City Of Floresville, Texas

Annual Financial Report

For the Year Ended

September 30, 2025

LEAL & CARTER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
SAN ANTONIO, TEXAS

City Of Floresville, Texas

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REQUIRED SUPPLEMENTAL INFORMATION (cont.)

LEAL & CARTER, P.C.
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Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Floresville, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Floresville, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of FELPS corporation, a discretely presented component unit, which represents 60% of the assets, and 70% of the revenues of the City as of December 31, 2024. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the FELPS corporation is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter – Prior Period Adjustments

As further discussed in Note 12 Prior Period Adjustments, prior period adjustments were necessary to correct balances from prior years. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material

Auditor's Responsibilities for the Audit of the Financial Statements (cont.)

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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Seal & Carter, P.C.

San Antonio, Texas
May 29, 2026

CITY OF FLORESVILLE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

Our discussion and analysis of the City of Floresville, Texas' financial performance provides an overview of the City's financial activities for the year ended September 30, 2025. We recommend and encourage readers to consider the information presented here in conjunction with the Independent Auditors' Report and the City's financial statements.

FINANCIAL HIGHLIGHTS

As a result of the deficit financial position of the City's general fund, the City of Floresville implemented a turnaround plan to return the City to financial stability, improve the efficiency and effectiveness of operations, and establish improved management policies and procedures.

This plan is the beginning of a series of strategies to assist the City with the four essential components:

- Identification of critical priorities to affect change.
- Listing of specific imperatives to undertake.
- Metrics, targets and accountabilities to track the change.
- Monitoring on all required actions and metrics to ensure progress (execution).

<u>Governmental Activities:</u>

- Governmental activities increased $7,406,082 in net position is primarily due to revenues exceeding expenditures during the fiscal year.
- Included in total net position are the following components:
  - $10,206,847 net investment in capital assets.
  - $41,240,318 that is restricted for use.
  - $3,982,883 unrestricted.

<u>Business-Type Activities:</u>

- The net position decreased by $322,845 for a balance of $9,835,483.
- Included in total net position are the following components:
  - $5,172,485 net investment in capital assets.
  - $4,662,998 that is unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 the information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm sewer, water distribution and sewer collections lines, etc.) to assess the overall financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. 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 and 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 functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities).

- Governmental activities - The City's basic services are reported herein, including judicial, police, fire, public works, mayor and council, parks and recreation departments, and general administration. Property taxes, sales taxes, franchise fees, and grants finance most of these activities.

- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer and refuse system as well as cemetery lot sales are reported here.

- The City also reports on discretely presented component units which include the 4A Corporation, Floresville Economic Development Corporation (EDC), and Floresville Electric Light and Power System (F.E.L.P.S.).

The government-wide financial statements include the statement of net position and the statement of activities (pages 9 through 12).

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. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds - governmental and proprietary - use different accounting methods.

Fund Financial Statements (continued)

- Governmental funds - The City reports its basic services in governmental funds. These funds use modified accrual basis of accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and they report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation schedules following each of the governmental fund financial statements. The governmental fund financial statements can be found on pages 13 through 17.

- Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City - these are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government wide statements but provide more detail and additional information such as cash flows, for proprietary funds. The proprietary fund financial statements can be found on pages 18-24.

Notes to the 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. The notes to the financial statements can be found on pages 25 through 47.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's combined governmental and business-type activities.

Net position of the City's combined activities increased by $7,083,237 from $58,182,294 to $65,265,531. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, was $8,645,881 at September 30, 2025.

Table 1
Statement of Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
ASSETS	9/30/2025	9/30/2024	9/30/2025	9/30/2024	9/30/2025	9/30/2024
Current assets	51,597,318	50,100,921	5,184,294	5,520,792	56,781,612	55,621,713
Capital assets	22,313,051	17,339,594	16,877,831	17,066,252	39,190,882	34,405,846
Other assets	-	-	-	-	-	-
Total assets	73,910,369	67,440,515	22,062,125	22,587,044	95,972,494	90,027,559
Deferred outflows of resources	314,847	545,353	148,322	205,756	463,169	751,109
LIABILITIES						
Current liabilitiies	1,437,461	1,452,207	580,752	308,108	2,018,213	1,760,315
Long-term liabilities	17,255,584	18,424,671	11,746,103	12,262,987	29,001,687	30,687,658
Total liabilities	18,693,045	19,876,878	12,326,855	12,571,095	31,019,900	32,447,973
Deferred inflows of resources	102,123	85,024	48,109	63,377	150,232	148,401
NET POSITION						
Net investment in capital assets	10,206,847	8,740,382	5,172,485	5,153,881	15,379,332	13,894,263
Restricted	41,240,318	35,360,547	-	-	41,240,318	35,360,547
Unrestricted	3,982,883	3,923,037	4,662,998	5,004,447	8,645,881	8,927,484
Total net position	55,430,048	48,023,966	9,835,483	10,158,328	65,265,531	58,182,294

Table 2
Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	9/30/2025	9/30/2024	9/30/2025	9/30/2024	9/30/2025	9/30/2024
REVENUES						
Program revenues						
Charges for services	733,765	678,611	6,271,855	6,059,303	7,005,620	6,737,914
Operating grants and contributions	799,818	432,868	22,245	2,700	822,063	435,568
General revenues						
Property tax	2,586,557	2,390,255	-	-	2,586,557	2,390,255
Sales tax	3,299,687	3,186,011	-	-	3,299,687	3,186,011
Hotel/motel tax	270,942	297,206	-	-	270,942	297,206
Franchise tax	987,621	998,007	-	-	987,621	998,007
Unrestricted investment earnings	846,125	1,220,114	-	-	846,125	1,220,114
Other income	6,005,208	6,898,320	53,850	56,091	6,059,058	6,954,411
Total revenues	15,529,723	16,101,392	6,347,950	6,118,094	21,877,673	22,219,486
EXPENSES						
General government	2,706,805	2,132,345			2,706,805	2,132,345
Public safety	3,225,493	2,515,045			3,225,493	2,515,045
Public works	736,958	687,961			736,958	687,961
Culture and recreation	900,980	138,799			900,980	138,799
Mayor and council	-	-			-	-
Parks and recreation	-	672,841			-	672,841
Debt service	399	800			399	800
Interest on debt	683,734	714,745			683,734	714,745
Capital outlay	273,071	38,670			273,071	38,670
Water			2,474,495	2,229,257	2,474,495	2,229,257
Sewer			2,032,986	1,881,887	2,032,986	1,881,887
Refuse			1,711,209	1,447,037	1,711,209	1,447,037
Cemetery			11,401	25,074	11,401	25,074
Total expenses	8,527,440	6,901,206	6,230,091	5,583,255	14,757,531	12,484,461
Increase (decrease) in net position before transfers	7,002,283	9,200,186	117,859	534,839	7,120,142	9,735,025
TRANSFERS	400,000	405,951	(400,000)	(405,951)	-	-
Change in net position	7,402,283	9,606,137	(282,141)	128,888	7,120,142	9,735,025
NET POSITION AT BEGINNING OF YEAR	48,023,966	38,645,398	10,158,328	9,682,893	58,182,294	48,328,291
Prior period adjustment	3,799	(227,569)	(40,704)	346,547	(36,905)	118,978
NET POSITION AT END OF YEAR	55,430,048	48,023,966	9,835,483	10,158,328	65,265,531	58,182,294

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds: The focus of the City's governmental funds is to provide information on near- term inflows, outflows, and balances of spendable resources. Such information is useful in assessing City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $11,952,310, a decrease of $4,261,853 in comparison with the prior year. Approximately 33% of this total amount, $4,001,492, is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is non- spendable, restricted, or committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the total fund balance of the general fund was $4,001,492. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 60 percent of total general fund expenditures, while total fund balance represents 179 percent of that same amount.

The fund balance of the City's general fund increased by $80,654 during the current fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

At the end of fiscal year ended 2025, the City had $39,190,882net of depreciation, invested in a broad range of capital assets, including police and fire equipment, buildings, park and recreational facilities, roads, bridges, and water and sewer lines. Additional information on the City's capital assets is presented in the notes to the financial statements (note 6, pages 36 through 37).

	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Land	719,179	719,179	91,291	91,291
Buildings	8,112,862	8,112,862	-	-
Property, plant and equipment	5,884,242	5,772,992	21,188,030	20,905,160
Infrastructure	11,645,362	9,269,748	7,724,969	6,876,819
Construction in progress	6,064,807	2,796,886	13,500	522,226
Less: accumulated depreciation	(10,113,401)	(9,332,073)	(12,139,959)	(11,329,244)
TOTAL CAPITAL ASSETS	22,313,051	17,339,594	16,877,831	17,066,252

Debt:

At year-end, the City had $28,999,994 in bonds outstanding.

	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Bonds payable	$ 17,348,623	$ 18,233,419	$ 11,651,371	$ 11,921,371
Net pension liability	786,961	1,006,252	370,732	341,616
TOTAL OUTSTANDING DEBT	$ 18,135,584	$ 19,239,671	$ 12,022,103	$ 12,262,987

Other obligations include accrued vacation. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements (note 7, page 39 through 41).

BUDGETARY HIGHLIGHTS

The City did amend its budget during fiscal year 2025 but there were no significant changes to the budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors and goals when setting the fiscal year 2026 budget and tax rates. The City's economic outlook remains positive due to the overall improvement in the economy and continued residential growth. This is evidenced by local economic indicators such as a significant increase in tax appraisal values, the increase in residential building permits, and continued sales tax growth. The budget was executed in pursuit of addressing the future needs of the City's infrastructure. The City has been able to obtain USDA and Certificates of Obligation to improve the infrastructure of the City. Infrastructure improvements will continue as an integral part of that effort so that the City may maintain their services and competitive posture. The street department will continue paving projects in accordance with the street study, in conjunction with the streets program. These factors were taken into account when adopting the general fund budget for 2026.

Amounts available for appropriation in the general fund budget are $6,342,465 an increase of $75,616 or 1.21% over (under) the final 2025 budget of $6,266,849. In order to accomplish funding of the 2026 budget, the 2026 tax rate was set at $0.207606/$100 for general operations and $0.213123/$100 for debt service, for a total of $0.420729/$100.

The General Fund's unassigned fund balance increased to $4,001,492 at September 30,2025, due to the City Council's support and the staff's execution of our budget policies.

Separately issued financial statements for FELPS, discretely presented component unit of the City, can be obtained from the City Manager.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager at the City's office at 1120 D Street, Floresville, Texas 78114.

CITY OF FLORESVILLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 8,711,633	$ 3,951,868	$ 12,663,501
Investments - Current	3,182,516	-	3,182,516
Investments in FELPS	38,531,919	-	38,531,919
Taxes Receivable, Net	193,942	-	193,942
Accounts Receivable, Net	537,039	1,230,169	1,767,208
Due from Other Governments	418,988	-	418,988
Due from Others	12,550	2,257	14,807
Inventories	-	-	-
Prepaid Items	8,731	-	8,731
Permanently Restricted:			
Cash and Cash Equivalents- Restricted	-	-	-
Capital Assets:			
Non-depreciable Capital Assets	6,783,986	74,520	6,858,506
Capital Assets, Net	15,529,065	16,803,311	32,332,376
Total Assets	73,910,369	22,062,125	95,972,494
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Plan	314,847	148,322	463,169
Deferred Resource Outflow Refunding	-	-	-
Total Deferred Outflows of Resources	314,847	148,322	463,169
LIABILITIES			
Accounts Payable	101,793	181,198	282,991
Wages and Salaries Payable	60,002	33,430	93,432
Compensated Absences Payable	172,089	52,145	224,234
Claims and Judgments Payable	-	8,506	8,506
Due to Others	69,482	2,047	71,529
	-	-	-
Due to Component Unit	-	-	-
Accrued Interest Payable	-	11,861	11,861
Unearned Revenues	57,553	-	57,553
Bonds Payable - Current	880,000	276,000	1,156,000
Other Current Liabilities	96,542	15,565	112,107
Noncurrent Liabilities:			
Due in More Than One Year:			
Bonds Payable - Noncurrent	15,705,000	11,375,371	27,080,371
Other Long Term Debt Payable - Noncurrent	-	-	-
Unamortized Premiums (Discounts) on Bonds	763,623	-	763,623
Net Pension Liability	786,961	370,732	1,157,693
Total Liabilities	18,693,045	12,326,855	31,019,900
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Plan	102,123	48,109	150,232
Deferred Inflow Rate Stabilization	-	-	-
Deferred Resource Inflow Derivative Instruments	-	-	-
Total Deferred Inflows of Resources	102,123	48,109	150,232
NET POSITION			
Net Investment in Capital Assets and Lease Assets	10,206,847	5,172,485	15,379,332
Restricted:			
Investment in FELPS	38,531,919	-	38,531,919
Restricted for Other Purposes	2,708,399	-	2,708,399
Unrestricted	3,982,883	4,662,998	8,645,881
Total Net Position	$ 55,430,048	$ 9,835,483	$ 65,265,531

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

Component Units		
Floresville 4A Corporation	Floresville EDC 4B Corporation	Business-Type 12/31/24 FELP Corporation
$ (14,915)	$ 2,884,902	$ 40,295,963
5,149	-	-
-	-	-
-	-	-
-	-	2,581,818
-	-	-
-	691	-
3,941	51	2,332,465
500	-	501,689
-	-	11,170,506
920,020	418,502	-
600,660	2,946,134	101,145,135
1,515,354	6,250,280	158,027,576
9,456	12,810	$ 1,570,469
-	-	208,414
9,456	12,810	1,778,883
3,395	145,134	$ 2,727,696
3,620	3,103	-
7,693	3,053	-
-	-	932,397
49	260	-
8,650	-	-
-	300	31,608,043
782	-	515,457
10,928	-	5,548,485
62,000	310,000	2,033,283
-	-	-
408,000	2,308,443	40,451,029
-	-	3,016,291
-	-	-
23,633	32,019	9,160,991
528,750	2,802,312	95,993,672
3,067	4,155	$ 1,928,915
-	-	1,000,000
-	-	677,749
3,067	4,155	3,606,664
1,050,680	746,193	65,487,456
-	-	1,056,175
-	-	-
(57,687)	2,710,430	(6,337,508)
$ 992,993	$ 3,456,623	$ 60,206,123

CITY OF FLORESVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government - Administration	$ 2,706,805	$ 322,856	$ 407,385
Public Safety	3,225,493	227,467	392,433
Fire Protection	-	7,338	-
Public Works	736,958	117,402	-
Culture and Recreation	900,980	-	-
Recreation	-	7,338	-
Parks	-	51,364	-
Principal on Debt	199	-	-
Interest on Debt	683,734	-	-
Other Debt Service	200	-	-
Capital Outlay	273,071	-	-
Total Governmental Activities	8,527,440	733,765	799,818
BUSINESS-TYPE ACTIVITIES:			
Water Fund	2,474,495	2,538,632	-
Sewer Fund	2,032,986	2,021,126	22,245
Refuse Fund	1,711,209	1,712,097	-
Enterprise Funds - Cemetary	11,401	-	-
Total Business-Type Activities	6,230,091	6,271,855	22,245
TOTAL PRIMARY GOVERNMENT	$ 14,757,531	$ 7,005,620	$ 822,063
Component Units:			
Floresville 4A Corporation	$ 741,746	$ 213,290	$ -
Floresville EDC Corporation	979,363	-	-
FELPS Corporation	43,820,877	48,763,950	-
TOTAL COMPONENT UNITS	$ 45,541,986	$ 48,977,240	$ -

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

General Sales and Use Taxes

Franchise Tax

Other Taxes

Miscellaneous Revenue

Investment Earnings

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Adjustments and Restatements

Net Position - Ending

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

	Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Floresville 4A Corporation	Floresville EDC 4B Corporation	Business-Type 12/31/24 FELP Corporation
$ (1,976,564)	$ -	$ (1,976,564)	$ -	$ -	$ -
(2,605,593)	-	(2,605,593)	-	-	-
7,338	-	7,338	-	-	-
(619,556)	-	(619,556)	-	-	-
(900,980)	-	(900,980)	-	-	-
7,338	-	7,338	-	-	-
51,364	-	51,364	-	-	-
(199)	-	(199)	-	-	-
(683,734)	-	(683,734)	-	-	-
(200)	-	(200)	-	-	-
(273,071)	-	(273,071)	-	-	-
(6,993,857)	-	(6,993,857)	-	-	-
-	64,137	64,137	-	-	-
-	10,385	10,385	-	-	-
-	888	888	-	-	-
-	(11,401)	(11,401)	-	-	-
-	64,009	64,009	-	-	-
(6,993,857)	64,009	(6,929,848)	-	-	-
-	-	-	(528,456)	-	-
-	-	-	-	(979,363)	-
-	-	-	-	-	4,943,073
-	-	-	(528,456)	(979,363)	4,943,073
2,586,557	-	2,586,557	-	-	-
3,299,687	-	3,299,687	659,937	1,317,875	-
987,621	-	987,621	-	-	-
270,942	-	270,942	-	-	-
6,005,208	53,850	6,059,058	53,010	6,003	3,337,540
846,125	-	846,125	17	130,985	829,529
400,000	(400,000)	-	-	-	-
14,396,140	(346,150)	14,049,990	712,964	1,454,863	4,167,069
7,402,283	(282,141)	7,120,142	184,508	475,500	9,110,142
48,023,966	10,158,328	58,182,294	766,724	3,039,442	51,095,981
3,799	(40,704)	(36,905)	41,761	(58,319)	-
$ 55,430,048	$ 9,835,483	$ 65,265,531	$ 992,993	$ 3,456,623	$ 60,206,123

CITY OF FLORESVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Street Maintenance Tax Fund	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	$ 2,065,907	$ 538,698	$ (37,018)
Investments - Current	3,182,516	-	-
Taxes Receivable	120,426	-	153,270
Allowance for Uncollectible Taxes (credit)	(53,035)	-	(26,719)
Accounts Receivable, Net	150,337	-	-
Due from Other Governments	418,988	-	-
Due from Other Funds	-	1,370,405	-
Due from Others	12,550	-	-
Prepaid Items	8,397	-	-
Total Assets	$ 5,906,086	$ 1,909,103	$ 89,533
LIABILITIES			
Accounts Payable	$ 91,147	$ 3,659	$ -
Wages and Salaries Payable	57,329	-	-
Due to Other Funds	1,370,405	-	-
Due to Others	69,313	-	-
Unearned Revenues	-	-	-
Other Current Liabilities	96,342	-	-
Total Liabilities	1,684,536	3,659	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	67,242	-	126,551
Deferred Resource Inflow Warrants	152,816	-	-
Total Deferred Inflows of Resources	220,058	-	126,551
FUND BALANCES			
Other Assigned Fund Balance	-	1,905,444	(37,018)
Unassigned Fund Balance	4,001,492	-	-
Total Fund Balances	4,001,492	1,905,444	(37,018)
Total Liabilities, Deferred Inflows & Fund Balances	$ 5,906,086	$ 1,909,103	$ 89,533

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

Capital Projects Fund	Other Funds	Total Governmental Funds
$ 5,298,988	$ 845,058	$ 8,711,633
-	-	3,182,516
-	-	273,696
-	-	(79,754)
-	5,594	155,931
-	-	418,988
-	-	1,370,405
-	-	12,550
-	334	8,731
$ 5,298,988	$ 850,986	$ 14,054,696
$ 4,239	$ 2,748	$ 101,793
-	2,673	60,002
-	-	1,370,405
-	169	69,482
52,330	5,223	57,553
-	200	96,542
56,569	11,013	1,755,777
-	-	193,793
-	-	152,816
-	-	346,609
5,242,419	839,973	7,950,818
-	-	4,001,492
5,242,419	839,973	11,952,310
$ 5,298,988	$ 850,986	$ 14,054,696

CITY OF FLORESVILLE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds	$	11,952,310
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		31,689,892
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements,but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2025 capital outlays and debt principal payments is to increase (decrease) net position.		6,573,203
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in governemental funds. For Fiscal Year 2025 the net effects is a decrease to fund balance.		(28,314)
The 2025 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(781,328)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		6,024,285
Net Position of Governmental Activities	$	55,430,048

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

CITY OF FLORESVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Street Maintenance Tax Fund	Debt Service Fund
REVENUES:			
Taxes:			
Property Taxes	$ 1,114,752	$ -	$ 1,397,923
General Sales and Use Taxes	2,639,750	659,937	-
Franchise Tax	987,621	-	-
Other Taxes	16,244	-	-
Intergovernmental Revenue and Grants	60,946	-	-
Charges for Services	429,885	-	-
Fines	236,889	-	-
Investment Earnings	455,736	-	-
Contributions & Donations from Private Sources	407,385	-	-
Other Revenue	23,431	-	123,234
Total Revenues	6,372,639	659,937	1,521,157
EXPENDITURES:			
Current:			
General Government - Administration	2,177,210	-	-
Public Safety	2,815,886	-	-
Public Works	531,856	101,165	-
Culture and Recreation	749,021	-	-
Debt Service:			
Principal on Debt	-	-	815,199
Interest on Debt	-	-	753,530
Other Debt Service	-	-	200
Capital Outlay:			
Capital Outlay	418,012	-	-
Total Expenditures	6,691,985	101,165	1,568,929
Excess (Deficiency) of Revenues Over (Under) Expenditures	(319,346)	558,772	(47,772)
OTHER FINANCING SOURCES (USES):			
Transfers In	400,000	-	-
Total Other Financing Sources (Uses)	400,000	-	-
Net Change in Fund Balances	80,654	558,772	(47,772)
Fund Balance - October 1 (Beginning)	3,920,838	1,346,672	10,754
Fund Balance - September 30 (Ending)	$ 4,001,492	$ 1,905,444	$ (37,018)

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

Capital Projects Fund	Other Funds	Total Governmental Funds
$ -	$ -	$ 2,512,675
-	-	3,299,687
-	-	987,621
-	254,698	270,942
331,487	-	392,433
-	55,295	485,180
-	11,694	248,583
389,648	741	846,125
-	-	407,385
-	28,053	174,718
721,135	350,481	9,625,349
1,652	252,386	2,431,248
-	2,129	2,818,015
-	-	633,021
-	59,112	808,133
-	-	815,199
-	-	753,530
-	-	200
5,609,844	-	6,027,856
5,611,496	313,627	14,287,202
(4,890,361)	36,854	(4,661,853)
-	-	400,000
-	-	400,000
(4,890,361)	36,854	(4,261,853)
10,132,780	803,119	16,214,163
$ 5,242,419	$ 839,973	$ 11,952,310

CITY OF FLORESVILLE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Total Net Change in Fund Balances - Governmental Funds	$	(4,261,853)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2025 capital outlays and debt principal payments is to increase (decrease) the change in net position.		6,573,203
Government funds report City pension contributions as expenditures. However in the statement of activities, the cost of pension benefits is reported as pension expense..		(32,113)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(781,328)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		5,904,374
Change in Net Position of Governmental Activities	$	7,402,283

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

CITY OF FLORESVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities	
	Water Fund	Sewer Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 2,480,431	$ 1,704,936
Accounts Receivable, Net	558,942	353,732
Due from Others	2,257	-
Total Current Assets	3,041,630	2,058,668
Noncurrent Assets:		
Capital Assets:		
Non - depreciable Capital Assets	38,020	36,500
Capital Assets, net	8,211,635	8,537,701
Total Noncurrent Assets	8,249,655	8,574,201
Total Assets	11,291,285	10,632,869
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow Related to Pension Plan	83,650	64,672
Total Deferred Outflows of Resources	83,650	64,672
LIABILITIES		
Current Liabilities:		
Accounts Payable	38,279	-
Wages and Salaries Payable	17,961	15,469
Compensated Absences Payable	48,436	3,709
Claims and Judgments Payable	8,506	-
Due to Others	-	2,047
Accrued Interest Payable	435	11,426
Bonds Payable - Current	125,000	151,000
Other Current Liabilities	6,395	-
Total Current Liabilities	245,012	183,651
Noncurrent Liabilities:		
Bonds Payable - Noncurrent	5,263,371	6,112,000
Net Pension Liability	209,083	161,649
Total Noncurrent Liabilities	5,472,454	6,273,649
Total Liabilities	5,717,466	6,457,300
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow Related to Pension Plan	27,132	20,977
Total Deferred Inflows of Resources	27,132	20,977
NET POSITION		
Net Investment in Capital Assets and Lease Assets	2,861,284	2,311,201
Unrestricted	2,769,053	1,908,063
Total Net Position	$ 5,630,337	$ 4,219,264

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

- Enterprise Funds

Refuse Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
$ (259,559)	$ 26,060	$ 3,951,868
317,495	-	1,230,169
-	-	2,257
57,936	26,060	5,184,294
-	-	74,520
-	53,975	16,803,311
-	53,975	16,877,831
57,936	80,035	22,062,125
-	-	148,322
-	-	148,322
142,919	-	181,198
-	-	33,430
-	-	52,145
-	-	8,506
-	-	2,047
-	-	11,861
-	-	276,000
9,170	-	15,565
152,089	-	580,752
-	-	11,375,371
-	-	370,732
-	-	11,746,103
152,089	-	12,326,855
-	-	48,109
-	-	48,109
-	-	5,172,485
(94,153)	80,035	4,662,998
$ (94,153)	$ 80,035	$ 9,835,483

CITY OF FLORESVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	
	Water Fund	Sewer Fund
OPERATING REVENUES:		
Intergovernmental Revenue and Grants	$ -	$ 22,245
Charges for Services	2,538,632	2,021,126
Investment Earnings	15,042	14,258
Other Revenue	-	-
Total Operating Revenues	2,553,674	2,057,629
OPERATING EXPENSES:		
Salaries and Wages	1,091,557	812,206
Professional & Technical Services	141,551	194,101
Other Operating Expenses	481,136	313,102
Supplies	272,690	153,635
Depreciation	370,980	439,736
Debt Service	116,581	120,206
Total Operating Expenses	2,474,495	2,032,986
Income Before Transfers	79,179	24,643
Transfers Out	(120,000)	(130,000)
Change in Net Position	(40,821)	(105,357)
Total Net Position - October 1 as Previously Reported	5,755,958	4,280,525
Prior Period Adjustment	(84,800)	44,096
Total Net Position - September 30 (Ending)	$ 5,630,337	$ 4,219,264

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

- Enterprise Funds

Refuse Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
$ -	$ -	$ 22,245
1,712,097	-	6,271,855
-	-	29,300
-	24,550	24,550
1,712,097	24,550	6,347,950
-	620	1,904,383
1,711,209	984	2,047,845
-	7,760	801,998
-	2,037	428,362
-	-	810,716
-	-	236,787
1,711,209	11,401	6,230,091
888	13,149	117,859
(150,000)	-	(400,000)
(149,112)	13,149	(282,141)
54,959	66,886	10,158,328
-	-	(40,704)
$ (94,153)	$ 80,035	$ 9,835,483

CITY OF FLORESVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	
	Water Fund	Sewer Fund
Cash Flows from Operating Activities:		
Cash Received from User Charges	$ 2,530,528	$ 2,040,664
Cash Payments to Employees for Services	(975,588)	(848,732)
Cash Payments for Other Operating Expenses	(1,023,730)	(788,340)
Net Cash Provided by (Used for) Operating Activities	531,210	403,592
Cash Flows from Non-Capital Financing Activities:		
Operating Transfer Out	(120,000)	(130,000)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(153,573)	(468,722)
Debt Payments	(122,000)	(148,000)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(275,573)	(616,722)
Net Increase (Decrease) in Cash and Cash Equivalents	135,637	(343,130)
Cash and Cash Equivalents at Beginning of Year	2,429,594	2,003,970
Prior Period Adjustment	(84,800)	44,096
Cash and Cash Equivalents at End of Year	$ 2,480,431	$ 1,704,936
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating Income	$ 79,179	$ 24,643
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	370,980	439,736
Pension Expense	108,781	(37,499)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (Increase) in Receivables	(21,074)	(8,538)
Increase (Decrease) in Accounts Payable	(9,700)	(7,296)
Increase (Decrease) in Payroll Deductions	7,188	973
Increase (Decrease) in Claims Payable	(2,072)	-
Increase (Decrease) in	(2,072)	(8,427)
Net Cash Provided by (Used for) Operating Activities	$ 531,210	$ 403,592

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

	Refuse Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities -
	$ 1,688,376	$ 24,550	$ 6,284,118	
	-	(620)	(1,824,940)	
	(1,695,670)	(11,183)	(3,518,923)	
	(7,294)	12,747	940,255	
	(150,000)	-	(400,000)	
	-	-	(622,295)	
	-	-	(270,000)	
	-	-	(892,295)	
	(157,294)	12,747	(352,040)	
	(102,265)	13,313	4,344,612	
	-	-	(40,704)	
	$ (259,559)	$ 26,060	$ 3,951,868	
	$ 888	$ 13,149	$ 117,859	
	-	-	810,716	
	-	-	71,282	
	(24,562)	-	(54,174)	
	16,380	(402)	(1,018)	
	-	-	8,161	
	-	-	(2,072)	
	-	-	(10,499)	
	$ (7,294)	$ 12,747	$ 940,255	

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Floresville, Texas, (the "City") was incorporated under the provisions of the Acts of the State of Texas. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation, culture and recreation, planning and zoning, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

REPORTING ENTITY

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB 14, *"The Financial Reporting Entity"* as amended. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Component units:
Based on the criteria of GASB Nos. 14 as amended, the Floresville Economic Development Corporation (FEDC) and the Floresville 4A Corporation are considered to be discretely presented component units. FEDC and the Floresville 4A Corporation are financially accountable to the City because the City Council approves their budgets and must approve any debt issuance. The component unit boards are appointed by City Council and their activities benefit the City by promoting growth and development opportunities.

Joint venture:
The City of Floresville Electric Light and Power System (F.E.L.P.S.) is a municipally owned electric light and power distribution system which serves most of Wilson County and portions of Bexar and Karnes Counties including the cities of Floresville, Stockdale, and Poth. Management and control of the system is vested in a five- member Board of Trustees composed of the Mayor of Floresville, one member for each of the cities of Floresville, Stockdale, and Poth appointed by the respective governing body, and one member appointed on a rotating basis by the City of Floresville, Stockdale, or Poth. The Board also includes two non-voting advisory members appointed by the cities of Falls City and La Vernia. The City of Floresville has a 64% interest in this joint venture based on the criteria of GASB Nos. 14 as amended, F.E.L.P.S. is considered to be a discretely presented component unit of the City of Floresville.

Separate financial statements of the F.E.L.P.S. were prepared and can be obtained by contacting the City Manager at the City of Floresville.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The value of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in party by fees charged to external parties for goods and services.

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Governmental activities and business type activities are reported as separate columns in the statement of net position.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are been met.

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

Property taxes which are levied prior to September 30, 2024, and became due October 1, 2024 have been assessed to finance the budget of the fiscal year beginning October 1, 2024 and, accordingly, have been reflected as deferred inflows of resources and taxes receivable in the fund financial statement at September 30, 2025.

Sales taxes, franchise taxes, hotel/motel taxes, and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major governmental and proprietary funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to accounted for in another fund. Major revenue sources include property taxes, charges for services, and intergovernmental revenues. Primary expenditures are for general administration, public safety, streets and public recreation.

The Street Maintenance Tax Fund is to exclusively fund the maintenance, repair, and reconstruction of existing municipal streets and sidewalks.

The debt service fund accounts for the tax revenues and various debt transactions.

The capital projects fund is used to account for the proceeds of the tax note debt issued to pay for future city hall improvements, park improvements from capital contributions from the Floresville Economic Development Corporation, and transfers to the general fund for related capital projects expenditures.

Nonmajor funds include special revenue funds which are used to separately account for funds related to grants, contracts, and ordinances.

Proprietary fund level financial statements are used to account for activities, which are similar to those found the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary funds consist of the water fund, sewer fund, refuse fund, and the cemetery fund.

The government reports the following major proprietary funds:

The water fund accounts for the City's operation of the water system and services provided to customers of the system.

The sewer fund accounts for the City's operation of the sewer system and services provided to customers of the system.

The refuse fund accounts for the City's garbage and waste management services to the customers of the refuse fund.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current- year contributions, administrative expenses and benefit payment, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All other revenues and expenses are non-operating.

Discretely Presently Component Units and Investment in Joint Venture: Because of their significance to the City, amounts from the city's component units and its investment in the F.E.L.P.S. joint venture are individually reported within the City's Statement of Net Position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

CASH AND CASH EQUIVALENTS

For purposes of reporting cash and cash equivalents, the City considers all highly liquid investments including cash in banks, cash on hand, money market accounts, investments with maturities of 3 months or less, and deposits in local government investment pools to be cash equivalents.

INVESTMENTS

Investments for the City are stated at fair value. The fair value framework uses hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 2 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that City has the ability to access.

Level 2 – inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the asset.
- Inputs that are derived principally from or corroborated by market data by correlation or other means.

If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of the observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

State statues authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligation of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas of the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by Federal Deposit Insurance Corporation (FDIC) or its successor, or secured by obligations mentioned above.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2024 and past due after January 31, 2025. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible.

SHORT-TERM INTERFUND RECEIVABLE/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund statements.

BUDGETS

An operating budget is adopted each fiscal year for all City governmental funds. The budget is adopted on the GAAP basis of accounting.

CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of $5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset	Useful Life
Buildings	40 years
Transportation and equipment	3-30 years
Infrastructure	40 years
Improvements other than building	10-40 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

COMPENSATED ABSENCES

Vested or accumulated vacation and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation and compensatory time that is not expected to be liquidated with expendable available financial resources are reported in the government-wide statements.

Vested or accumulated vacation and compensatory time of the enterprise funds and the government-wide statements is recorded as an expense and liability as the benefits accrued to employees. Accumulated vacation and compensatory time at September 30, 2025 of $52.145 and $172,089 has been recorded in accrued liabilities of the business-type activities and governmental activities statements, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred inflows or resources represent an acquisition of net positions that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

Property tax revenues are recognized when they become both measurable and available in fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues not expected to available for the current period are reflected as deferred inflow or resources in the funds.

Additional information concerning deferred outflows or resources and deferred inflows or resources related to pensions can be found in note 9, Define Benefit Pension Plan.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities or business-type activities statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt.

In the fund financial statements, government fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND BALANCE

The City adopted Governmental Accounting Standards Board Statement Number 54 (GASB 54) *"Fund Balance Reporting and Governmental Fund Type Definitions"*. The statement provides guidance for fund for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at fund balances, specifically reporting what fund balances, by major governmental fund type, are or are not available for public purposes. Five categories of fund balances were created and defined by GASB 54. These five categories are as follows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

FUND BALANCE (CONTINUED)

- Nonspendable – These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.

- Restricted – These funds are governed by externally enforceable restrictions.

- Committed – Fund balances in this category are limited by the government's highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.

- Assigned – For funds to be assigned, there must be an intended use which can be establish by the City Council or an official delegated by the Council. Assigned fund balance is delegated by the City Council to the City Manager.

- Unassigned – This classification is the default for all funds that do not fit into the other categories.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considered restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned, as needed, unless the City's Council or its designated official has provided otherwise in its commitments or assignment actions.

NET PENSION

Net position represents the difference between the assets are deferred outflows, and liabilities and deferred inflows. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, those revenues are charges for water, sewer and refuse services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting those definitions are reported as nonoperating.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting 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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PENSIONS

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

NOTE 2: CASH AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities 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.

Cash

At September 30, 2025, the carrying amount of the primary government's (the City) cash on hand was $1,282, deposits in the bank were $9,883,964 and the book balance was $12,663,501. The City had a balance of cash in bank that was greater than FDIC limits and pledged securities.

Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act ("PFIA"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits.

The Public Funds Investment Act ("PFIA") determines the types of investments which are allowable for the City. These include, with certain of restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase.

NOTE 2: CASH AND INVESTMENTS - CONTINUED

agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investments contracts, and (10) common trust funds.

Floresville 4A Corporation (4A) and Floresville Economic Development Corporation (FEDC) (Discretely presented component unit)

The Floresville 4A Corporation and Floresville Economic Development Corporation's cash deposits and investments at September 30, 2025, were held in the name of the 4A and FEDC at a depository bank. The FEDC maintains cash accounts at local financial institutions.

a. Custodial Credit Risk – Deposits: in the case of deposits, this is the risk that in the event of a bank failure, the FEDC's deposits may not be returned to it. Certain deposits in excess of $250,000 per institution are not covered by Federal Deposit Insurance. At September 30, 2025, FEDC had a balance of cash in bank that was within FDIC limits and pledged securities.
b. Interest Rate Risk – The FEDC invest in short term certificates of deposits, consequently interest rate risk would not be applicable.
c. Concentration of Credit Risk – The FEDC places no limit on the amount the FEDC may invest in any one issuer. At year-end the FEDC's investments consist of certificates of deposits.

The City's & the Discretely Presented Component Units' cash and cash equivalents consist of cash on hand and demand deposits. The City's & the Discretely Presented Component Units' cash and cash equivalents at September 30, 2025, are shown below.

Primary Government		Book Balance		Fair Value
Cash and cash equivalents	$	12,004,054	$	12,004,054
Texas CLASS (Valued at NAV)		659,447		659,447
Total Cash and Cash Equivalents (City)	$	12,663,501	$	12,663,501
Discretely Presented Component Units				
FEDC - Cash and cash equivalents	$	2,884,902	$	2,884,902
4A Corporation - Cash and cash equivalents		(14,915)		(14,915)
Total Cash and Cash Equivalents (Discretely Presented Component Units)	$	2,869,987	$	2,869,987

At year-end, the investment balances were as follows:

Primary Government		Carrying Amount		Fair Value
Certicates of Deposits	$	3,182,516	$	3,182,516
Total Investments (City)	$	3,182,516	$	3,182,516
Discretely Presented Component Units				
FEDC - Certificate of Deposits	$	-	$	-
4A - Corporation - Certificate of Deposits		5,149		5,149
Total Investments (Discretely Presented Component Units)	$	5,149	$	5,149

NOTE 2: CASH AND INVESTMENTS - CONTINUED

The fair values of the U.S. Government and Agency Securities are based on quoted market prices. The investments are reported at fair value in accordance with Governmental Accounting Standards Board Statement No. 31 "Accounting and financial Reporting for Certain Investments and for External Investment Pools." The increase or decrease in the fair value of investments is recorded in investment income.

NOTE 3: RECEIVABLES

Receivables as of the year end for the City's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	Amount	Allowance for Doubtful	Net Receivable
Governmental Funds:			
Property Tax	$ 273,696	$ (79,754)	$ 193,942
Sales Tax (Due From Other Gov)	418,988	-	418,988
Accounts	155,931	-	155,931
Total Governmental Funds	$ 848,615	$ (79,754)	$ 768,861
Enterprise Funds:			
Utilty	1,153,778	(119,372)	1,034,406
Total Enterprise Funds	$ 1,153,778	$ (119,372)	$ 1,034,406

Notes receivable

Notes receivable consist of amounts due from the Floresville Economic Development Corporation (FEDC) in the amount of $288,843. These notes are a result of an Interlocal Agreement whereby the Floresville EDC has agreed to pay the City for a share of the bonded debt issued by the City in 2008. The payments to the City mirror the City's debt service requirements on the bonds.

Future payments under the Interlocal Agreements are as follows:

	Interlocal Agreement Floresville EDC
2026	110,000
2027	114,400
2028	64,443
	$ 288,843

The interest rate on the Floresville EDC Interlocal Agreement is 3.91%.

NOTE 4: PROPERTY TAX CALENDAR

Property taxes are levied by October 1 on the assessed valued listed of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Property taxes are recorded as receivables and deferred inflow of resources at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts collected within 60 days of the year end of the fiscal year are recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy state.

NOTE 5: INTERFUND TRANSACTIONS

Transfers at September 30, 2025 are noted below.

	AMOUNT	PURPOSE
Transfers to the general fund consisted of the following		
Water fund	120,000	Program supplement
Sewer fund	130,000	Program supplement
Refuse fund	150,000	Program supplement
	$ 400,000	

The composition of due to and due from other funds as of September 30, 2025 is as follows due to the pooling of cash activity.

	Due From Other Funds	Due To Other Funds
General Fund	-	(1,370,405)
Street Maintenance Tax Fund	1,370,405	-
	1,370,405	(1,370,405)

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

Governmental Activities:	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 719,179	-	-	$ 719,179
Construction in Progress	2,796,886	5,609,845	(2,341,924)	6,064,807
Total Capital Assets Not Being Depreciated:	3,516,065	5,609,845	(2,341,924)	6,783,986
Capital Assets Being Depreciated:				
Buildings	8,112,862	-	-	8,112,862
Property, Plant and Equipment	5,772,992	111,250	-	5,884,242
Infrastructure	9,269,748	33,690	2,341,924	11,645,362
Total Depreciable Assets	23,155,602	144,940	2,341,924	25,642,466
Less: Accumulated Depreciation for:				
Buildings	(3,141,534)	(250,655)	-	(3,392,189)
Property, Plant and Equipment	(3,989,245)	(314,533)	-	(4,303,778)
Infrastructure	(2,201,294)	(216,140)	-	(2,417,434)
Total Accumulated Depreciation	(9,332,073)	(781,328)	-	(10,113,401)
Total Capital Assets Depreciated, Net	13,823,529	(636,388)	2,341,924	15,529,065
Governmental Activities Capital Assets, Net	$ 17,339,594	$ 4,973,457	$ -	$ 22,313,051

Fixed Assets include a building constructed on land belonging to the City's discretely-presented component units, the Floresville 4 Corporation. Council for the City has indicated that this separate entity was formed under state governmental statutes which provide for automatic transfer of all that entity's assets upon that entity's dissolution. Additionally, a special agreement between the City and that entity was enacted whereby the City shall approve any asset encumbrance by that entity.

Depreciation expense was charged to the governmental functions as follows:

Administration	$ 115,977
Municpal court	35,675
Police department	346,333
Fire department	-
Streets department	100,858
Parks and recreation	72,604
Service department	20,336
Pool department	9,883
Community development	61,005
Mayor and council	18,657
Total Governmental Activities	$ 781,328

NOTE 6: CAPITAL ASSETS – CONTINUED

Business-Type Activities:	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 91,291	-	-	$ 91,291
Construction in Progress	522,226	28,950	(537,676)	13,500
Total Capital Assets Not Being Depreciated:	613,517	28,950	(537,676)	104,791
Capital Assets Being Depreciated:				
Property, Plant and Equipment	20,905,160	282,870	-	21,188,030
Infrastructure	6,876,819	310,474	537,676	7,724,969
Total Depreciable Assets	27,781,979	593,344	537,676	28,912,999
Less: Accumulated Depreciation for:				
Property, Plant and Equipment	(7,501,274)	(746,675)	-	(8,247,949)
Infrastructure	(3,827,970)	(64,041)	-	(3,892,011)
Total Accumulated Depreciation	(11,329,244)	(810,716)	-	(12,139,960)
Total Capital Assets Depreciated, Net	16,452,735	(217,372)	537,676	16,773,039
Business-Type Activities Capital Assets, Net	$ 17,066,252	$ (188,422)	$ -	$ 16,877,830

Discretely Presented Component Unit (FEDC)	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 250,032	-	-	$ 250,032
Construction in Progress	167,445	1,025	-	168,470
Total Capital Assets Not Being Depreciated:	417,477	1,025	-	418,502
Capital Assets Being Depreciated:				
Property, Plant and Equipment	69,586	-	-	69,586
Buildings	1,389,777	-	-	1,389,777
Improvements	2,041,420	-	-	2,041,420
Total Depreciable Assets	3,500,783	-	-	3,500,783
Less: Accumulated Depreciation for:				
Property, Plant and Equipment	(52,183)	(5,816)	-	(57,999)
Buildings	(273,706)	(46,326)	-	(320,032)
Improvements	(138,477)	(38,141)	-	(176,618)
Total Accumulated Depreciation	(464,366)	(90,283)	-	(554,649)
Total Capital Assets Depreciated, Net	3,036,417	(90,283)	-	2,946,134
Discretely Presented Component Unit (FEDC) Capital Assets, Net	$ 3,453,894	$ (89,258)	$ -	$ 3,364,636

NOTE 6: CAPITAL ASSETS – CONTINUED

Discretely Presented Component Unit (4A Corporation)	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 920,020	-	-	$ 920,020
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated:	920,020	-	-	920,020
Capital Assets Being Depreciated:				
Buildings	80,357	-	-	80,357
Improvements	700,815	-	-	700,815
Total Depreciable Assets	781,172	-	-	781,172
Less: Accumulated Depreciation for:				
Buildings	(70,308)	(7,625)	-	(77,933)
Improvements	(30,989)	(71,590)	-	(102,579)
Total Accumulated Depreciation	(101,297)	(79,215)	-	(180,512)
Total Capital Assets Depreciated, Net	679,875	(79,215)	-	600,660
Discretely Presented Component Unit (4A Corp) Capital Assets, Net	$ 1,599,895	$ (79,215)	$ -	$ 1,520,680

NOTE 7: LONG-TERM LIABILITIES

Long-term liabilities and obligations payable at September 30, 2025 were comprised of the following:

Governmental activities:	Balance 9/30/2024	Additions	Refunded or Payments	Balance 9/30/2025	Due Within One Year
Long-term liabilities					
Certificates of Obligation - Series 2008 Original amount of $8,500,000 Interest rate 3.91% - private placement debt	$ 1,025,000	$ -	$ (240,000)	$ 785,000	$ 250,000
General Obligation Refunding Bonds Series 2015 Interest rate 2.0% to 4.0% - private placement debt	2,650,000	-	(400,000)	2,250,000	415,000
Premium on GO Refunding Bonds, Series 2015	211,465	-	(35,243)	176,222	-
Premium on GO Refunding Bonds, Series 2023	621,954	-	(34,553)	587,401	-
Certificates of Obligation - Series 2023 Original amount of $13,865,000 Interest rate 3.91% - private placement debt	13,725,000	-	(175,000)	13,550,000	215,000
Subtotal bonds and notes	18,233,419	-	(884,796)	17,348,623	880,000
Other Long-term liabilities					
Compensated absences	105,711	172,089	(105,711)	172,089	86,045
Total Governmental activities	18,339,130	172,089	(990,507)	17,520,712	966,045

Business-type activities:	Balance 9/30/2024	Additions	Refunded or Payments	Balance 9/30/2025	Due Within One Year
Long-term liabilities					
Utility System Revenue Bond Series 2017 Water fund - private placement debt	3,270,371	-	(69,000)	3,201,371	71,000
Utility System Revenue Bond Series 2016 Sewer fund - private placement debt	6,411,000	-	(148,000)	6,263,000	151,000
Utility System Revenue Bond Series 2021 Water fund - private placement debt	1,829,000	-	(45,000)	1,784,000	46,000
Utility System Revenue Bond Series 2021A Water fund - private placement debt	411,000	-	(8,000)	403,000	8,000
Subtotal bonds and notes	11,921,371	-	(270,000)	11,651,371	276,000
Other Long-term liabilities					
Compensated absences	48,820	52,145	(48,820)	52,145	26,073
Total Business-type activities	11,970,191	52,145	(318,820)	11,703,516	302,073

In the past, the general fund and the water and sewer fund were used to liquidate compensated absences.

NOTE 7: LONG-TERM LIABILITIES - CONTINUED

Discretely Presented Component unit activities - 4A	Balance 9/30/2024	Additions	Refunded or Payments	Balance 9/30/2025	Due Within One Year
Long-term liabilities					
Sales Tax Rev Refunding Bonds Series 2017 Original amount of $905,000, Interest rate 2.88% - private placement debt	$ 530,000	$ -	$ (60,000)	$ 470,000	$ 62,000
Other Long-term liabilities					
Compensated absences	3,099	-	-	3,099	-
Total	533,099	-	(60,000)	473,099	62,000

Discretely Presented Component unit activities - FEDC	Balance 9/30/2024	Additions	Refunded or Payments	Balance 9/30/2025	Due Within One Year
Long-term liabilities					
Certificates of Obligation - Series 2008 Original amount of $1,500,000 Interest rate 3.91% - private placement debt	$ 394,443	$ -	$ (105,600)	$ 288,843	$ 110,000
Sales Tax Revenue Bonds Series 2017 Original amount of $1,430,000 Interest rate 2.63% - private placement debt	875,000	-	(75,000)	800,000	75,000
Sales Tax Revenue Bonds Series 2021 Original amount of $2,000,000 Interest rate 2.45% - private placement debt	1,649,600	-	(120,000)	1,529,600	125,000
Subtotal bonds and notes	2,919,043	-	(300,600)	2,618,443	310,000
Other Long-term liabilities					
Compensated absences	1,447	-	-	1,447	-
Total	2,920,490	-	(300,600)	2,619,890	310,000

The annual requirements to amortize all long-term liabilities and obligations outstanding as of September 30, 2025 including interest payments, are as follows:

For the Year Ended September 30	Governmental Activities Private Placement Debt			Business-Type Activities Private Placement Debt			Discretely Presented Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 949,796	$ 719,396	$ 820,713	$ 276,000	$ 237,864	$ 513,864	$ 372,000	$ 82,156	$ 454,156
2027	1,014,796	682,271	821,320	281,000	232,490	513,490	437,400	70,231	507,631
2028	1,089,796	642,155	820,937	286,000	227,642	513,642	399,443	57,175	456,618
2029	1,034,796	598,653	819,562	293,000	221,450	514,450	342,000	43,610	385,610
2030	1,109,803	555,103	1,664,906	298,000	215,743	513,743	354,000	34,526	388,526
2031-2035	4,337,765	2,143,513	6,481,278	1,579,000	989,903	2,568,903	1,029,000	70,894	1,099,894
2036-2040	5,362,765	1,119,238	6,482,003	1,739,000	830,211	2,569,211	154,600	1,899	156,499
2041-2045	2,449,106	143,800	2,592,906	1,916,000	643,191	2,559,191	-	-	-
2046-2050	-	-	-	2,110,000	458,599	2,568,599	-	-	-
2051-2055	-	-	-	2,305,000	239,767	2,544,767	-	-	-
2056-2060	-	-	-	554,371	19,300	573,671	-	-	-
2061	-	-	-	14,000	245	14,245	-	-	-
Total	$ 17,348,623	$ 6,604,127	$ 23,952,750	11,651,371	4,316,404	15,967,775	3,088,443	360,490	3,448,933

NOTE 7: LONG-TERM LIABILITIES - CONTINUED

Governmental Activties:
A summary of bond discounts premiums and accumulated amortization are as follows:

Description	Original Amount	10/1/2024	Additions (Deletions)	Current Year Amortization	Unamortized Premium/ Discount 9/30/2025
Series 2015 Premium	493,402	211,465	-	(35,243)	176,222
Series 2023 Premium	656,507	621,954	-	(34,553)	587,401
Total	$ 1,149,909	$ 833,419	$ -	$ (69,796)	$ 763,623

NOTE 8: FUND BALANCE AND NET POSITION

The general fund had an opening unassigned fund balance of $3,920,838, at fiscal year end the fund balance was $4,001,492.

NOTE 9: DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plans administered by the Texas Municipal Retirement System (TMRS). TMRS is an agent 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, appoint 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.tmrs.com.

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

B. Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Member may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 14, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The contribution rate for the employees is 5%, and the City matching percent is currently 2 to 1.

NOTE 9: DEFINED BENEFIT PENSION PLAN - CONTINUED

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	48
Active employees	70
	159

C. Contributions

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

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.62% and 9.98% in plan years 2024 and 2025, respectively. The City's contributions to TMRS for the year ending September 30, 2025 were $454,504 and were equal to the actuarially determined required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The TPL in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

NOTE 9: DEFINED BENEFIT PENSION PLAN - CONTINUED

Actuarial assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoother market; 12% soft corridor
Inflation	2.50%
Overall payroll growth	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience- based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

There were no benefit changes during the year.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Minimum %	Target %	Maximum %
Global equity	25.00%	35.00%	45.00%
Core fixed income	1.00%	6.00%	11.00%
Non-core fixed income	1.00%	6.00%	11.00%
Hedge funds	0.00%	5.00%	10.00%
Cash equivalents	0.00%	0.00%	3.00%
Total Public Assets		52.00%	
Private equity	8.00%	13.00%	18.00%
Private debt	8.00%	13.00%	18.00%
Real estate	7.00%	12.00%	17.00%
Infrastructure	1.00%	6.00%	11.00%
Other public and private markets	0.00%	4.00%	9.00%

Total Private Assets		48.00%	

NOTE 9: DEFINED BENEFIT PENSION PLAN - CONTINUED

Discount Rate:

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability..

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	$ 10,936,482	$ 9,507,597	$ 1,428,885
Changes for the year:			
Service Cost	503,422	-	503,422
Interest	739,544	-	739,544
Change of benefit terms	-	-	-
Difference between expected and actual experience	129,408	-	129,408
Changes of assumptions	-	-	-
Contributions - employer	-	398,593	(398,593)
Contributions - employee	-	207,170	(207,170)
Net investment income	-	988,634	(988,634)
Benefit payments, including refunds of employee			-
contributions	(463,960)	(463,960)	-
Administrative expense	-	(6,336)	6,336
Other changes	-	(148)	148
Net Changes	908,414	1,123,953	(215,539)
Balance at December 31, 2024	$ 11,844,896	$ 10,631,550	$ 1,213,345

Breakdown of Net Pension Liability as of December 31, 2024

	Net Pension Liability
Primary Government:	
Governmental Activities	$ 786,961
Business Types Activities	370,731
Discretely Presented Component Units:	
Floresville 4A Corporation	23,634
Floresville EDC	32,019
	$ 1,213,345

NOTE 9: DEFINED BENEFIT PENSION PLAN - CONTINUED

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$2,955,451	$1,213,345	($204,531)

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.com.

Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended September 30, 2025, the City recognized pension expense of $400,517.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences Between Expected and Actual Experience	$ 152,241	$ -
Changes in Assumptions	-	45,973
Net Difference Between Projected and Actual Investment Earnings	-	111,481
Contributions paid to TRS subsequent to the Measurement Date	333,194	-
Totals	$ 485,435	$ 157,454

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government:		
Governmental Activities	$ 314,847	$ 102,123
Business Types Activities	148,322	48,109
Discretely Presented Component Units:		
Floresville 4A Corporation	9,456	3,067
Floresville EDC	12,810	4,155
	$ 485,435 *	$ 157,454 *

*Off due to rounding

NOTE 9: DEFINED BENEFIT PENSION PLAN - CONTINUED

The City reported $333,193 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows/ (Inflows) of Resources
2025	$ 62,746
2026	135,824
2027	(134,411)
2028	(69,372)
2029	-
Thereafter	-
Total	$ (5,213)

NOTE 10: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

NOTE 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contribution's amounts. During the past years, no settlements have exceeded insurance coverage.

NOTE 12: PRIOR PERIOD ADJUSTMENTS

For the fiscal year end 2025, prior period adjustments were made as follows: 1) Adjustments to record prior year activity in the Governmental Funds in the amounts of $3,799. 2) Adjustments to record prior year activity in the Enterprise Funds in the amounts of $(40,704). 3) Adjustments to record prior year activity in the Discretely Presented Component Unit – Floresville EDC in the amounts of $(58,319). 4) Adjustments to record prior year activity in the Discretely Presented Component Unit – Floresville 4A Corporation in the amounts of $41,761.

NOTE 13: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 15, 2026 the date which the financial statements were available to be issued.

NOTE 14: <u>RELATED PARTY TRANSACTIONS</u>

The City is one of three joint venture investors (investors) in the Floresville Electric Light and Power System (FELPS). In an agreement signed during the fiscal year ending September 30, 1996, the City acquired a permanent 64% undivided equity interest in FELPS. For the year ended September 30, 2026, the City received $870,761 in distributions from FELPS.

NOTE 15: <u>INVESTMENT IN FLORESVILLE ELECTRIC LIGHT AND POWER</u>

The City is one of three joint venture investors (investors) in the Floresville Electric Light and Power System (FELPS). In an agreement signed during the fiscal year ending September 30, 1996, the City acquired a permanent 64% undivided equity interest in FELPS. This interest shall remain constant regardless of subsequent differences in rates of growth, population, or consumption. Also, under the agreement, FELPS agreed to annually distribute in the aggregate to the investors an amount not greater than 3% of the dollar value of annual electric sales for the entire system for the year. The amount distributed to each investor is based on the respective equity percentage applied to the total amount approved for distribution by the FELPS board. Distributions are paid monthly in amounts equal to one-twelfth (1/12) of the total distribution amount determined based on sales for the previous year. For the year ended September 30, 2025, the City received $870,761 in distributions from FELPS.

The City records its equity in this Joint Venture within its governmental funds and reports this equity and changes thereon within the governmental-wide Statements. Accordingly, this equity is reported within the Statement of Net Position and related annual equity changes are reported within the Statement of Activities. As of September 30, 2025 this equity balance amounted to $38,531,919, a $5,830,492 increase from the $32,701,427 September 30, 2024 balance. These equity amounts were based upon the City's share in equity as reported within the December 31, 2024 FELPS audited financial statements. The FELPS audited financial statements can be separately obtained from FELPS management in Floresville, Texas.

The following represents an excerpt of the audited balance sheet of FELPS as of December 31, 2024.

Total Assets & Deferred Outflows	$ 159,806,459
Equity - City of Poth	10,837,102
Equity - City of Stockdale	10,837,102
Equity - City of Floresville	38,531,919
Total Equity	60,206,123
Total Liabilities & Deferred Inflows	99,600,336
Liabilities, Deferred Inflows & Net Position	$ 159,806,459
City of Floresville - Share	
Share Net Income & Capital Contributions	$ 6,701,253
Share - Cash Distributions	(870,761)
Net Change in Share of Equity	5,830,492
Beg. Balance - Equity	32,701,427
Ending Equity Balance	$ 38,531,919

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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 *GOVERNMENT AUDITING STANDARDS*

To Honorable Mayor and
Members of the City Council
Floresville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, Business-type activities, the discretely presented component unit and aggregate remaining fund information of the City of Floresville, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 29, 2026. Our report includes a reference to other auditors who audited the financial statements of FELP as described in our report on the City's financial statements. This report does not include the results of the auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Leal & Carter, P.C.

San Antonio, Texas
May 29, 2026

CITY OF FLORESVILLE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	$ 1,219,808	$ 1,219,808	$ 1,114,752	$ (105,056)
General Sales and Use Taxes	2,719,500	2,719,500	2,639,750	(79,750)
Franchise Tax	991,704	991,704	987,621	(4,083)
Other Taxes	16,000	16,000	16,244	244
Intergovernmental Revenue and Grants	100,000	100,000	60,946	(39,054)
Charges for Services	382,287	382,287	429,885	47,598
Fines	278,050	278,050	236,889	(41,161)
Investment Earnings	159,500	159,500	455,736	296,236
Contributions & Donations from Private Sources	400,000	400,000	407,385	7,385
Other Revenue	400,642	-	23,431	23,431
Total Revenues	6,667,491	6,266,849	6,372,639	105,790
EXPENDITURES:				
Current:				
General Government - Administration	2,035,366	1,898,823	2,177,210	(278,387)
Public Safety	3,110,814	2,891,778	2,815,886	75,892
Public Works	737,079	667,191	531,856	135,335
Culture and Recreation	852,105	884,238	749,021	135,217
Capital Outlay:				
Capital Outlay	168,766	332,099	418,012	(85,913)
Total Expenditures	6,904,130	6,674,129	6,691,985	(17,856)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(236,639)	(407,280)	(319,346)	87,934
OTHER FINANCING SOURCES (USES):				
Transfers In	400,000	400,000	400,000	-
Other Resources	237,500	7,500	-	(7,500)
Total Other Financing Sources (Uses)	637,500	407,500	400,000	(7,500)
Net Change	400,861	220	80,654	80,434
Fund Balance - October 1 (Beginning)	3,920,838	3,920,838	3,920,838	-
Fund Balance - September 30 (Ending)	$ 4,321,699	$ 3,921,058	$ 4,001,492	$ 80,434

City of Floresville,Texas
Schedule of Changes in Net Pension Liabiltiy / (Asset) and Related Ratios
Texas Municipal Retirement System

	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
A. Total pension liability										
Service Cost	$ 282,963	$ 344,928	$ 370,247	$ 397,567	$ 403,902	$ 373,445	$ 375,755	$ 402,379	$ 433,930	$ 503,422
Interest (on the Total Pension Liability)	401,700	428,521	471,143	515,200	552,274	563,131	587,293	647,969	696,927	739,544
Change in benefit terms including substantively automatic status	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	133,224	132,971	108,317	(28,996)	(483,546)	(253,608)	295,981	134,958	67,155	129,408
Changes of assumptions	34,740	-	-	-	39,822	-	-	-	(97,343)	-
Benefit payments, including refunds of employee contributions	(278,060)	(269,387)	(305,896)	(315,445)	(359,930)	(312,851)	(339,463)	(407,437)	(544,119)	(463,960)
Net change in total pension liability	574,567	637,033	643,811	568,326	152,522	370,117	919,566	777,869	556,550	908,414
Total pension liability - beginning	5,736,121	6,310,688	6,947,721	7,591,532	8,159,858	8,312,380	8,682,497	9,602,063	10,379,932	10,936,482
Total pension liablity - ending	$ 6,310,688	$ 6,947,721	$ 7,591,532	$ 8,159,858	$ 8,312,380	$ 8,682,497	$ 9,602,063	$ 10,379,932	$ 10,936,482	$ 11,844,896
B. Plan fiduciary net position										
Contributions - employer	$ 281,096	$ 293,547	$ 332,178	$ 364,329	$ 368,107	$ 326,056	$ 325,544	$ 305,491	$ 346,920	$ 398,593
Contributions - employee	28,854	147,028	158,497	170,483	174,547	158,374	194,463	172,399	185,917	207,170
Net investment income	6,699	316,002	715,203	(181,481)	941,887	547,496	1,033,847	(667,391)	989,008	988,634
Benefit payments, including refunds of employee contributions	(278,060)	(269,387)	(305,896)	(315,445)	(359,930)	(312,851)	(339,463)	(407,437)	(544,119)	(463,960)
Administrative Expense	(4,080)	(3,568)	(3,705)	(3,505)	(5,318)	(3,540)	(4,779)	(5,768)	(6,285)	(6,336)
Other	(202)	(192)	(188)	(182)	(160)	(138)	33	6,883	(44)	(148)
Net change in plan fiduciary /(asset) net position *	134,307	483,430	896,089	34,199	1,119,133	715,397	1,209,645	(595,823)	971,397	1,123,954
Plan fiduciary net position - beginning	4,539,823	4,674,130	5,157,560	6,053,649	6,087,848	7,206,981	7,922,378	9,132,023	8,536,200	9,507,597
Plan fiduciary net position - ending	$ 4,674,130	$ 5,157,560	$ 6,053,649	$ 6,087,848	$ 7,206,981	$ 7,922,378	$ 9,132,023	$ 8,536,200	$ 9,507,597	$ 10,631,551
C. Net pension liability /(asset)	$ 1,636,558	$ 1,790,161	$ 1,537,883	$ 2,072,010	$ 1,105,399	$ 760,119	$ 470,040	$ 1,843,732	$ 1,428,885	$ 1,213,345
D. Plan fiduciary net position as a percentage of the total pension liability	74.07%	74.23%	79.74%	74.61%	86.70%	91.25%	95.10%	82.24%	86.93%	89.76%
E. Covered-employee payroll	$ 2,577,073	$ 2,490,566	$ 3,169,923	$ 3,363,560	$ 3,490,946	$ 3,167,474	$ 3,214,329	$ 3,447,952	$ 3,718,338	$ 4,143,392
F. Net pension liablity /(asset) as a percentage of covered employee payroll	63.50%	60.88%	48.51%	61.60%	31.66%	24.00%	14.62%	53.47%	38.43%	29.28%

* May be off due to rounding
Note - The schedule above reflects the changes in the net pension liability for the current year. GASB 68 requires 10 fiscal years of data to be provided in this schedule.

City of Floresville, Texas
Schedule of Contributions
Texas Municipal Retirement System

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 281,096	$ 293,547	$ 332,178	$ 364,329	$ 368,107	$ 326,056	$ 325,544	$ 305,491	$ 346,920	$ 398,593
Contributions in relation to the actuarially determined contribution	281,096	293,547	332,178	364,329	368,107	326,056	325,544	305,491	346,920	398,593
Contibution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 2,577,073	$ 2,490,566	$ 3,169,923	$ 3,363,560	$ 3,490,946	$ 3,167,474	$ 3,214,329	$ 3,447,952	$ 3,718,338	$ 4,143,392
Contributions as a Percentage of Covered Employee Payroll	10.91%	11.79%	10.48%	10.83%	10.54%	10.29%	10.13%	8.86%	9.33%	9.62%