<u>1,186,669</u>	<u>(7,689)</u>
Net Changes in Fund Balances	<u>\$ (1,167,108)</u>	632,713	<u>\$ 1,799,821</u>	1,654,924
Fund Balance, October 1		<u>6,560,145</u>		<u>4,937,564</u>
Fund Balance, September 30		<u>\$ 7,192,858</u>		<u>\$ 6,592,488</u>

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>
Taxes			
General Property Taxes			
Ad valorem Taxes	\$ 7,495,948	\$ 7,453,501	\$ (42,447)
Penalties and Interest on Taxes	240,000	202,661	(37,339)
Total General Property Taxes	<u>7,735,948</u>	<u>7,656,162</u>	<u>(79,786)</u>
Other Taxes			
City Sales Taxes	4,680,480	4,756,902	76,422
Franchise Taxes	1,046,500	1,082,507	36,007
Bingo Gross Receipts Tax	50,000	40,544	(9,456)
Other Taxes	12,000	21,993	9,993
Total Other Taxes	<u>5,788,980</u>	<u>5,901,946</u>	<u>112,966</u>
Total Taxes	<u>13,524,928</u>	<u>13,558,108</u>	<u>33,180</u>
Licenses and Permits			
Building Permits	403,000	458,828	55,828
Other Permits	326,525	410,421	83,896
Total Licenses and Permits	<u>729,525</u>	<u>869,249</u>	<u>139,724</u>
Intergovernmental Revenue			
Federal Grants	66,143	31,723	(34,420)
State Grants	226,265	68,559	(157,706)
Police Agreement	-	-	-
Administrative Fees	681,850	681,850	-
Total Intergovernmental Revenue	<u>974,258</u>	<u>782,132</u>	<u>(192,126)</u>
Fines and Fees			
Municipal Court Fines	135,000	150,055	15,055
Municipal Court Fines-Other	555	454	(101)
Arrest Fees	10,000	10,050	50
City Library Fines and Fees	11,500	10,284	(1,216)
Animal Control Fees	-	-	-
Police Reports and Fees	7,400	7,015	(385)
Rural Fire Fees	17,500	8,141	(9,359)
Health Fees	13,500	12,453	(1,047)
Rental Fees	21,452	12,357	(9,095)
Ambulance Fees	-	177,680	177,680
Other Fees	11,200	20,160	8,960
Total Fines and Fees	<u>228,107</u>	<u>408,649</u>	<u>180,542</u>

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>
Interest			
Interest Revenue	35,000	418,031	383,031
Total Interest	<u>35,000</u>	<u>418,031</u>	<u>383,031</u>
 Other Revenues/Reimbursements			
Cleaning and Moving Fee	75,000	19,794	(55,206)
Parks and Recreation Fees	156,800	195,527	38,727
Contribution	50,000	54,577	4,577
Miscellaneous	102,151	28,610	(73,541)
Insurance Reimbursements	-	142,857	142,857
Sale of Assets	5,000	16,709	11,709
Total Miscellaneous	<u>388,951</u>	<u>458,074</u>	<u>69,123</u>
Revenues	<u>388,951</u>	<u>458,074</u>	<u>69,123</u>
 Total Revenues	<u><u>\$ 15,880,769</u></u>	<u><u>\$ 16,494,243</u></u>	<u><u>\$ 613,474</u></u>

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
<u>GENERAL GOVERNMENT</u>			
City Commission			
Personal Services	\$ -	\$ -	\$ -
Other Services & Charges	173,537	164,122	9,415
Supplies	6,400	4,912	1,488
Total City Commission	<u>179,937</u>	<u>169,034</u>	<u>10,903</u>
City Manager			
Personal Services	222,189	215,510	6,679
Other Services & Charges	246,121	242,515	3,606
Supplies	6,916	435	6,481
Total City Manager	<u>475,226</u>	<u>458,460</u>	<u>16,766</u>
City Secretary			
Personal Services	161,485	149,331	12,154
Other Services & Charges	45,979	44,309	1,670
Supplies	4,060	1,964	2,096
Total City Secretary	<u>211,524</u>	<u>195,604</u>	<u>15,920</u>
Municipal Court			
Personal Services	223,822	220,905	2,917
Other Services & Charges	78,353	64,628	13,725
Supplies	4,962	3,607	1,355
Total Municipal Court	<u>307,137</u>	<u>289,140</u>	<u>17,997</u>
Finance			
Personal Services	434,173	420,316	13,857
Other Services & Charges	39,735	28,396	11,339
Supplies	6,010	5,030	980
Total Finance	<u>479,918</u>	<u>453,742</u>	<u>26,176</u>
Planning & Zoning			
Personal Services	539,555	531,740	7,815
Other Services & Charges	61,575	38,868	22,707
Supplies	24,753	18,207	6,546
Contract Services	-	-	-
Total Planning & Zoning	<u>625,883</u>	<u>588,815</u>	<u>37,068</u>

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>
<u>GENERAL GOVERNMENT (CONTINUED)</u>			
Building Maintenance			
Personal Services	\$ 349,087	\$ 319,025	\$ 30,062
Other Services & Charges	101,307	105,283	(3,976)
Supplies	47,170	48,990	(1,820)
Total Building Maintenance	<u>497,564</u>	<u>473,298</u>	<u>24,266</u>
 Total General Government	 <u>2,777,189</u>	 <u>2,628,093</u>	 <u>149,096</u>
 <u>PUBLIC SAFETY</u>			
Police			
Personal Services	3,760,582	3,625,121	135,461
Other Services & Charges	189,743	179,478	10,265
Supplies	217,495	227,464	(9,969)
Total Police	<u>4,167,820</u>	<u>4,032,063</u>	<u>135,757</u>
 Fire Suppression			
Personal Services	1,938,193	1,800,038	138,155
Other Services & Charges	631,317	585,824	45,493
Supplies	133,157	140,457	(7,300)
Total Fire Suppression	<u>2,702,667</u>	<u>2,526,319</u>	<u>176,348</u>
 Emergency Management			
Personal Services	-	-	-
Other Services & Charges	35,800	81,371	(45,571)
Supplies	16,750	7,876	8,874
COVID-19 Expenses	-	-	-
Total Emergency Management	<u>52,550</u>	<u>89,247</u>	<u>(36,697)</u>
 Animal Control			
Personal Services	84,570	74,722	9,848
Other Services & Charges	106,060	131,513	(25,453)
Supplies	13,701	13,967	(266)
Total Animal Control	<u>204,331</u>	<u>220,202</u>	<u>(15,871)</u>
 Total Public Safety	 <u>7,127,368</u>	 <u>6,867,831</u>	 <u>259,537</u>

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
<u>PUBLIC WORKS</u>			
Streets & Highways			
Personal Services	\$ 374,873	\$ 358,070	\$ 16,803
Other Services & Charges	421,400	462,974	(41,574)
Supplies	112,071	127,764	(15,693)
Total Streets & Highways	908,344	948,808	(40,464)
Central Garage			
Personal Services	217,431	174,322	43,109
Other Services & Charges	5,700	9,033	(3,333)
Supplies	27,315	16,627	10,688
Total Central Garage	250,446	199,982	50,464
Total Public Works	1,158,790	1,148,790	10,000
<u>CULTURE & RECREATION</u>			
Parks			
Personal Services	1,045,092	950,033	95,059
Other Services & Charges	550,400	636,313	(85,913)
Supplies	59,503	68,245	(8,742)
Total Parks & Recreation	1,654,995	1,654,591	404
Library			
Personal Services	312,376	309,151	3,225
Other Services & Charges	35,100	28,036	7,064
Supplies	2,950	2,486	464
Total Library	350,426	339,673	10,753
Total Culture & Recreation	2,005,421	1,994,264	11,157
<u>NON-DEVELOPMENTAL EXPENDITURES</u>			
General Expenditures			
Personal Services	\$ -	\$ -	\$ -
Other Services & Charges	767,778	767,033	745
Supplies	15,697	14,565	1,132
Total General Expenditures	783,475	781,598	1,877

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>
<u>NON-DEVELOPMENTAL EXPENDITURES (CONTINUED)</u>			
Human Resources			
Personal Services	276,029	241,982	34,047
Other Services & Charges	25,275	14,832	10,443
Supplies	10,870	9,631	1,239
Total Human Resources	<u>312,174</u>	<u>266,445</u>	<u>45,729</u>
Information Technology			
Personal Services	532,819	549,136	(16,317)
Other Services & Charges	436,891	427,029	9,862
Supplies	18,950	26,529	(7,579)
Total Information Technology	<u>988,660</u>	<u>1,002,694</u>	<u>(14,034)</u>
380 Agreement Expenditures	<u>160,000</u>	<u>198,978</u>	<u>(38,978)</u>
Total Non-Department Expenditures	<u>2,244,309</u>	<u>2,249,715</u>	<u>(5,406)</u>
<u>CAPITAL OUTLAY</u>			
General Government	148,289	326,753	(178,464)
Public Safety			
Police	616,000	594,786	21,214
Fire	380,661	344,203	36,458
Emergency Management	30,000	29,039	961
Public Works - Streets	46,200	181,665	(135,465)
Culture & Recreation			
Parks	7,250	131,872	(124,622)
Library	-	-	-
Recreation	-	-	-
Total Capital Outlay	<u>1,228,400</u>	<u>1,608,318</u>	<u>(379,918)</u>
<u>DEBT SERVICE</u>			
Principal Payments	415,150	463,238	(48,088)
Interest Expense	91,250	87,950	3,300
Total Debt Service	<u>506,400</u>	<u>551,188</u>	<u>(44,788)</u>
Total Expenditures	<u>\$ 17,047,877</u>	<u>\$ 17,048,199</u>	<u>\$ (322)</u>

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

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UTILITY FUND SCHEDULES

CITY OF SAN JUAN, TEXAS
UTILITY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>
Utility Revenues			
Water sales	\$ 2,610,000	\$ 2,688,945	\$ 78,945
Sewer charges	3,038,000	3,167,958	129,958
Other services fees	-	-	-
Total Utility	<u>5,648,000</u>	<u>5,856,903</u>	<u>208,903</u>
 Other Operating Revenues			
Penalties	90,000	100,950	10,950
Tap fees	115,750	164,200	48,450
Connect/reconnect fees	65,000	74,220	9,220
Total Other Operating Revenues	<u>270,750</u>	<u>339,370</u>	<u>68,620</u>
 Other			
Rents and royalties	30,000	28,995	(1,005)
Grant Reimbursement	-	-	
Miscellaneous	34,400	78,372	43,972
Total Other	<u>64,400</u>	<u>107,367</u>	<u>42,967</u>
 Total Revenues	<u><u>\$ 5,983,150</u></u>	<u><u>\$ 6,303,640</u></u>	<u><u>\$ 320,490</u></u>

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

CITY OF SAN JUAN, TEXAS
UTILITY FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
<u>UTILITY FUND</u>			
Water Plant			
Personal Services	\$ 520,218	\$ 538,293	\$ (18,075)
Other Services & Charges	539,063	491,427	47,636
Supplies	447,740	446,048	1,692
Total Water Plant	1,507,021	1,475,768	31,253
Water Distribution			
Personal Services	333,252	313,548	19,704
Other Services & Charges	16,822	15,493	1,329
Supplies	86,448	131,578	(45,130)
Total Water Distribution	436,522	460,619	(24,097)
Sewer Plant			
Personal Services	282,972	331,183	(48,211)
Other Services & Charges	494,538	315,384	179,154
Supplies	194,444	128,885	65,559
Total Sewer Plant	971,954	775,452	196,502
Sewer Collection			
Personal Services	374,683	254,284	120,399
Other Services & Charges	569,696	466,743	102,953
Supplies	91,342	175,566	(84,224)
Total Sewer Collection	1,035,721	896,593	139,128
Utility Administration			
Personal Services	132,163	127,725	4,438
Other Services & Charges	357,819	347,345	10,474
Supplies	12,213	15,898	(3,685)
Contractual services-Administrative	407,820	407,820	-
Total Utility Administration	910,015	898,788	11,227
Utility Billing & Collection			
Personal Services	335,126	298,520	36,606
Other Services & Charges	164,860	238,047	(73,187)
Supplies	22,956	24,020	(1,064)
Total Utility Billing & Collection	522,942	560,587	(37,645)
Total Expenditures	\$ 5,384,175	\$ 5,067,807	\$ 316,368

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

CITY OF SAN JUAN, TEXAS
SANITATION FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
<u>SANITATION FUND</u>			
Refuse Collection System			
Garbage fees	\$ 2,400,000	\$ 2,330,917	\$ (69,083)
Other refuse services fees	752,500	713,126	(39,374)
Brush fees	621,060	667,176	46,116
Total Refuse Collection System	3,773,560	3,711,219	(62,341)
 Other Operating Revenues			
Roll-off service	160,000	219,411	59,411
Brush/other pick-up service	16,000	23,844	7,844
Recycling fees	20,200	41,605	21,405
Total Other Operating Revenues	196,200	284,860	88,660
 Other			
Contribution	-	18,980	18,980
Scrap Metal Sales	-	4,028	4,028
Grant Reimbursement	-	2,565	2,565
Miscellaneous	36,800	206,933	170,133
Total Other	36,800	232,506	195,706
 Total Revenues	\$ 4,006,560	\$ 4,228,585	\$ 222,025

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

CITY OF SAN JUAN, TEXAS
SANITATION FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Final Budget Favorable (Unfavorable)</u>
<u>SANITATION FUND</u>			
Sanitation			
Personal Services	\$ 1,375,892	\$ 1,193,574	\$ 182,318
Other Services & Charges	556,202	496,106	60,096
Supplies	686,898	576,620	110,278
Contractual services-Administrative	211,430	211,430	-
Contractual Services-Operations	823,827	593,490	230,337
Total Sanitation	<u>3,654,249</u>	<u>3,071,220</u>	<u>583,029</u>
Recycling			
Personal Services	-	-	-
Other Services & Charges	-	-	-
Supplies	-	-	-
Total Recycling	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u><u>\$ 3,654,249</u></u>	<u><u>\$ 3,071,220</u></u>	<u><u>\$ 583,029</u></u>

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

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PART III
STATISTICAL SECTION

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FINANCIAL TRENDS

CITY OF SAN JUAN, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 10,846,193	\$ 14,402,752	\$ 14,853,405	\$ 12,020,704
Restricted	5,384,023	3,528,492	6,411,258	8,958,766
Unrestricted	3,337,903	(6,177,486)	662,115	3,432,184
Total governmental activities net position	<u>\$ 19,568,119</u>	<u>\$ 11,753,758</u>	<u>\$ 21,926,778</u>	<u>\$ 24,411,654</u>
Business-Type Activities				
Net investment in capital assets	\$ 17,716,432	\$ 20,890,114	\$ 23,593,066	\$ 23,178,623
Restricted	-	-	8,166,356	8,929,343
Unrestricted	18,085,526	17,084,774	7,815,047	8,375,826
Total business-type activities net position	<u>\$ 35,801,958</u>	<u>\$ 37,974,888</u>	<u>\$ 39,574,469</u>	<u>\$ 40,483,792</u>
Primary Government				
Net investment in capital assets	\$ 28,562,625	\$ 35,292,866	\$ 38,446,471	\$ 35,199,327
Restricted	5,384,023	3,528,492	14,577,614	17,888,109
Unrestricted	21,423,429	10,907,288	8,477,162	11,808,010
Total primary government net position	<u>\$ 55,370,077</u>	<u>\$ 49,728,646</u>	<u>\$ 61,501,247</u>	<u>\$ 64,895,446</u>

**CITY OF SAN JUAN, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

2018	2019	2020	2021	2022 (Restated)	2023
\$ 14,981,295	\$ 12,682,754	\$ 10,162,726	\$ 4,081,328	\$ 11,629,695	\$ 23,600,195
7,852,701	10,216,810	14,431,998	21,270,450	11,249,660	15,933,717
3,272,194	3,651,818	4,993,734	5,535,263	9,047,390	(2,918,905)
<u>\$ 26,106,190</u>	<u>\$ 26,551,382</u>	<u>\$ 29,588,458</u>	<u>\$ 31,675,216</u>	<u>\$ 31,926,745</u>	<u>\$ 36,615,007</u>
\$ 26,941,036	\$ 19,423,167	\$ 19,340,604	\$ 21,078,288	\$ 24,859,831	\$ 38,980,431
3,023,142	15,090,514	13,714,428	12,987,395	12,350,950	3,880,849
12,255,158	12,445,314	14,057,690	12,829,197	12,531,054	12,282,686
<u>\$ 42,219,336</u>	<u>\$ 46,958,995</u>	<u>\$ 47,112,722</u>	<u>\$ 46,894,880</u>	<u>\$ 49,741,835</u>	<u>\$ 55,143,966</u>
\$ 41,922,331	\$ 32,105,921	\$ 29,503,330	\$ 25,159,616	\$ 36,489,526	\$ 62,580,626
10,875,843	25,307,324	28,146,426	34,257,845	23,600,610	19,814,566
15,527,352	16,097,132	19,051,424	18,364,460	21,578,444	9,363,781
<u>\$ 68,325,526</u>	<u>\$ 73,510,377</u>	<u>\$ 76,701,180</u>	<u>\$ 77,781,921</u>	<u>\$ 81,668,580</u>	<u>\$ 91,758,973</u>

**CITY OF SAN JUAN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
Expenses				
Governmental Activities				
General Government	\$ 2,954,688	\$ 3,333,865	\$ 3,224,602	\$ 2,975,124
Public Safety	5,850,649	5,765,568	5,987,900	5,554,722
Public Works	996,919	924,753	1,147,700	830,978
Culture and Recreation	1,555,385	1,510,395	1,658,225	1,582,011
Economic Development	509,217	776,777	617,843	422,315
Interest on Long-Term Debt	698,499	665,471	792,672	750,813
Bond/Note Issuance Costs	-	3,535	207,271	226,930
Total governmental activities expenses	<u>12,565,357</u>	<u>12,980,364</u>	<u>13,636,213</u>	<u>12,342,893</u>
Business-type Activities				
Utility System	-	-	-	-
Water Services	4,446,610	2,275,371	1,975,597	2,027,012
Sewer Services	2,110,141	2,090,129	2,075,238	2,218,039
Garbage and Brush	2,224,421	2,098,746	2,403,310	2,446,074
Interest on Long-Term Debt	267,397	382,855	285,602	439,192
Total business-type activities expenses	<u>9,048,569</u>	<u>6,847,101</u>	<u>6,739,747</u>	<u>7,130,317</u>
Total primary government expenses	<u>\$ 21,613,926</u>	<u>\$ 19,827,465</u>	<u>\$ 20,375,960</u>	<u>\$ 19,473,210</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 1,080,948	\$ 1,124,979	\$ 245,082	\$ 353,278
Public Safety	52,480	53,333	200,223	296,699
Public Works	-	-	232,810	273,055
Culture and Recreation	-	-	57,578	46,029
Economic Development	-	-	-	-
Other Activities	-	-	-	-
Operating Grants and Contributions	-	-	584,796	550,455
Capital Grants and Contributions	-	-	146,626	78,274
Total governmental activities program revenues	<u>1,133,428</u>	<u>1,178,312</u>	<u>1,467,115</u>	<u>1,597,790</u>
Business-type Activities				
Charges for Services				
Utility System	-	-	-	-
Water Services	2,374,418	2,223,644	2,501,017	2,654,971
Sewer Services	2,683,191	2,516,948	2,800,606	2,904,348
Garbage and Brush	2,861,284	2,921,309	2,833,887	2,920,258
Operating Grants and Contributions	-	-	72,533	-
Capital Grants and Contributions	-	-	-	12,373
Total business-type activities program revenues	<u>7,918,892</u>	<u>7,661,901</u>	<u>8,208,043</u>	<u>8,491,950</u>
Total primary government program revenues	<u>\$ 9,052,320</u>	<u>\$ 8,840,213</u>	<u>\$ 9,675,158</u>	<u>\$ 10,089,740</u>
Net (expense)/revenue				
Governmental activities	\$ (11,431,929)	\$ (11,802,052)	\$ (12,169,098)	\$ (10,745,103)
Business-type activities	(1,129,677)	814,800	1,468,296	1,361,633
Total primary government net expense	<u>\$ (12,561,606)</u>	<u>\$ (10,987,252)</u>	<u>\$ (10,700,802)</u>	<u>\$ (9,383,470)</u>

**CITY OF SAN JUAN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

2018	2019	2020	2021	2022 (Restated)	2023
\$ 3,549,759	\$ 3,557,363	\$ 4,761,022	\$ 4,384,823	\$ 4,598,574	6,010,418
5,981,871	6,385,914	8,564,288	7,514,118	6,586,373	9,000,000
846,319	992,982	1,433,173	1,372,834	1,447,607	1,727,434
1,607,603	1,666,235	1,901,646	2,005,191	2,044,460	2,436,209
882,085	712,766	636,383	680,886	476,424	879,324
753,798	863,742	851,869	908,845	1,070,352	1,077,962
-	159,652	229,346	265,200	32,000	-
<u>13,621,435</u>	<u>14,338,654</u>	<u>18,377,727</u>	<u>17,131,897</u>	<u>16,255,790</u>	<u>21,131,347</u>
-	-	-	-	-	-
2,155,066	2,068,407	2,226,289	2,451,468	2,277,193	2,762,794
2,046,075	2,296,958	2,504,440	2,461,657	2,578,339	2,950,688
2,732,150	2,891,329	3,592,637	3,464,290	3,536,470	3,523,285
333,374	335,107	516,422	486,748	426,706	381,246
<u>7,266,665</u>	<u>7,591,801</u>	<u>8,839,788</u>	<u>8,864,163</u>	<u>8,818,708</u>	<u>9,618,013</u>
<u>\$ 20,888,100</u>	<u>\$ 21,930,455</u>	<u>\$ 27,217,515</u>	<u>\$ 25,996,060</u>	<u>\$ 25,074,498</u>	<u>\$ 30,749,360</u>
\$ 312,167	\$ 328,535	\$ 340,509	\$ 660,833	\$ 765,021	1,091,899
245,291	198,059	153,711	216,008	154,801	201,609
280,159	287,211	295,997	292,621	297,061	301,206
67,242	22,227	30,760	233,676	91,877	326,288
-	-	-	-	62,600	62,600
-	-	-	-	-	-
602,554	412,285	4,531,248	319,897	411,123	3,138,735
955,835	270,954	367,764	462,055	-	225,768
<u>2,463,248</u>	<u>1,519,271</u>	<u>5,719,989</u>	<u>2,185,090</u>	<u>1,782,483</u>	<u>5,348,105</u>
-	-	-	-	-	-
2,571,073	2,518,609	2,536,300	2,584,610	2,704,012	2,844,752
2,834,435	2,691,766	2,840,479	3,071,230	3,184,784	3,351,521
3,123,790	3,271,037	3,311,164	3,251,938	3,320,776	3,996,079
-	-	740,000	869	16,685	-
-	160,557	525,531	185,188	50,400	4,296,160
<u>8,529,298</u>	<u>8,641,969</u>	<u>9,953,474</u>	<u>9,093,835</u>	<u>9,276,657</u>	<u>14,488,512</u>
<u>\$ 10,992,546</u>	<u>\$ 10,161,240</u>	<u>\$ 15,673,463</u>	<u>\$ 11,278,925</u>	<u>\$ 11,059,140</u>	<u>\$ 19,836,617</u>
\$ (11,158,187)	\$ (12,819,383)	\$ (12,657,738)	\$ (14,946,807)	\$ (14,473,307)	\$ (15,783,242)
1,262,633	1,050,168	1,113,686	229,672	457,949	4,870,499
<u>\$ (9,895,554)</u>	<u>\$ (11,769,215)</u>	<u>\$ (11,544,052)</u>	<u>\$ (14,717,135)</u>	<u>\$ (14,015,358)</u>	<u>\$ (10,912,743)</u>

**CITY OF SAN JUAN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
General Revenue and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 6,269,693	\$ 6,350,712	\$ 6,591,273	\$ 6,857,207
Sales taxes	3,234,944	3,439,026	3,495,985	3,612,443
Franchise taxes	650,054	707,413	719,737	934,525
Other taxes	29,602	30,922	40,636	64,090
Grants and contributions not restricted	395,538	614,729	-	-
Gain (loss) on sale of capital assets	-	-	-	304,041
Miscellaneous	520,062	653,685	419,333	258,342
Investment earnings	17,436	17,240	15,597	21,655
Bond premium proceeds	-	-	686,971	558,426
Transfers	414,368	(1,272,583)	619,250	619,250
Total governmental activities	<u>11,531,697</u>	<u>10,541,144</u>	<u>12,588,782</u>	<u>13,229,979</u>
Business-type activities				
Gain (loss) on sale of capital assets	-	-	-	9,663
Miscellaneous	91,422	69,066	140,312	111,515
Investment earnings	-	-	36,065	45,762
Special item	-	-	-	-
Transfers	(414,368)	1,272,583	(619,250)	(619,250)
Total business-type activities	<u>(322,946)</u>	<u>1,341,649</u>	<u>(442,873)</u>	<u>(452,310)</u>
Total primary government	<u><u>\$ 11,208,751</u></u>	<u><u>\$ 11,882,793</u></u>	<u><u>\$ 12,145,909</u></u>	<u><u>\$ 12,777,669</u></u>
 Change in Net Position				
Governmental activities	\$ 99,768	\$ (1,260,908)	\$ 419,684	\$ 2,484,876
Business-type activities	(1,452,623)	2,156,449	1,025,423	909,323
Total primary government	<u><u>\$ (1,352,855)</u></u>	<u><u>\$ 895,541</u></u>	<u><u>\$ 1,445,107</u></u>	<u><u>\$ 3,394,199</u></u>

**CITY OF SAN JUAN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

2018	2019	2020	2021	2022	2023
\$ 7,366,024	\$ 7,573,872	\$ 7,988,410	\$ 8,738,405	\$ 9,460,013	10,405,015
3,760,439	4,199,640	4,561,267	5,230,061	6,006,988	6,342,536
969,315	951,410	959,468	991,290	1,051,773	1,082,507
52,598	72,759	66,671	92,762	71,132	88,584
-	-	-	-	-	-
-	(118,340)	(11,643)	-	(70,630)	-
384,675	310,344	293,496	290,248	365,903	791,525
73,402	85,441	70,435	39,607	167,877	1,267,239
-	89,733	634,765	1,077,372	-	-
(191,902)	149,716	1,131,945	573,820	(2,249,656)	494,098
<u>12,414,551</u>	<u>13,314,575</u>	<u>15,694,814</u>	<u>17,033,565</u>	<u>14,803,400</u>	<u>20,471,504</u>
-	-	-	-	-	-
53,194	319,109	58,420	53,673	79,393	339,873
92,907	216,808	113,566	4,072	59,957	685,857
-	-	-	-	-	-
191,902	(149,716)	(1,131,945)	(573,820)	2,249,656	(494,098)
338,003	386,201	(959,959)	(516,075)	2,389,006	531,632
<u>\$ 12,752,554</u>	<u>\$ 13,700,776</u>	<u>\$ 14,734,855</u>	<u>\$ 16,517,490</u>	<u>\$ 17,192,406</u>	<u>\$ 21,003,136</u>
\$ 1,256,364	\$ 495,192	\$ 3,037,076	\$ 2,086,758	\$ 330,093	\$ 4,688,262
1,600,636	1,436,369	153,727	(286,403)	2,846,955	5,402,131
<u>\$ 2,857,000</u>	<u>\$ 1,931,561</u>	<u>\$ 3,190,803</u>	<u>\$ 1,800,355</u>	<u>\$ 3,177,048</u>	<u>\$ 10,090,393</u>

CITY OF SAN JUAN, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2014	2015	2016	2017
GENERAL FUND				
Pre GASB 54				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Total Pre GASB 54	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Post GASB 54				
Nonspendable				
Inventory	\$ 35,112	\$ -	\$ 7,582	\$ 10,216
Prepaid	605	-	13,019	10,722
Restricted				
Debt Service	-	-	-	-
Capital Improvements	-	-	-	1,158,518
Economic Development	-	-	-	-
Municipal Court	-	-	-	-
Federal or State Funds Grant Restriction	-	-	-	-
Other Purposes	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,818,288	1,507,107	1,830,147	2,530,541
Total Post GASB 54	<u>\$ 1,854,005</u>	<u>\$ 1,507,107</u>	<u>\$ 1,850,748</u>	<u>\$ 3,709,997</u>
ALL OTHER GOVERNMENTAL FUNDS				
Pre GASB 54				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in Special revenue funds	-	-	-	-
Total Pre GASB 54	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Post GASB 54				
Nonspendable				
Prepaid	\$ -	\$ -	\$ 8,257	\$ 8,257
Restricted				
Debt Service	476,028	598,118	539,924	592,770
Capital Improvements	2,764,213	-	3,738,661	6,073,469
Economic Development	-	-	305,804	614,269
Municipal Court	-	-	84,305	99,194
Federal or State Funds Grant Restriction	2,143,782	-	1,214,715	(38,298)
Other Purposes	-	2,930,374	498,992	458,844
Total Post GASB 54	<u>\$ 5,384,023</u>	<u>\$ 3,528,492</u>	<u>\$ 6,390,657</u>	<u>\$ 7,808,505</u>

CITY OF SAN JUAN, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,627	\$ 5,389	\$ 10,727	\$ 8,286	\$ 16,426	18,780
59,323	143,250	136,100	158,440	115,235	174,740
-	-	-	-	-	-
957,637	788,175	788,175	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,173,785	1,323,109	3,632,863	4,770,838	6,428,484	6,999,338
<u>\$ 2,202,372</u>	<u>\$ 2,259,923</u>	<u>\$ 4,567,865</u>	<u>\$ 4,937,564</u>	<u>\$ 6,560,145</u>	<u>\$ 7,192,858</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,257	\$ -	\$ -	\$ -	\$ -	-
827,360	982,837	1,237,528	1,593,555	1,440,645	1,726,531
4,082,506	6,250,612	8,765,949	16,870,999	6,205,048	9,506,613
894,023	925,965	2,384,003	1,683,066	2,298,505	2,822,532
25,177	95,993	104,844	106,732	120,118	138,434
2,697	315,696	372,190	171,573	292,180	699,993
984,094	708,893	632,482	677,799	761,003	846,094
<u>\$ 6,824,114</u>	<u>\$ 9,279,996</u>	<u>\$ 13,496,996</u>	<u>\$ 21,103,724</u>	<u>\$ 11,117,499</u>	<u>\$ 15,740,197</u>

CITY OF SAN JUAN, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017
Revenues				
Taxes	\$ 10,191,409	\$ 10,632,909	\$ 10,920,469	\$ 11,439,371
Licenses and permits	-	-	224,830	335,620
Intergovernmental	395,538	614,729	981,003	1,104,285
Charges for services	1,133,428	1,182,292	510,863	633,441
Fines & Forfeitures	185,205	186,145	369,669	143,694
Investment earnings	14,878	14,683	15,597	21,655
Miscellaneous	334,357	405,042	395,581	772,383
Total Revenues	<u>12,254,815</u>	<u>13,035,800</u>	<u>13,418,012</u>	<u>14,450,449</u>
Expenditures				
General government	2,703,837	2,681,372	1,759,329	1,804,276
Public safety	5,576,934	6,200,794	4,937,862	4,926,129
Highways and streets	1,118,454	1,013,044	939,784	706,371
Culture and recreation	1,534,081	1,359,237	1,375,328	1,420,225
Economic development	509,217	776,777	522,839	425,238
Non-Departmental Expenditures	-	-	927,193	959,518
Capital outlay	930,299	208,178	2,394,870	5,125,480
Debt service				
Principal	1,176,200	1,112,744	5,049,358	7,322,561
Interest	698,499	669,006	775,851	745,050
Total expenditures	<u>14,247,521</u>	<u>14,021,152</u>	<u>18,682,414</u>	<u>23,434,848</u>
Excess of revenues over (under) expenditures	(1,992,706)	(985,352)	(5,264,402)	(8,984,399)
Other financing sources (uses)				
Transfers in (out)	414,368	(1,272,583)	-	-
380 Agreement expenditures	-	-	(58,447)	-
Lawsuit Settlement	-	-	-	-
Bonds/Notes proceeds	2,240,500	55,506	7,720,000	11,930,000
Bond premium proceeds	49,131	-	686,971	558,426
Bond/Note issuance costs	-	-	(207,271)	(226,930)
Total other financing sources (uses)	<u>2,703,999</u>	<u>(1,217,077)</u>	<u>8,141,253</u>	<u>12,261,496</u>
Net change in fund balances	<u>\$ 711,293</u>	<u>\$ (2,202,429)</u>	<u>\$ 2,876,851</u>	<u>\$ 3,277,097</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	13.16%	12.71%	31.18%	34.43%

CITY OF SAN JUAN, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

2018	2019	2020	2021	2022	2023
\$ 12,218,780	\$ 12,747,125	\$ 13,644,234	\$ 15,129,440	\$ 16,642,629	17,794,285
292,981	305,689	327,852	633,046	732,409	869,249
1,943,600	1,184,813	5,366,168	1,331,537	919,469	3,843,588
611,878	530,343	493,125	770,092	576,351	1,051,753
234,039	117,676	152,094	69,665	173,504	202,765
73,402	85,441	70,435	39,607	167,877	1,267,239
384,675	310,344	293,496	290,248	365,903	474,496
<u>15,759,355</u>	<u>15,281,431</u>	<u>20,347,404</u>	<u>18,263,635</u>	<u>19,578,142</u>	<u>25,503,375</u>
2,125,363	2,102,780	2,356,973	2,425,540	2,375,407	2,915,302
5,290,419	5,642,745	7,053,852	6,674,472	5,904,769	7,151,073
709,251	846,524	1,199,311	1,192,143	1,295,007	1,405,893
1,429,638	1,475,639	1,564,314	1,780,759	1,848,256	2,007,338
580,761	599,065	558,000	489,396	479,461	857,017
2,086,585	1,195,375	1,688,554	1,571,948	1,843,263	2,249,715
4,754,346	1,036,523	2,100,305	2,456,219	8,865,839	10,730,161
1,382,333	2,450,415	3,444,844	1,654,843	1,893,702	2,220,238
761,316	825,948	818,981	913,145	1,074,333	1,046,972
<u>19,120,012</u>	<u>16,175,014</u>	<u>20,785,134</u>	<u>19,158,465</u>	<u>25,580,037</u>	<u>30,583,709</u>
(3,360,657)	(893,583)	(437,730)	(894,830)	(6,001,895)	(5,080,334)
-	(469,534)	512,695	(45,430)	(2,868,906)	(125,152)
(51,324)	(113,531)	(70,442)	(191,024)	(37,343)	-
-	-	(30,000)	-	-	-
919,965	4,110,000	6,145,000	8,295,539	577,000	10,143,868
-	89,733	634,765	1,077,372	-	317,029
-	(159,652)	(229,346)	(265,200)	(32,000)	-
<u>868,641</u>	<u>3,457,016</u>	<u>6,962,672</u>	<u>8,871,257</u>	<u>(2,361,249)</u>	<u>10,335,745</u>
<u>\$ (2,492,016)</u>	<u>\$ 2,563,433</u>	<u>\$ 6,524,942</u>	<u>\$ 7,976,427</u>	<u>\$ (8,363,144)</u>	<u>\$ 5,255,411</u>
11.21%	20.26%	20.51%	13.40%	11.60%	10.68%

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REVENUE CAPACITY

**CITY OF SAN JUAN, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Tax Collections
		Amount	Percentage of Levy		
2014	\$ 5,863,669	\$ 5,464,167	93.2%	\$ 437,782	\$ 5,901,949
2015	6,062,874	5,720,271	94.3%	422,328	6,142,599
2016	6,363,986	6,006,560	94.4%	332,157	6,338,717
2017	6,638,278	6,232,309	93.9%	349,762	6,582,071
2018	7,112,363	6,751,778	94.9%	389,009	7,140,787
2019	7,286,364	6,913,739	94.9%	345,610	7,259,349
2020	7,793,729	7,396,487	94.9%	390,517	7,787,004
2021	8,178,632	8,133,995	99.5%	402,639	8,536,634
2022	9,088,384	8,834,001	97.2%	384,687	9,218,688
2023	10,077,566	9,673,448	96.0%	322,417	9,995,865

Source: Hidalgo County Tax Office

CITY OF SAN JUAN, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Other Taxes	Total
2014	\$ 6,269,693	\$ 3,234,944	\$ 650,054	\$ 29,602	\$ 10,184,293
2015	6,350,712	3,439,026	707,413	30,922	10,528,073
2016	6,591,273	3,495,985	719,737	40,636	10,847,631
2017	6,857,207	3,612,443	934,525	64,090	11,468,265
2018	7,366,024	3,760,439	969,315	52,598	12,148,376
2019	7,573,872	4,199,640	951,410	72,759	12,797,681
2020	7,988,410	4,561,267	959,468	66,671	13,575,816
2021	8,738,405	5,230,061	991,290	92,762	15,052,518
2022	9,460,013	6,006,988	1,051,773	71,132	16,589,906
2023	10,405,015	6,342,536	1,082,507	88,584	17,918,642

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CITY OF SAN JUAN, TEXAS
BUSINESS-TYPE ACTIVITIES OPERATING REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Water Services	Sewer Services	Garbage and Brush Services	Total
2014	\$ 2,374,418	\$ 2,683,191	\$ 2,861,284	\$ 7,918,892
2015	2,223,644	2,516,948	2,921,309	7,661,901
2016	2,501,017	2,800,606	2,833,887	8,135,510
2017	2,654,971	2,904,348	2,920,258	8,479,577
2018	2,571,073	2,834,435	3,123,790	8,529,298
2019	2,518,609	2,691,766	3,271,037	8,481,412
2020	2,536,300	2,840,479	3,311,164	8,687,943
2021	2,584,610	3,071,230	3,251,938	8,907,778
2022	2,704,012	3,184,784	3,320,776	9,209,572
2023	2,844,752	3,351,521	3,996,079	10,192,352

CITY OF SAN JUAN, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

Overlapping Rates¹					
City of San Juan					
Tax Year	Fiscal Year	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Hidalgo County Tax Rate
2013	2013-14	\$ 0.5493	\$ 0.1893	\$ 0.7386	\$ 0.5900
2014	2014-15	0.5304	0.1689	0.6993	0.5900
2015	2015-16	0.5304	0.1689	0.6993	0.5900
2016	2016-17	0.5304	0.1689	0.6993	0.5900
2017	2017-18	0.5291	0.1702	0.6993	0.5900
2018	2018-19	0.5320	0.1673	0.6993	0.5800
2019	2019-20	0.5259	0.1734	0.6993	0.5750
2020	2020-21	0.5164	0.1762	0.6926	0.5750
2021	2021-22	0.5302	0.1574	0.6876	0.5750
2022	2022-23	0.5033	0.1732	0.6765	0.5750

1. Overlapping rates are those of the City, County, and school districts that apply to property owners within the City of San Juan. Not all overlapping rates apply to City of San Juan property owners.
2. (Total Tax Rate)-The allocation of operation and debt service is not available at this time for the County, School Districts Special Districts and the Community College.

Source: Hidalgo County Tax Office

CITY OF SAN JUAN, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

Overlapping Rates¹					
School District					
PSJA ISD Tax Rate	South Texas ISD Tax Rate	Drainage Dist. No. 1 Tax Rate	South Texas College Tax Rate	Total Direct & Overlapping Rates²	
\$ 1.3592	\$ 0.0492	\$ 0.0957	\$ 0.1507	2.98	
1.3592	0.0492	0.0957	0.1500	2.94	
1.3992	0.0492	0.0951	0.1850	3.02	
1.3992	0.0492	0.0951	0.1850	3.02	
1.3892	0.0492	0.0951	0.1850	3.01	
1.3792	0.0492	0.0951	0.1780	2.98	
1.2725	0.0492	0.1051	0.1733	2.87	
1.2675	0.0492	0.1026	0.1718	2.86	
1.2167	0.0492	0.1264	0.1715	2.83	
1.1837	0.0492	0.1179	0.1615	2.76	

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**CITY OF SAN JUAN, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
(UNAUDITED)**

Taxpayer	Tax Year 2022			Tax Year 2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
DJP III LLC	\$ 14,275,503	1	0.93%	\$ 7,094,826	1	0.87%
North Park Lexus Rio Grande Valley	7,093,252	2	0.46%	-		0.00%
HEB Grocery Co	6,547,750	3	0.43%	6,639,323	2	0.81%
SJL Land Venture LTD	6,261,208	4	0.41%	-		0.00%
Mercedes Benz of San Juan	5,825,839	5	0.38%	4,573,668	4	0.56%
AEP Texas Inc-27H	5,678,760	6	0.37%	-		0.00%
Columbia Rio Grande Healthcare LP	5,092,755	7	0.33%	-		0.00%
Jaguar Land Rover San Juan	4,850,129	8	0.32%	-		0.00%
Visan & Sons LLC	4,800,000	9	0.31%	-		0.00%
DJP III LLC	4,395,760	10	0.29%	-		0.00%
H E Butt Grocery Company				\$ 4,674,050	3	0.57%
Audi San Juan				3,500,851	5	0.43%
S-SI San Juan Venture No One				3,005,185	6	0.37%
Chavez Felix Jr				2,382,851	7	0.29%
OXY USA Inc				2,229,129	8	0.27%
CS Auto San Juan Property LTD				2,192,054	9	0.27%
Lubin Properties LLC				2,161,689	10	0.26%
Total	<u>\$ 64,820,956</u>		<u>4.22%</u>	<u>\$ 38,453,626</u>		<u>4.70%</u>

CITY OF SAN JUAN, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30,	Real Property		Non-Real Property		Less: Tax Exempt Real Property
	Residential Property	Non-Homesite & Ag. Property	Personal Property		
2014	\$ 415,915,341	\$ 510,884,377	\$ 51,128,412	\$	159,986,363
2015	432,194,595	575,968,908	57,251,739		196,513,550
2016	473,050,141	604,745,074	52,339,149		215,289,537
2017	476,919,422	655,522,361	62,303,083		239,517,528
2018	512,982,325	700,535,794	65,384,332		252,154,574
2019	518,766,824	716,645,549	67,455,713		249,683,489
2020	540,135,414	758,246,050	83,148,375		253,673,567
2021	604,593,553	798,505,633	90,530,906		290,855,870
2022	698,576,290	883,567,065	90,429,612		316,404,059
2023	843,571,227	967,481,396	104,950,231		378,335,716

1. Tax rate per every \$100 valuation of property.
2. The estimated property value is derived directly from the Levy Roll Tax Totals provided by the Hidalgo County Tax Assessor.

CITY OF SAN JUAN, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

	Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Taxable Value ²	Assessed Value as a Percentage of Actual Value
\$	817,941,767	0.7386	\$ 977,928,130	0.84%
	868,901,692	0.6993	1,065,415,242	0.82%
	914,844,827	0.6993	1,130,134,364	0.81%
	955,227,338	0.6993	1,194,744,866	0.80%
	1,026,747,877	0.6993	1,278,902,451	0.80%
	1,053,184,597	0.6993	1,302,868,086	0.81%
	1,127,856,272	0.6993	1,381,529,839	0.82%
	1,202,774,222	0.6926	1,493,630,092	0.81%
	1,356,168,908	0.6876	1,672,572,967	0.81%
	1,537,667,138	0.6876	1,916,002,854	0.80%

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DEBT CAPACITY

CITY OF SAN JUAN, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Legal Debt Margin Calculation for Fiscal Year				
Assessed value	\$ 817,941,767	\$ 868,901,692	\$ 914,844,827	\$ 955,227,338
Add: Exempt Rreal Property	<u>159,986,363</u>	<u>196,513,550</u>	<u>215,289,537</u>	<u>239,517,528</u>
Total Assessed Value (Net)	<u>977,928,130</u>	<u>1,065,415,242</u>	<u>1,130,134,364</u>	<u>1,194,744,866</u>
Debt Limit (10% of Total Assessed Value)	<u>\$ 97,792,813</u>	<u>\$ 106,541,524</u>	<u>\$ 113,013,436</u>	<u>\$ 119,474,487</u>
Debt Applicable to Limit:				
General obligation bonds	15,240,000	14,255,000	17,090,000	19,900,000
Less: Amount set aside for repayment of general obligation debt	<u>(476,028)</u>	<u>(401,093)</u>	<u>(539,923)</u>	<u>(592,770)</u>
Total Net Debt Aapplicable to Limit	<u>14,763,972</u>	<u>13,853,907</u>	<u>16,550,077</u>	<u>19,307,230</u>
Legal Debt Margin	<u><u>\$ 83,028,841</u></u>	<u><u>\$ 92,687,617</u></u>	<u><u>\$ 96,463,359</u></u>	<u><u>\$ 100,167,257</u></u>

Note: Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 10% of the assessed valuation is used.

CITY OF SAN JUAN, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,026,747,877	\$ 1,053,184,597	\$ 1,127,856,272	\$ 1,202,774,222	\$ 1,356,168,908	\$ 1,537,667,138
252,154,574	249,683,489	253,673,567	290,855,870	316,404,059	378,335,716
<u>1,278,902,451</u>	<u>1,302,868,086</u>	<u>1,381,529,839</u>	<u>1,493,630,092</u>	<u>1,672,572,967</u>	<u>1,916,002,854</u>
<u>\$ 127,890,245</u>	<u>\$ 130,286,809</u>	<u>\$ 138,152,984</u>	<u>\$ 149,363,009</u>	<u>\$ 167,257,297</u>	<u>\$ 191,600,285</u>
18,725,000	21,510,000	24,290,000	30,940,000	29,727,000	36,790,000
(827,360)	(982,837)	(1,237,528)	(1,540,960)	(1,388,273)	(1,673,920)
<u>17,897,640</u>	<u>20,527,163</u>	<u>23,052,472</u>	<u>29,399,040</u>	<u>28,338,727</u>	<u>35,116,080</u>
<u><u>\$ 109,992,605</u></u>	<u><u>\$ 109,759,646</u></u>	<u><u>\$ 115,100,512</u></u>	<u><u>\$ 119,963,969</u></u>	<u><u>\$ 138,918,570</u></u>	<u><u>\$ 156,484,205</u></u>

CITY OF SAN JUAN, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Notes Payable	Leases	Revenue Bonds	Notes Payable	Leases
2014	15,240,000	1,572,407	265,021	13,572,000	3,321,308	-
2015	14,255,000	1,444,663	231,497	12,819,000	3,321,308	-
2016	17,090,000	1,315,180	196,623	12,348,000	3,321,308	-
2017	19,900,000	2,126,667	-	14,340,000	3,321,308	-
2018	18,725,000	2,053,334	919,965	14,805,000	3,321,308	-
2019	21,510,000	2,053,334	843,125	22,245,000	2,929,161	1,072,760
2020	24,290,000	2,053,334	763,281	23,840,000	2,403,630	933,898
2021	30,940,000	2,053,334	753,977	22,580,000	2,218,442	790,490
2022	29,727,000	2,053,334	650,275	21,280,000	2,168,042	642,398
2023	36,790,000	2,053,334	1,564,193	19,950,000	1,826,138	531,769

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

(1) Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF SAN JUAN, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Total Primary Government</u>	<u>Per Capita (1)</u>
33,970,736	938
32,071,468	876
34,271,111	931
39,687,975	1,073
39,824,607	1,072
50,653,380	1,369
54,284,143	1,538
59,336,243	1,597
56,521,049	1,538
62,715,434	1,706

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CITY OF SAN JUAN, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	15,240,000	476,028	14,763,972	1.81%	407.60
2015	14,255,000	401,093	13,853,907	1.59%	378.55
2016	17,090,000	539,923	16,550,077	1.81%	449.60
2017	19,900,000	592,770	19,307,230	2.02%	522.09
2018	18,725,000	827,360	17,897,640	1.74%	481.72
2019	21,510,000	982,837	20,527,163	1.95%	554.67
2020	24,290,000	1,237,528	23,052,472	2.04%	653.16
2021	30,940,000	1,540,960	29,399,040	2.44%	791.28
2022	29,727,000	1,388,273	28,338,727	2.09%	770.93
2023	36,790,000	1,673,920	35,116,080	2.28%	942.06

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF SAN JUAN, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2022
(UNAUDITED)

<u>Governmental Unit</u>	<u>Date</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Direct:</u>				
City of San Juan	09/30/2023	\$ 36,790,000	100%	\$ 36,790,000
<u>Overlapping:</u>				
Pharr, San Juan, Alamo ISD	09/30/2023	247,255,000	22.15%	54,766,983
Hidalgo County	09/30/2023	395,825,000	3.30%	13,062,225
Hidalgo County Irrigation District #1	09/30/2023	276,378,000	3.36%	9,286,301
South Texas College	09/30/2023	103,234,693	3.08%	3,179,629
Total Direct and Overlapping Debt				<u><u>\$ 117,085,137</u></u>

Source: Municipal Advisory Council of Texas

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

**CITY OF SAN JUAN, TEXAS
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Revenue Bonds						
Fiscal Year	Charges and Other Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	7,918,892	8,781,172	(862,280)	13,572,000	267,397	(0.06)
2015	7,661,901	6,464,246	1,197,655	12,819,000	382,855	0.09
2016	8,135,510	6,454,145	1,681,365	12,348,000	285,602	0.14
2017	8,479,577	6,691,125	1,788,452	14,340,000	439,192	0.12
2018	8,529,298	6,933,291	1,596,007	14,805,000	333,374	0.11
2019	8,481,412	7,256,694	1,224,718	22,245,000	335,107	0.06
2020	8,687,943	8,323,366	364,577	23,840,000	516,422	0.02
2021	8,907,778	8,377,415	530,363	22,580,000	486,748	0.02
2022	9,209,572	8,392,002	817,570	21,280,000	426,706	0.04
2023	10,192,352	9,236,767	955,585	19,950,000	381,246	0.05

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DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF SAN JUAN, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Median Age (2)	Unemployment Rate (2)
2014	36,222	15,566	26.9	8.1%
2015	36,597	15,566	26.9	7.4%
2016	36,811	15,566	28.7	9.2%
2017	36,981	15,754	29.5	8.8%
2018	37,154	15,754	29.2	7.9%
2019	37,008	15,754	29.6	7.3%
2020	35,294	15,754	29.7	13.8%
2021	37,154	15,754	29.3	10.6%
2022	36,759	16,256	29.3	7.7%
2023	37,276	18,358	29.5	7.1%

(1) Estimated (Information was received from the U.S. Census Bureau)

(2) Source: U.S. Census Bureau, American Community Survey 5-year Estimates

**CITY OF SAN JUAN, TEXAS
PRINCIPAL EMPLOYERS
(UNAUDITED)**

Employers	2023	
	Employees	Rank
H.E.B	500	1
PSJA ISD	466	2
Rio Fresh, Inc.	219	3
Spirit Truck Lines	167	4
San Juan Nursing Home	165	5
Cano & Sons Trucking, LLC	122	6
Basilica Of Our Lady Of San Juan Del Valle National Shrine	108	7
Idea Academy	74	8
GF Client Services	65	9
Mercedes Benz Of San Juan	47	10
Total	1,933	

**CITY OF SAN JUAN, TEXAS
MISCELLANEOUS SUPPLEMENTAL INFORMATION
(UNAUDITED)**

Date of Incorporation:	December 29, 1917
Date of Adoption of City Charter:	April 5, 1975
Form of Government:	Home Rule
Area:	
Square Miles	11.5
Acres (estimated)	7,310
Miles of Streets:	
Paved within City Limits - City Maintained	118
Miles of Water Lines:	97
Miles of Sewer:	
Sanitary	139
Storm	20
Fire Protection:	
Number of Stations	2
Num Civil Service	33
Civilian	3
Volunteer	20
Police Protection	
Number of Stations	2
Num Civil Service	50
Civilian (includes animal control)	22
Recreation:	
Developed Parks - 50.9 Acres	12
Number of Municipal Pools	0
Lighted Baseball/Softball Fields	5
Birding Center Undeveloped	1
Education:	
(City of San Juan within the PSJA School District)	
Number of Teachers	511
Number of Registered Students	10,081
School Campuses: Elementary/Middle/High/Special Purpose	8/2/1/0

OPERATING INFORMATION

CITY OF SAN JUAN, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
(UNAUDITED)

		Fiscal Year Ended 2022-2023	Fiscal Year Ended 2021-2022	Fiscal Year Ended 2020-2021
<u>POSITIONS BY DEPARTMENT</u>				
410	City Manager	2	2	2
420	City Secretary	4	3	3
430	Municipal Court	4	4	4
440	Finance	8	7	7
450	Planning	12	11	10
460	Police	68	68	66
470	Fire Suppression	36	36	33
480	Street, Alley, Other	10	9	8
490	Central Garage	5	5	3
500	Parks Department	18	18	18
520	Building Maintenance	8	8	8
530	Library	7	7	7
540	Recreation	-	-	-
570	Human Resources	4	4	4
580	Information Technology	9	8	7
602	Health & Welfare - Animal Control	2	2	2
	Total General Fund	197	192	182
601	Storm Water	8	8	8
	Total Storm Water	8	8	8
700	Sanitation	32	27	34
701	Recycling	-	5	-
	Total Sanitation	32	32	34
441	Utility Billing	8	7	7
451	Utility Administration	5	5	4
600	Water Plant	12	12	12
610	Water Distribution	7	7	6
620	Sewer Collection	8	8	8
630	Sewer Plant	6	6	6
	Total Utility Fund	46	45	43
	GRAND TOTAL POSITIONS	283	277	267

CITY OF SAN JUAN, TEXAS
OPERATING INDICATORS BY FUNCTION
(UNAUDITED)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Population:	36037	36759	37154	35294
% Change	-2.00%	-1.07%	5.01%	-5.27%
Building Permits:	1068	1068	1072	2767
% Change	0.00%	-0.37%	-158.12%	-60.10%
Building Permits:				
Permits Issued in FY 2023			771	
Estimated Value			\$ 458,828	

UTILITY/ENTERPRISE FUND:

<u>Class of Customer</u>	<u>Number*</u>	<u>Gallons of Water-Per 1,000 Gallons (October 2020-September 2022)</u>
Residential	6,385	77,421,000
Commercial	556	25,563,000
Apartment	246	2,324,000
All Other	11	456,000

Gallons of water shown to have passed through the master meter at City's
Water plants #1 and #2 during the period 10/01/21 - 09/30/22 96,292,000

Gallons of water billed during the period 10/01/21 - 09/30/22 65,104,000

The rate charged for water furnished and consumed under the standard water rate schedule by Section 1.0
of Ordinance Number 09-12, amended September 08, 2009 to all classes of customer is as follows:

<u>Class of Customer</u>	<u>Base Charge</u>	<u>Per 1,000 Gal</u>
Residential	\$ 12.05	\$ 1.65
Commercial	27.95 **	1.90
Apartment	27.95 **	1.90
All Other	27.95 **	1.90

<u>Fiscal Year</u>	<u>Number of Customers</u>	
	<u>Water</u>	<u>Sewer</u>
2023	7,202	6,775
2022	7,055	6,645
2021	6,862	6,467
2020	6,703	6,311
2019	6,553	6,182
2018	6,483	6,112
2017	6,376	6,037
2016	6,279	5,965
2015	6,164	5,828
2014	6,085	5,791

*As of September 30, 2023

** Rate is for 3/4" meter. This base charge increases with size of meter.

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PART IV
COMPLIANCE SECTION

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CITY OF SAN JUAN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Program Award	Federal Expenditure
<u>FEDERAL ASSISTANCE</u>				
<u>U.S. Department of Justice</u>				
<u>Direct Award</u>				
Bulletproof Vest Partnership Program	16.607	FY 2022 - 232638	\$ 7,900	\$ 4,599
Passed through Drug Enforcement Administration				
HQ Task Force	16.111	SW-TXS-1142	16,000	16,637
Passed through Marshals Office Joint Law Enforcement				
Joint Law Enforcement Program	16.000	M-22-D79-O-000236	10,487	10,487
Passed through Office of Community Oriented Policing				
Services - COPS Hiring Program	16.710	2020UMWX0208	229,592	83,360
Passed through the Texas Office of the Governor				
E. Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00289-JAGX	90,000	89,385
Passed through the Texas Office of the Governor				
E. Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02767-JAGX	12,541	12,541
<u>U.S. Department of Treasury</u>				
American Rescue Plan Act - Coronavirus State and Local				
Fiscal Recovery Funds				
Passed through the Texas Division of Emergency				
Management (TDEM)	21.027	FY 2021	9,170,062	3,969,254
Passed through the Texas Office of the Governor				
First Reponder Mental Health Program	21.027	2021-CS-21027	63,500	20,000
<u>U.S. Department of Homeland Security</u>				
Passed through Lower Rio Grande Valley Development Council				
Enforcement Emergency Regional Response Team				
(LEERT) Enhancements - 2022 Project	97.067	EMW-2021-SS-00062	32,250	32,250
* <u>Environmental Protection Agency</u>				
Passed through Texas Water Development Board				
Clean Water State Revolving Fund	66.458	L-1000933	1,715,000	-
Clean Water State Revolving Fund	66.458	LF-1000942	498,000	341,906
Clean Water State Revolving Fund	66.458	L-1000937	6,645,000	-
Clean Water State Revolving Fund	66.458	LF-1000943	2,562,000	-
Total Federal Assistance			21,061,780	4,580,419
<u>STATE ASSISTANCE</u>				
<u>Texas Department of Public Safety</u>				
Division of Emergency Management				
Local Border Security Program (LBSP-22)		2023-BL-ST-0016	\$ 75,000	\$ 73,418
<u>Office of the Governor</u>				
BC-Body Worn Cameras (BWC) Program		2022-BC-ST-0020	22,259	15,464
SH-Bullet-Resistant Shield Grant Program		2023-SH-ST-0000	45,685	45,685
<u>Texas State Comptroller</u>				
Passed through the Texas Department of Transportation				
LEOSE (Travel & Training)			-	3,009
Total State Assistance			142,944	137,576
Total Federal and State Assistance			\$ 21,204,724	\$ 4,717,995

* The City was originally indebted to the Texas Water Development Board (TWDB) in the amount of \$11,420,000. The debt consists of \$7,370,000 in Certificates of Obligation, and \$1,808,118 as part of a loan forgiveness funds agreement. The outstanding balance at September 30, 2023 is \$9,178,118.

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

CITY OF SAN JUAN, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of San Juan, Texas under the programs of the federal government for the fiscal year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements of Federal Awards*. Because the schedule represents only a selected portion of the operations of the City of San Juan, Texas it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of San Juan, Texas.

2. Summary of Significant Accounting Policies

Expenditures reports on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles, contained in the *Uniform Guidance* and/or *OMB Circular A-87*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

City of San Juan, Texas has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Grant/Program Title	CFDA	Grantor Number	Federal & State Expenditure
<u>FEDERAL ASSISTANCE</u>			
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership Program	16.111	FY 2022 - 232638	\$ 4,599
HQ Task Force	16.111	SW-TXS-1142	16,637
Joint Law Enforcement Program	16.111	M-22-D79-O-000236	10,487
Services - COPS Hiring Program	16.111	2020UMWX0208	83,360
E. Byrne Memorial Justice Assistance Grant Program	16.111	15PBJA-21-GG-00289-JAGX	89,385
E. Byrne Memorial Justice Assistance Grant Program	16.111	15PBJA-22-GG-02767-JAGX	12,541
<u>U.S. Department of Justice</u>			
ARPA - TDEM	21.027	FY 2021	3,969,254
First Responder Mental Health Program	21.027	2021-CS-21027	20,000
<u>U.S. Department of Homeland Security</u>			
(LEERT) Enhancements - 2022 Project	97.067	EMW-2021-SS-00062	32,250
2020 Stone Garden	97.067	EMW-2020-SS-00054	-
* <u>Environmental Protection Agency</u>			
Clean Water State Revolving Fund	66.458	L-1000933	-
Clean Water State Revolving Fund	66.458	LF-1000942	341,906
Clean Water State Revolving Fund	66.458	L-1000937	-
Clean Water State Revolving Fund	66.458	LF-1000943	-
Total Federal Assistance			<u>4,580,419</u>

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

CITY OF SAN JUAN, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2023

Grant/Program Title	CFDA	Grantor Number	Federal & State Expenditure
<u>STATE ASSISTANCE</u>			
<u>Texas Department of Public Safety</u>			
Local Border Security Program (LBSP-22)		2023-BL-ST-0016	73,418
<u>Office of the Governor</u>			
BC-Body Worn Cameras (BWC) Program		2022-BC-ST-0020	15,464
SH-Bullet-Resistant Shield Grant Program		2023-SH-ST-0000	45,685
<u>Texas State Comptroller</u>			
LEOSE (Travel & Training)			3,009
Total State Assistance			<u>137,576</u>
Total Federal and State Assistance			<u>\$ 4,717,995</u>
Total Federal and State Assistance			<u>\$ 4,717,995</u>

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES:

(Page 3)

Program Revenues			
Operating Grants and Contributions	\$	3,138,735	
Capital Grants and Contributions		<u>4,521,928</u>	
Subtotal Grants and Contributions		7,660,663	
Cash Released from Escrow (Loan)		-	
LESS: Other Reimbursable Grants		(2,942,668)	
Total Grants and Contributions	\$	<u>4,717,995</u>	<u>\$ 4,717,995</u>
Other Reimbursable Grants:			
Library Grant	\$	14,778	
Local Police Fees		-	
Forfeitures Fees		202,765	
Other Contributions		<u>2,725,125</u>	
Total Other Reimbursable Grants	\$	<u>2,942,668</u>	

NOTE:

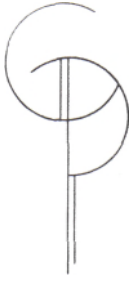
- * The City was originally indebted to the Texas Water Development Board (TWDB) in the amount of \$11,420,000. The debt consists of \$8,360,000 in Certificates of Obligation, and \$3,060,000 as part of a loan forgiveness funds agreement. The outstanding balance at September 30, 2023 is \$9,178,118; \$7,370,000 in Certificates of Obligation and \$1,808,118 in loan forgiveness funds, this amount is recorded in Long-Term Debt (Note G). The expenditures are recorded in the Business-Type Activities Capital Assets (Note F).

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

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**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 *GOVERNMENTAL AUDITING STANDARDS***

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Manuel B. Garcia, CPA

Jaime X. Pena, CPA

INDEPENDENT AUDITORS' 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

Honorable Mayor and
Members of the City Commission
City of San Juan, 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 City of San Juan, Texas which comprise the statement of financial position as of September 30, 2023, and the related statements of activities for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of San Juan, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of San Juan, Texas' internal control. Accordingly, we do not express an opinion of the effectiveness of the City of San Juan, Texas' internal control.

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

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

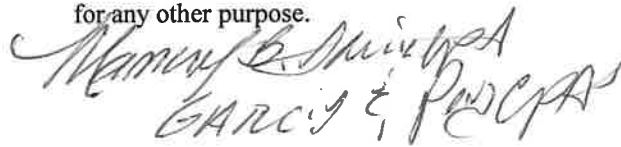
Honorable Mayor and
Members of the City Commission
San Juan, Texas

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the Organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



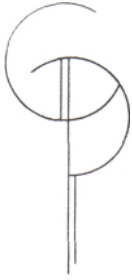
Nancy E. Minerva
GARCIA & PEÑA

Garcia & Pena,
Certified Public Accountants
Weslaco, Texas

March 19, 2024

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

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

Honorable Mayor and
Members of the City Commission
San Juan, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of San Juan, Texas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of San Juan, Texas' major federal program for the year ended September 30, 2023. of the City of San Juan, Texas' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of San Juan, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year then ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit on 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 of San Juan, Texas 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 of San Juan, Texas' 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 of San Juan, Texas' 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 of San Juan, Texas' 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 of San Juan, Texas' 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 of San Juan, Texas' 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 of San Juan, Texas' 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 of San Juan, Texas' 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.

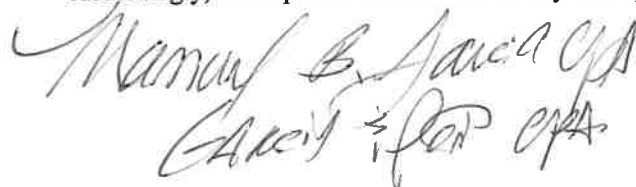
Report on Internal Control over Compliance

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit 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.



Garcia & Pena
Certified Public Accountants
Weslaco, Texas 78596

March 19, 2024

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**SCHEDULE OF FINDINGS
AND
RESPONSES**

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**CITY OF SAN JUAN, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2023**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified	
Internal control over financial reporting:			
* Significant deficiency (ies) identified	_____	Yes	<u> X </u> No
* Significant deficiency (ies) identified that are considered to be material weaknesses?	_____	Yes	<u> X </u> No
Noncompliance material to financial statements noted?	_____	Yes	<u> X </u> No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified:	_____	Yes	<u> X </u> No
* Reportable condition (s) identified that are considered to be material weakness (es).	_____	Yes	<u> X </u> No
Type of auditors' report issued on compliance for major programs:		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CRF Section 200.516(a)?	_____	Yes	<u> X </u> No
Identification of major programs:			

CFDA Number (s)

Name of Federal Program or Cluster

21.027

U.S. Department of Justice

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000	
Auditee qualified as low-risk auditee?	<u> X </u>	Yes	_____ No

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**CITY OF SAN JUAN, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2023**

Section II-Financial Statement Findings

PROGRAM

DESCRIPTION

Findings for the fiscal year ended September 30, 2023:

None Noted

**CITY OF SAN JUAN, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2023**

Section II-Financial Statement Findings

PROGRAM

DESCRIPTION

Findings for the fiscal year ended September 30, 2022:

None Noted

**CITY OF SAN JUAN, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2023**

Section III-Federal Awards Findings

None Noted

Questioned Costs

None

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