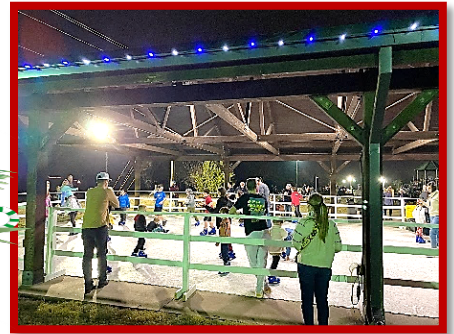


ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF LUCAS, TEXAS



Fiscal Year Ended September 30, 2024
Prepared by Finance Director, Liz Exum



City of Lucas, Texas

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For the Year Ended September 30, 2024

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City of Lucas, Texas

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INTRODUCTORY SECTION





City of Lucas

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www.lucastexas.us

March 6, 2025

The Honorable Mayor, Council Members
and Citizens of the City of Lucas, Texas:

It is our pleasure to submit to you the Annual Comprehensive Financial Report of the City of Lucas, Texas for the fiscal year ended September 30, 2024. Responsibility for both the accuracy and completeness of the presented data and the creation of transparency between the local government and the community in which it serves rests with the city.

The goal of the independent audit, conducted by Vail & Park, P.C., is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2024, were free of material misstatement. The independent auditor's report is located in the beginning of the financial section of the Annual Comprehensive Financial Report, and we are pleased to report the issuance of an unqualified ("clean") opinion on the City of Lucas' financial statements for the year ended September 30, 2024.

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

Our City

The City of Lucas was incorporated on February 19, 1959, and adopted its Home-Rule Charter on May 15, 2008. The City of Lucas operates under the Council-Manager form of government. The City Council is the legislative body of the city government, and it is composed of seven members, including the mayor and six council members elected at-large and is responsible for enacting local legislation, adopting the annual budget, and serving as policymakers. The City Council appoints a City Manager who serves as the chief executive officer of the City and is responsible for the City's proper administration and daily operations including the implementation of the policies adopted by the City Council.

The citizens of Lucas enjoy a unique quality of life that incorporates a rural lifestyle, family-friendly atmosphere, exceptional educational systems, and natural beauty which is preserved through zoning that requires homes to be built on large lots. The community is primarily comprised of low-density housing and estate style living. The City of Lucas' location in Collin County can be described as a bedroom community that is conveniently located near local and regional economic areas, making the city a stable and attractive community. The City of Lucas provides excellent essential services to residents, promotes beautification of the environment, and creates special events to bring together the community. Special events and programs in addition to distinguished recognition received in fiscal year 2023/2024 included the following:



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- Special Events and Programs
 - Lucas Farmers Market (14 markets with special events)
 - Movie in the Park
 - Arbor Day and Recycling Event
 - Country Christmas
 - Keep Lucas Beautiful Spring Cleanup
 - Founders Day
 - Public Lands Trail Cleanup
 - Lucas Car Show
 - Art in Public Places
- Distinguished Recognition
 - Keep Texas Beautiful 2023 Gold Star Status
 - Scenic Texas Silver Certified City

Our Economy

With an estimated population of 9,300, Lucas is expected to grow steadily as people leave the more urban areas of the metroplex and seek the higher quality of life that Lucas offers its residents. Most Lucas residents work outside of Lucas city limits and commute within the Dallas area.

Lucas enjoys a stable economy and has benefited from a robust economy in the metropolitan area. Given Lucas' convenient location, proximity to higher population density areas, and the high quality of home sites available, the City continues to prosper economically.

Highlights for fiscal year 2023/2024 include:

- Property tax revenue increased by \$494,606 (10.5%) and sales tax revenue increased by \$74,273 (3.86%) from previous fiscal year 2022/2023. Revenue increases attributable to property taxes are used to fund Public Works building improvements and City Hall parking lot renovation.
- 37 new homes permitted with an average taxable market value of \$1,034,648.
- Commercial development of a drive-through restaurant Panda Express located at Lot 1, Block A, Wal-Mart Lucas Addition, 2662 West Lucas Road.
- Residential development included Dean Farms and Enchanted Creek Phases 2a and 2b.
- Roadway project improvements included repaving segments of Shady Lane, Lynn Lane, Edgefield Lane, Woodmoor Drive, Winningkoff Road, and East Winningkoff Road.
- Roadway reconstruction for Ford/Welborn Lane was completed.
- Water system improvements included fire hydrant and valve maintenance, and bidding awarded to Landmark Construction for the West Lucas Road Elevated Storage Tank.



- Drainage improvements included Lewis and Snider Lane Culverts, and Headwall Culvert at Winningkoff.

Our Operational Efficiencies

The City of Lucas has been able to overcome challenges faced with high inflation costs and product shortages while maintaining one of the lowest property tax rates in Collin County, Texas. The City has continued to provide excellent essential services while maintaining strong financial reserves in both the General and Water Funds.

In 2021, the American Rescue Plan Act (ARPA) appropriated funding from Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) to States for distribution to non-entitlement units (NEUs) of local governments. The City of Lucas is considered a NEU defined as a local government serving a population of less than 50,000. The City was awarded a total funding allocation of \$2,123,502 which was distributed in two tranches. The City received the first initial allocation of \$1,059,657 in August of 2021 and the second final allocation of \$1,063,751 in September of 2022. These funds were expended in FY 23-24 toward the construction phase of a 750,000-gallon elevated water storage tank project. Construction began in mid-December 2023, with anticipated completion in summer of 2025.

The City has made improvements to operational efficiencies at both City Hall and the Fire Station. Improvements to operations included the following:

- Termination of Length of Service Awards Program (LOSAP) due to the high administrative costs and the inability to recruit and retain volunteer emergency responders.
- ISO Class 1 Rating by Texas State Fire Marshal to provide excellent fire protection services and reduce insurance costs for citizens.
- Completion of the 2023 Comprehensive Capital Improvement Plan.
- Completion of the Microsoft 365 migration to enhance cyber security and protection of the City's network.
- Amended the law enforcement agreement with Collin County Sheriff's Office for additional law enforcement deputies.
- Acquired funding from the Collin County Parks and Open Space Project Funding Assistance Program for the Trinity Trail Connect Phase 1.
- Acquired funding from the Transportation Improvement Program (TIP) through the North Central Texas Council of Governments (NCTCOG) and Texas Department of Transportation (TXDOT) for the West Lucas Road Reconstruction Project.
- Completed renovations to Public Works building for additional second floor storage and staircase.
- Completed asphalt back parking lot at the Lucas Community Park.



- Adopted the City of Lucas 2024 Water Conservation Plan and Water Resource Emergency Management Plan.

Our Internal Controls

Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft, or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits require estimates and judgments by management.

Our Future

At the end of September 2024, the City of Lucas is working on the following:

- Evaluation of software for online use of permit payments.
- Pursuing funding from the Texas Parks and Wildlife Local Parks Grant for new playground equipment at Forest Creek Park.
- Developing a long-range plan for Lucas Fire-Rescue.
- New fire engine specification and ambulance with an estimated arrival date in late 2025.
- Construction of a 750,000-gallon elevated water storage tank (West Lucas Road -73% complete) anticipated completion in summer of 2025.
- Design of Osage Lift Station for mechanical, electrical, and civil site work improvements.
- Design for West Lucas Road Reconstruction Project – (Alternative 2) revision, relocation of the wastewater force main, and the addition of a sidewalk/trail on the north side of the road.
- McGarity Tower Stem replacement.
- Advanced Metering Infrastructure (AMI) upgrade for Neptune water meter reading system.
- Lucas Town Center planned development (PD) approved by Planning and Zoning (P&Z) for a 42-acre commercial development on the Northwest corner of Parker Road and Country Club to include a Tom Thumb grocery store, retail, fitness center, gas station, and restaurants.

Our Financial Standards

The City's accounting records for general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being



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recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's water and sewer utility, and other proprietary activities are maintained on an accrual basis.

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. In compliance with GASB 54, the City's financial practice requires a General Fund reserve equal to at least six months of working capital, which equates to 50% of expenditures. The current reserve in the general fund is 13.6 months with funds equaling 114% of this year's budgeted expenditures.

The City also maintains a reserve of six months of working capital, which equates to 50% of expenditures in its Water Fund. Water bond covenants require the City to maintain reserve amounts sufficient to cover the average annual debt service requirements. The City's current reserve in the Water Fund is at 22 months with current funds equaling 183% of this year's expenditures.

Our Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lucas for its Annual Comprehensive Financial Report for the fiscal years ended September 30, 2010, through 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. This was the fourteenth consecutive year that the City has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Our Appreciation

Many people are responsible for the preparation of this report and for the maintenance of records upon which it is based. Appreciation is expressed to the city employees throughout the organization, especially those employees of the Finance Department who were instrumental in



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the successful completion of this report. Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

John Whitsell
City Manager

Liz Exum
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lucas
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

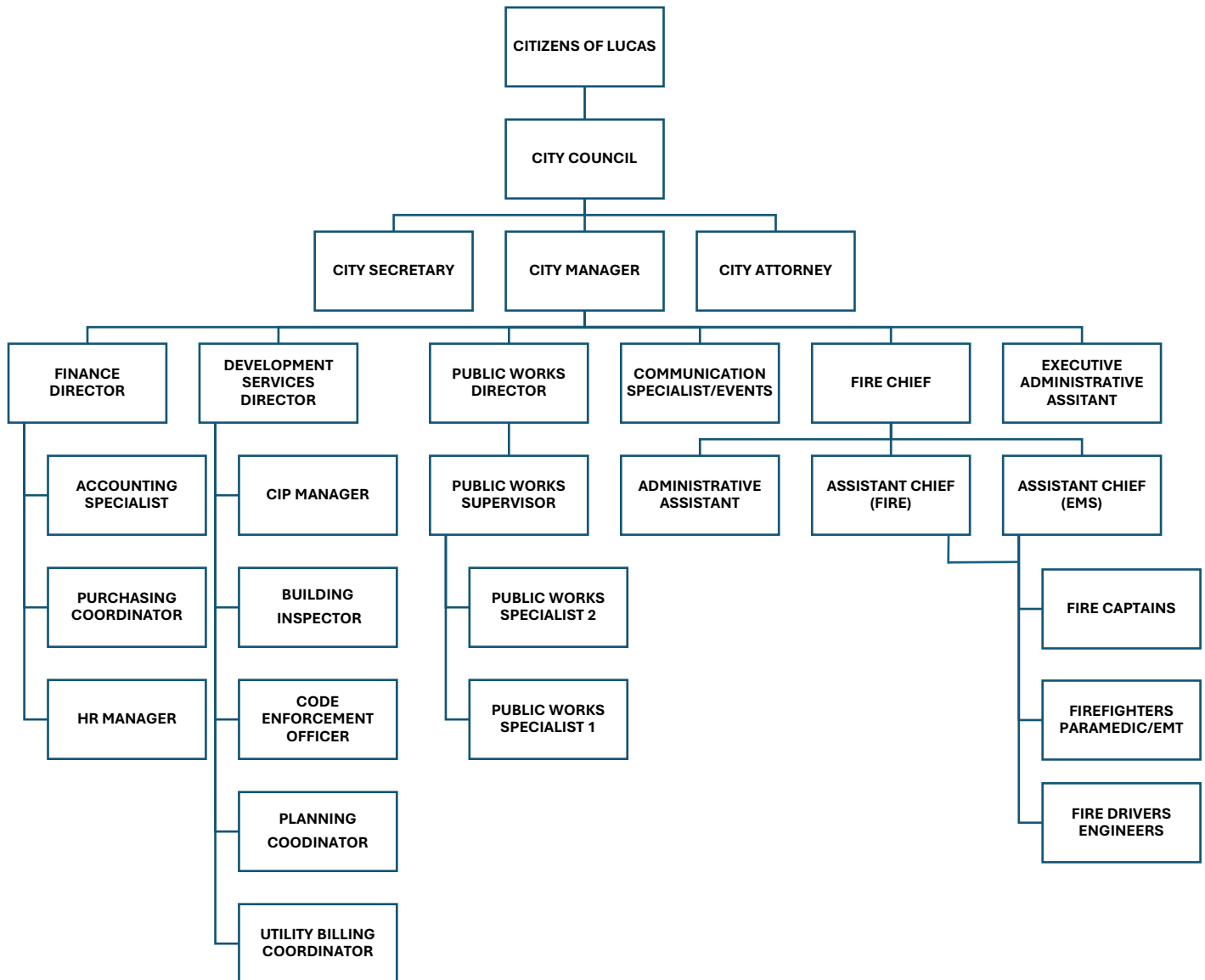
September 30, 2023

Christopher P. Morill

Executive Director/CEO



CITY OF LUCAS ORGANIZATIONAL CHART



**CITY OF LUCAS, TEXAS
ELECTED OFFICIALS AND
ADMINISTRATIVE OFFICERS
SEPTEMBER 30, 2024**

City Council:

Dusty Kuykendall	Mayor
Debbie Fisher	Mayor Pro Tem, Seat 5
Tim Johnson	Seat 1
Brian Stubblefield	Seat 2
Chris Bierman	Seat 3
Philip Lawrence	Seat 4
Neil Peterson	Seat 5

Administrative Officers:

John Whitsell	City Manager
Liz Exum	Finance Director
Vacant	Public Works Director
Ted Stephens	Fire Chief
Joe Hilbourn	Development Services Director



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 19-28 and 77-84 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying individual fund budgetary comparison schedules on pages 87-89, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Vail & Park, P.C." in a cursive, slightly stylized font.

Vail & Park, P.C.

Tom Bean, Texas

March 6, 2025



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



City of Lucas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

As management of the City of Lucas, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2024 by \$91,116,385. Of this amount, \$25,617,597 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$8,589,738. The majority of the City's net position is invested in capital assets.
- The City's governmental funds reported combined ending fund balances of \$26,022,478 at September 30, 2024, an increase of \$1,024,588 from the prior fiscal year; this includes an increase of \$184,111 in the General Fund, an increase of \$312,897 in the Debt Service Fund, an increase of \$488,888 in the Capital Improvements Fund, and an increase of \$38,692 in the non-major Lucas Fire District Fund.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$10,385,567 or 114% of total General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

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

The statement of net position presents information on all of the City's assets, liabilities, and deferred outflows and inflows. The difference between the amounts is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

City of Lucas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, development services, and parks and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements only include the City itself (known as the primary government), and does not include any other legally separate entities for which the City is financially accountable.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Improvements Fund, which are considered to be major funds. The Lucas Fire District Fund is considered non-major for reporting purposes.

City of Lucas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Capital Improvements Fund, and Fire District Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund since it is considered a major fund of the City.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Lucas, assets and deferred outflows exceed liabilities and deferred inflows by \$91,116,385 as of September 30, 2024, in the primary government.

The largest portion of the City's net position, \$57,737,616, reflects its investments in capital assets (e.g., land, city hall, streets, and drainage systems, and public works facilities), less any debt used to acquire those assets that are still outstanding, as well as, unspent bond proceeds and other amounts added back to the calculation. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Lucas, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Government Activities	Business-type Activities	Total	Government Activities	Business-type Activities	Total
Assets						
Current and other assets	\$ 36,034,810	\$ 15,879,250	\$ 51,914,060	\$ 26,635,985	\$ 16,923,668	\$ 43,559,653
Capital assets	42,998,156	25,452,382	68,450,538	41,862,522	21,787,638	63,650,160
Total Assets	79,032,966	41,331,632	120,364,598	68,498,507	38,711,306	107,209,813
Deferred Outflows of Resource	651,615	143,039	794,654	726,128	180,353	906,481
Liabilities						
Other Liabilities	11,164,182	945,046	12,109,228	2,712,995	3,041,732	5,754,727
Long-term Liabilities	13,393,908	4,455,608	17,849,516	14,751,951	4,953,710	19,705,661
Total Liabilities	24,558,090	5,400,654	29,958,744	17,464,946	7,995,442	25,460,388
Deferred Inflows of Resources	68,982	15,141	84,123	124,162	5,097	129,259
Net Position						
Net investment in capital assets	36,093,275	21,644,341	57,737,616	33,757,041	18,663,845	52,420,886
Restricted	6,643,108	1,118,064	7,761,172	9,305,004	1,524,786	10,829,790
Unrestricted	12,321,126	13,296,471	25,617,597	8,573,482	10,702,489	19,275,971
Total net position	\$ 55,057,509	\$ 36,058,876	\$ 91,116,385	\$ 51,635,527	\$ 30,891,120	\$ 82,526,647

During the current year, the City's current and capital assets for the primary government increased. This change is primarily due to the receipt of capital contributions related to the Enchanted Creek Phase 2 project in the amount of \$1,336,671 and the receipt of TXDOT RTR grant of \$7,600,000. Long-term liabilities for the primary government decreased as a result of timely debt payments. Other liabilities for the primary government increased by \$6,354,501 and the increase is primarily attributed to an increase in unearned revenue from TXDOT RTR grant of \$7,600,000.

City of Lucas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

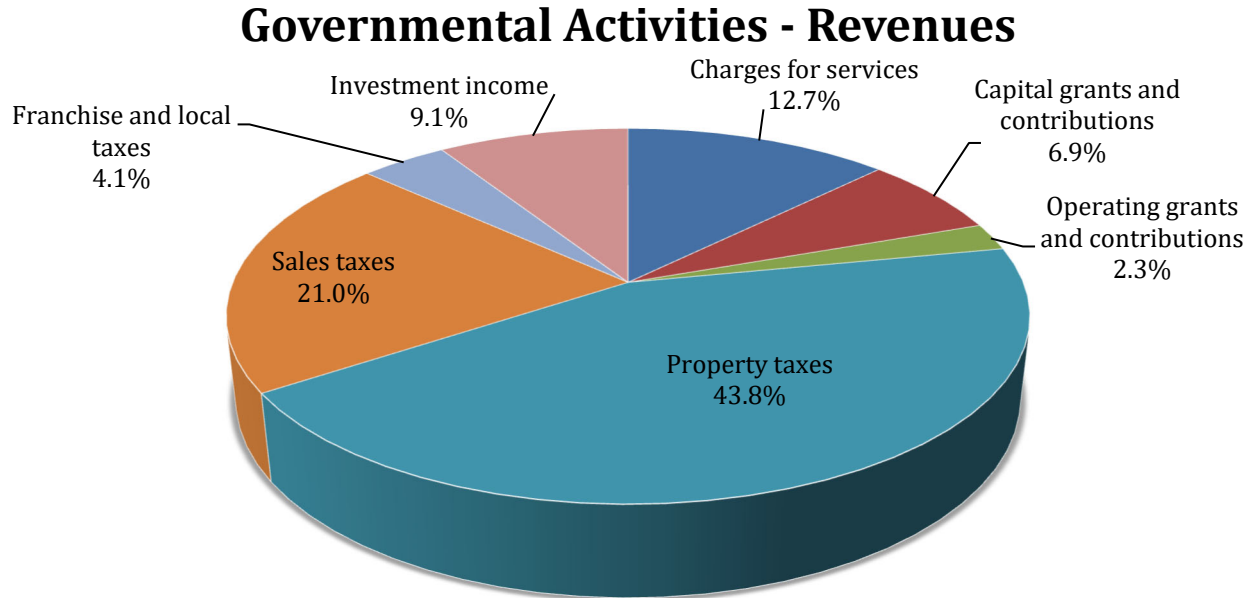
Statement of Activities:

The following table provides a summary of the City's changes in net position:

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program revenue						
Charges for services	\$ 1,601,401	\$ 8,079,552	\$ 9,680,953	\$ 1,657,076	\$ 7,660,420	\$ 9,317,496
Capital grants and contributions	877,760	876,793	1,754,553	1,549,258	542,768	2,092,026
Operating grants and contributions	294,555	2,123,502	2,418,057	73,467	-	73,467
General Revenue						
Property taxes	5,539,197	-	5,539,197	5,089,979	-	5,089,979
Sales taxes	2,657,921	-	2,657,921	2,558,589	-	2,558,589
Franchise and local taxes	522,937	-	522,937	471,540	-	471,540
Investment income	1,154,624	699,059	1,853,683	769,680	486,369	1,256,049
Total revenue	12,648,395	11,778,906	24,427,301	12,169,589	8,689,557	20,859,146
Expenses						
General government	1,407,314	-	1,407,314	1,384,180	-	1,384,180
Public safety	4,727,403	-	4,727,403	3,777,849	-	3,777,849
Public works	2,443,601	-	2,443,601	2,305,963	-	2,305,963
Parks and Recreation	255,767	-	255,767	227,599	-	227,599
Development services	446,004	-	446,004	454,262	-	454,262
Interest and fiscal charges	335,916	118,851	454,767	370,715	133,564	504,279
Utility	-	6,102,707	6,102,707	-	5,537,865	5,537,865
Total expenses	9,616,005	6,221,558	15,837,563	8,520,568	5,671,429	14,191,997
Change in Net Position Before Transfers	3,032,390	5,557,348	8,589,738	3,649,021	3,018,128	6,667,149
Transfers	389,592	(389,592)	-	380,975	(380,975)	-
Total	389,592	(389,592)	-	380,975	(380,975)	-
Change in Net Position	3,421,982	5,167,756	8,589,738	4,029,996	2,637,153	6,667,149
Net position October 1	51,635,527	30,891,120	82,526,647	47,605,531	28,253,967	75,859,498
Net position September 30	\$ 55,057,509	\$ 36,058,876	\$ 91,116,385	\$ 51,635,527	\$ 30,891,120	\$ 82,526,647

City of Lucas, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

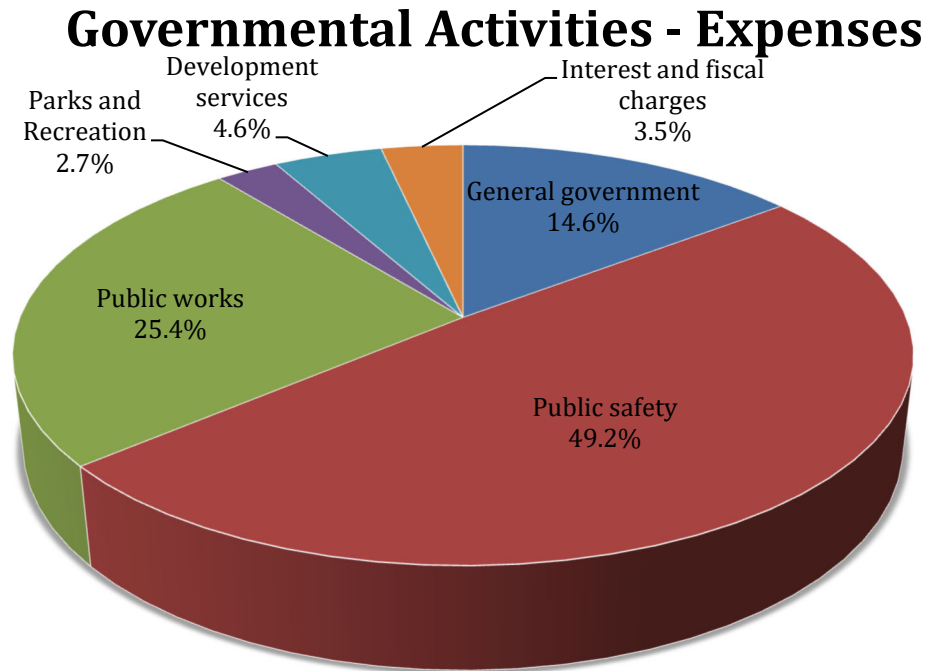
Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.



For the year ended September 30, 2024, revenues from governmental activities totaled \$ 12,648,395. Property taxes, sales taxes and charges for services are the City's largest general revenue sources. Overall governmental activity revenue increased by \$478,806 or 3.9%. This increase is attributable primarily to the increase in property taxes by \$449,218, which is primarily attributed to the increase in appraised property values and levy. Sales taxes increased by \$99,332 due to economic growth within the City. Investment income increased by \$384,944 as a result of an increase in interest-bearing cash accounts.

City of Lucas, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

This graph shows the governmental function expenses of the City:

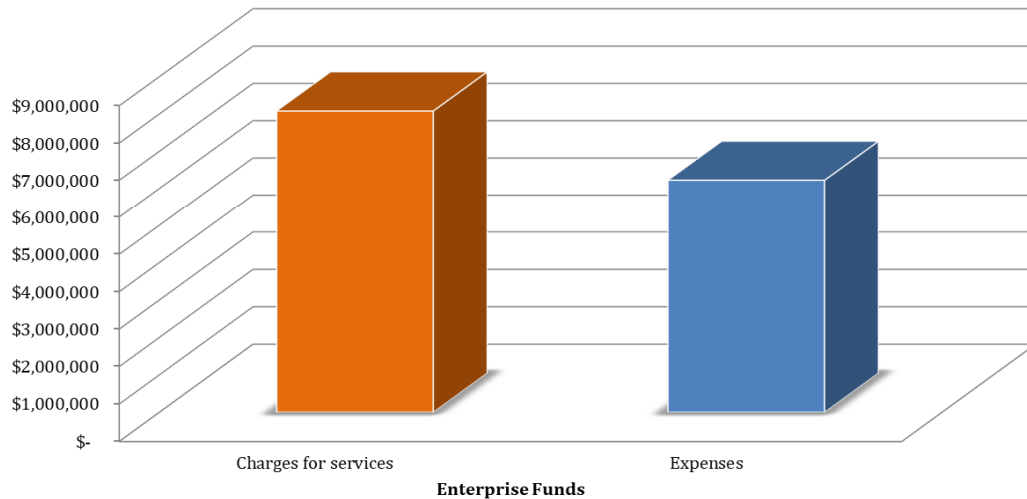


For the year ended September 30, 2024, expenses for governmental activities totaled \$9,616,005. This represents an increase of \$1,095,437 or 12.9% from the prior year. The City's largest functional expense is public safety in the amount of \$4,727,403. Public safety expenses increased by \$949,554 or 25%, which is primarily due to LOSAP Plan payout and increased in deputies and patrol vehicles. Parks & recreation services increased by \$28,168 or 12% due to increased contract services and park improvements. Interest and fiscal charges decreased \$34,799 or 9% due to decreased balances on outstanding bonds.

City of Lucas, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2024, charges for services by business-type activities totaled \$8,079,552. This is an increase of \$419,132 or 5%, from the previous year. This increase is due to an increase in water revenue and development and impact fees in the current year.

Total expenses for business-type activities increased by \$550,129 to a total of \$6,221,558 or 10%. The increase is due to an increase in contract services and personnel costs in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

At September 30, 2024, the City's governmental funds reported combined fund balances of \$26,022,478, an increase of \$1,024,588 in comparison with the prior year. Approximately 40% of this amount, \$10,385,567, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed or nonspendable.

As of the end of the year the General Fund reflected a total fund balance of \$14,618,459. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures.

City of Lucas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

The total fund balance of General Fund is 160% of total General Fund expenditures. The unassigned (the amount available for spending) fund balance of the General Fund of \$10,385,567 is 114% of total General Fund expenditures. The fund balance of the General Fund increased by \$184,111 compared to the prior year. This increase is mainly attributed to a combination of increases in revenues (property taxes, sales taxes, and investment income).

The Debt Service Fund had an ending fund balance of \$1,726,787 at September 30, 2024 compared to the previous year's balance of \$1,413,890. Principal payments amounted to \$950,000 and interest payments totaled \$405,483 in the current year. Total property tax and investment revenues amounted to \$1,668,378. The increase in fund balance is due to decreasing balances of outstanding bonds.

The Capital Improvement Fund ending fund balance is \$9,518,048. During the year, the City expended \$697,867 on various projects during the year from this fund. The fund balance increased by \$488,888 primarily due an increase in investment income and capital grants.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Utility Fund totaled \$36,058,876. Unrestricted net position of the enterprise fund at the close of the fiscal year amounted to \$13,296,471. Total net position increased by \$5,167,756. The fund had a net investment in capital assets of \$21,644,341. The City operates and maintains a water and sewer distribution system with force mains and lift stations. The City has six water storage facilities with a total capacity of approximately 2.6 million gallons. The following are additional comments regarding operations of the enterprise fund:

- Charges for services were \$8,079,552 for the fiscal year, this represents an increase of \$419,132 from the previous year.
- Operational expenses excluding depreciation and amortization were \$5,248,277.
- Cash and cash equivalents (unrestricted) in the Utility Fund were \$11,466,284 at fiscal year-end.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several budget amendments approved during the fiscal year and increased budgeted expenditures by \$1,291,028. The amendments also increased budgeted revenues by \$138,596. Amendments were made to account for unplanned revenues and revised estimates for several expenditure categories. The following are additional comments regarding appropriations:

- There was a total positive variance of \$2,478,226 in final budgeted expenditures compared to actual.
- \$2,762,185 is the surplus of revenues over expenditures before transfers.
- There was a net negative overall variance in fund balance of \$3,346.
- Significant amendments include an increase of \$794,321 for capital outlay for asset additions.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$42,998,156 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$25,452,382 in a variety of capital assets and infrastructure, net of

City of Lucas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure. The City's total net investment in capital assets increased by \$4,800,378, net of depreciation.

Major capital asset events during the current year include the following:

- Water Tower construction and design of the Osage Lift Station in the amount of \$3,603,324.
- Stinson/Snider project in the amount of \$492,913.
- Contributed capital for governmental and proprietary activities in the total amount of \$1,754,553.

More detailed information about the City's capital assets is presented in note IV. D to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total debt obligations of \$18,089,287, including premiums. Of this amount, \$4,674,067 is self-supporting through revenues collected from the rates of the City's Utility Fund. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions.

More detailed information about the City's long-term liabilities is presented in note IV. E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the City's operating budget for FY 2024-2025:

- This budget will raise more total property taxes than last year's budget by \$173,125 or 3.53%, and of that amount, \$188,004 is tax revenue to be raised from new property added to the tax roll.
- The approved budget for all funds for FY 2024-2025 reflects total anticipated revenues of \$18,605,649 and total anticipated expenditures of \$17,824,986.
- The City tax rate is set each fall and is enacted via ordinance. The rate for fiscal year 2024-2025 was enacted by Ordinance #2024-08-01005 and is set to \$0.239051 cents per \$100 of valuation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 665 Country Club Rd., Lucas, Texas 75002 or call (972) 727-8999.

FINANCIAL STATEMENTS

City of Lucas, Texas

STATEMENT OF NET POSITION

September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 12,142,882	\$ 11,466,284	\$ 23,609,166
Restricted cash	23,197,158	2,865,919	26,063,077
Receivables, net	682,180	1,544,680	2,226,860
Prepaid expenses	12,590	2,367	14,957
Total Current Assets	36,034,810	15,879,250	51,914,060
Capital assets:			
Non depreciable	2,534,817	4,321,780	6,856,597
Net depreciable capital assets	40,463,339	21,130,602	61,593,941
Total Noncurrent Assets	42,998,156	25,452,382	68,450,538
Total Assets	79,032,966	41,331,632	120,364,598
Deferred Outflows of Resources			
Deferred outflows - pension	646,492	141,914	788,406
Deferred outflows - OPEB	5,123	1,125	6,248
Total Deferred Outflows of Resources	651,615	143,039	794,654
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,722,530	170,272	1,892,802
Unearned revenue	8,205,683	-	8,205,683
Accrued interest payable	64,569	22,913	87,482
Customer deposits	42,600	294,625	337,225
Compensated absences	143,800	27,236	171,036
Long term debt due within one year	985,000	430,000	1,415,000
Total Current Liabilities	\$ 11,164,182	\$ 945,046	\$ 12,109,228

The Notes to the Financial Statements are an integral part of this statement.

Primary Government			
	Governmental Activities	Business-Type Activities	Total
Noncurrent liabilities:			
Long term debt due in more than one year	\$ 12,430,220	\$ 4,244,067	\$ 16,674,287
Net pension liabilities	911,107	199,999	1,111,106
Total OPEB liability	52,581	11,542	64,123
Total Noncurrent Liabilities	13,393,908	4,455,608	17,849,516
Total Liabilities	24,558,090	5,400,654	29,958,744
Deferred Inflows of Resources			
Deferred inflows - pension	50,922	11,178	62,100
Deferred inflows - OPEB	18,060	3,963	22,023
Total Deferred Inflows of Resources	68,982	15,141	84,123
Net Position			
Net investment in capital assets	36,093,275	21,644,341	57,737,616
Restricted for:			
Capital projects	3,013,400	-	3,013,400
Impact fees for Roadway Improvements	1,563,450	688,064	2,251,514
Debt service	1,726,787	430,000	2,156,787
Fire protection	159,184	-	159,184
Municipal court	105,417	-	105,417
Cable fees for Cable Peg Channel	42,274	-	42,274
Capital outlay (Playground E&P)	1,132	-	1,132
Brockdale street maintenance	31,464	-	31,464
Unrestricted	12,321,126	13,296,471	25,617,597
Total Net Position	\$ 55,057,509	\$ 36,058,876	\$ 91,116,385

The Notes to the Financial Statements are an integral part of this statement.

City of Lucas, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Public safety	\$ 4,727,403	\$ 839,543	\$ 294,555	\$ -
Public works	2,443,601	116,757	-	-
General government	1,407,314	205,610	-	-
Development services	446,004	439,491	-	877,760
Parks and recreation	255,767	-	-	-
Interest and fiscal charges	335,916	-	-	-
Total Governmental Activities	9,616,005	1,601,401	294,555	877,760
Business-Type Activities:				
Utility fund	6,221,558	8,079,552	2,123,502	876,793
Total Business-Type Activities	6,221,558	8,079,552	2,123,502	876,793
Total Primary Government	\$ 15,837,563	\$ 9,680,953	\$ 2,418,057	\$ 1,754,553

General Revenues:

Taxes:

 Property taxes

 Sales taxes

 Franchise taxes

Investment income

Transfers in (out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The Notes to the Financial Statements are an integral part of this statement.

Governmental Activities	Business-Type Activities	Total
\$ (3,593,305)	\$ -	\$ (3,593,305)
(2,326,844)	-	(2,326,844)
(1,201,704)	-	(1,201,704)
871,247	-	871,247
(255,767)	-	(255,767)
(335,916)	-	(335,916)
<u>(6,842,289)</u>	<u>-</u>	<u>(6,842,289)</u>
-	4,858,289	4,858,289
<u>-</u>	<u>4,858,289</u>	<u>4,858,289</u>
<u>(6,842,289)</u>	<u>4,858,289</u>	<u>\$ (1,984,000)</u>
5,539,197	-	5,539,197
2,657,921	-	2,657,921
522,937	-	522,937
1,154,624	699,059	1,853,683
<u>389,592</u>	<u>(389,592)</u>	<u>-</u>
<u>10,264,271</u>	<u>309,467</u>	<u>10,573,738</u>
<u>3,421,982</u>	<u>5,167,756</u>	<u>8,589,738</u>
<u>51,635,527</u>	<u>30,891,120</u>	<u>82,526,647</u>
<u>\$ 55,057,509</u>	<u>\$ 36,058,876</u>	<u>\$ 91,116,385</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Lucas, Texas

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2024

	General	Debt Service	Capital Improvement	Nonmajor Lucas Fire District	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 11,610,047	\$ -	\$ 488,802	\$ 44,033	\$ 12,142,882
Receivables, net	555,404	11,625	-	115,151	682,180
Cash and cash equivalents - restricted	4,223,776	1,726,787	17,246,595	-	23,197,158
Prepaid assets	12,590	-	-	-	12,590
Total Assets	\$ 16,401,817	\$ 1,738,412	\$ 17,735,397	\$ 159,184	\$ 36,034,810
Liabilities					
Accounts payable and accrued liabilities	\$ 1,033,901	\$ -	\$ 688,629	\$ -	\$ 1,722,530
Unearned revenue - fire services	676,963	-	-	-	676,963
Unearned revenue - TXDOT RTR	-	-	7,528,720	-	7,528,720
Customer deposits	42,600	-	-	-	42,600
Total Liabilities	1,753,464	-	8,217,349	-	9,970,813
Deferred Inflows of Resources					
Unavailable revenue - property taxes	29,894	11,625	-	-	41,519
Total Deferred Inflows of Resources	29,894	11,625	-	-	41,519
Fund Balances					
Nonspendable	12,590	-	-	-	12,590
Restricted for:					
Capital projects	-	-	9,518,048	-	9,518,048
Impact fees	1,563,450	-	-	-	1,563,450
Debt service	-	1,726,787	-	-	1,726,787
Fire protection	-	-	-	159,184	159,184
Municipal court	105,417	-	-	-	105,417
Cable fees	42,274	-	-	-	42,274
Brockdale street maintenance	31,464	-	-	-	31,464
Capital outlay (Playground E&P)	1,132	-	-	-	1,132
Committed for:					
Capital outlay (Blondy Jhune)	49,500	-	-	-	49,500
Capital outlay (Trinity Mills)	358,012	-	-	-	358,012
Capital outlay (other)	2,001,901	-	-	-	2,001,901
Law enforcement	67,152	-	-	-	67,152
Unassigned	10,385,567	-	-	-	10,385,567
Total Fund Balances	14,618,459	1,726,787	9,518,048	159,184	26,022,478
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,401,817	\$ 1,738,412	\$ 17,735,397	\$ 159,184	\$ 36,034,810

The Notes to the Financial Statements are an integral part of this statement.

City of Lucas, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2024

Fund Balances - Total Governmental Funds	\$ 26,022,478
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Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.

Capital assets - non-depreciable	2,534,817
Capital assets - net depreciable	40,463,339

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Unavailable revenue - property taxes	41,519
--------------------------------------	--------

Deferred outflows (inflows) of resources represent a consumption of net position that applies to a future period(s) and are not recognized as an outflow (inflow) of resources (expense/expenditure) until then.

Pension amounts	595,570
OPEB amounts	(12,937)

Some liabilities, including interest, bonds payable, and net pension and total OPEB liabilities, are not reported as liabilities in the governmental funds.

Accrued interest	(64,569)
Non-current liabilities due in one year	(985,000)
Non-current liabilities due in more than one year	(12,430,220)
Compensated absences	(143,800)
Total OPEB liability - TMRS	(52,581)
Net pension liability - TMRS	(911,107)

Net Position of Governmental Activities - Statement of Net Position	<u><u>\$ 55,057,509</u></u>
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City of Lucas, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	General	Debt Service	Capital Improvement	Nonmajor Lucas Fire District	Total Governmental Funds
Revenues					
Property tax	\$ 4,025,437	\$ 1,555,474	\$ -	\$ -	\$ 5,580,911
Sales tax	1,999,472	-	-	658,449	2,657,921
Investment income	535,010	112,906	506,708	-	1,154,624
Fire department agreements	839,543	-	-	-	839,543
Licenses and permits	439,491	-	-	-	439,491
Franchise and local taxes	522,937	-	-	-	522,937
Other revenue	203,367	-	-	2,243	205,610
Impact fees	116,757	-	-	-	116,757
Grants and contributions	23,275	-	271,280	-	294,555
Total Revenues	<u>8,705,289</u>	<u>1,668,380</u>	<u>777,988</u>	<u>660,692</u>	<u>11,812,349</u>
Expenditures					
Current:					
Public safety	4,558,180	-	-	-	4,558,180
General government	1,395,867	-	-	-	1,395,867
Public works	844,573	-	-	-	844,573
Development services	477,567	-	-	-	477,567
Parks and recreation	218,994	-	-	-	218,994
Debt service:					
Principal	-	950,000	-	-	950,000
Interest and fiscal charges	-	405,483	-	-	405,483
Capital outlay	1,629,789	-	697,867	-	2,327,656
Total Expenditures	<u>9,124,970</u>	<u>1,355,483</u>	<u>697,867</u>	<u>-</u>	<u>11,178,320</u>
Revenues Over (Under) Expenditures	(419,681)	312,897	80,121	660,692	634,029
Other Financing Sources (Uses)					
Transfers in	1,011,592	-	408,767	-	1,420,359
Transfers (out)	(408,767)	-	-	(622,000)	(1,030,767)
Sale of capital assets	967	-	-	-	967
Total Other Financing Sources (Uses)	<u>603,792</u>	<u>-</u>	<u>408,767</u>	<u>(622,000)</u>	<u>390,559</u>
Net Change in Fund Balances	184,111	312,897	488,888	38,692	1,024,588
Fund Balances - October 1	<u>14,434,348</u>	<u>1,413,890</u>	<u>9,029,160</u>	<u>120,492</u>	<u>24,997,890</u>
Fund Balances - September 30	<u>\$ 14,618,459</u>	<u>\$ 1,726,787</u>	<u>\$ 9,518,048</u>	<u>\$ 159,184</u>	<u>\$ 26,022,478</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Lucas, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2024

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

Net changes in fund balances - total governmental funds:	\$ 1,024,588
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Adjustments for the Statement of Activities:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,327,656
Depreciation expense	(2,069,782)

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

Contributed Capital	877,760
---------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(5,927)
Accrued interest	5,691
Pension expense	293,411
OPEB expense	(3,577)

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

Amortization of debt premium	63,876
Changes in unavailable revenue	(41,714)
Debt payments	950,000

Change in Net Position of Governmental Activities

\$ 3,421,982

The Notes to the Financial Statements are an integral part of this statement.

City of Lucas, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2024

	<u>Utility</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 11,466,284
Restricted cash	2,865,919
Receivables, net	1,544,680
Prepaid expenses	2,367
Total Current Assets	<u>15,879,250</u>
Noncurrent Assets	
Capital assets:	
Non-depreciable	4,321,780
Net depreciable capital assets	21,130,602
Total Noncurrent Assets	<u>25,452,382</u>
Total Assets	<u>41,331,632</u>
Deferred Outflows of Resources	
Deferred outflows - pension	141,914
Deferred outflows - OPEB	1,125
Total Deferred Outflows of Resources	<u>\$ 143,039</u>

The Notes to the Financial Statements are an integral part of this statement.

	<u>Utility</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 170,272
Accrued interest	22,913
Compensated absences	27,236
Customer deposits	294,625
Current portion of long term debt	430,000
Total Current Liabilities	<u>945,046</u>
Noncurrent Liabilities	
Noncurrent portion of long term debt	4,244,067
Net pension liability	199,999
Total OPEB liability	11,542
Total Noncurrent Liabilities	<u>4,455,608</u>
Total Liabilities	<u>5,400,654</u>
Deferred Inflows of Resources	
Deferred inflows - pension	11,178
Deferred inflows - OPEB	3,963
Total Deferred Inflows of Resources	<u>15,141</u>
Net Position	
Net investment in capital assets	21,644,341
Restricted for:	
Debt service	430,000
Impact fees (capital project)	688,064
Unrestricted	13,296,471
Total Net Position	<u>\$ 36,058,876</u>

The Notes to the Financial Statements are an integral part of this statement.



City of Lucas, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2024

	Utility
Operating Revenues	
Charges for services	\$ 7,735,152
Development and impact fees	344,065
Grants and contributions	2,123,502
Other revenue	335
Total Operating Revenues	10,203,054
Operating Expenses	
Contractual services	3,078,990
Personnel	1,035,338
Depreciation	854,430
Trash services	814,389
Maintenance and repair	286,971
Supplies and materials	32,589
Total Operating Expenses	6,102,707
Operating Income	4,100,347
Non-Operating Revenues (Expenses)	
Investment income	699,059
Interest expense	(118,851)
Total Non-Operating Revenues (Expenses)	580,208
Income before Capital Contributions and Transfers	4,680,555
Capital contributions	876,793
Transfers in (out)	(389,592)
Changes in Net Position	5,167,756
Net Position - Beginning	30,891,120
Net Position - Ending	\$ 36,058,876

The Notes to the Financial Statements are an integral part of this statement.

City of Lucas, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended September 30, 2024

	<u>Utility</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 8,074,751
Payments to suppliers	(4,195,354)
Payments to employees	(1,038,510)
Net Cash Provided (Used) by Operating Activities	<u>2,840,887</u>
<u>Cash Flows from Non-Capital Financing Activities</u>	
Transfer (out)	(389,592)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(389,592)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Net capital purchases	(3,642,381)
Principal paid on debt	(438,916)
Interest paid on debt	(118,851)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,200,148)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on cash and cash equivalents	699,059
Net Cash Provided (Used) by Investing Activities	<u>699,059</u>
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	<u>(1,049,794)</u>
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	15,381,997
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u><u>\$ 14,332,203</u></u>

The Notes to the Financial Statements are an integral part of this statement.

	<u>Utility</u>
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating income (loss)	\$ 4,100,347
Adjustment to reconcile operating income to net cash provided:	
Depreciation	854,430
Change in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(5,776)
Deferred outflows related to pension	37,267
Deferred outflows related to OPEB	47
Prepaid expenses	400
Increase (Decrease) in:	
Accounts payable and accrued liabilities	17,908
Compensated absences	(2,773)
Customer deposits	(975)
Accrued interest payable	(2,344)
Deferred inflows- pension	11,178
Deferred inflows - OPEB	(1,134)
Unearned revenue - federal grants	(2,123,502)
Net pension liability	(44,168)
Total OPEB liability	(18)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,840,887</u>
 Schedule of non-Cash investing and financing activities	
Capital contributions	\$ 876,793
Premium amortization	23,916
	<u>\$ 900,709</u>

The Notes to the Financial Statements are an integral part of this statement.



City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS

For Fiscal Year Ended September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lucas, Texas (the "City") is a municipal corporation of the State, duly organized and existing under the laws of the State of Texas including the City's Home Rule Charter. The City was incorporated in 1959, and first adopted its Home Rule Charter in September 2008. The City operates under a Council/Manager form of government with a City Council composed of the Mayor and six-member Council. The City provides the following services as authorized by its charter: public safety, public works, sanitation, water and sanitary sewer utilities, culture-recreation, planning and zoning, and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Lucas Fire District, although legally separate, is considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Unit

Lucas Fire District

The City created the Lucas Fire District in January 2014 to fund and improve fire control, prevention, and emergency medical service within the City's limits. The creation of this district allows the City to collect extra sales tax that is restricted for this purpose. Currently, the City's Mayor and Council serve as directors of this district and there is a financial benefit/burden with the City.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

B. Upcoming and Newly Implemented Accounting Pronouncements

The GASB has recently issued the following statements:

GASB Statement No. 99, "Omnibus 2022" enhances comparability in accounting and financial reporting and aims to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain provisions of Statement No. 99 are effective upon issuance, while other provisions of Statement No. 99 are effective for fiscal years beginning after June 15, 2022, or 2023. The City has determined that the provisions applicable to the City have no impact on the City's financial statements. The City is evaluating the effect of other provisions that are not yet effective.

GASB issued Statement No. 100, "Accounting Changes and Error Corrections-Amendment of GASB Statement No. 62," which prescribes the accounting and financial reporting for each type of accounting change and error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating the prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City has seen no impact from implementing this statement.

GASB issued Implementation Guide No. 2023-1, "Implementation Guidance Update—2023" to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer. This Implementation Guide amends Implementation Guide No. 2019-3, Leases, Question 4.16, and Implementation Guide No. 2021-1, Implementation Guidance Update—2021, Question 4.13. The requirements of this Implementation Guide are effective for fiscal years beginning after June 15, 2023, and reporting periods thereafter. The City has seen no impact from implementing this statement.

GASB issued Statement No. 101, "Compensated Absences," that clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2023. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

GASB issued Statement No. 102, "Certain Risk Disclosures," that clarifies the definitions & disclosure guidance for risks due to concentration or constraint. The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources and a constraint as a limitation imposed by an external party or formal action of the government's highest level of decision-making authority. The Statement requires the government to assess whether a concentration or constraint makes the primary reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact, and whether an event associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin within the 12 months after the date the financial statements are issued. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2024. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

GASB issued Statement No. 103, "Financial Reporting Model Improvements," that attempts to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement expands requirements for the management discussion & analysis, presentation of proprietary fund statement of revenues, expenses & changes in fund net position, and information related to major component units & budgetary comparisons. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

GASB issued Statement No. 104, "Disclosure of Certain Capital Assets," to clarify the disclosure requirements related to capital assets. This Statement requires separate disclosure of capital assets arising from leases, public-private & public-public partnerships & availability payment arrangements, and subscription-based information technology arrangements, and additional disclosures for capital assets held for sale. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

C. Basis of Presentation – Government-Wide and Fund Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

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

The government reports the following governmental funds:

General Fund

The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, culture and recreation, community development, and non-departmental. This fund is considered to be a major fund.

Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. This fund is considered to be a major fund.

Capital Improvements Fund

The Capital Improvements Fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. This fund is considered to be a major fund.

Lucas Fire District Fund

The fund accounts for the activity of the aforementioned Lucas Fire District. This fund is a non-major fund.

The government reports the following major enterprise fund:

Utility Fund

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

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

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

D. Measurement Focus and Basis of Accounting

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

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

The 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 enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the economic resources measurement focus and the *accrual basis of accounting*.

E. Assets, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool and LOGIC, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government, State of Texas and agencies thereof
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value Measurement

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a non-spendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Life
Vehicles	5 to 10 years
Furniture and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

6. Net Position Flow Assumption

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

7. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government has adopted a policy to maintain a minimum reserve of an amount equal to or greater than 50% of operating expenditures in the General and Utility funds.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payables are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the General Fund. Lease payments representing both principal and interest are recorded as expenditures in the General Fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Estimates

The preparation of 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position and additions to/deductions from 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.

12. Other Postemployment Benefits (OPEB)

The City participates in the TMRS Supplemental Death Benefit Fund (SDBF), which operates like a group life insurance plan. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and non-employer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

3. Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until retirement or termination. There is no liability for unpaid accumulated sick leave when employees separate from service with the City. All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements.

A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The Utility Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the City Manager, Assistant City Manager, and Finance Director. The City Manager makes final decisions and submits a recommended budget to City Council. The proposed budget is reviewed extensively by City Council, a process that includes a required public hearing, in addition to a budget workshop which is open to the public. The City Charter requires adoption of the City budget no later than September 30th of each fiscal year.

The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the City Council. Budgetary control has been established at the detail level by line-item activity for management control. Budgeted amounts are as originally adopted, or as legally amended. The City Council must amend the budget by passing a budget appropriation ordinance.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.D.1., the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. At September 30, 2024, the City's cash and cash equivalents were \$8,954,852. The City's investments in 2a7-like pools such as TexPool are included in this category. Although the City's investments in TexPool, LOGIC, and Lone Star are available for immediate withdrawal, disclosure of the pool's weighted average maturity and bond rating are required. The City had the following investments at year end:

Investment Type	Value	Weighted Average Maturity (Days)	Credit Rating
External investment pools			
TexPool	\$ 1,684,930	38	AAAm
LOGIC	35,886,677	59	AAAm
Lone Star	3,145,784	41	AAAm
<u>Total value</u>	<u>\$ 40,717,391</u>		

Interest rate risk in accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk – The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2024, the City's investment in TexPool, LOGIC, and the Lone Star Investment Pool were rated AAA-m by Standard & Poor's.

Custodial credit risk – deposits in the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. At September 30, 2024, the fair values of pledged securities and FDIC exceeded bank balances.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Custodial credit risk –For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

LOGIC

Deposits and Investments

LOGIC is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code.

The pool was created in April 1994 through a contract among its participating governmental units and is governed by a board of directors (the board) to provide for the joint investments of participant's public funds and funds under their control. LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. Standard & Poor's rates Local Government Investment Cooperative (LOGIC) 'AAAM'. This is Standard & Poor's highest principal stability fund rating and is based on an analysis of the pool's investment portfolio and guidelines, market price exposure, and management. The rating demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

LOGIC has a conservative investment policy and invests in only authorized investments under the Texas Public Funds Investment Act. To ensure an accurate and current rating, Standard & Poor's monitors pertinent pool information, including the fund's portfolio holdings, on a weekly basis. There were no limitations or restrictions on withdrawals.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Lone Star Investment Pool

The Lone Star Investment Pool limits investments only to those allowed by the Public Funds Investment Act. The Lone Star fund has earned Standard & Poor's highest rating (AAA), which meets the standards set by the Public Funds Investment Act. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are remeasured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City's financial instruments consist of cash and cash equivalents, investments in certificates of deposits maturing in greater than three months, and accounts receivable. The estimated fair value of cash, cash equivalents, investments, and accounts receivable approximate their carrying amounts due to the short-term nature of these instruments.

At September 30, 2024, there were no assets reported at fair value.

C. Receivables

The following comprise receivable balances of the primary government at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Lucas Fire District</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 29,894	\$ 11,625	\$ -	\$ -	\$ 41,519
Sales tax	349,020	-	115,151	-	464,171
Franchise tax	176,490	-	-	-	176,490
Accounts	-	-	-	1,551,331	1,551,331
Allowance	-	-	-	(6,651)	(6,651)
	<u>\$ 555,404</u>	<u>\$ 11,625</u>	<u>\$ 115,151</u>	<u>\$ 1,544,680</u>	<u>\$ 2,226,860</u>

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 916,447	\$ -	\$ -	\$ 916,447
Construction in progress	1,529,270	89,100	-	1,618,370
Total capital assets not being depreciated	2,445,717	89,100	-	2,534,817
Capital assets, being depreciated:				
Buildings and improvements	5,521,364	276,923	-	5,798,287
Furniture and equipment	2,296,807	8,473	(9,958)	2,295,322
Vehicles	3,017,156	315,385	-	3,332,541
Infrastructure	42,076,429	2,515,533	-	44,591,962
Total capital assets being depreciated	52,911,756	3,116,314	(9,958)	56,018,112
Less accumulated depreciation				
Buildings and improvements	(1,504,775)	(162,045)	-	(1,666,820)
Furniture and equipment	(1,303,551)	(241,513)	9,958	(1,535,106)
Vehicles	(1,739,542)	(181,470)	-	(1,921,012)
Infrastructure	(8,947,082)	(1,484,754)	-	(10,431,836)
Total accumulated depreciation	(13,494,950)	(2,069,782)	9,958	(15,554,774)
Net capital assets being depreciated	39,416,806	1,046,532	-	40,463,338
Total Capital Assets	\$ 41,862,523	\$ 1,135,632	\$ -	\$ 42,998,155

Depreciation expense was charged to functions of the primary government as follows:

General government	\$ 59,965
Public safety	346,712
Public works	1,626,332
Parks and recreation	36,773
Total governmental activities depreciation expense	<u>\$ 2,069,782</u>

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 378,256	\$ -	\$ -	\$ 378,256
Construction in progress	340,200	3,603,324	-	3,943,524
Total capital assets not being depreciated	718,456	3,603,324	-	4,321,780
Capital assets, being depreciated:				
Buildings and improvements	713,389	-	-	713,389
Infrastructure	28,176,229	904,050	-	29,080,279
Furniture and equipment	1,496,012	11,800	-	1,507,812
Vehicles	33,689	-	-	33,689
Total capital assets being depreciated	30,419,319	915,850	-	31,335,169
Less accumulated depreciation				
Buildings and improvements	(377,249)	(13,090)	-	(390,339)
Infrastructure	(8,094,418)	(688,364)	-	(8,782,782)
Furniture and equipment	(844,781)	(152,976)	-	(997,757)
Vehicles	(33,689)	\$ -	-	(33,689)
Total accumulated depreciation	(9,350,137)	(854,430)	-	(10,204,567)
Net capital assets being depreciated	21,069,182	61,420	-	21,130,602
Total Capital Assets	\$ 21,787,638	\$ 3,664,744	\$ -	\$ 25,452,382

Depreciation was charged to business-type activities as follows:

Utility	\$ 854,430
Total Business-Type Activities Depreciation Expense	<u>\$ 854,430</u>

E. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the Debt Service Fund to liquidate governmental long-term liabilities.

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 1,440,000	\$ -	\$ (160,000)	\$ 1,280,000	\$ 170,000
Certificates of Obligation	12,265,000	-	(790,000)	11,475,000	815,000
Premium	724,096	-	(63,876)	660,220	-
Total Governmental Activities	<u>\$ 14,429,096</u>	<u>\$ -</u>	<u>\$ (1,013,876)</u>	<u>\$ 13,415,220</u>	<u>\$ 985,000</u>
Long-term liabilities due in more than one year				<u>\$ 12,430,220</u>	
Business-Type Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 965,000	\$ -	\$ (105,000)	\$ 860,000	\$ 110,000
Certificates of Obligation	3,905,000	-	(310,000)	3,595,000	320,000
Premium	242,983	-	(23,916)	219,067	-
Total Business-Type Activities	<u>\$ 5,112,983</u>	<u>\$ -</u>	<u>\$ (438,916)</u>	<u>\$ 4,674,067</u>	<u>\$ 430,000</u>
Long-term liabilities due in more than one year				<u>\$ 4,244,067</u>	

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the Debt Service Fund as has been done in prior years. The business-type long-term debt will be repaid, plus accrued interest, from operating revenues of the water and sewer fund.

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Original Balance	Current Balance
Governmental Activities			
2007 Certificates of Obligation	4.25%	\$ 2,500,000	\$ 300,000
2015 Certificates of Obligation	3.00%	2,000,000	\$885,000
2017 Certificates of Obligation	3.00%	5,855,000	\$4,185,000
2019 Certificates of Obligation	2.0% - 5.0%	7,215,000	\$6,105,000
2020 General Obligation Refunding Bonds	2.0% - 4.0%	1,745,000	\$1,280,000
Total Governmental Activities		19,315,000	12,755,000
Business-Type Activities			
2007 Certificates of Obligation	4.25%	2,500,000	\$375,000
2017 Certificates of Obligation	3.00%	2,920,000	\$2,090,000
2019 Certificates of Obligation	2.0% - 5.0%	1,390,000	\$1,130,000
2020 General Obligation Refunding Bonds	2.0% - 4.0%	1,165,000	\$860,000
Total Business-type Activities		7,975,000	4,455,000
Total Long-Term Debt			
2007 Certificates of Obligation	4.25%	5,000,000	675,000
2015 Certificates of Obligation	3.00%	2,000,000	\$885,000
2017 Certificates of Obligation	3.00%	8,775,000	\$6,275,000
2019 Certificates of Obligation	2.0% - 5.0%	8,605,000	\$7,235,000
2020 General Obligation Refunding Bonds	2.0% - 4.0%	2,910,000	\$2,140,000
Total		\$ 27,290,000	\$ 17,210,000

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 170,000	\$ 33,000	\$ 815,000	\$ 335,008
2026	170,000	27,900	845,000	302,408
2027	175,000	24,450	880,000	268,483
2028	180,000	19,100	810,000	235,358
2029	190,000	11,700	835,000	208,933
2030-2034	395,000	7,950	3,860,000	723,563
2035 & After	-	-	3,430,000	203,875
Total	\$ 1,280,000	\$ 124,100	\$ 11,475,000	\$ 2,277,628

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Business-Type Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 110,000	\$ 22,100	\$ 320,000	\$ 106,999
2026	120,000	18,700	325,000	94,561
2027	120,000	16,300	330,000	81,924
2028	120,000	12,700	215,000	71,618
2029	125,000	7,800	220,000	64,742
2030-2034	265,000	5,350	1,200,000	225,650
2035 & After			985,000	53,781
Total	\$ 860,000	\$ 82,950	\$ 3,595,000	\$ 699,275

F. Other Long-term Liabilities

The following summarizes the changes in other long-term liabilities of the primary government during the year.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 137,873	\$ 143,800	\$ (137,873)	\$ 143,800	\$ 143,800
Total Governmental Activities	\$ 137,873	\$ 143,800	\$ (137,873)	\$ 143,800	\$ 143,800
Business-Type Activities:					
Compensated Absences	\$ 30,009	\$ 27,236	\$ (30,009)	\$ 27,236	\$ 27,236
Total Business-Type Activities	\$ 30,009	\$ 27,236	\$ (30,009)	\$ 27,236	\$ 27,236

The General Fund has typically been used to liquidate the liability for compensated absences for governmental activities. The Utility Fund is used to liquidate the liability for compensated absences for business-type activities.

G. Unearned Revenue

On May 29, 2024, the Advance Payment Agreement for a project using funds from the State Highway 121 Subaccount went into effect. This agreement allows the State to use surplus toll project revenue for transportation, highway, or air quality projects within the Texas Department of Transportation district. As part of this agreement, the City of Lucas requested funds from the SH 121 Subaccount for preliminary engineering, plans, specifications, estimates, and the reconstruction of West Lucas Road. The project involves upgrading the road from a 2-lane undivided roadway to a 4-lane divided roadway, stretching from Country Club (FM1378) to Angel Parkway (FM2551). The City received an advance payment of \$7,600,000, which has been recorded as unearned revenue in the governmental funds. Additionally, the governmental funds recognized \$676,963 of unearned revenue related to a fire services contract.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

H. Interfund Transactions

Transfers between the primary government funds during the 2024 fiscal year were as follows:

Transfer Out	Transfer In	Amount
Lucas Fire District	General Fund	\$ 622,000
General Fund	Capital Improvement Fund	408,767
Utility Fund	General Fund	389,592
Total		\$ 1,420,359

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year. The transfer between the General Fund and the Lucas Fire District was for the fire district service agreement provisions and the transfer between the Utility Fund and General Fund is for general operating expenses.

I. Restricted Net Position

The City records restricted net position to indicate that a portion is legally restricted for a specific future use. The following is a list of restricted net position of the City:

	Governmental Funds	Business-Type Activities
Restricted for:		
Capital projects	\$ 3,013,400	\$ -
Impact fees for Roadway Improvements	1,563,450	688,064
Debt service	1,726,787	430,000
Fire protection	159,184	-
Municipal court	105,417	-
Cable fees for Cable Peg Channel	42,274	-
Capital outlay (Playground E&P)	1,132	-
Brockdale street maintenance	31,464	-
Total	\$ 6,643,108	\$ 1,118,064

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

B. Contingent Liabilities

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

GASB 62 defines probability of loss contingencies as the following:

Probable. The future event or events are likely to occur.

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Remote. The chance of the future event or events occurring is slight.

Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

At year end there was no litigation that was required to be recorded or disclosed.

C. Pension and OPEB Plans

Texas Municipal Retirement Systems

1. Plan Description

The City of Lucas participates as one of 934 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmr.com.

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

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

2. Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>
Employee deposit rate	7%	7%
Matching ratio (city to employer)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms:

At the December 31, 2023 and 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Inactive employees or beneficiaries currently receiving benefits	24	24
Inactive employees entitled to but not yet receiving benefits	29	26
Active employees	44	44
Total	<u>97</u>	<u>94</u>

3. 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.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Employees for the City of Lucas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lucas were 12.03% and 12.20% in the calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$470,486, and were equal to the required contributions.

4. Net Pension Liability

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

Actuarial Assumptions:

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

Inflation	2.50%
Overall payroll growth	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%

Salary increases were based on a service-related table. The retirement age is based on the experience-based table of rates that are specific to the City's plan of benefits. It was last updated for the 2023 valuation pursuant to an experience study of the period ending 2022. Mortality rates for post-retirement are based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

The pre-retirement members is based on the PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.

Effective December 31, 2015, the long-term expected rate of return on TMRS pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and the production of income in order to satisfy the short-term and long-term funding needs of TMRS. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

expected inflation of 2.50%. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (arithmetic)
Global Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public and Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

In general, the City uses the Debt Service Fund to liquidate governmental pension and OPEB liabilities.

Discount Rate:

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
\$2,668,264	\$1,111,106	(\$127,903)

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/22	\$ 7,527,598	\$ 6,306,763	\$ 1,220,835
Changes for the year:			
Service Cost	635,599	-	635,599
Interest	526,110	-	526,110
Difference between expected and actual experience	244,691	-	244,691
Changes of assumptions	(85,067)	-	(85,067)
Contributions - employer	-	443,262	(443,262)
Contributions - employee	-	257,924	(257,924)
Net investment income	-	734,552	(734,552)
Benefit payments, including refunds or emp. contributions	(102,358)	(102,358)	-
Administrative expense	-	(4,644)	4,644
Other changes	-	(32)	32
Net changes	1,218,975	1,328,704	(109,729)
Balance at 12/31/23	\$ 8,746,573	\$ 7,635,467	\$ 1,111,106

Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2024, the City recognized pension expense of \$535,034.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ 284,174	\$ -
Changes in actuarial assumptions		(62,100)
Difference between projected and investment earnings	141,288	-
Contributions subsequent to the measurement date	362,944	-
Total	\$ 788,406	\$ (62,100)

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

The City reported \$362,944 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow (Inflow) of Resources
2024	\$ 99,864
2025	110,189
2026	184,970
2027	(31,661)
2028	-
Thereafter	-
Total	\$ 363,362

Other Postemployment Benefits (OPEB)

1. Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

2. Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City offers supplemental death to:	Plan Year 2023	Plan Year 2022
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

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

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Employees Covered by Benefit Terms:

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

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	4
Active employees	44
Total	<u>54</u>

3. Contributions

The City's contributions to the TMRS SDBF for the years ended 2024, 2023, and 2022 were \$8,125, \$6,707, and \$3,223, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates (RETIREE-only portion of the rate)

Plan/Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.01%	0.01%	100.00%
2023	0.02%	0.02%	100.00%
2024	0.02%	0.02%	100.00%

4. Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

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

Inflation	2.50%
Overall payroll growth	3.6% to 11.85%, including inflation
Discount rate	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounting for under reporting requirements under GASB Statement No. 68.

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements. For disabled annuitants, the 2019 Municipal Retirees of Texas mortality tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
\$ 77,542	\$ 64,123	\$ 53,566

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/22	\$ 57,802
Changes for the year:	
Service Cost	4,422
Interest	2,416
Difference between expected and actual experience	(3,275)
Changes in assumptions	3,495
Benefit payments	<u>(737)</u>
Net changes	<u>6,321</u>
Balance at 12/31/23	<u><u>\$ 64,123</u></u>

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

5. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$3,598. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumptions	\$ -	\$ (9,883)
Difference between projected and investment earnings	-	(12,140)
Contributions subsequent to the measurement date	6,248	-
Total	\$ 6,248	\$ (22,023)

The City reported \$6,247 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in expense as follows:

Year ended December 31:	Deferred Outflow (Inflow) of Resources
2024	\$ (3,240)
2025	(3,539)
2026	(3,133)
2027	(2,659)
2028	(3,640)
Thereafter	(5,812)
Total	\$ (22,023)

City of Lucas, Texas

NOTES TO THE FINANCIAL STATEMENTS, (Continued)

For Fiscal Year Ended September 30, 2024

Length of Service Award Program

In April of 2015, the City approved offering an IRS Qualified Retirement Program to Volunteer Emergency Responders by providing them a Length of Service Award Program (LOSAP) as a mechanism to recruit and retain volunteers. The provision of LOSAP is through the Volunteer Fireman's Insurance Services (VFIS) and may be terminated without cause by either party by providing 60 days' written notice. On November 2, 2023, The City authorized the process to proceed with the termination of the LOSAP program due to the high administrative costs and the inability to retain or recruit volunteers. The resolution to terminate the Length of Service Award Program (LOSAP) was approved on December 7, 2023. The payout to all 28 members on the LOSAP roster was completed and the liquidation of assets from the plan occurred on April 25, 2024. As a result of the termination of this plan, the City eliminated all LOSAP related balances.

D. Subsequent Events

Management has evaluated subsequent events through March 6, 2025, the date on which the financial statements were available to be issued. There are no subsequent events to disclose for the City through this date other than what is listed below.

***REQUIRED SUPPLEMENTARY
INFORMATION***

City of Lucas, Texas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property tax	\$ 3,860,109	\$ 4,010,368	\$ 4,025,437	\$ 15,069
Sales tax	1,875,400	1,875,400	1,999,472	124,072
Fire department agreements	750,252	817,940	839,543	21,603
Licenses and permits	620,320	427,716	439,491	11,775
Impact fees	360,000	113,000	116,757	3,757
Franchise and local taxes	444,942	514,163	522,937	8,774
Investment income	200,000	459,500	535,010	75,510
Other revenue	159,211	187,463	203,367	15,904
Grants and contributions	12,500	15,780	23,275	7,495
Total Revenues	<u>8,282,734</u>	<u>8,421,330</u>	<u>8,705,289</u>	<u>283,959</u>
Expenditures				
Current:				
Public safety	4,298,201	4,739,446	4,558,180	181,266
General government	1,691,283	1,635,084	1,395,867	239,217
Public works	884,104	914,913	844,573	70,340
Development services	530,761	600,083	477,567	122,516
Parks and recreation	222,000	233,530	218,994	14,536
Capital outlay	2,685,819	3,480,140	1,629,789	1,850,351
Total Expenditures	<u>10,312,168</u>	<u>11,603,196</u>	<u>9,124,970</u>	<u>2,478,226</u>
Revenues Over (Under) Expenditures	<u>(2,029,434)</u>	<u>(3,181,866)</u>	<u>(419,681)</u>	<u>2,762,185</u>

	Original Budget	Final Budget	Actual	Variance with Final Budget
Other Financing Sources (Uses)				
Transfers in	2,804,718	3,675,812	1,011,592	(2,664,220)
Transfers (out)	-	(306,489)	(408,767)	(102,278)
Sale of capital assets	-	-	967	967
Total Other Financing Sources (Uses)	<u>2,804,718</u>	<u>3,369,323</u>	<u>603,792</u>	<u>(2,765,531)</u>
Net Change in Fund Balances	<u>\$ 775,284</u>	<u>\$ 187,457</u>	184,111	<u>\$ (3,346)</u>
Fund Balances, October 1			14,434,348	
Fund Balances, September 30			<u>\$ 14,618,459</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Lucas, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS *TEXAS MUNICIPAL RETIREMENT SYSTEM* **Last Ten Measured Years**

Measurement Date	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Total Pension Liability				
Service Cost	\$ 635,599	\$ 581,346	\$ 499,230	\$ 457,386
Interest	526,110	446,150	395,760	352,881
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	244,691	233,187	(80,541)	(74,317)
Changes of assumptions	(85,067)	-	-	-
Benefit payments, including refunds of employee contributions	(102,358)	(104,095)	(113,873)	(129,394)
Net change in total pension liability	<u>1,218,975</u>	<u>1,156,588</u>	<u>700,576</u>	<u>606,556</u>
Total pension liability, beginning	<u>7,527,598</u>	<u>6,371,010</u>	<u>5,670,434</u>	<u>5,063,878</u>
Total pension liability, ending (a)	<u>\$ 8,746,573</u>	<u>\$ 7,527,598</u>	<u>\$ 6,371,010</u>	<u>\$ 5,670,434</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 443,262	\$ 415,676	\$ 360,571	\$ 324,663
Contributions - members	257,924	233,338	198,896	181,811
Net investment income	734,551	(455,828)	667,999	334,743
Benefit payments, including refunds of employee contributions	(102,358)	(104,095)	(113,873)	(129,393)
Administrative expenses	(4,644)	(3,927)	(3,080)	(2,160)
Other	(32)	4,686	21	(84)
Net change in plan fiduciary net position	<u>1,328,704</u>	<u>89,850</u>	<u>1,110,534</u>	<u>709,580</u>
Plan fiduciary net position, beginning	<u>6,306,763</u>	<u>6,216,913</u>	<u>5,106,379</u>	<u>4,396,798</u>
Plan fiduciary net position, ending (b)	<u>\$ 7,635,467</u>	<u>\$ 6,306,763</u>	<u>\$ 6,216,913</u>	<u>\$ 5,106,378</u>
Net pension liability/(asset) ending = (a) - (b)	<u>\$ 1,111,106</u>	<u>\$ 1,220,835</u>	<u>\$ 154,097</u>	<u>\$ 564,056</u>
Plan fiduciary net position as a % of total pension liability	87.30%	83.78%	97.58%	90.05%
Covered payroll	\$ 3,684,632	\$ 3,333,405	\$ 2,841,377	\$ 2,597,307
Net pension liability as a % of covered payroll	30.16%	36.62%	5.42%	21.72%

Notes to Schedule:

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years.

<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
\$ 450,025	\$ 414,235	\$ 372,249	\$ 348,892	\$ 293,557	\$ 182,681
303,275	266,265	231,198	198,270	171,059	144,591
-	-	-	-	-	305,541
33,015	(33,376)	9,721	17,647	3,953	33,580
70,627	-	-	-	45,337	-
(122,030)	(111,419)	(117,869)	(59,465)	(36,429)	(39,926)
734,912	535,705	495,299	505,344	477,477	626,467
4,328,966	3,793,261	3,297,962	2,792,618	2,315,141	1,688,674
<u>\$ 5,063,878</u>	<u>\$ 4,328,966</u>	<u>\$ 3,793,261</u>	<u>\$ 3,297,962</u>	<u>\$ 2,792,618</u>	<u>\$ 2,315,141</u>
\$ 326,573	\$ 315,372	\$ 283,883	\$ 256,187	\$ 229,058	\$ 113,742
178,177	164,379	144,523	134,633	116,030	103,947
539,095	(96,228)	353,005	140,372	2,608	86,065
(122,030)	(111,419)	(117,869)	(59,465)	(36,429)	(39,926)
(3,038)	(1,857)	(1,829)	(1,585)	(1,588)	(898)
(91)	(96)	(93)	(86)	(78)	(74)
918,686	270,151	661,620	470,056	309,601	262,856
3,478,112	3,207,961	2,546,341	2,076,285	1,766,684	1,503,828
<u>\$ 4,396,798</u>	<u>\$ 3,478,112</u>	<u>\$ 3,207,961</u>	<u>\$ 2,546,341</u>	<u>\$ 2,076,285</u>	<u>\$ 1,766,684</u>
<u>\$ 667,080</u>	<u>\$ 850,854</u>	<u>\$ 585,300</u>	<u>\$ 751,621</u>	<u>\$ 716,333</u>	<u>\$ 548,457</u>
86.83%	80.35%	84.57%	77.21%	74.35%	76.31%
\$ 2,545,390	\$ 2,348,274	\$ 2,064,609	\$ 1,923,330	\$ 1,657,575	\$ 1,484,954
26.21%	36.23%	28.35%	39.08%	43.22%	36.93%

City of Lucas, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM Last Ten Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
Actuarially determined employer contributions	\$ 478,611	\$ 448,005	\$ 403,522	\$ 362,705
Contributions in relation to the actuarially determined contribution	<u>478,611</u>	<u>448,005</u>	<u>403,522</u>	<u>362,705</u>
Contribution deficiency (excess)	-	-	-	-
Annual covered payroll	\$ 3,868,902	\$ 3,637,337	\$ 3,222,954	\$ 2,845,105
Employer contributions as a percentage of covered payroll	12.37%	12.32%	12.52%	12.75%

NOTES TO SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN

The information in this schedule has been determined as of the City's most recent fiscal year-end and is intended to show information for 10 years.

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	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 100% of 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).

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 327,779	\$ 327,126	\$ 306,720	\$ 276,739	\$ 249,286	\$ 192,781
<u>327,779</u>	<u>327,126</u>	<u>306,720</u>	<u>276,739</u>	<u>249,286</u>	<u>192,781</u>
-	-	-	-	-	-
\$ 2,577,004	\$ 2,517,351	\$ 2,269,249	\$ 2,030,750	\$ 1,845,924	\$ 1,484,954
12.72%	12.99%	13.52%	13.63%	13.50%	12.98%

City of Lucas, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

Last Ten Measured Years

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Total OPEB liability				
Service Cost	\$ 4,422	\$ 9,000	\$ 7,672	\$ 5,714
Interest	2,416	1,628	1,514	1,755
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(3,275)	(3,108)	311	(6,467)
Changes in assumptions or other inputs	3,495	(33,528)	2,904	10,206
Benefit payments, including refunds of participant contributions	(737)	(333)	(284)	(260)
Net Change in Total OPEB Liability	<u>6,321</u>	<u>(26,341)</u>	<u>12,117</u>	<u>10,948</u>
Total OPEB Liability - Beginning	<u>57,802</u>	<u>84,143</u>	<u>72,026</u>	<u>61,078</u>
Total OPEB Liability - Ending (a)	<u>\$ 64,123</u>	<u>\$ 57,802</u>	<u>\$ 84,143</u>	<u>\$ 72,026</u>
 Covered Employee Payroll	 \$ 3,684,632	 \$ 3,333,405	 \$ 2,841,377	 \$ 2,597,307
 Total OPEB Liability as a Percentage of Covered Payroll	 1.74%	 1.73%	 2.96%	 2.77%

Notes to Schedule:

The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.1010 to pay related benefits for the OPEB plan.

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
\$	4,327	\$ 4,697	\$ 3,716
	1,808	1,751	1,609
	-	-	-
	(3,962)	(6,318)	-
	12,455	(3,855)	4,624
	<u>(255)</u>	<u>(235)</u>	<u>-</u>
	<u>14,373</u>	<u>(3,960)</u>	<u>9,949</u>
	<u>46,705</u>	<u>50,665</u>	<u>40,716</u>
\$	<u><u>61,078</u></u>	<u><u>46,705</u></u>	<u><u>50,665</u></u>
\$	2,545,390	\$ 2,348,274	\$ 2,064,609
	2.40%	1.99%	2.45%



OTHER SUPPLEMENTARY INFORMATION

City of Lucas, Texas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property tax	\$ 1,355,483	\$ 1,550,363	\$ 1,555,474	\$ 5,111
Investment income	-	88,917	112,904	23,987
Total Revenues	<u>1,355,483</u>	<u>1,639,280</u>	<u>1,668,378</u>	<u>29,098</u>
Expenditures				
Debt service				
Principal	950,000	950,000	950,000	-
Interest	405,483	405,483	405,483	-
Total Expenditures	<u>1,355,483</u>	<u>1,355,483</u>	<u>1,355,483</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>283,797</u>	<u>312,895</u>	<u>29,098</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 283,797</u>	<u>312,895</u>	<u>\$ 29,098</u>
Fund Balances, October 1			<u>1,413,890</u>	
Fund Balances, September 30			<u>\$ 1,726,785</u>	

City of Lucas, Texas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Interest income	\$ 180,000	\$ 462,000	\$ 506,708	\$ 44,708
Grants & contributions	-	-	271,280	271,280
Total Revenues	<u>180,000</u>	<u>462,000</u>	<u>777,988</u>	<u>315,988</u>
Expenditures				
Capital outlay	-	8,940,312	697,867	8,242,445
Total Expenditures	<u>-</u>	<u>8,940,312</u>	<u>697,867</u>	<u>8,242,445</u>
Other Financing Sources (Uses)				
Transfers in	-	306,489	408,767	102,278
Total Other Financing (Uses)	<u>-</u>	<u>306,489</u>	<u>408,767</u>	<u>102,278</u>
Net Change in Fund Balances	<u>\$ 180,000</u>	<u>\$ (8,171,823)</u>	488,888	<u>\$ 8,660,711</u>
Fund Balances, October 1			9,029,160	
Fund Balances, September 30			<u>\$ 9,518,048</u>	

City of Lucas, Texas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LUCAS FIRE DISTRICT

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Sales tax	\$ 622,000	\$ 622,000	\$ 658,449	\$ 36,449
Other income	-	-	2,243	2,243
Total Revenues	<u>622,000</u>	<u>622,000</u>	<u>660,692</u>	<u>38,692</u>
Other Financing Sources (Uses)				
Transfers (out)	622,000	622,000	622,000	-
Total Other Financing Sources (Uses)	<u>622,000</u>	<u>622,000</u>	<u>622,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	38,692	<u>\$ 38,692</u>
Fund Balances, October 1			<u>120,492</u>	
Fund Balances, September 30			<u><u>\$ 159,184</u></u>	

City of Lucas, Texas

STATISTICAL SECTION

UNAUDITED

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	90-99
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	100-107
<i>These schedules contain information to help the reader assess the City's most significant local revenue source: property tax.</i>	
Debt Capacity	108-112
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue in the future.</i>	
Demographics and Economic Information	113-114
<i>These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	116-119
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

City of Lucas, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental Activities:				
Net Investments in Capital Assets	\$ 36,093,275	\$ 33,757,041	\$ 30,848,043	\$ 28,833,419
Restricted	6,643,108	9,305,004	7,748,436	6,980,910
Unrestricted	<u>12,321,126</u>	<u>8,573,482</u>	<u>9,009,052</u>	<u>9,189,569</u>
Total Governmental Activities	<u>\$ 55,057,509</u>	<u>\$ 51,635,527</u>	<u>\$ 47,605,531</u>	<u>\$ 45,003,898</u>
Business-type Activities:				
Net Investments in Capital Assets	\$ 21,644,341	\$ 18,663,845	\$ 17,084,250	\$ 16,878,979
Restricted	1,118,064	1,524,786	2,484,356	1,311,170
Unrestricted	<u>13,296,471</u>	<u>10,702,489</u>	<u>8,685,361</u>	<u>7,733,829</u>
Total Business-type Activities	<u>\$ 36,058,876</u>	<u>\$ 30,891,120</u>	<u>\$ 28,253,967</u>	<u>\$ 25,923,978</u>
Primary Government:				
Net Investments in Capital Assets	\$ 57,737,616	\$ 52,420,886	\$ 47,932,293	\$ 45,712,398
Restricted	7,761,170	10,829,790	10,232,792	8,292,080
Unrestricted	<u>25,617,598</u>	<u>19,275,971</u>	<u>17,694,413</u>	<u>16,923,398</u>
Total Primary Activities	<u><u>\$ 91,116,385</u></u>	<u><u>\$ 82,526,647</u></u>	<u><u>\$ 75,859,498</u></u>	<u><u>\$ 70,927,876</u></u>

Source: City of Lucas Financial Services Annual Financial Reports

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 25,517,174	\$ 20,427,592	\$ 19,557,740	\$ 18,969,607	\$ 17,817,626	\$ 15,687,778
12,176,865	4,129,734	3,194,287	2,425,677	5,021,277	5,101,359
353,761	8,418,373	8,127,220	7,481,154	4,034,670	2,022,200
<u>\$ 38,047,800</u>	<u>\$ 32,975,699</u>	<u>\$ 30,879,247</u>	<u>\$ 28,876,438</u>	<u>\$ 26,873,573</u>	<u>\$ 22,811,337</u>
\$ 16,777,285	\$ 15,334,416	\$ 15,023,072	\$ 14,790,563	\$ 14,122,099	\$ 13,793,927
939,365	668,724	555,979	436,201	375,000	365,000
7,207,695	6,640,891	6,202,108	5,616,348	5,501,285	4,824,325
<u>\$ 24,924,345</u>	<u>\$ 22,644,031</u>	<u>\$ 21,781,159</u>	<u>\$ 20,843,112</u>	<u>\$ 19,998,384</u>	<u>\$ 18,983,252</u>
\$ 42,294,459	\$ 35,762,008	\$ 34,580,812	\$ 33,760,170	\$ 31,929,725	\$ 29,481,705
13,116,230	4,798,458	3,750,266	2,861,878	5,396,277	5,466,359
7,561,456	15,059,264	14,329,328	13,097,502	9,535,955	6,846,525
<u><u>\$ 62,972,145</u></u>	<u><u>\$ 55,619,730</u></u>	<u><u>\$ 52,660,406</u></u>	<u><u>\$ 49,719,550</u></u>	<u><u>\$ 46,871,957</u></u>	<u><u>\$ 41,794,589</u></u>

City of Lucas, Texas

CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

(Unaudited)

	2024	2023	2022	2021
Expenses				
Governmental Activities:				
General Government	\$ 1,407,314	\$ 1,384,180	\$ 1,210,334	\$ 1,151,684
Public Safety	4,727,403	3,777,849	3,257,026	2,716,928
Public Works	2,443,601	2,305,963	1,874,263	1,711,774
Development Services	446,004	454,262	468,122	402,852
Parks and Recreation	255,767	227,599	203,629	176,297
Interest and Fiscal Charges	335,916	370,715	409,035	499,818
Total Governmental Activities	9,616,005	8,520,568	7,422,409	6,659,353
Business-type Activities:				
Utility Fund	6,221,558	5,671,429	4,876,552	4,421,855
Total Business-type Activities	6,221,558	5,671,429	4,876,552	4,421,855
Total Primary Government	\$ 15,837,563	\$ 14,191,997	\$ 12,298,961	\$ 11,081,208
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 205,610	\$ 213,918	\$ 196,951	\$ -
Public Safety	839,543	681,863	640,535	630,944
Public Works	116,757	202,747	409,571	451,516
Development Services	439,491	558,548	841,396	496,675
Parks and Recreation	-	-	-	-
Capital Grants and Contributions	877,760	1,549,258	-	2,173,436
Operating Grants and Contributions	294,555	73,467	18,483	712,345
Total Governmental Activities	2,773,716	3,279,801	2,106,936	4,464,916
Business-type Activities:				
Charges for Services				
Water and Sewer	8,079,552	7,660,420	7,095,074	5,602,448
Capital Grants and Contributions	876,793	542,768	410,000	1,386,276
Operating Grants and Contributions	2,123,502			
Total Business-type Activities	11,079,847	8,203,188	7,505,074	6,988,724
Total Primary Government	\$ 13,853,563	\$ 11,482,989	\$ 9,612,010	\$ 11,453,640
Net (Expense)/Revenue				
Governmental Activities	\$ (6,842,289)	\$ (5,240,767)	\$ (5,315,473)	\$ (2,194,437)
Business-type Activities	4,858,289	2,531,759	2,628,522	2,566,869
Total Primary Government	\$ (1,984,000)	\$ (2,709,008)	\$ (2,686,951)	\$ 372,432

Source: City of Lucas Financial Services Annual Financials

	2020	2019	2018	2017	2016	2015
\$	1,276,560	\$ 1,096,507	\$ 935,150	\$ 961,459	\$ 955,548	\$ 934,322
	2,611,453	2,621,361	2,223,061	2,082,243	1,866,920	1,693,535
	1,481,315	1,423,456	2,189,754	971,612	883,514	1,091,137
	354,169	426,705	408,654	345,336	279,699	352,718
	163,110	194,196	126,327	113,916	159,565	78,233
	552,910	535,381	392,146	373,570	263,690	331,834
	6,439,518	6,297,606	6,275,092	4,848,136	4,408,936	4,481,779
	4,529,286	4,247,590	4,243,367	3,840,280	3,593,006	3,237,288
	4,529,286	4,247,590	4,243,367	3,840,280	3,593,006	3,237,288
\$	10,968,804	\$ 10,545,196	\$ 10,518,459	\$ 8,688,416	\$ 8,001,942	\$ 7,719,067
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 2,501
	528,717	509,862	448,607	413,588	327,745	252,949
	232,881	341,597	356,940	402,068	335,163	74,050
	494,826	904,825	713,554	658,708	707,807	553,264
	-	-	-	-	-	15,000
	437,074	342,372	-	37,600	196,000	1,804,078
	-	-	126,168	1,824,487	2,470,277	-
	1,693,498	2,098,656	1,645,269	3,336,451	4,036,992	2,701,842
	4,775,275	5,314,349	4,403,061	4,332,497	3,879,602	3,832,078
	368,375	37,419	417,020	418,089	1,299,604	512,011
	5,143,650	5,351,768	4,820,081	4,750,586	5,179,206	4,344,089
\$	6,837,148	\$ 7,450,424	\$ 6,465,350	\$ 8,087,037	\$ 9,216,198	\$ 7,045,931
\$	(4,604,108)	\$ (4,176,436)	\$ (3,202,867)	\$ (1,072,485)	\$ (444,787)	\$ (1,098,513)
	896,060	1,108,401	979,801	1,157,580	1,941,918	1,452,948
\$	(3,708,048)	\$ (3,068,035)	\$ (2,223,066)	\$ 85,095	\$ 1,497,131	\$ 354,435

City of Lucas, Texas

CHANGES IN NET POSITION (CONTINUED)

Last Ten Years

(Accrual Basis of Accounting)

(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Revenues				
Governmental Activities:				
Property Taxes	\$ 5,539,198	\$ 5,089,979	\$ 4,547,710	\$ 4,393,105
Sales Tax	2,657,921	2,558,589	2,432,430	2,114,433
Franchise Tax	522,937	471,540	447,706	391,599
Investment Earnings	1,154,622	769,680	124,210	37,869
Other Revenues	-	-	-	156,826
Intergovernmental	-	-	-	-
Transfers, Net	389,592	380,975	365,050	284,355
Total Governmental Activities	<u>10,264,270</u>	<u>9,270,763</u>	<u>7,917,106</u>	<u>7,378,187</u>
Business-type Activities:				
Investment Earnings	699,059	486,369	62,517	9,968
Other Income	-	-	4,000	-
Transfers, Net	(389,592)	(380,975)	(365,050)	(284,355)
Total Business-type Activities	<u>309,467</u>	<u>105,394</u>	<u>(298,533)</u>	<u>(274,387)</u>
Total Primary Government	<u>\$ 10,573,737</u>	<u>\$ 9,376,157</u>	<u>\$ 7,618,573</u>	<u>\$ 7,103,800</u>
Change in Net Position				
Governmental Activities	3,421,981	4,029,996	2,601,633	6,956,098
Business-type Activities	5,167,756	2,637,153	2,329,989	999,633
Total Primary Government	<u>\$ 8,589,737</u>	<u>\$ 6,667,149</u>	<u>\$ 4,931,622</u>	<u>\$ 7,955,731</u>

Source: City of Lucas Financial Services Annual Financials

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 4,241,420	\$ 3,920,086	\$ 3,534,633	\$ 3,176,863	\$ 2,988,174	\$ 2,500,042
1,827,798	1,576,882	1,454,670	1,407,216	1,349,475	1,180,171
391,893	413,713	410,594	318,056	420,003	333,591
202,167	334,467	195,398	80,081	31,531	25,026
88,672	217,025	309,452	64,651	183,261	120,443
-	-	-	-	-	-
294,753	238,387	274,498	158,865	160,926	320,244
<u>7,046,703</u>	<u>6,700,560</u>	<u>6,179,245</u>	<u>5,205,732</u>	<u>5,133,370</u>	<u>4,479,517</u>
114,429	205,199	104,144	33,792	8,478	3,342
1,200	-	-	-	-	111,210
<u>(294,753)</u>	<u>(238,387)</u>	<u>(274,498)</u>	<u>(158,865)</u>	<u>(160,926)</u>	<u>(320,244)</u>
<u>(179,124)</u>	<u>(33,188)</u>	<u>(170,354)</u>	<u>(125,073)</u>	<u>(152,448)</u>	<u>(205,692)</u>
<u><u>\$ 6,667,372</u></u>	<u><u>\$ 6,008,891</u></u>	<u><u>\$ 5,080,659</u></u>	<u><u>\$ 4,980,922</u></u>	<u><u>\$ 4,273,825</u></u>	<u><u>\$ 3,708,672</u></u>
2,096,452	2,002,809	2,002,865	4,060,885	4,034,730	2,881,672
862,872	938,047	854,728	1,005,132	1,736,226	1,181,435
<u><u>\$ 2,959,324</u></u>	<u><u>\$ 2,940,856</u></u>	<u><u>\$ 2,857,593</u></u>	<u><u>\$ 5,066,017</u></u>	<u><u>\$ 5,770,956</u></u>	<u><u>\$ 4,063,107</u></u>

City of Lucas, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2024	2023	2022	2021
General Fund:				
Restricted				
Impact Fees	\$ 1,563,450	\$ 1,881,660	\$ 1,748,913	\$ 1,417,322
Pensions	-	284,802	280,509	279,043
Municipal Court	105,417	94,872	84,760	75,515
Capital Improvements	-	-	500,448	-
Cable Fees	42,274	39,751	37,228	34,707
Street Maintenance	31,464	31,464	31,464	-
Project Management	-	-	-	-
CARES Funding	-	-	-	-
Capital Outlay (Playground E&P)	1,132	1,132	1,132	1,132
Fire Protection	-	-	13,130	16,379
Water Rescue	-	-	-	120,000
Records management	-	5,779	13,903	-
Capital Outlay (Ambulance)	-	-	-	-
Committed				
Capital Outlay (Other)	2,001,901	2,719,600	861,682	300,000
Capital outlay (Blondy Jhune)	49,500	-	-	-
Capital outlay (Trinity Mills)	358,012	-	-	-
Law enforcement	67,152	-	-	-
Unassigned	10,398,157	9,375,288	9,831,538	10,085,127
Total General Fund	<u>\$ 14,618,459</u>	<u>\$ 14,434,348</u>	<u>\$ 13,404,707</u>	<u>\$ 12,329,225</u>
All Other Governmental Funds:				
Restricted For:				
Debt Service	\$ 1,726,785	\$ 1,413,890	\$ 1,360,643	\$ 1,326,101
Fire Protection	159,184	120,492	108,766	105,439
Capital Improvement	9,518,048	9,029,160	8,741,047	9,591,973
Total All Other Governmental Funds	<u>\$ 11,404,017</u>	<u>\$ 10,563,542</u>	<u>\$ 10,210,456</u>	<u>\$ 11,023,513</u>

Source: City of Lucas Financial Services Annual Financials

2020	2019	2018	2017	2016	2015
\$ 2,115,802	\$ 1,785,286	\$ 1,572,405	\$ 1,254,213	\$ 1,116,079	\$ 867,279
252,407	252,407	233,592	216,615	-	-
77,594	70,355	62,899	55,688	51,623	45,612
613,590	1,385,000	1,385,000	-	-	-
31,834	28,582	25,318	21,843	17,670	12,773
385,528	285,878	245,054	204,594	-	-
70,853	358,290	-	-	-	-
89,755	-	-	-	-	-
1,132	1,132	1,132	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	100,000	-	-	-
250,000	200,000	150,000	-	2,382	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,524,465	7,442,323	7,380,496	8,774,909	7,834,423	6,203,973
<u>\$ 12,412,960</u>	<u>\$ 11,809,253</u>	<u>\$ 11,155,896</u>	<u>\$ 10,527,862</u>	<u>\$ 9,022,177</u>	<u>\$ 7,129,637</u>
\$ 1,324,819	\$ 1,156,232	\$ 969,611	\$ 833,062	\$ 704,397	\$ 560,000
79,527	74,308	67,868	56,277	53,135	50,075
6,884,024	8,220,098	4,892,086	6,866,803	2,901,186	3,575,719
<u>\$ 8,288,370</u>	<u>\$ 9,450,638</u>	<u>\$ 5,929,565</u>	<u>\$ 7,756,142</u>	<u>\$ 3,658,718</u>	<u>\$ 4,185,794</u>

City of Lucas, Texas

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2024	2023	2022	2021
REVENUES:				
Property Taxes	\$ 5,580,911	\$ 5,023,335	\$ 4,555,904	\$ 4,392,506
Sales Tax	2,657,921	2,558,589	2,432,430	2,114,433
Franchise Taxes	522,937	471,540	447,706	391,599
Fines and Forfeitures	-	-	-	-
Licenses and Permits	439,491	558,548	841,396	993,084
Fire Service Agreements	839,543	666,148	624,820	585,092
Grants	294,555	73,467	18,483	17,380
Donations	-	-	-	-
Impact Fees	116,757	202,747	409,571	459,118
Intergovernmental	-	-	-	4,182,590
Investment Income	1,154,622	769,681	124,210	37,869
Other Revenue	205,610	229,633	212,666	156,825
Total Revenues	<u>11,812,347</u>	<u>10,553,688</u>	<u>9,667,186</u>	<u>13,330,496</u>
EXPENDITURES:				
General Government	1,395,867	1,322,844	1,185,761	1,128,717
Public Works	844,573	863,384	639,503	484,418
Parks and Recreation	218,994	193,438	169,128	144,106
Public Safety	4,558,180	3,378,429	2,970,097	2,450,541
Development Services	477,567	444,264	469,995	409,058
Debt Service				
Principal	950,000	920,000	1,115,000	3,145,000
Interest	405,483	440,608	480,099	605,440
Bond Issuance Costs	-	-	-	-
Capital Outlay	<u>2,327,656</u>	<u>2,080,548</u>	<u>2,740,228</u>	<u>4,785,459</u>
Total Expenditures	<u>11,178,320</u>	<u>9,643,515</u>	<u>9,769,811</u>	<u>13,152,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>634,027</u>	<u>910,173</u>	<u>(102,625)</u>	<u>177,757</u>
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	389,592	380,975	365,050	284,355
Debt Issued	-	-	-	1,745,000
Premium on Bonds Issued	-	-	-	193,382
Insurance Proceeds	-	-	-	-
Sale of Capital Assets	<u>967</u>	<u>91,579</u>	<u>-</u>	<u>250,914</u>
Total Other Financing Sources (Uses)	<u>390,559</u>	<u>472,554</u>	<u>365,050</u>	<u>2,473,651</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,024,586</u>	<u>\$ 1,382,727</u>	<u>\$ 262,425</u>	<u>\$ 2,651,408</u>
Ratio of total Debt Service Expenditures to Noncapital Expenditures ¹	15.3%	18.0%	22.7%	21.7%

¹ This ratio is calculated by dividing debt service expenditures (principal and interest) by noncapital expenditures.

² For fiscal year 2021, refunded bonds were issued which increased the principal expense by the amount refunded. Based on this, the ratio noted above considers the debt and premium issued associated with the refunded bonds as a reduction of the debt service expenditures.

Source: City of Lucas Financial Services Annual Financials

2020	2019	2018	2017	2016	2015
\$ 4,237,072	\$ 3,954,237	\$ 3,518,185	\$ 3,199,118	\$ 2,964,421	\$ 2,492,526
1,827,798	1,576,882	1,454,670	1,407,216	1,349,475	1,180,171
391,893	413,713	410,594	318,056	420,003	333,591
90,281	32,340	35,037	88,342	90,522	137,842
496,675	463,900	871,480	627,675	568,630	571,932
540,663	527,303	508,170	446,144	413,144	325,778
712,345	181,400	342,372	126,168	-	-
-	-	-	-	37,600	55,000
451,516	232,881	341,597	356,940	402,068	335,163
-	-	-	-	-	141,000
202,167	334,467	195,398	80,081	31,531	25,026
145,416	210,307	306,219	136,307	140,006	120,443
9,095,826	7,927,430	7,983,722	6,786,047	6,417,400	5,718,472
1,220,744	995,991	947,731	886,212	882,248	817,532
711,839	515,752	1,071,172	446,562	479,430	548,519
130,564	152,485	134,568	69,247	106,408	78,233
2,310,128	2,341,313	2,294,878	1,713,980	1,640,309	1,412,056
338,684	417,978	405,016	340,270	279,243	328,126
915,000	860,930	844,218	597,555	615,940	444,367
585,398	374,100	415,842	248,082	273,287	227,132
-	153,693	-	111,007	-	85,771
3,736,780	5,889,556	3,357,629	3,101,568	1,172,535	3,422,242
9,949,138	11,701,798	9,471,054	7,514,483	5,449,400	7,363,978
(853,312)	(3,774,368)	(1,487,332)	(728,436)	968,000	(1,645,506)
294,753	238,387	274,498	158,865	160,926	320,244
-	7,215,000	-	5,855,000	43,255	2,000,000
-	488,693	-	256,007	-	85,771
-	-	-	60,401	-	-
-	6,718	14,291	1,272	-	-
294,753	7,948,798	288,789	6,331,545	204,181	2,406,015
\$ (558,559)	\$ 4,174,430	\$ (1,198,543)	\$ 5,603,109	\$ 1,172,181	\$ 760,509
24.2%	-114.3%	20.6%	-122.4%	19.8%	-36.7%

City of Lucas, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value
	Real Property	Personal Property		
2015	901,321,744	69,309,682	201,710,713	768,920,713
2016	1,023,259,148	158,170,201	302,812,807	878,616,542
2017	1,147,772,070	179,725,707	326,310,300	1,001,187,477
2018	1,317,197,182	183,873,468	377,122,296	1,123,948,354
2019	1,515,503,761	173,183,222	379,972,859	1,308,714,124
2020	1,634,791,916	192,914,323	389,986,165	1,437,720,074
2021	1,714,068,603	176,400,549	391,708,084	1,498,761,068
2022	1,880,283,886	167,965,774	420,318,958	1,627,930,702
2023	2,532,866,696	179,700,139	782,644,429	1,929,922,406
2024	2,970,505,001	237,087,842	968,508,863	2,239,083,980

Source: Collin County Appraisal District

Note: Tax rates per \$100 of assessed valuation.

Total Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
0.320660	970,631,426	79.22%
0.320660	1,181,429,349	74.37%
0.317950	1,327,497,777	75.42%
0.317950	1,501,070,650	74.88%
0.303216	1,688,686,983	77.50%
0.303216	1,827,706,239	78.66%
0.299795	1,890,469,152	79.28%
0.288397	2,048,249,660	79.48%
0.268016	2,712,566,835	71.15%
0.256758	3,207,592,843	69.81%

City of Lucas, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Years (Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Direct Rates:				
City of Lucas - Operating	0.185402	0.19582	0.18574	0.19085
City of Lucas - Debt Service	<u>0.071356</u>	<u>0.07220</u>	<u>0.10265</u>	<u>0.10895</u>
Total Direct Rate	<u>0.256758</u>	<u>0.268016</u>	<u>0.288397</u>	<u>0.299795</u>

Overlapping Rates:

Lovejoy Independent School District	1.25750	1.44290	1.50500	1.55470
Allen Independent School District	1.14120	1.33040	1.40680	1.43250
McKinney Independent School District	1.12750	1.31290	1.37670	1.47470
Plano Independent School District	1.07785	1.25975	1.32075	1.32370
Princeton Independent School District	1.25750	1.44290	1.46030	1.46980
Wylie Independent School District	1.21250	1.39790	1.45980	1.52050
Collin County	0.14934	0.15244	0.16809	0.17253
Collin County Community College	0.08122	0.08122	0.08122	0.08122

Tax rates per \$100 of assessed valuation

Source: Collin County Central Appraisal District and City records

Note 1: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

2020	2019	2018	2017	2016	2015
0.18452	0.20235	0.19870	0.23037	0.21551	0.23307
0.11870	0.10087	0.11925	0.08758	0.10515	0.08759
0.303216	0.303216	0.317948	0.317948	0.320661	0.320661

1.56800	1.67000	1.67000	1.67000	1.56000	1.56000
1.45800	1.55000	1.57000	1.59000	1.61000	1.64000
1.48800	1.59000	1.62000	1.62000	1.67000	1.67000
1.33700	1.43900	1.43900	1.43900	1.43900	1.44800
1.56800	1.62000	1.62000	1.62000	1.62000	1.62000
1.53800	1.64000	1.64000	1.64000	1.64000	1.64000
0.17400	0.18000	0.19225	0.20840	0.22500	0.23500
0.08100	0.08100	0.07981	0.08122	0.08196	0.08196

City of Lucas, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

Property Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart Real Estate	\$ 16,773,387	1	0.75%			
Wal-Mart Stores Texas LLC	7,494,517	2	0.33%			
Lucas Plaza YSR	7,318,522	3	0.33%			
Texas Henderson LLC	7,021,000	4	0.31%			
Dahlia ARR LLC	6,972,850	5	0.31%			
MM Lucas 135 LLC	5,934,735	6	0.27%			
Smith Russell Tyler	5,880,254	7	0.26%			
Cooper Amari	5,073,057	8	0.23%			
Crabtree Michael	4,584,581	9	0.20%			
Grayson-Collin Elec Coop	4,570,500	10	0.20%			
Wal-Mart Real Estate Business Trust				\$ 15,718,115	1	2.04%
Wal-Mart Stores Texas LLC				\$ 10,377,346	2	1.35%
DR Horton - Texas LTD				\$ 8,003,940	3	1.04%
M Christopher Custom Homes LLC				\$ 2,928,534	4	0.38%
M Christopher Investments LLC				\$ 2,794,831	5	0.36%
Lucas Real Estate LLC				\$ 1,902,859	6	0.25%
Paul Taylor Home Limited				\$ 1,860,233	7	0.24%
Scarborough Forest Ridge Development LP				\$ 1,814,400	8	0.24%
Bank of America National Association				\$ 1,626,397	9	0.21%
Russell Jason				\$ 1,295,520	10	0.17%
Total	\$ 71,623,403		3.20%	\$ 48,322,175		6.28%
Total Assessed Value:	\$ 2,239,083,980		100%	\$ 768,920,713		100%

Source: Tax Office

Note: Property is assessed as of January 1 and certified to the City by July 25 for taxable values.



City of Lucas, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

(Unaudited)

	2024	2023	2022	2021
Tax levy	\$ 5,555,312	\$ 5,008,367	\$ 4,535,324	\$ 4,369,607
Current tax collected	\$ 5,517,222	\$ 4,973,893	\$ 4,531,877	\$ 4,359,330
Percent of current tax collections	99.3%	99.3%	99.9%	99.8%
Delinquent tax collections	\$ 38,090	\$ 34,474	\$ 3,447	\$ 10,277
Total tax collections	\$ 5,555,312	\$ 5,008,367	\$ 4,535,324	\$ 4,369,607
Total collections as a percentage of Levy	100%	100%	100%	100%

Source: Dallas and Collin County reports.

2020	2019	2018	2017	2016	2015
\$ 4,214,364	\$ 3,919,539	\$ 3,494,617	\$ 3,166,220	\$ 2,916,026	\$ 2,468,541
\$ 4,214,364	\$ 3,872,364	\$ 3,476,119	\$ 3,117,732	\$ 2,796,734	\$ 2,426,661
100.0%	98.8%	99.5%	98.5%	95.9%	98.3%
\$ -	\$ 47,176	\$ -	\$ 44,816	\$ 112,841	\$ 35,951
\$ 4,214,365	\$ 3,919,539	\$ 3,476,119	\$ 3,162,548	\$ 2,909,575	\$ 2,462,612
100%	100%	99.47%	99.88%	99.78%	99.76%

City of Lucas, Texas
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Years
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities:				
General Obligations Bonds	\$ 1,396,029	\$ 1,575,367	\$ 1,749,706	\$ 2,164,044
Certificates of Obligations	\$ 12,019,191	\$ 12,853,729	\$ 13,663,266	\$ 14,427,804
Capital Leases	\$ -	\$ -	\$ -	\$ -
Business-type activities:				
General Obligations Bonds	\$ 937,225	\$ 1,055,096	\$ 1,172,967	\$ 1,385,837
Certificates of Obligations	\$ 3,736,842	\$ 4,057,887	\$ 4,373,932	\$ 4,679,977
Total primary government	<u>\$ 18,089,287</u>	<u>\$ 19,542,079</u>	<u>\$ 20,959,871</u>	<u>\$ 22,657,662</u>
Percentage of personal income (1)	2.37%	2.70%	3.10%	3.76%
Per capita (1)	\$ 1,945	\$ 2,129	\$ 2,324	\$ 2,625

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

(1) Personal income and population data is disclosed on page 123

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 480,000	\$ 705,000	\$ 920,000	\$ 1,125,000	\$ 1,325,000	\$ 1,515,000
\$ 17,420,223	\$ 18,158,549	\$ 11,061,892	\$ 11,663,928	\$ 5,914,957	\$ 6,293,421
\$ -	\$ -	\$ 60,930	\$ 120,148	\$ 177,703	\$ 233,643
\$ 210,000	\$ 320,000	\$ 425,000	\$ 525,000	\$ 695,000	\$ 865,000
\$ 6,490,242	\$ 6,893,709	\$ 5,754,189	\$ 6,088,006	\$ 3,253,733	\$ 3,450,982
<u>\$ 24,600,465</u>	<u>\$ 26,077,258</u>	<u>\$ 18,222,011</u>	<u>\$ 19,522,082</u>	<u>\$ 11,366,393</u>	<u>\$ 12,358,046</u>
4.36%	4.90%	3.70%	4.32%	2.82%	3.23%
\$ 2,950	\$ 3,227	\$ 2,293	\$ 2,640	\$ 1,610	\$ 1,817

City of Lucas, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

(Unaudited)

	2024	2023	2022	2021
NET TAXABLE ASSESSED VALUE				
All Property	\$ 2,239,083,980	\$ 1,929,922,406	\$ 1,627,930,702	\$ 1,498,761,068
NET BONDED DEBT (1)				
Gross bonded debt	18,089,287	19,542,079	20,959,871	22,657,662
Less debt services funds	<u>(1,726,785)</u>	<u>(1,413,890)</u>	<u>(1,360,643)</u>	<u>(1,326,100)</u>
Net Bonded Debt	<u>\$ 16,362,502</u>	<u>\$ 18,128,189</u>	<u>\$ 19,599,228</u>	<u>\$ 21,331,562</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	0.73%	0.94%	1.20%	1.42%
POPULATION	9300	9181	9,020	8,631
NET BONDED DEBT PER PERSON	\$ 1,759	\$ 1,975	\$ 2,173	\$ 2,472

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

(1) This is the general bonded debt of both governmental and bussiness-type activities

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,437,720,074	\$ 1,308,714,124	\$ 1,123,948,354	\$ 1,001,187,477	\$ 878,616,542	\$ 768,920,713
24,600,465	26,077,258	18,161,081	19,401,934	11,188,690	12,124,403
(1,321,951)	(1,156,232)	(969,611)	(833,062)	(704,397)	(560,000)
<u>\$ 23,278,514</u>	<u>\$ 24,921,026</u>	<u>\$ 17,191,470</u>	<u>\$ 18,568,872</u>	<u>\$ 10,484,293</u>	<u>\$ 11,564,403</u>
1.62%	1.90%	1.53%	1.85%	1.19%	1.50%
8,338	8,080	7,947	7,395	7,061	6,800
\$ 2,792	\$ 3,084	\$ 2,163	\$ 2,511	\$ 1,485	\$ 1,701

City of Lucas, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2024

(Unaudited)

<u>Governmental Unit</u>	<u>Gross Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Tax Rate</u>
Debt repaid with property taxes			
Allen ISD	\$ 583,281,098	0.84%	\$ 4,899,561
Collin County	841,715,000	0.94%	\$ 7,912,121
Collin County Community College	459,865,000	0.94%	\$ 4,322,731
Lovejoy ISD	127,735,000	34.33%	\$ 43,851,426
McKinney ISD	478,860,000	0.48%	\$ 2,298,528
Plano ISD	886,020,000	0.13%	\$ 1,151,826
Princeton ISD	531,187,658	0.16%	\$ 849,900
Wylie ISD (Collin)	645,210,971	0.41%	\$ 2,645,365
Subtotal, overlapping debt			67,931,458
City direct debt			<u>13,415,220</u>
Total direct and overlapping debt			<u><u>\$ 81,346,678</u></u>

Source: Taxing Entities and City, Dallas Central Appraisal District, and the Collin County Appraisal District.

City of Lucas, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years (Unaudited)

Fiscal Year	Estimated Population	Personal Income	Per Capita Personal Income	Average Age	School Enrollment	Unemployment Rate
2015	6,800	382,948,800	56,316	41	3,810	3.0%
2016	7,061	403,585,577	57,157	40	3,925	3.4%
2017	7,395	452,418,705	61,179	41	4,055	3.5%
2018	7,947	492,801,417	62,011	40	4,201	3.2%
2019	8,080	532,358,880	62,011	41	4,261	3.4%
2020	8,338	564,549,304	67,708	41	4,350	7.1%
2021	8,695	601,917,309	69,739	41	4,192	5.0%
2022	9,020	675,137,980	74,849	42	4,335	3.3%
2023	9,181	722,618,148	78,708	45	4,246	3.9%
2024	9,300	764,264,700	82,179	46	4,084	3.9%

Sources: Estimated population provided by City of Lucas. Per Capita Income provided by United State Census Bureau. Enrollment information provided by Lovejoy Independent School District. Unemployment information provided by the Texas Workforce Commission.

City of Lucas, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Years

(Unaudited)

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government and Administration	3	5	5	4	4	4	4	4	3	3
Finance	3	3	3	4	4	4	4	4	4	4
Development Services	5.5	6	6	5	5	5	5	5	4	4
Fire/EMS	19	19	19	16	16	16	16	12	12	8
Public Works/Water Engineering	10	11	10	10	10	9	9	9	9	8
Total	40.5	44	43	39	39	38	38	34	32	27

Source: Various City departments.



City of Lucas, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Years
(Unaudited)

Function/Program	2024	2023	2022	2021
Public Safety				
Municipal Court				
Number of Cases Filed	6	81	7	4
Fire/EMS				
Number of Calls Answered	1,056	1,032	993	941
Public Works				
Streets Maintained (miles)	80	80	80	80
Development Services				
Building Permits	646	785	946	859
Water and Sewer				
New Connections	38	52	121	151
Annual Gallons Pumped (thousands)	613,181	638,823	607,313	456,998
Miles of Water Mains Maintained	106	106	106	105

Source: Various City departments.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1	14	6	13	2	4
848	757	773	596	532	504
80	77	76	75	75	71
771	714	1,028	818	777	663
96	74	200	129	106	127
457,649	439,653	506,758	424,082	421,738	499,963
105	105	104	104	104	100

City of Lucas, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2024	2023	2022	2021
Public Safety				
Fire Stations	1	1	1	1
Public Works				
Streets-paved	236	236	236	236
Parks	3	3	3	3
Parks (acres)	11	11	11	11
Water and Sewer				
Water Mains (miles)	106	106	106	105
Storm Mains (miles)	3	3	3	3
Storm Drainage (miles)	2.5	2.5	2.5	2.5

Source: Various City departments.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1	1	1	1	1	1
236	235	234	233	231	228
3	3	3	3	3	3
11	11	11	11	11	11
105	105	104	104	104	100
3	3	3	3	3	3
2.5	2.5	2.5	2.5	2.5	2.5