

2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2019

CITY OF VIDOR, TEXAS

1395 North Main Street | Vidor, TX 77662
409.769.5473 | www.cityofvidor.com

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***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Vidor, Texas

**For the Year Ended
September 30, 2019**

Prepared by:

Cheryl Ray

Finance Director

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City of Vidor, Texas

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INTRODUCTORY SECTION

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City of Vidor

1395 North Main Street
Vidor, Texas 77662

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February 20, 2020

The Honorable Mayor Kimberly Stiebig and City Council
of the City of Vidor:

The Texas Local Government Code states that a municipality shall have its records and accounts audited annually and shall have annual financial statements prepared based on the audit. The Comprehensive Annual Financial Report (CAFR) of the City of Vidor, Texas (the "City") for the year ended September 30, 2019, is hereby submitted to fulfill that requirement.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to gain an understanding of the City's financial affairs have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC, has issued an unmodified ("clean") opinion on the City of Vidor's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY OF VIDOR

The City of Vidor, Texas was incorporated in December 1960 and became a home rule city in 1967. The City operates under a "Council-Manager" form of government. Pursuant to its provisions and subject only to its limitations imposed by the State Constitution and by the City's charter, all powers of the City shall be vested in an elective Council composed of six Council Members and a Mayor, collectively known as the City Council. The City Council enacts local legislation, adopts budgets, determines policies, and appoints the City Manager, who in turn is responsible to the City Council for the execution of laws and the administration of the government of the City. Departments and agencies of the City submit budget requirements to the City Manager before Council approval. The Mayor is the presiding officer of the City Council. The City provides the following services as authorized by its charter:

public safety, public works, culture and recreation, library, sanitation and general administrative services.

The Combined Financial Statements of the City of Vidor include all government activities, organizations, and functions for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's combined financial statements are based upon and consistent with those set forth in GASB Statement No. 61, "The Financial Reporting Entity".

The City Council appoints boards and commissions, which do not meet the established criteria for inclusion in the reporting entity, and are therefore excluded from this report. This would include the City's Planning and Zoning Commission.

LOCAL ECONOMY:

In the last few years, Vidor has experienced two major flood events. Tropical Storm Harvey in August 2017 and Tropical Storm Imelda in September 2019. They both produced unprecedented amounts of rainfall and caused severe flooding. The City of Vidor and surrounding areas experienced severe flooding of streets, residences, personal property, commercial structures, City buildings, City vehicles and City infrastructure. The City estimates that over 35% of its citizens were directly impacted by the storms. A Federal Disaster was declared for Tropical Storm Harvey and we are awaiting the decision of a Federal Disaster declaration for Tropical Storm Imelda, which provides for Public Assistance Grant funds from the Federal Emergency Management Agency (FEMA). These grant funds are passed through the Texas Division of Emergency Management (TDEM). The City has submitted projects and been paid for the majority of the projects related to Tropical Storm Harvey and will submit projects related to Tropical Storm Imelda if it is declared a disaster for Public Assistance. The City has also filed claims with our flood insurance carrier and our property insurance carrier for the City. The City expects to be reimbursed for most of the expenses related to Tropical Storm Harvey and thus far, insurance will pay for damages to buildings and other property due to Tropical Storm Imelda. If we do not receive a disaster declaration, the City will have spent tens of thousands of dollars on Tropical Storm Imelda that will not be reimbursed.

Looking to the future, the City is applying for grants to provide mitigation measures to reduce the amount of potential damages from future hurricanes, tropical storms, and flood events. The City has identified mitigation measures for public facilities and programs that benefit residents. The City is working closely with State and Federal agencies to determine eligibility of projects, and to convey the need for the mitigation measures for the City and for its residents.

Sales tax collections have primarily risen each year for the last 10 years, with the exception of 16/17 which declined by 3%. Overall, sales tax had been strong in the West side of Orange County. We have added several businesses despite the repetitive flooding.

Unemployment in the City is at or near the all-time low.

LONG-TERM FINANCIAL PLANNING

The City's overall financial position is very sound. The reserves in all funds are adequate and will continue to be monitored. Monitoring is accomplished through continual refinement of long-range fund projections.

The City instituted a residential tax abatement program in 2016 which has resulted in the addition of several new homes above the average number of new homes normally built each year. It appears to have been successful, not just in bringing new homes, but in attracting new business as well as improving morale and pride in the community and the look of some of our businesses and neighborhoods. The City intends to continue this program for the foreseeable future.

FINANCIAL PROCEDURES AND BUDGETARY CONTROLS

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 recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis. 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 division. Budgets are reviewed by the City Manager who submits a recommended budget to the City Council. The City Council approves all budget amendments. The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

MAJOR INITIATIVES

Projects undertaken in this fiscal year include:

- ◆ Purchase and replacement equipment needed for efficient operation of all departments
- ◆ Repair and paving of selected streets
- ◆ City-wide drainage improvements
- ◆ New street lights

Projects planned for the future include:

- ◆ TXDOT to complete the resurfacing of Hwy 105 (Main Street)
- ◆ Purchase and replace equipment needed for efficient operation of various departments
- ◆ Repair and paving of selected streets
- ◆ Additional street lights.
- ◆ Additional drainage improvements
- ◆ Grant projects, to include drainage mitigation projects

Respectfully submitted,

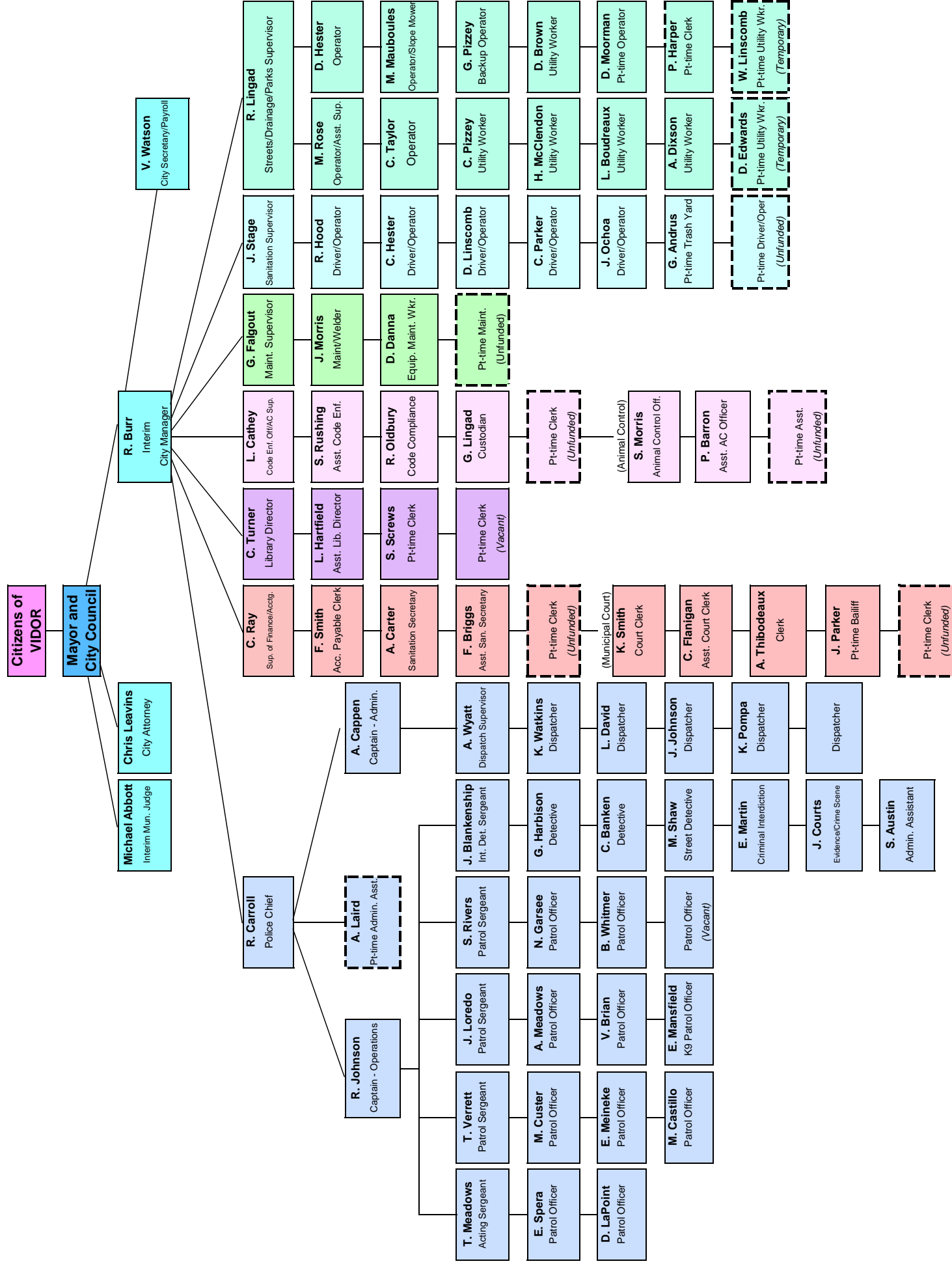
A handwritten signature in blue ink that reads "Rollie Burr". The signature is fluid and cursive, with the first name "Rollie" and last name "Burr" clearly distinguishable.

Rollie Burr
Interim City Manager

A handwritten signature in blue ink that reads "Cheryl Ray". The signature is cursive, with "Cheryl" and "Ray" written in a connected but legible style.

Cheryl Ray
Director of Accounting and Finance

CITY OF VIDOR ORGANIZATIONAL CHART



City of Vidor, Texas
ELECTED AND APPOINTED OFFICIALS
September 30, 2019

City Council

Kimberly Stiebig	Mayor
Kelly Carder	Council Member Ward 1
Angela Jordan	Council Member Ward 2
Misty Songe	Council Member Ward 3
Keith Buesing	Council Member Ward 4
Gary Herrera	Council Member Ward 5
Jane Hill	Council Member Ward 6

Appointed Officials

Rollie Burr	Interim City Manager
Cheryl Ray	Finance Director
Vicki Watson	City Secretary
Rod Carroll	Chief of Police
Jim Stage	Sanitation Supervisor
Romeo Lingad	Streets-Drainage-Parks Supervisor

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Vidor, Texas:

Report on the Financial Statements

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 Vidor, Texas (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019 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.

Emphasis of Matter

As discussed in Note V.F., the City has restated beginning net position within governmental activities due to an accounting error concerning capital asset depreciation in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Vidor, Texas's basic financial statements. The combining nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
February 20, 2020

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2019

As management of the City of Vidor, 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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The City's total combined net position was \$14,473,979 at September 30, 2019. Of this, \$3,552,289 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$5,959,318, an increase of \$295,641.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,354,938 or 54% of total general fund expenditures.
- The City had an overall increase in net position of \$1,732,839.
- The City closed the year with a net pension liability of \$2,854,270.

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 and liabilities. The difference between the two 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.

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported 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, and culture and recreation. The business-type activities of the City include sanitation operations.

The government-wide financial statements can be found on pages 18-21 of this report.

FUND FINANCIAL STATEMENTS

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

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, special revenue and sanitation funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *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 sanitation operations. All activities associated with providing such services are accounted for in these funds, 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 sanitation fund, which is considered to be major fund of the City.

The basic proprietary fund financial statements can be found on pages 26-30 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The *Agency fund* reports resources held by the City in a custodial capacity for individuals, private organizations and other governments.

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.

The notes to the financial statements can be found on pages 33-65 of this report.

City of Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2019

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund and the disaster recovery grant fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

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 Vidor, assets exceed liabilities by \$14,473,979 as of September 30, 2019, in the primary government.

The largest portion of the City's net position, \$9,885,276, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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 Vidor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

The following table reflects the condensed Statement of Net Position:

	2019			2018		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and other assets	\$ 7,064,723	\$ 562,585	\$ 7,627,308	\$ 8,049,111	\$ 357,368	\$ 8,406,479
Capital assets, net	15,157,726	565,314	15,723,040	14,069,656	416,872	14,486,528
Total Assets	22,222,449	1,127,899	23,350,348	22,118,767	774,240	22,893,007
Deferred Outflows of Resources	1,546,746	129,581	1,676,327	787,964	42,546	830,510
Other liabilities	843,260	445,563	1,288,823	2,173,786	180,002	2,353,788
Long-term liabilities	8,292,090	521,771	8,813,861	7,481,367	308,141	7,789,508
Total Liabilities	9,135,350	967,334	10,102,684	9,655,153	488,143	10,143,296
Deferred Inflows of Resources	405,011	45,001	450,012	755,173	83,908	839,081
Net Position:						
Net investment in capital assets	9,655,580	229,696	9,885,276	8,251,930	205,323	8,457,253
Restricted	1,036,414	-	1,036,414	1,203,728	-	1,203,728
Unrestricted	3,536,840	15,449	3,552,289	3,040,747	39,412	3,080,159
Total Net Position	\$ 14,228,834	\$ 245,145	\$ 14,473,979	\$ 12,496,405	\$ 244,735	\$ 12,741,140

Current and other assets for governmental activities decreased by \$984,388 when compared to the prior year. This decrease is primarily attributed to the City's increased investment in capital assets during the year. Current and other assets for business-type activities increased by \$205,217 when compared to the prior year. This increase is primarily attributed to increased cash on hand, which is a direct result of the timing of payments to vendors subsequent to yearend. Deferred outflows of resources for the City increased by \$845,817 when compared to the prior year. This increase is directly related to the current year changes in actuarial valuation of the City net pension liability and related deferred outflows. Other liabilities decreased by \$1,064,965 primarily due to the payoff of prior year governmental activities vendor payables. Total long-term liabilities increased by \$1,024,353 primarily due to increase in the City's net pension liability. Deferred inflows of resources for the City decreased by \$389,069 when compared to the prior year. This decrease is attributable to pension actuarial losses, which was classified as a deferred inflow in the prior year and is a deferred outflow in the current year.

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2019

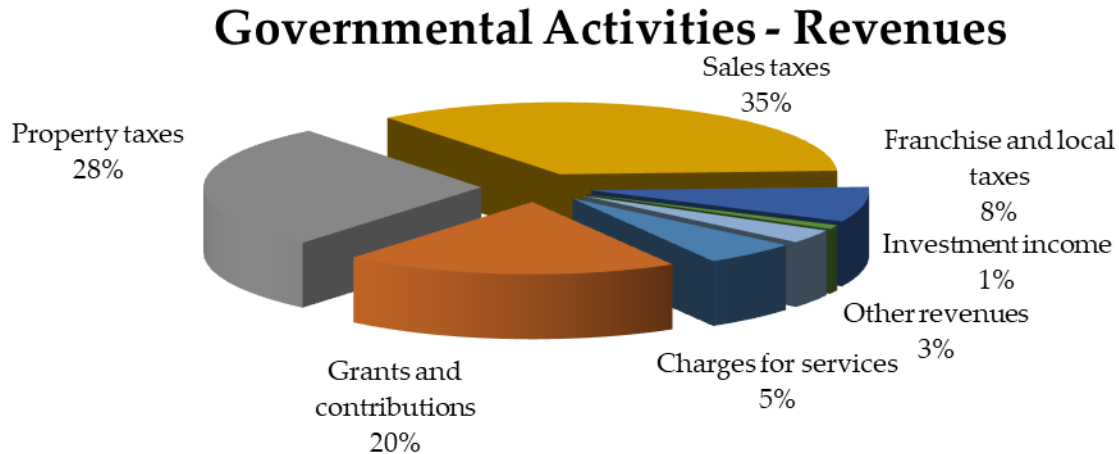
Statement of Activities:

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

	For the Year Ended September 30, 2019			For the Year Ended September 30, 2018		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Primary Government	Activities	Activities	Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 503,774	\$ 1,017,310	\$ 1,521,084	\$ 594,670	\$ 1,010,265	\$ 1,604,935
Grants and contributions	1,793,494	-	1,793,494	2,169,680	-	2,169,680
General revenues:						
Property taxes	2,597,920	-	2,597,920	2,705,537	-	2,705,537
Sales taxes	3,209,239	-	3,209,239	3,036,753	-	3,036,753
Franchise and local taxes	723,756	-	723,756	772,417	-	772,417
Investment income	84,754	4,019	88,773	51,371	3,290	54,661
Other revenues	285,158	-	285,158	305,388	-	305,388
Total Revenues	9,198,095	1,021,329	10,219,424	9,635,816	1,013,555	10,649,371
Expenses						
General government	1,561,948	-	1,561,948	1,321,655	-	1,321,655
Public safety	3,363,813	-	3,363,813	3,409,393	-	3,409,393
Public works	1,998,210	-	1,998,210	1,754,009	-	1,754,009
Culture and recreation	373,941	-	373,941	414,610	-	414,610
Interest and fiscal charges	167,754	4,734	172,488	245,629	6,845	252,474
Sanitation	-	1,016,185	1,016,185	-	998,459	998,459
Total Expenses	7,465,666	1,020,919	8,486,585	7,145,296	1,005,304	8,150,600
Change in Net Position	1,732,429	410	1,732,839	2,490,520	8,251	2,498,771
Transfers	-	-	-	(13,934)	13,934	-
Total	-	-	-	(13,934)	13,934	-
Change in Net Position	1,732,429	410	1,732,839	2,476,586	22,185	2,498,771
Beginning Net Position	12,496,405	244,735	12,741,140	10,019,819	222,550	10,242,369
Ending Net Position	\$ 14,228,834	\$ 245,145	\$ 14,473,979	\$ 12,496,405	\$ 244,735	\$ 12,741,140

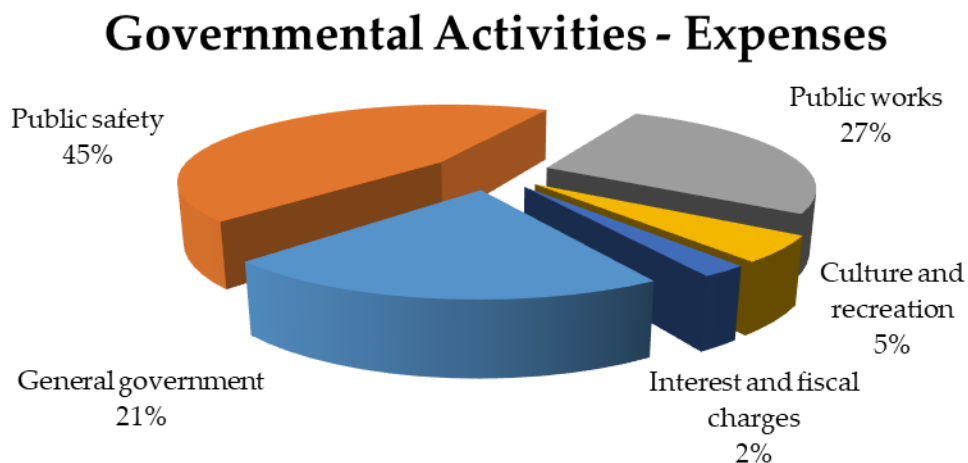
City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2019

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, 2019, revenues from governmental activities totaled \$9,198,095. Property tax, sales tax and grant/contributions are the City's largest revenue sources. Charges for services decreased by \$90,896 or 15% primarily as a result of more significant court fine collections in the prior year. Sales tax revenues increased by \$172,486 or 6% due to increased economic growth in the City. Franchise and local tax revenues decreased by \$48,661 or 6% due to a reduction in hotel occupancy revenue received in the current year. Investment income increased by \$33,383 or 65% as a result of the increase in interest bearing cash accounts. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2019, expenses for governmental activities totaled \$7,465,666. This represents an increase of \$320,370 or 4% from the prior year. The City's largest functional expense is public safety of \$3,363,813, which decreased slightly by \$45,580 or 1%. General government expenses increased by \$240,293 or 18% primarily due to nonrecurring professional services expenditures and the

City of Vidor, Texas

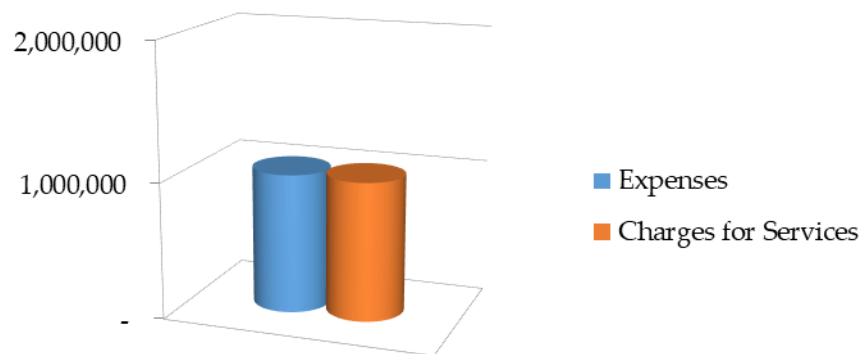
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

increase in the net pension liability over the course of the year. Public works expenses increased by \$244,201 or 14% primarily as a result of increasing personnel, consulting, and building maintenance expenditures. Culture and recreation expenditures decreased by \$40,669 or 10% due to declining personnel and employee benefit expenses. Interest and fiscal charges decreased by \$77,875 or 32% as outstanding long-term debt is approaching maturity. All other expenditures remained relatively consistent with the previous year.

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, 2019, charges for services by business-type activities totaled \$1,017,310. This is an increase of \$7,045 over the prior year, which is considered minimal. There were no significant changes to the number of customers, or the rates charged from the prior year.

Total expenses remained relatively consistent and posted a slight increase of \$15,615 during the 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, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$4,913,925. Of this, \$7,898 is considered nonspendable due to prepaid assets. The City has committed 25% of annual general fund expenditures which totaled \$1,551,089 as of year end. Unassigned fund balance totaled \$3,354,938 as of

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2019

year end. The general fund increased \$462,816 from the prior year. The increase is primarily related to greater than anticipated revenues and fewer than anticipated expenditures in the current year.

The disaster recovery grant fund reflected a fund balance of \$205,345. This is a decrease of \$217,207 compared to the prior year, as current year capital outlay expenditures exceeded revenues.

There was an overall increase in governmental fund balance of \$295,641 from the prior year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive revenue variance of \$432,491 and a positive expenditure variance of \$176,428 for the year. This positive revenue variance was the result of more property tax, sales tax, franchise tax, license and permits revenue, investment income, and other revenue received than anticipated. No supplemental budget amendments were made during the year. Actual capital outlay expenditures exceeded appropriations by \$53,430.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$15,157,726 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$565,314 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Purchase of new sanitation truck for \$205,598.
- Purchase of police department equipment totaling \$101,000.
- Investment in infrastructure improvements totaling \$1,832,957.

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

City of Vidor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2019

LONG-TERM DEBT

At the end of the current year, the City had total bonds, premiums, notes, and leases outstanding of \$6,218,272. The sanitation department entered into new capital lease financing in September 2019 for purchase of a sanitation truck totaling \$203,098. During the year, the City made payments on the long-term debt of \$408,029. More detailed information about the City's long-term liabilities is presented in note IV. E and F to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Vidor and improving services provided to their public citizens. The City is budgeting for growth in the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Vidor' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 1395 North Main Street, Vidor, Texas 77662.

FINANCIAL STATEMENTS

City of Vidor, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2019

		Primary Government	
		Governmental	Business-Type
		Activities	Activities
			Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$	5,172,037	\$ 539,000 \$ 5,711,037
Investments		502,930	- 502,930
Receivables, net		1,381,858	18,754 1,400,612
Prepays		7,898	4,831 12,729
Total Current Assets		7,064,723	562,585 7,627,308
Capital assets:			
Non-depreciable		1,567,145	- 1,567,145
Net depreciable capital assets		13,590,581	565,314 14,155,895
		15,157,726	565,314 15,723,040
Total Assets		22,222,449	1,127,899 23,350,348
<u>Deferred Outflows of Resources</u>			
Pension contributions		331,742	36,860 368,602
OPEB contributions		1,398	155 1,553
Pension assumption changes		13,267	1,474 14,741
Pension investment earnings		819,830	91,092 910,922
Deferred charges on refunding		380,509	- 380,509
Total Deferred Outflows of Resources		1,546,746	129,581 1,676,327

City of Vidor, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	411,168	246,405	657,573
Customer deposits	-	41,138	41,138
Accrued interest payable	22,710	-	22,710
Unearned revenue	-	38,672	38,672
Compensated absences, current	62,382	-	62,382
Long-term debt due within one year	347,000	119,348	466,348
	<u>843,260</u>	<u>445,563</u>	<u>1,288,823</u>
Noncurrent liabilities:			
Net pension liability	2,568,843	285,427	2,854,270
OPEB liability	180,662	20,074	200,736
Compensated absences, noncurrent	6,931	-	6,931
Long-term debt due in more than one year	5,535,654	216,270	5,751,924
	<u>8,292,090</u>	<u>521,771</u>	<u>8,813,861</u>
Total Liabilities	<u>9,135,350</u>	<u>967,334</u>	<u>10,102,684</u>
<u>Deferred Inflows of Resources</u>			
Pension actuarial (gains) losses	395,437	43,937	439,374
OPEB changes in assumptions	924	103	1,027
OPEB gains/losses	8,650	961	9,611
Total Deferred Inflows of Resources	<u>405,011</u>	<u>45,001</u>	<u>450,012</u>
<u>Net Position</u>			
Net investment in capital assets	9,655,580	229,696	9,885,276
Restricted for:			
Grants	246,268	-	246,268
Public safety	309,798	-	309,798
Tourism	300,089	-	300,089
Debt service	180,259	-	180,259
Unrestricted	3,536,840	15,449	3,552,289
Total Net Position	<u>\$ 14,228,834</u>	<u>\$ 245,145</u>	<u>\$ 14,473,979</u>

See Notes to Financial Statements.

City of Vidor, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 1,561,948	\$ 29,171	\$ 1,793,494
Public safety	3,363,813	410,888	-
Public works	1,998,210	63,715	-
Culture and recreation	373,941	-	-
Interest and fiscal charges	167,754	-	-
Total Governmental Activities	<u>7,465,666</u>	<u>503,774</u>	<u>1,793,494</u>
Business-Type Activities			
Sanitation	1,020,919	1,017,310	-
Total Business-Type Activities	<u>1,020,919</u>	<u>1,017,310</u>	<u>-</u>
Total Primary Government	<u>\$ 8,486,585</u>	<u>\$ 1,521,084</u>	<u>\$ 1,793,494</u>

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Franchise and local taxes
 Investment income
 Other revenues

Total General Revenues

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 260,717	\$ -	\$ 260,717
(2,952,925)	-	(2,952,925)
(1,934,495)	-	(1,934,495)
(373,941)	-	(373,941)
(167,754)	-	(167,754)
<u>(5,168,398)</u>	<u>-</u>	<u>(5,168,398)</u>
-	(3,609)	(3,609)
-	(3,609)	(3,609)
<u>(5,168,398)</u>	<u>(3,609)</u>	<u>(5,172,007)</u>
2,597,920	-	2,597,920
3,209,239	-	3,209,239
723,756	-	723,756
84,754	4,019	88,773
285,158	-	285,158
<u>6,900,827</u>	<u>4,019</u>	<u>6,904,846</u>
1,732,429	410	1,732,839
12,496,405	244,735	12,741,140
<u>\$ 14,228,834</u>	<u>\$ 245,145</u>	<u>\$ 14,473,979</u>

City of Vidor, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2019

	General	Disaster Recovery Grant	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,107,296	\$ 221,138	\$ 843,603	\$ 5,172,037
Investments	502,930	-	-	502,930
Receivables, net	1,358,885	-	22,973	1,381,858
Prepays	7,898	-	-	7,898
Total Assets	\$ 5,977,009	\$ 221,138	\$ 866,576	\$ 7,064,723
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 368,847	\$ 15,793	\$ 26,528	\$ 411,168
Total Liabilities	368,847	15,793	26,528	411,168
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	694,237	-	-	694,237
Total Deferred Inflows of	694,237	-	-	694,237
<u>Fund Balances</u>				
Nonspendable:				
Prepays	7,898	-	-	7,898
Restricted for:				
Grants	-	205,345	40,923	246,268
Public safety	-	-	309,798	309,798
Tourism	-	-	300,089	300,089
Debt service	-	-	180,259	180,259
Committed for:				
General commitments	1,551,089	-	-	1,551,089
Library	-	-	8,979	8,979
Unassigned reported in:				
General fund	3,354,938	-	-	3,354,938
Total Fund Balances	4,913,925	205,345	840,048	5,959,318
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,977,009	\$ 221,138	\$ 866,576	\$ 7,064,723

See Notes to Financial Statements.

City of Vidor, Texas

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

September 30, 2019

Fund Balances - Total Governmental Funds	\$ 5,959,318
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Adjustments for the Statement of Net Position:

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

Capital assets - non-depreciable	1,567,145
Capital assets - net depreciable	13,590,581

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

Property tax receivable	694,237
-------------------------	---------

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.

Pension contributions	331,742
Difference in assumption changes	13,267
OPEB contributions	1,398
Pension investment earnings	819,830

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension actuarial (gains) losses	(395,437)
OPEB gains/losses	(8,650)
OPEB changes in assumptions	(924)

Some liabilities, including bonds payable and capital leases, are not reported as liabilities in the governmental funds.

Accrued interest	(22,710)
Compensated absences	(69,313)
Net pension liability	(2,568,843)
OPEB liability	(180,662)
Deferred charges on refunding	380,509
Bonds, premiums, notes, and capital leases	(5,882,654)

Net Position of Governmental Activities	\$ 14,228,834
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See Notes to Financial Statements.

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	General	Disaster Recovery Grant	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Property tax	\$ 2,061,590	\$ -	\$ 503,212	\$ 2,564,802
Sales tax	3,209,239	-	-	3,209,239
Franchise and local taxes	602,549	-	121,207	723,756
Intergovernmental	53,922	1,536,453	203,119	1,793,494
Charges for services	29,171	-	-	29,171
License and permits	63,715	-	-	63,715
Fines and forfeitures	334,612	-	76,276	410,888
Investment income	72,685	-	12,069	84,754
Contributions and donations	4,342	-	190	4,532
Other revenue	235,345	44,996	1,715	282,056
Total Revenues	6,667,170	1,581,449	917,788	9,166,407
<u>Expenditures</u>				
Current:				
General government	1,002,024	135,492	135,228	1,272,744
Public safety	3,165,599	-	41,805	3,207,404
Streets	953,279	-	-	953,279
Maintenance	216,380	-	-	216,380
Public works	321,706	-	-	321,706
Culture and recreation	340,262	-	-	340,262
Debt Service:				
Principal	-	-	329,000	329,000
Interest and fiscal charges	-	-	189,301	189,301
Capital outlay	205,104	1,663,164	172,422	2,040,690
Total Expenditures	6,204,354	1,798,656	867,756	8,870,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	462,816	(217,207)	50,032	295,641
Net Change in Fund Balances	462,816	(217,207)	50,032	295,641
Beginning fund balances	4,451,109	422,552	790,016	5,663,677
Ending Fund Balances	\$ 4,913,925	\$ 205,345	\$ 840,048	\$ 5,959,318

See Notes to Financial Statements.

City of Vidor, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

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

Net changes in fund balances - total governmental funds	\$ 295,641
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	1,954,217
Depreciation expense	(864,717)
Net effect of capital disposals and transfers	(1,430)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	33,118
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	470
Accrued interest	34,957
Pension expense	(26,527)
OPEB expense	(8,890)
The issuance of long-term debt (e.g., bonds, leases, certificates 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 bond premium	11,139
Amortization of deferred charges on refunding	(24,549)
Principal payments	329,000
Change in Net Position of Governmental Activities	\$ 1,732,429

See Notes to Financial Statements.

City of Vidor, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2019

	<u>Sanitation</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 539,000
Receivables, net	18,754
Prepays	4,831
Total Current Assets	<u>562,585</u>
<u>Noncurrent Assets</u>	
Capital assets:	
Net depreciable capital assets	565,314
Total Noncurrent Assets	<u>565,314</u>
Total Assets	<u>1,127,899</u>
<u>Deferred Outflows of Resources</u>	
Pension contributions	36,860
OPEB contributions	155
Pension investment earnings	91,092
Pension assumption changes	1,474
Total Deferred Outflows of Resources	<u>129,581</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	246,405
Customer deposits	41,138
Unearned revenue	38,672
Long-term debt due within one year	119,348
Total Current Liabilities	<u>445,563</u>
<u>Noncurrent Liabilities</u>	
Net pension liability	285,427
OPEB liability	20,074
Long-term debt due in more than one year	216,270
Total Noncurrent Liabilities	<u>521,771</u>
Total Liabilities	<u>967,334</u>
<u>Deferred Inflows of Resources</u>	
Pension actuarial (gains) losses	43,937
OPEB changes in assumptions	103
OPEB gains/losses	961
Total Deferred Inflows of Resources	<u>45,001</u>
<u>Net Position</u>	
Net investment in capital assets	229,696
Unrestricted	15,449
Total Net Position	<u>\$ 245,145</u>

See Notes to Financial Statements.

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	<u>Sanitation</u>
<u>Operating Revenues</u>	
Charges for services	\$ 1,013,404
Other revenue	3,906
Total Operating Revenues	<u>1,017,310</u>
<u>Operating Expenses</u>	
Personnel services	556,861
Operating expenses	234,012
Materials and supplies	62,326
Repairs and maintenance	73,586
Depreciation	89,400
Total Operating Expenses	<u>1,016,185</u>
Operating Income (Loss)	<u>1,125</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	4,019
Interest expense	(4,734)
Total Nonoperating Revenues (Expenses)	<u>(715)</u>
Change in Net Position	410
Beginning net position	244,735
Ending Net Position	<u><u>\$ 245,145</u></u>

See Notes to Financial Statements.

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City of Vidor, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 1 of 2)
For the Year Ended September 30, 2019

	<u>Sanitation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 1,026,004
Payments to suppliers	(146,405)
Payments to employees	(553,026)
Net Cash Provided by Operating Activities	<u>326,573</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(34,744)
Principal paid on debt	(79,029)
Interest paid on debt	(4,734)
Net Cash (Used) by Capital and Related Financing Activities	<u>(118,507)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	4,019
Net Cash Provided by Investing Activities	<u>4,019</u>
Increase (Decrease) in Cash and Cash Equivalents	212,085
Beginning cash and cash equivalents	326,915
Ending Cash and Cash Equivalents	<u><u>\$ 539,000</u></u>

See Notes to Financial Statements.

City of Vidor, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 2 of 2)
For the Year Ended September 30, 2019

	<u>Sanitation</u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ 1,125
Adjustments to reconcile operating income (loss) to net cash provided:	
Depreciation	89,400
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	1,215
Prepaid expenses	5,653
Deferred Outflows of Resources:	
Pension contributions	228
OPEB contributions	(4)
Pension assumption changes	2,417
Pension investment experience	(135,023)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	217,866
Customer deposits	450
Unearned revenue	6,926
Net pension liability	131,367
OPEB liability	(1,487)
Deferred Inflows of Resources:	
Pension actuarial (gains) losses	3,960
OPEB actuarial (gains) losses	2,377
OPEB changes in assumptions	103
Net Cash Provided by Operating Activities	\$ 326,573
<u>Noncash Investing and Financing Activities</u>	
Issuance of capital lease	\$ 203,098

See Notes to Financial Statements.

City of Vidor, Texas
STATEMENT OF NET POSITION
FIDUCIARY FUND
September 30, 2019

	Police Trust Fund
<u>Assets</u>	
Cash and cash equivalents	\$ 8,948
Total Assets	8,948
<u>Liabilities</u>	
Other accrued liabilities	8,948
Total Liabilities	\$ 8,948

See Notes to Financial Statements.

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City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City of Vidor, Texas, was incorporated in December 1960 and became a home rule city in 1967. The City operates under a "Council-Manager" form of government. Pursuant to its provisions and subject only to its limitations imposed by the State Constitution and by the City's charter, all powers of the City shall be vested in an elective Council composed of six Council Members and a Mayor, collectively known as the City Council. The City Council enacts local legislation, adopts budgets, determines policies, and appoints the City Manager, who in turn is responsible to the City Council for the execution of laws and the administration of the government of the City. Departments and agencies of the City submit budget requirements to the City Manager before Council approval. The Mayor is the presiding officer of the City Council. The City provides the following services as authorized by its charter: public safety, public works, culture and recreation, library, sanitation and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes as its activities are not considered a part of any other governmental or other type of reporting entity.

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. 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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

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.

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 sanitation 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.

The fund financial statements provide information about the government's funds, including its 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 major governmental funds:

General Fund

The general fund is the main operating fund of the City and 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, and culture and recreation.

Disaster Recovery Grant Fund

The disaster recovery grant fund is used to account for the receipt and expenditure of federal CDBG funds for areas impacted by Hurricane Ike and Tropical Storm Imelda. Grant revenues

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are expended in accordance with their approved purpose and subject to approval and reimbursement by the granting agency.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The government reports the following major enterprise fund:

Sanitation Fund

This fund is used to account for the provision of garbage and brush removal services to the residents of the City. Activities of the fund include administration, operations and maintenance and contract garbage services. All costs are financed through charges to sanitation customers.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund.

Agency Fund

The agency fund accounts for assets held in trust by the police department in which the City holds in a custodial capacity.

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

City of Vidor, Texas
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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 applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of accounting refers to when transactions are recorded in the financial records and reported on the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

All governmental funds and component units are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of

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the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. 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.

F. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position/Fund Balance

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 TexSTAR, 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
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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2. Fair Value

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.

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 non-current 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 fund balance reserve 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. 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. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. 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.

5. 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

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reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. 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 \$2,500 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 are recorded at estimated fair market 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.

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	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Buildings and improvements	30 to 40 years
Roads & infrastructure	20 to 40 years

7. Deferred Outflows/Inflows of Resources

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

An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. 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 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.

9. 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.

10. 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 Vidor, Texas

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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 City 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 finance director 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 City's goal is to achieve and maintain an unassigned fund balance in the general fund equal to 50% of annual expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent years to restore the balance. The City's policy is to maintain a committed fund balance equal to 25% (based on three months) of general fund expenditures at the end of each fiscal year.

11. Compensated Absences

The City maintains formal programs for vacation, compensatory time and sick leave. Comp time is designed to allow employees to take time off in lieu of overtime for time worked in excess of their normal work week. Comp time is calculated as overtime at the rate of time and one half for all hours worked over the normal work week. Unused comp time is paid out to the employee if not used.

Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its eligible employees to accumulate earned but unused vacation pay benefits during the year. In the event that available vacation is not used by the end of the benefit year, employees will forfeit the unused time.

Eligible employees will accrue sick leave benefits at the rate of 13 days per year (1.08 days for every full month of service). Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins when the employee starts to earn sick leave benefits. Unused

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NOTES TO FINANCIAL STATEMENTS, Continued
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sick leave benefits will be allowed to accumulate until the employee has accrued a total of 480 hour's worth of sick leave benefits. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

Eligible civil service employees that have completed a minimum of ten years of employment as an employee with the City, that employee, employee's heirs or the employee's legal representative(s) shall be compensated in cash for any unused accumulation of sick leave up to a maximum of seven hundred twenty hours at the Employee's basic hourly rate of pay, at the time of the Employee's death, resignation, termination or retirement.

The estimated amounts of compensatory and sick pay benefits that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it upon maturity. Amounts of accrued compensatory and sick pay benefits that are not expected to be liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

12. 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, capital leases, 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 similar items are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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.

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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.

13. Pensions

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

14. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. 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) and 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 nonemployer 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.

G. 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

City of Vidor, Texas
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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. 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 sanitation fund are charges to customers for sales and services. All revenues and expenses not meeting this definition are reported as nonoperating 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. Reconciling items have been presented on the balance sheet of governmental funds in the basic financial statements.

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.” A reconciliation has been presented in the basic financial statements.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, special revenue, debt service, and sanitation funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the function level for the general and debt service funds. No funds

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can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year.

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:

Capital outlay \$ 53,430

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2019, the primary government had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 502,930	0.44
Investment pools	3,119,191	0.11
Total carrying value	<u>\$ 3,622,121</u>	
Portfolio weighted average maturity		0.16

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, 2019, the City's investment in TexPool and Texas Class was rated AAAM 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

City of Vidor, Texas

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agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City's investment policy requires funds on bank deposit at the depository bank to be collateralized by securities with a collective market value (market value of the principal and accrued interest) of at least 102%. As of September 30, 2019, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments 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.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS 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.

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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 noted above.

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, accounts receivable, accrued payables and long-term. The estimated fair value of cash and cash equivalents, investments in certificates of deposits, accounts receivable, and accrued payables approximate their carrying amounts due to the short-term nature of these instruments.

C. Receivables

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

	General	Nonmajor Governmental Funds	Sanitation	Total
Property taxes	\$ 694,237	\$ -	\$ -	\$ 694,237
Sales tax	583,812	-	-	583,812
Franchise and other taxes	80,836	-	-	80,836
Accounts	-	22,973	50,065	73,038
Allowance	-	-	(31,311)	(31,311)
	<u>\$ 1,358,885</u>	<u>\$ 22,973</u>	<u>\$ 18,754</u>	<u>\$ 1,400,612</u>

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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	\$ 1,567,145	\$ -	\$ -	\$ 1,567,145
Total capital assets not being depreciated	<u>1,567,145</u>	<u>-</u>	<u>-</u>	<u>1,567,145</u>
Capital assets, being depreciated:				
Buildings and improvements	7,488,828	-	-	7,488,828
Vehicles, machinery & equipment	3,346,636	121,260	(5,729)	3,462,167
Infrastructure	8,064,803	1,832,957	-	9,897,760
Total capital assets being depreciated	<u>18,900,267</u>	<u>1,954,217</u>	<u>(5,729)</u>	<u>20,848,755</u>
Less accumulated depreciation				
Buildings and improvements	(2,068,227)	(188,289)	-	(2,256,516)
Vehicles, machinery & equipment	(2,396,017)	(258,185)	4,299	(2,649,903)
Infrastructure	(1,933,512)	(418,243)	-	(2,351,755)
Total accumulated depreciation	<u>(6,397,756)</u>	<u>(864,717)</u>	<u>4,299</u>	<u>(7,258,174)</u>
Net capital assets being depreciated	<u>12,502,511</u>	<u>1,089,500</u>	<u>(1,430)</u>	<u>13,590,581</u>
Total Net Capital Assets	<u><u>\$ 14,069,656</u></u>	<u><u>\$ 1,089,500</u></u>	<u><u>\$ (1,430)</u></u>	<u><u>\$ 15,157,726</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 177,694
Public safety	150,572
Public works	503,045
Culture and recreation	33,406
Total Governmental Activities Depreciation Expense	<u><u>\$ 864,717</u></u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

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, being depreciated:				
Vehicles, machinery and equipment	\$ 995,525	\$ 237,842	\$ (10,727)	\$ 1,222,640
Total capital assets being depreciated	<u>995,525</u>	<u>237,842</u>	<u>(10,727)</u>	<u>1,222,640</u>
Less accumulated depreciation				
Vehicles, machinery and equipment	(578,653)	(89,400)	10,727	(657,326)
Total accumulated depreciation	<u>(578,653)</u>	<u>(89,400)</u>	<u>10,727</u>	<u>(657,326)</u>
Net capital assets being depreciated	<u>416,872</u>	<u>148,442</u>	<u>-</u>	<u>565,314</u>
Total Net Capital Assets	<u><u>\$ 416,872</u></u>	<u><u>\$ 148,442</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 565,314</u></u>

Depreciation was charged to business-type functions as follows:

Sanitation	<u>\$ 89,400</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 89,400</u></u>

E. Other Long-term Liabilities

A summary of changes in other long-term liabilities for the year end was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 69,783	\$ -	\$ (470)	\$ 69,313	\$ 62,382
Total Governmental Activities	<u><u>\$ 69,783</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (470)</u></u>	<u><u>\$ 69,313</u></u>	<u><u>\$ 62,382</u></u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

F. Long-term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Refunding/ Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds and other payables:					
General Obligation Refunding Bonds	\$ 6,039,000	\$ -	\$ (329,000)	\$ 5,710,000	\$ 347,000
Bond premiums	183,793	-	(11,139)	172,654	-
Total Governmental Activities	<u>\$ 6,222,793</u>	<u>\$ -</u>	<u>\$ (340,139)</u>	<u>\$ 5,882,654</u>	<u>\$ 347,000</u>
Long-term liabilities due in more than one year				<u>\$ 5,535,654</u>	
Business-Type Activities:					
Bonds, leases, and other payables:					
Capital Leases	\$ 211,549	\$ 203,098	\$ (79,029)	\$ 335,618	\$ 119,348
Total Business-Type Activities	<u>\$ 211,549</u>	<u>\$ 203,098</u>	<u>\$ (79,029)</u>	<u>\$ 335,618</u>	<u>\$ 119,348</u>
Long-term liabilities due in more than one year				<u>\$ 216,270</u>	

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.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
\$898,000 General Obligation Bond, Series 2013, due in installments through 2023, interest at 1.79%	\$ 365,000	\$ -	\$ 365,000
\$5,800,000 General Obligation Bond, Series 2016, due in installments through 2035, interest at 3.00%	5,345,000	-	5,345,000
Total General Obligation bonds	\$ 5,710,000	\$ -	\$ 5,710,000
Capital Leases Payable:			
\$203,098 Capital lease payable to BB&T, due in quarterly installments of \$10,968 through 2024, interest at 2.98%	\$ -	\$ 203,098	\$ 203,098
\$196,033 Capital lease payable to Kansas Bank, due in quarterly installments of \$41,826 through 2020, interest at 2.6%	-	41,156	41,156
\$196,033 Capital lease payable to Kansas Bank, due in quarterly installments of \$41,937 through 2021, interest at 2.6%	-	91,364	91,364
Total Capital Leases Payable	\$ -	\$ 335,618	\$ 335,618
Bond premium	172,654	-	172,654
Total Long-term Debt	\$ 5,882,654	\$ 335,618	\$ 6,218,272

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

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

<u>Year ending September 30,</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 347,000	\$ 177,734	\$ 524,734
2021	354,000	165,887	519,887
2022	371,000	153,694	524,694
2023	378,000	140,865	518,865
2024	300,000	127,800	427,800
2025	310,000	118,800	428,800
2026	320,000	109,500	429,500
2027	330,000	99,900	429,900
2028	335,000	90,000	425,000
2029	350,000	79,950	429,950
2030	360,000	69,450	429,450
2031	370,000	58,650	428,650
2032	380,000	47,550	427,550
2033	390,000	36,150	426,150
2034	400,000	24,450	424,450
2035	415,000	12,450	427,450
	<u>\$ 5,710,000</u>	<u>\$ 1,512,830</u>	<u>\$ 7,222,830</u>

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

<u>Year ending September 30,</u>	<u>Capital Leases</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 119,348	\$ 8,287	\$ 127,635
2021	80,395	5,414	85,809
2022	51,000	3,356	54,356
2023	41,807	2,065	43,872
2024	43,068	805	43,873
	<u>\$ 335,618</u>	<u>\$ 19,927</u>	<u>\$ 355,545</u>

The asset under capital lease had an original book value of \$592,164 and a current book value of \$337,562, net of depreciation.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

G. Deferred Charges on Refunding

Deferred charges resulting from the issuance of Series 2016 General Obligation Refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. End of the year balances totaled \$380,509 for governmental activities. Current year amortization for governmental activities totaled \$24,549.

H. Customer Deposits

The City had customer deposits of \$41,138 in the sanitation fund as of year end. The City requires a \$50 refundable deposit for all new sanitation customers. This amount will be returned once the account is paid on time for twelve consecutive months, the deposit on the account will be refunded by check during the thirteenth month. All other deposits are applied to the account balance or refunded when service is discontinued.

I. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	<u>Restricted</u>	<u>Committed</u>
Grants	\$ 246,268	\$ -
Public safety	* 309,798	-
Tourism	300,089	-
Debt service	180,259	-
General commitments	-	1,551,089
Library	-	8,979
Total	<u><u>\$ 1,036,414</u></u>	<u><u>\$ 1,560,068</u></u>

* Restricted by enabling legislation

J. Unearned Revenue

As of September 30, 2019 the City received \$38,672 in sanitation customer prepayments in advance of the service being provided. These payments are deferred as of yearend and recognized as revenue in the subsequent year.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

K. Operating Leases

During the year, the City entered into an operating lease agreement with Enterprise Rental for twenty-three vehicles.

The five year minimum lease payment requirements are as follows:

Year ending September 30,	Operating Lease
2020	\$ 136,412
2021	136,412
2022	74,599
2023	11,272
2024	3,531
	<u>\$ 362,226</u>

IV. 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 more than 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.

The City uses a number of approaches to decrease risks and protect against losses to the City, including internal practices, employee training, and a code of ethics, which all employees are required to acknowledge

The City owns and operates motor vehicles and may provide such vehicle to employees for business use during the course and scope of their employment. The City is insured as to its own property losses, and the liability of loss to others.

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

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported 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.

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City had not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and reviews the estimate for this potential liability annually. The City has engaged an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations.

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Vidor, Texas participates as one of 887 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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

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 2018</u>	<u>Plan Year 2017</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility (expressed as age / years of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	43
Active employees	<u>68</u>
Total	<u>161</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.

Employees for the City of Vidor, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Vidor, Texas were 14.75% and 14.24% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$489,542, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy.

Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	<u>5.0%</u>	7.75%
Total	100.0%	

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
<u>\$ 5,587,004</u>	<u>\$ 2,854,270</u>	<u>\$ 620,253</u>

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/17	\$ 19,089,129	\$ 17,548,526	\$ 1,540,603
Changes for the year:			
Service cost	545,163	-	545,163
Interest	1,277,904	-	1,277,904
Difference between expected and actual experience	(320,584)	-	(320,584)
Contributions – employer	-	491,814	(491,814)
Contributions – employee	-	233,403	(233,403)
Net investment income	-	(525,712)	525,712
Change of assumptions	-	-	-
Benefit payments, including refunds of emp. contributions	(859,593)	(859,593)	-
Administrative expense	-	(10,159)	10,159
Other changes	-	(530)	530
Net changes	642,890	(670,777)	1,313,667
Balance at 12/31/18	\$ 19,732,019	\$ 16,877,749	\$ 2,854,270

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 of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the city recognized pension expense of \$519,014.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	\$ 910,922	\$ -
Differences between expected and actual economic experience	-	(439,374)
Differences in assumptions changes	14,741	-
Contributions subsequent to the measurement date	368,602	-
Total	\$ 1,294,265	\$ (439,374)

The City reported \$368,602 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, 2020. 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:

2019	\$ 91,836
2020	7,742
2021	44,661
2022	342,050
2023	-
Thereafter	-
	\$ 486,289

E. Postemployment Benefits Other Than Pensions

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.

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.

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

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.

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	7
Active employees	68
Total	111

The City's contributions to the TMRS SDBF for the fiscal years ended 2019, 2018 and 2017 were \$2,045, \$1,991, and \$2,030, 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
2017	0.06%	0.06%	100.00%
2018	0.06%	0.06%	100.00%
2019	0.06%	0.06%	100.00%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

City of Vidor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	3.71%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

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 3.71%, 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 (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

1% Decrease (2.71%)	Current Single Rate Assumption 3.71%	1% Increase (4.71%)
\$ 240,871	\$ 200,736	\$ 169,916

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/17	\$ 215,613
Changes for the year:	
Service Cost	6,335
Interest	7,210
Difference between expected and actual experience	(11,652)
Changes of assumptions	(14,769)
Benefit payments	(2,001)
Net changes	(14,877)
Balance at 12/31/18	\$ 200,736

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$11,923.

At September 30, 2019, 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
Differences between expected and actual economic experience	\$ -	(9,611)
Change in assumptions	-	(1,027)
Contributions subsequent to measurement date	1,553	-
Total	\$ 1,553	\$ (10,638)

The City reported \$1,553 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 OPEB liability for the year ending September 30, 2020.

City of Vidor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

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

Year ended December 31:		
2019	\$	(1,621)
2020		(1,621)
2021		(1,621)
2022		(2,494)
2023		(3,281)
Thereafter		-
	\$	<u><u>(10,638)</u></u>

F. Restatement

The City restated beginning net position within governmental activities due to an accounting error concerning capital asset depreciation in the prior year. The restatement of beginning net position is as follows:

	Governmental Activities
Prior year ending net position, as reported	\$ 12,528,237
Correction to capital asset depreciation	(31,832)
Restated beginning net position	<u><u>\$ 12,496,405</u></u>

G. Subsequent Events

There were no material subsequent events through February 20, 2020, the date the financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 2,008,996	\$ 2,061,590	\$ 52,594
Sales tax	2,800,000	3,209,239	409,239
Franchise and local taxes	566,000	602,549	36,549
Intergovernmental	60,583	53,922	(6,661)
Charges for services	29,600	29,171	(429)
License and permits	54,500	63,715	9,215
Fines and forfeitures	459,750	334,612	(125,138)
Investment income	36,000	72,685	36,685
Contributions and donations	5,000	4,342	(658)
Other revenue	214,250	235,345	21,095
Total Revenues	6,234,679	6,667,170	432,491
<u>Expenditures</u>			
Current:			
General government:			
City council	284,866	270,211	14,655
Municipal court	207,764	202,874	4,890
Municipal judge	36,000	34,895	1,105
City manager	177,764	159,083	18,681
Financial administration	248,896	227,434	21,462
City secretary	114,956	107,527	7,429
Total general government	1,070,246	1,002,024	68,222
Public safety:			
Police	3,060,799	3,049,008	11,791
Animal control	142,135	116,591	25,544
Total public safety	3,202,934	3,165,599	37,335
Streets	1,006,553	953,279	53,274
Maintenance	236,110	216,380	19,730
Public works	340,652	321,706	18,946
Culture and recreation:			
Parks and recreation	163,924	145,106	18,818
Library	208,689	195,156	13,533
Total culture and recreation	372,613	340,262	32,351
Capital outlay	151,674	205,104	(53,430) *
Total Expenditures	6,380,782	6,204,354	176,428
Net Change in Fund Balance	\$ (146,103)	462,816	\$ 608,919
Beginning fund balance		4,451,109	
Ending Fund Balance		\$ 4,913,925	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

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City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DISASTER RECOVERY GRANT FUND For the Year Ended September 30, 2019

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Intergovernmental	\$ 1,011,125	\$ 1,536,453	\$ 525,328
Contributions and donations	-	-	-
Other revenue	-	44,996	44,996
Total Revenues	<u>1,011,125</u>	<u>1,581,449</u>	<u>570,324</u>
<u>Expenditures</u>			
Current:			
General government:	100,000	135,492	(35,492) *
Capital outlay	911,125	1,663,164	(752,039) *
Total Expenditures	<u>1,011,125</u>	<u>1,798,656</u>	<u>(787,531)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(217,207)</u>	<u>\$ (217,207)</u>
Beginning fund balance		422,552	
Ending Fund Balance		<u>\$ 205,345</u>	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Vidor, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

December 31,

	2014	2015	2016
Total pension liability			
Service cost	\$ 445,552	\$ 490,536	\$ 528,175
Interest	1,141,866	1,183,403	1,201,011
Differences between expected and actual experience	(230,887)	(39,762)	(712,087)
Changes of assumptions	-	111,400	-
Benefit payments, including refunds of participant contributions	(706,322)	(864,973)	(889,814)
Net change in total pension liability	650,209	880,604	127,285
Total pension liability - beginning	16,442,763	17,092,972	17,973,576
Total pension liability - ending (a)	17,092,972	17,973,576	18,100,861
Plan fiduciary net position			
Contributions - employer	\$ 546,207	\$ 514,417	\$ 498,972
Contributions - members	208,539	219,930	224,619
Net investment income	796,391	21,777	989,137
Benefit payments, including refunds of participant contributions	(706,322)	(864,973)	(889,814)
Administrative expenses	(8,315)	(13,264)	(11,170)
Other	(684)	(655)	(603)
Net change in plan fiduciary net position	835,816	(122,768)	811,141
Plan fiduciary net position - beginning	13,921,934	14,757,750	14,634,982
Plan fiduciary net position - ending (b)	\$ 14,757,750	\$ 14,634,982	\$ 15,446,123
Fund's net pension liability (asset) - ending (a) - (b)	\$ 2,335,222	\$ 3,338,594	\$ 2,654,738
Plan fiduciary net position as a percentage of the total pension liability	86%	81%	85%
Covered payroll	\$ 2,979,021	\$ 3,069,690	\$ 3,208,839
Fund's net position as a percentage of covered payroll	78%	109%	83%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

See Notes to Financial Statements.

2017	2018 ¹
\$ 579,683	\$ 545,163
1,213,285	1,277,904
27,533	(320,584)
-	-
(832,233)	(859,593)
988,268	642,890
18,100,861	19,089,129
19,089,129	19,732,019
\$ 560,442	\$ 491,814
244,887	233,403
2,140,963	(525,712)
(832,233)	(859,593)
(11,094)	(10,159)
(562)	(530)
2,102,403	(670,777)
15,446,123	17,548,526
\$ 17,548,526	\$ 16,877,749
\$ 1,540,603	\$ 2,854,270

92%	86%
\$ 3,498,390	\$ 3,334,329
44%	86%

City of Vidor, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	<u>9/30/2015</u>	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2018</u>
Actuarially determined employer contributions	\$ 512,368	\$ 514,430	\$ 560,161	\$ 499,603
Contributions in relation to the actuarially determined contribution	<u>\$ 512,368</u>	<u>\$ 514,430</u>	<u>\$ 560,161</u>	<u>\$ 499,603</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual covered payroll	\$ 3,016,482	\$ 3,256,006	\$ 3,520,868	\$ 3,317,952
Employer contributions as a percentage of covered payroll	16.99%	15.80%	15.91%	15.06%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes 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	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.

See Notes to Financial Statements.

9/30/2019 ¹

\$ 489,542

\$ 489,542

\$ -

\$ 3,408,430

14.36%

City of Vidor, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

SUPPLEMENTAL DEATH BENEFITS PLAN

December 31,

	2018	2017	¹
Total OPEB liability			
Service cost	\$ 6,335	\$ 5,597	
Interest	7,210	7,164	
Changes in benefit terms	-	-	
Differences between expected and actual experience	(11,652)	-	
Changes of assumptions	(14,769)	17,169	
Benefit payments, including refunds of participant contributions	(2,001)	(2,099)	
Net change in total OPEB liability	(14,877)	27,831	
Total OPEB liability - beginning	215,613	187,782	
Total OPEB liability - ending (a)	\$ 200,736	\$ 215,613	²
 Covered payroll	 \$ 3,334,329	 \$ 3,498,390	
Total OPEB liability as a percentage of covered payroll	6.02%	6.16%	

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

See Notes to Financial Statements.

OTHER SUPPLEMENTARY INFORMATION

***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

City of Vidor, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)
September 30, 2019

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security
<u>Assets</u>				
Cash and cash equivalents	\$ 41,674	\$ 8,399	\$ 7,219	\$ 68,557
Receivables, net	-	-	-	-
Total Assets	\$ 41,674	\$ 8,399	\$ 7,219	\$ 68,557
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 751	\$ -	\$ -	\$ 293
Total Liabilities	751	-	-	293
<u>Fund Balances</u>				
Restricted for:				
Grants	40,923	-	-	-
Public safety	-	8,399	7,219	68,264
Tourism	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Library	-	-	-	-
Total Fund Balances	40,923	8,399	7,219	68,264
Total Liabilities and Fund Balances	\$ 41,674	\$ 8,399	\$ 7,219	\$ 68,557

Animal Shelter	Library	Municipal Court Technology	LEOSE
\$ 4,711	\$ 8,979	\$ 25,317	\$ 13,893
-	-	-	-
<u>\$ 4,711</u>	<u>\$ 8,979</u>	<u>\$ 25,317</u>	<u>\$ 13,893</u>
\$ -	\$ -	\$ -	\$ 626
-	-	-	626
-	-	-	-
4,711	-	25,317	13,267
-	-	-	-
-	-	-	-
-	8,979	-	-
<u>4,711</u>	<u>8,979</u>	<u>25,317</u>	<u>13,267</u>
<u>\$ 4,711</u>	<u>\$ 8,979</u>	<u>\$ 25,317</u>	<u>\$ 13,893</u>

City of Vidor, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
September 30, 2019

	Federal Forfeiture	Hotel Occupancy	Juvenile Case Manager	Judicial Efficiency
<u>Assets</u>				
Cash and cash equivalents	\$ 86,202	\$ 301,889	\$ 85,807	\$ 10,697
Receivables, net	-	-	-	-
Total Assets	\$ 86,202	\$ 301,889	\$ 85,807	\$ 10,697
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ 1,800	\$ 85	\$ -
Total Liabilities	-	1,800	85	-
<u>Fund Balances</u>				
Restricted for:				
Grants	-	-	-	-
Public safety	86,202	-	85,722	10,697
Tourism	-	300,089	-	-
Debt service	-	-	-	-
Committed for:				
Library	-	-	-	-
Total Fund Balances	86,202	300,089	85,722	10,697
Total Liabilities and Fund Balances				
Balances	\$ 86,202	\$ 301,889	\$ 85,807	\$ 10,697

TDA Grant	Total Special Revenue	Debt Service City Hall	Debt Service Landfill	Total Debt Service	Total Nonmajor Governmental
\$ -	\$ 663,344	\$ 138,797	\$ 41,462	\$ 180,259	\$ 843,603
22,973	22,973	-	-	-	22,973
<u>\$ 22,973</u>	<u>\$ 686,317</u>	<u>\$ 138,797</u>	<u>\$ 41,462</u>	<u>\$ 180,259</u>	<u>\$ 866,576</u>
\$ 22,973	\$ 26,528	\$ -	\$ -	\$ -	\$ 26,528
<u>22,973</u>	<u>26,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,528</u>
-	40,923	-	-	-	40,923
-	309,798	-	-	-	309,798
-	300,089	-	-	-	300,089
-	-	138,797	41,462	180,259	180,259
-	8,979	-	-	-	8,979
<u>-</u>	<u>659,789</u>	<u>138,797</u>	<u>41,462</u>	<u>180,259</u>	<u>840,048</u>
<u>\$ 22,973</u>	<u>\$ 686,317</u>	<u>\$ 138,797</u>	<u>\$ 41,462</u>	<u>\$ 180,259</u>	<u>\$ 866,576</u>

City of Vidor, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	Emergency Management Grant	Child Safety	Police Seizure	Municipal Court Building Security
<u>Revenues</u>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise and local tax	-	-	-	-
Intergovernmental	27,860	-	-	-
Fines and forfeitures	-	1,129	-	6,648
Investment income	304	82	47	481
Contributions and donations	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	28,164	1,211	47	7,129
<u>Expenditures</u>				
Municipal court	-	-	-	10,303
Police	27,043	7,380	-	-
Animal control	-	-	-	-
Tourism	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	27,043	7,380	-	10,303
Revenues Over (Under)				
Expenditures	1,121	(6,169)	47	(3,174)
Net Change in Fund Balances	1,121	(6,169)	47	(3,174)
Beginning fund balances	39,802	14,568	7,172	71,438
Ending Fund Balances	\$ 40,923	\$ 8,399	\$ 7,219	\$ 68,264

<u>Animal Shelter</u>	<u>Library</u>	<u>Municipal Court Technology</u>	<u>LEOSE</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	786	2,051
-	-	8,864	-
33	139	155	109
190	-	-	-
-	-	-	-
<u>223</u>	<u>139</u>	<u>9,805</u>	<u>2,160</u>
-	-	7,366	-
-	-	-	5,882
1,500	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,500</u>	<u>-</u>	<u>7,366</u>	<u>5,882</u>
<u>(1,277)</u>	<u>139</u>	<u>2,439</u>	<u>(3,722)</u>
(1,277)	139	2,439	(3,722)
5,988	8,840	22,878	16,989
<u>\$ 4,711</u>	<u>\$ 8,979</u>	<u>\$ 25,317</u>	<u>\$ 13,267</u>

City of Vidor, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2019

	Federal Forfeiture	Hotel Occupancy	Juvenile Case Manager	Judicial Efficiency
<u>Revenues</u>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise and local tax	-	121,207	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	48,778	-	10,857	-
Investment income	343	1,806	564	70
Contributions and donations	-	-	-	-
Other revenue	-	-	23	1,692
	<u>49,121</u>	<u>123,013</u>	<u>11,444</u>	<u>1,762</u>
<u>Expenditures</u>				
Municipal court	-	-	7,619	500
Police	-	-	-	-
Animal control	-	-	-	-
Tourism	-	109,440	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>109,440</u>	<u>7,619</u>	<u>500</u>
Revenues Over (Under)				
Expenditures	<u>49,121</u>	<u>13,573</u>	<u>3,825</u>	<u>1,262</u>
Net Change in Fund Balances	49,121	13,573	3,825	1,262
Beginning fund balances	37,081	286,516	81,897	9,435
Ending Fund Balances	<u>\$ 86,202</u>	<u>\$ 300,089</u>	<u>\$ 85,722</u>	<u>\$ 10,697</u>

TDA Grant	Total Special Revenue	Debt Service City Hall	Debt Service Landfill	Total Debt Service	Total Nonmajor Governmental
\$ -	\$ -	\$ 405,512	\$ 97,700	\$ 503,212	\$ 503,212
-	121,207	-	-	-	121,207
172,422	203,119	-	-	-	203,119
-	76,276	-	-	-	76,276
-	4,133	7,358	578	7,936	12,069
-	190	-	-	-	190
-	1,715	-	-	-	1,715
<u>172,422</u>	<u>406,640</u>	<u>412,870</u>	<u>98,278</u>	<u>511,148</u>	<u>917,788</u>
-	25,788	-	-	-	25,788
-	40,305	-	-	-	40,305
-	1,500	-	-	-	1,500
-	109,440	-	-	-	109,440
-	-	240,000	89,000	329,000	329,000
-	-	181,200	8,101	189,301	189,301
172,422	172,422	-	-	-	172,422
<u>172,422</u>	<u>349,455</u>	<u>421,200</u>	<u>97,101</u>	<u>518,301</u>	<u>867,756</u>
-	57,185	(8,330)	1,177	(7,153)	50,032
-	57,185	(8,330)	1,177	(7,153)	50,032
-	602,604	147,127	40,285	187,412	790,016
<u>\$ -</u>	<u>\$ 659,789</u>	<u>\$ 138,797</u>	<u>\$ 41,462</u>	<u>\$ 180,259</u>	<u>\$ 840,048</u>

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL EMERGENCY MANAGEMENT GRANT FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 30,000	\$ 27,860	\$ (2,140)
Interest income	400	304	(96)
Total Revenues	30,400	28,164	(2,236)
<u>Expenditures</u>			
Current:			
Public safety	34,140	27,043	7,097
Total Expenditures	34,140	27,043	7,097
Revenues Over (Under) Expenditures	(3,740)	1,121	4,861
Net Change in Fund Balance	\$ (3,740)	1,121	\$ 4,861
Beginning fund balance		39,802	
Ending Fund Balance		\$ 40,923	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 1,500	\$ 1,129	\$ (371)
Investment income	75	82	7
Total Revenues	<u>1,575</u>	<u>1,211</u>	<u>(364)</u>
<u>Expenditures</u>			
Current:			
Public safety	7,500	7,380	120
Total Expenditures	<u>7,500</u>	<u>7,380</u>	<u>120</u>
Revenues Over (Under) Expenditures	<u>(5,925)</u>	<u>(6,169)</u>	<u>(244)</u>
Net Change in Fund Balance	<u>\$ (5,925)</u>	<u>(6,169)</u>	<u>\$ (244)</u>
Beginning fund balance		14,568	
Ending Fund Balance		<u>\$ 8,399</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Interest income	\$ 50	\$ 47	\$ (3)
Total Revenues	50	47	(3)
<u>Expenditures</u>			
Current:			
Public safety	7,000	-	7,000
Total Expenditures	7,000	-	7,000
Revenues Over (Under) Expenditures	(6,950)	47	6,997
Net Change in Fund Balance	\$ (6,950)	47	\$ 6,997
Beginning fund balance		7,172	
Ending Fund Balance		\$ 7,219	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUNICIPAL COURT BUILDING FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 10,500	\$ 6,648	\$ (3,852)
Interest income	500	481	(19)
Total Revenues	11,000	7,129	(3,871)
<u>Expenditures</u>			
Current:			
Municipal court	23,731	10,303	13,428
Total Expenditures	23,731	10,303	13,428
Revenues Over (Under) Expenditures	(12,731)	(3,174)	9,557
Net Change in Fund Balance	\$ (12,731)	(3,174)	\$ 9,557
Beginning fund balance		71,438	
Ending Fund Balance		\$ 68,264	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Contributions and donations	\$ 500	\$ 190	\$ (310)
Interest income	35	33	(2)
Total Revenues	535	223	(312)
<u>Expenditures</u>			
Current:			
Animal control	1,500	1,500	-
Total Expenditures	1,500	1,500	-
Revenues Over (Under) Expenditures	(965)	(1,277)	(312)
Net Change in Fund Balance	\$ (965)	(1,277)	\$ (312)
Beginning fund balance		5,988	
Ending Fund Balance		\$ 4,711	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Grant income	\$ 2,265	\$ -	\$ (2,265)
Interest income	-	139	139
Total Revenues	2,265	139	(2,126)
<u>Expenditures</u>			
Current:			
Capital outlay	22,131	-	22,131
Total Expenditures	22,131	-	22,131
Revenues Over (Under) Expenditures	(22,131)	139	22,131
Net Change in Fund Balance	\$ (19,866)	139	\$ 20,005
Beginning fund balance		8,840	
Ending Fund Balance		\$ 8,979	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUNICIPAL COURT TECHNOLOGY FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 786	\$ 786
Fines and forfeitures	14,000	8,864	(5,136)
Interest income	100	155	55
Total Revenues	14,100	9,805	(4,295)
<u>Expenditures</u>			
Current:			
Municipal court	9,000	7,366	1,634
Total Expenditures	9,000	7,366	1,634
Revenues Over (Under) Expenditures	5,100	2,439	(2,661)
Net Change in Fund Balance	\$ 5,100	2,439	\$ (2,661)
Beginning fund balance		22,878	
Ending Fund Balance		\$ 25,317	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 2,000	\$ 2,051	\$ 51
Investment income	90	109	19
Total Revenues	<u>2,090</u>	<u>2,160</u>	<u>70</u>
<u>Expenditures</u>			
Current:			
Public safety	17,000	5,882	11,118
Total Expenditures	<u>17,000</u>	<u>5,882</u>	<u>11,118</u>
Revenues Over (Under) Expenditures	<u>(14,910)</u>	<u>(3,722)</u>	<u>11,188</u>
Net Change in Fund Balance	<u>\$ (14,910)</u>	<u>(3,722)</u>	<u>\$ 11,188</u>
Beginning fund balance		16,989	
Ending Fund Balance		<u>\$ 13,267</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FEDERAL FORFEITURE FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 48,778	\$ 48,778
Investment income	350	343	(7)
Total Revenues	<u>350</u>	<u>49,121</u>	<u>48,771</u>
<u>Expenditures</u>			
Current:			
Public safety	37,000	-	37,000
Total Expenditures	<u>37,000</u>	<u>-</u>	<u>37,000</u>
Revenues Over (Under) Expenditures	<u>(36,650)</u>	<u>49,121</u>	<u>85,771</u>
Net Change in Fund Balance	<u>\$ (36,650)</u>	<u>49,121</u>	<u>\$ 85,771</u>
Beginning fund balance		37,081	
Ending Fund Balance		<u>\$ 86,202</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL OCCUPANCY FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Franchise and local taxes	\$ 150,000	\$ 121,207	\$ (28,793)
Investment income	1,250	1,806	556
Total Revenues	151,250	123,013	(28,237)
<u>Expenditures</u>			
Current:			
Tourism	170,638	109,440	61,198
Total Expenditures	170,638	109,440	61,198
Revenues Over (Under) Expenditures	(19,388)	13,573	32,961
Net Change in Fund Balance	\$ (19,388)	13,573	\$ 32,961
Beginning fund balance		286,516	
Ending Fund Balance		\$ 300,089	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL JUVENILE CASE MANAGER FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 16,500	\$ 10,857	\$ (5,643)
Other revenue	40	23	(17)
Interest income	400	564	164
Total Revenues	16,940	11,444	(5,496)
<u>Expenditures</u>			
Current:			
Municipal court	8,282	7,619	663
Total Expenditures	8,282	7,619	663
Revenues Over (Under) Expenditures	8,658	3,825	(4,833)
Net Change in Fund Balance	\$ 8,658	3,825	\$ (4,833)
Beginning fund balance		81,897	
Ending Fund Balance		\$ 85,722	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL JUDICIAL EFFICIENCY FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ 1,750	\$ 1,692	\$ (58)
Interest income	50	70	20
Total Revenues	1,800	1,762	(38)
<u>Expenditures</u>			
Current:			
Municipal court	3,850	500	3,350
Total Expenditures	3,850	500	3,350
Revenues Over (Under) Expenditures	(2,050)	1,262	3,312
Net Change in Fund Balance	\$ (2,050)	1,262	\$ 3,312
Beginning fund balance		9,435	
Ending Fund Balance		\$ 10,697	

Notes to Other Supplementary Information

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

City of Vidor, Texas

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

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 465,053	\$ 172,422	\$ (292,631)
Total Revenues	465,053	172,422	(292,631)
<u>Expenditures</u>			
Current:			
General government	314,509	-	314,509
Capital outlay	150,544	172,422	(21,878)
Total Expenditures	465,053	172,422	292,631
Revenues Over (Under) Expenditures	-	-	-
Net Change in Fund Balance	\$ -	-	\$ -
Beginning fund balance		-	
Ending Fund Balance		\$ -	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE LANDFILL FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 93,750	\$ 97,700	\$ 3,950
Interest income	500	578	78
Total Revenues	<u>94,250</u>	<u>98,278</u>	<u>4,028</u>
<u>Expenditures</u>			
Debt service:			
Principal	89,000	89,000	-
Interest	8,127	8,101	26
Total Expenditures	<u>97,127</u>	<u>97,101</u>	<u>26</u>
Revenues Over (Under) Expenditures	<u>(2,877)</u>	<u>1,177</u>	<u>4,054</u>
Net Change in Fund Balance	<u>\$ (2,877)</u>	<u>1,177</u>	<u>\$ 4,054</u>
Beginning fund balance		40,285	
Ending Fund Balance		<u>\$ 41,462</u>	

Notes to Other Supplementary Information

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

City of Vidor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE CITY HALL FUND For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 403,250	\$ 405,512	\$ 2,262
Interest income	4,000	7,358	3,358
Total Revenues	<u>407,250</u>	<u>412,870</u>	<u>5,620</u>
<u>Expenditures</u>			
Debt service:			
Principal	240,000	240,000	-
Interest	182,000	181,200	800
Total Expenditures	<u>422,000</u>	<u>421,200</u>	<u>800</u>
Revenues Over (Under) Expenditures	<u>(14,750)</u>	<u>(8,330)</u>	<u>6,420</u>
Net Change in Fund Balance	<u>\$ (14,750)</u>	<u>(8,330)</u>	<u>\$ 8,682</u>
Beginning fund balance		147,127	
Ending Fund Balance		<u>\$ 138,797</u>	

Notes to Other Supplementary Information

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

STATISTICAL SECTION

This part of the City's comprehensive annual 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	102
<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	118
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	128
<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 additional debt in the future.</i>	
Demographic and Economic Information	136
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	138
<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 Vidor, Texas
NET POSITION BY COMPONENT
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2010	2011	2012	2013
Government activities				
Net investment in capital assets	\$ 3,239,844	\$ 2,727,312	\$ 3,278,558	\$ 3,462,799
Restricted	-	-	-	-
Unrestricted	3,927,687	4,521,060	4,237,598	4,602,319
Total government activities net position	<u>7,167,531</u>	<u>7,248,372</u>	<u>7,516,156</u>	<u>8,065,118</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Unrestricted	361,194	324,101	299,859	242,504
Total business-type activities net position	<u>361,194</u>	<u>324,101</u>	<u>299,859</u>	<u>242,504</u>
Primary government				
Net investment in capital assets	3,239,844	2,727,312	3,278,558	3,462,799
Restricted	-	-	-	-
Unrestricted	4,288,881	4,845,161	4,537,457	4,844,823
Total primary government net position	<u>\$ 7,528,725</u>	<u>\$ 7,572,473</u>	<u>\$ 7,816,015</u>	<u>\$ 8,307,622</u>

Source: Audited Financial Statements

(a) In fiscal year 2015 there was a prior period adjustment related to the implementation of GASB Statement No. 68 for Accounting and Financial Report for Pensions. The beginning net position was restated for the net position liability at September 30, 2014. Governmental activities had a prior period adjustment of (\$2,125,012).

(b) In fiscal year 2016, the restricted portion of net position in the government wide statement of net position was adjusted to include the restricted amounts of the non major funds and the net investment in capital assets was separated out of Unrestricted Net Position for the business-type activities.

2014	2015 (a)	2016 (b)	2017	2018	2019
\$ 4,458,667	\$ 5,818,632	\$ 6,510,373	\$ 6,928,038	\$ 8,251,930	\$ 9,655,580
-	-	841,340	771,416	1,203,728	1,036,414
5,155,262	3,778,099	2,500,872	2,487,914	3,040,747	3,536,850
<u>9,613,929</u>	<u>9,596,731</u>	<u>9,852,585</u>	<u>10,187,368</u>	<u>12,496,405</u>	<u>14,228,844</u>
-	-	167,018	194,045	205,323	229,696
293,295	404,131	19,770	47,120	39,412	15,449
<u>293,295</u>	<u>404,131</u>	<u>186,788</u>	<u>241,165</u>	<u>244,735</u>	<u>245,145</u>
4,458,667	5,818,632	6,677,391	7,122,083	8,457,253	9,885,276
-	-	841,340	771,416	1,203,728	1,036,414
5,448,557	4,182,230	2,520,642	2,535,034	3,080,159	3,552,299
<u>\$ 9,907,224</u>	<u>\$ 10,000,862</u>	<u>\$ 10,039,373</u>	<u>\$ 10,428,533</u>	<u>\$ 12,741,140</u>	<u>\$ 14,473,989</u>

City of Vidor, Texas
CHANGES IN NET POSITION
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses				
Governmental Activities:				
City Council	\$ 227,059	\$ 364,322	\$ 331,060	\$ 319,666
Municipal Court	230,366	162,158	170,997	172,940
City Manager	154,411	147,222	103,897	88,724
Financial Administration	244,178	291,779	293,498	305,498
City Secretary	68,780	71,296	70,594	78,868
Police	2,437,982	2,688,441	2,820,057	2,784,031
Animal Control	109,959	112,786	120,959	123,836
Streets	905,405	739,251	755,059	754,727
Maintenance	174,472	172,061	159,502	159,899
Public Works	216,067	196,369	180,684	162,757
Tourism	82,360	82,449	87,300	118,000
Parks and Recreation	162,053	155,498	183,489	162,159
Libraries	186,435	204,658	194,538	253,596
Bond Interest	359,755	351,477	344,523	328,055
Fiscal Agent's Fees	1,302	1,302	1,302	1,302
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total governmental activities	<u>5,560,584</u>	<u>5,741,069</u>	<u>5,817,459</u>	<u>5,814,058</u>
Business-type activities				
Sanitation	953,239	968,924	966,152	1,010,486
Total business-type activities	<u>953,239</u>	<u>968,924</u>	<u>966,152</u>	<u>1,010,486</u>
Total primary government	<u>\$ 6,513,823</u>	<u>\$ 6,709,993</u>	<u>\$ 6,783,611</u>	<u>\$ 6,824,544</u>

2014	2015	2016 (a)	2017	2018	2019
\$ 343,848	\$ 378,407	\$ -	\$ -	\$ -	\$ -
218,080	214,931	-	-	-	-
154,903	130,032	-	-	-	-
293,854	266,888	-	-	-	-
94,618	96,325	-	-	-	-
3,038,024	2,863,600	-	-	-	-
105,325	110,789	-	-	-	-
818,625	910,115	-	-	-	-
164,879	188,232	-	-	-	-
182,708	201,653	-	-	-	-
111,020	96,525	-	-	-	-
164,298	179,417	-	-	-	-
231,461	194,812	-	-	-	-
305,521	298,523	-	-	-	-
500	500	-	-	-	-
-	-	1,430,436	1,402,420	1,321,655	1,561,948
-	-	3,125,699	3,781,462	3,409,393	3,363,813
-	-	1,536,548	1,633,342	1,754,009	1,998,210
-	-	423,342	417,547	414,610	373,941
-	-	294,199	335,855	245,629	167,754
6,227,664	6,130,749	6,810,224	7,570,626	7,145,296	7,465,666
993,778	926,873	1,017,672	1,005,271	1,005,304	1,020,919
993,778	926,873	1,017,672	1,005,271	1,005,304	1,020,919
\$ 7,221,442	\$ 7,057,622	\$ 7,827,896	\$ 8,575,897	\$ 8,150,600	\$ 8,486,585

City of Vidor, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Program Revenues:				
Governmental activities				
Charges for services				
Municipal Court	\$ 559,637	\$ 419,651	\$ 504,358	\$ 509,409
Financial Administration	75,000	75,000	75,000	75,000
Public Works	47,405	49,355	81,474	67,204
Parks and Recreation	14,639	16,155	16,949	17,333
Libraries	1,077	1,500	2,132	3,069
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Operating grants and contributions				
Police	83,317	23,236	112,037	96,220
Streets	-	-	-	83,773
Libraries	7,472	23,942	994	64,478
General Government	-	-	-	-
Public Works	-	-	-	-
Total governmental activities				
program revenues	<u>788,547</u>	<u>608,839</u>	<u>792,944</u>	<u>916,486</u>
Business-type activities				
Charges for services				
Sanitation	936,085	931,318	941,450	952,874
Total business-type activities				
program revenues	<u>936,085</u>	<u>931,318</u>	<u>941,450</u>	<u>952,874</u>
Total primary government program				
revenues	<u>1,724,632</u>	<u>1,540,157</u>	<u>1,734,394</u>	<u>1,869,360</u>
Net (expense)/revenue				
Governmental activities	(4,772,037)	(5,132,230)	(5,024,515)	(4,897,572)
Business-type activities	(17,154)	(37,606)	(24,702)	(57,612)
Total primary government net expense	<u>\$ (4,789,191)</u>	<u>\$ (5,169,836)</u>	<u>\$ (5,049,217)</u>	<u>\$ (4,955,184)</u>

Source: Audited Financial Statements

<u>2014</u>	<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 654,380	\$ 604,243	\$ -	\$ -	\$ -	\$ -
75,000	75,000	-	-	-	-
59,963	43,391	-	-	-	-
16,240	23,048	-	-	-	-
2,597	3,568	-	-	-	-
-	-	33,482	32,237	33,266	29,171
-	-	645,925	527,364	493,499	410,888
-	-	31,150	85,549	67,905	63,715
110,335	75,626	-	-	-	-
-	-	-	-	-	-
19,149	-	-	-	-	-
-	-	643,234	892,229	1,588,681	1,793,494
-	-	-	-	580,999	-
<u>937,664</u>	<u>824,876</u>	<u>1,353,791</u>	<u>1,537,379</u>	<u>2,764,350</u>	<u>2,297,268</u>
<u>1,044,358</u>	<u>1,037,085</u>	<u>1,023,222</u>	<u>1,057,816</u>	<u>1,010,265</u>	<u>1,017,310</u>
<u>1,044,358</u>	<u>1,037,085</u>	<u>1,023,222</u>	<u>1,057,816</u>	<u>1,010,265</u>	<u>1,017,310</u>
<u>1,982,022</u>	<u>1,861,961</u>	<u>2,377,013</u>	<u>2,595,195</u>	<u>3,774,615</u>	<u>3,314,578</u>
(5,290,000)	(5,305,873)	(5,456,433)	(6,033,247)	(4,380,946)	(5,168,398)
50,580	110,212	5,550	52,545	4,961	(3,609)
<u>\$ (5,239,420)</u>	<u>\$ (5,195,661)</u>	<u>\$ (5,450,883)</u>	<u>\$ (5,980,702)</u>	<u>\$ (4,375,985)</u>	<u>\$ (5,172,007)</u>

City of Vidor, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities				
Property taxes	\$ 2,246,169	\$ 2,210,538	\$ 2,365,859	\$ 2,347,091
Sales taxes	1,973,512	1,981,130	2,108,796	2,272,640
Franchise and other taxes	514,924	608,486	689,755	648,101
Penalty and Interest	52,332	60,217	63,227	55,094
Gains and Contributions Not Restricted	230,739	265,626	10,019	3,556
Miscellaneous Revenue	136,045	132,796	46,876	139,786
Investment Earnings	16,861	8,431	7,767	7,463
Gain (Loss) on Disposal of Fixed Assets	-	(54,153)	-	(27,197)
CDBG Grant Proceeds (Net)	-	-	-	-
Total governmental activities	<u>5,170,582</u>	<u>5,213,071</u>	<u>5,292,299</u>	<u>5,446,534</u>
Business-type activities				
Investment earnings	576	513	460	257
Total business-type activities	<u>576</u>	<u>513</u>	<u>460</u>	<u>257</u>
Total primary government	<u>5,171,158</u>	<u>5,213,584</u>	<u>5,292,759</u>	<u>5,446,791</u>
Change in Net Position				
Governmental activities	398,545	80,841	267,784	548,962
Business-type activities	(16,578)	(37,093)	(24,242)	(57,355)
Total primary government	<u>\$ 381,967</u>	<u>\$ 43,748</u>	<u>\$ 243,542</u>	<u>\$ 491,607</u>

Source: Audited Financial Statements

(a) In FY2016, the City began reporting the expenses on the statement of activities by function rather than by department

<u>2014</u>	<u>2015</u>	<u>2016 (a)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 2,398,722	\$ 2,418,549	\$ 2,640,209	\$ 2,684,161	\$ 2,705,537	\$ 2,597,920
2,417,350	2,612,333	2,621,320	2,585,774	3,036,753	3,209,239
698,211	706,614	683,036	739,527	772,417	723,756
66,477	73,846	-	-	-	-
4,904	12,013	-	-	-	-
191,500	307,601	231,800	331,052	305,388	285,158
6,106	9,547	16,750	27,516	51,371	84,754
-	-	-	-	-	-
1,055,541	1,273,184	-	-	-	-
<u>6,838,811</u>	<u>7,413,687</u>	<u>6,193,115</u>	<u>6,368,030</u>	<u>6,871,466</u>	<u>6,900,827</u>
211	624	1,124	1,832	3,290	4,019
<u>211</u>	<u>624</u>	<u>1,124</u>	<u>1,832</u>	<u>3,290</u>	<u>4,019</u>
<u>6,839,022</u>	<u>7,414,311</u>	<u>6,194,239</u>	<u>6,369,862</u>	<u>6,874,756</u>	<u>6,904,846</u>
1,548,811	2,107,814	736,682	334,783	2,490,520	1,732,429
50,791	110,836	6,674	54,377	8,251	410
<u>\$ 1,599,602</u>	<u>\$ 2,218,650</u>	<u>\$ 743,356</u>	<u>\$ 389,160</u>	<u>\$ 2,498,771</u>	<u>\$ 1,732,839</u>

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City of Vidor, Texas
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Other Tax	Franchise Tax	Total
2010	\$ 2,246,169	\$ 1,973,512	\$ 59,077	\$ 455,847	\$ 4,734,605
2011	2,210,538	1,981,130	61,616	546,870	4,800,154
2012	2,365,859	2,108,796	116,642	573,113	5,164,410
2013	2,347,091	2,272,640	88,270	559,831	5,267,832
2014	2,398,722	2,417,350	118,551	579,660	5,514,283
2015	2,418,549	2,612,333	142,945	563,669	5,737,496
2016	2,640,209	2,621,320	538,694	144,342	5,944,565
2017	2,684,161	2,585,774	611,252	128,275	6,009,462
2018	2,705,537	3,036,753	582,873	189,544	6,514,707
2019	2,597,920	3,209,239	602,549	121,207	6,530,915

Source: Audited Financial Statements

City of Vidor, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(accrual basis on accounting)

	<u>2010 (a)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund				
Nonspendable:				
Prepays	\$ -	\$ -	\$ -	\$ -
Assigned to:				
Committed	-	1,270,065	1,303,009	1,279,484
Unassigned	-	1,147,211	1,362,362	1,741,328
Total general fund	<u>\$ -</u>	<u>\$ 2,417,276</u>	<u>\$ 2,665,371</u>	<u>\$ 3,020,812</u>
Debt service				
Restricted for:				
Debt service	-	154,749	201,754	161,119
Total debt service	<u>\$ -</u>	<u>\$ 154,749</u>	<u>\$ 201,754</u>	<u>\$ 161,119</u>
Capital projects				
Restricted for:				
Capital projects	-	733,100	-	-
Total capital projects	<u>\$ -</u>	<u>\$ 733,100</u>	<u>\$ -</u>	<u>\$ -</u>
Other governmental funds				
Special revenue funds				
Restricted for:				
Library	-	8,598	8,615	8,646
Grants	-	-	-	-
Public safety	-	256,702	307,078	352,533
Tourism	-	100,434	130,197	100,771
Total all other governmental funds	<u>\$ -</u>	<u>\$ 365,734</u>	<u>\$ 445,890</u>	<u>\$ 461,950</u>

Source: Audited Financial Statements

(a) Prior to implementation of GASB 54 information not available in requested format.

(b) Prior to fiscal year 2016, prepaids were included in unassigned or restricted balances in Governmental Funds. The account balances are immaterial and they have not been restated.

(c) Prior to fiscal year 2016, restricted funds were included in restricted balances and not broken down by restriction. The balances have been restated to the proper classifications for comparison purposes for this table.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ 3,149 (b)	\$ 68,055	\$ 9,140	\$ 7,898
1,365,183	1,400,038	1,533,130	1,559,481	1,558,390	1,551,089
2,083,107	2,517,103	2,293,579	2,276,754	2,883,579	3,354,938
<u>\$ 3,448,290</u>	<u>\$ 3,917,141</u>	<u>\$ 3,829,858</u>	<u>\$ 3,904,290</u>	<u>\$ 4,451,109</u>	<u>\$ 4,913,925</u>
170,517	179,614	184,153	195,638	187,412	180,259
<u>\$ 170,517</u>	<u>\$ 179,614</u>	<u>\$ 184,153</u>	<u>\$ 195,638</u>	<u>\$ 187,412</u>	<u>\$ 180,259</u>
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
8,656	8,669	8,692 (c)	8,741	8,840	8,979
-	-	159,368 (c)	74,613	462,354	246,268
388,080	407,863	306,994 (c)	288,096	267,446	309,798
108,518	155,215	190,825 (c)	213,069	286,516	300,089
<u>\$ 505,254</u>	<u>\$ 571,747</u>	<u>\$ 665,879</u>	<u>\$ 584,519</u>	<u>\$ 1,025,156</u>	<u>\$ 865,134</u>

City of Vidor, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)
(modified accrual basis on accounting)

	2010	2011	2012
Revenues			
Taxes	\$ 4,148,749	\$ 4,161,320	\$ 4,405,104
Franchise and local taxes	514,924	608,486	689,755
Penalty and interest on taxes	52,332	60,217	63,227
Licenses and permits	41,818	44,532	67,042
Intergovernmental revenue and grants	312,660	309,077	118,175
Charges for services	96,303	97,478	108,513
Fines and Forfeitures	460,802	478,435	503,108
Investment income	16,861	8,431	7,767
Contributions and donations from private sources	8,868	3,727	4,875
Other revenue	80,808	92,230	44,536
Total revenues	<u>5,734,125</u>	<u>5,863,933</u>	<u>6,012,102</u>
Expenditures			
General government	5,385,162 (a)	246,284 (a)	-
City Council	219,272	205,875	175,407
Municipal Court	223,591	159,371	168,445
City Manager	154,411	147,222	103,897
Financial administration	244,178	291,779	293,498
City secretary	68,780	71,296	70,594
Public safety:			
Police	2,515,799	2,683,381	2,787,869
Animal Control	108,447	111,346	119,519
Streets/Drainage	785,818	661,044	703,871
Maintenance	171,273	172,263	160,332
Public works	214,971	195,273	180,023
Tourism	82,360	82,449	87,300
Culture and recreation:			
Parks and recreation	151,457	145,038	802,027
Library	180,300	207,445	185,098
Capital Outlay	-	-	-
Debt Service			
Bond Principal	165,000	165,000	185,000
Bond Interest and fiscal charges	360,566	353,815	347,066
Bond issuance costs	-	-	-
Total expenditures	<u>11,031,385</u>	<u>5,898,881</u>	<u>6,369,946</u>
Excess of revenues over (under) expenditures	\$ (5,297,260)	\$ (34,948)	\$ (357,844)

2013 (b)	2014	2015	2016 (c)	2017	2018	2019
\$ 4,557,925	\$ 4,781,368	\$ 5,011,903	\$ 5,233,594	\$ 5,240,052	\$ 5,708,341	\$ 5,774,041
648,101	698,211	706,614	683,036	739,527	772,417	723,756
55,094	66,477	73,846	-	-	-	-
52,914	54,263	37,010	31,150	85,549	67,905	63,715
244,471	129,484	81,616	643,234	892,229	1,588,681	1,793,494
109,692	99,537	107,997	33,482	32,237	33,266	29,171
549,367	617,020	534,433	645,925	527,364	493,499	410,888
7,463	6,106	9,547	16,750	27,516	51,371	84,754
3,556	4,904	6,023	8,697	4,697	588,414	4,532
132,277	191,500	307,601	223,103	326,355	403,990	282,056
6,360,860	6,648,870	6,876,590	7,518,971	7,875,526	9,707,884	9,166,407
-	-	-	1,051,007	1,197,206	1,201,985	1,272,744
165,535	190,957	226,038	-	-	-	-
194,229	228,226	209,454	-	-	-	-
88,724	154,903	133,172	-	-	-	-
305,498	293,854	271,322	-	-	-	-
78,868	94,618	98,652	-	-	-	-
			3,005,180	3,728,702	3,323,578	3,293,877
2,694,441	2,961,801	2,890,041	-	-	-	-
122,396	103,885	111,622	-	-	-	-
948,125	786,367	979,585	753,063	780,542	866,443	953,279
156,998	167,529	190,418	201,311	227,030	245,540	216,380
162,266	182,217	205,645	265,240	305,241	273,584	321,706
118,000	111,020	96,525	-	-	-	-
			388,957	382,705	382,944	340,262
145,966	153,529	170,209	-	-	-	-
240,896	225,064	192,558	-	-	-	-
-	-	-	1,158,269	802,641	1,899,681	1,954,217
1,145,000	208,000	217,000	244,334	387,393	320,940	329,000
333,855	306,720	300,109	294,374	141,721	200,025	189,301
-	-	-	-	198,621	-	-
6,900,797	6,168,690	6,292,350	7,361,735	8,151,802	8,714,720	8,870,766
\$ (539,937)	\$ 480,180	\$ 584,240	\$ 157,236	\$ (276,276)	\$ 993,164	\$ 295,641

City of Vidor, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years (Unaudited)
(modified accrual basis on accounting)

	2010	2011	2012
Other financing sources (uses)			
Transfers in	-	13,555	62,147
Transfers out	-	(13,555)	(62,147)
Refunding bonds issued	-	-	-
Discount on refunding bonds	-	-	-
Premium on tax notes issued	-	-	-
Payment to refunded bond escrow account	-	-	-
Grant proceeds	-	-	-
Grant expenditures	-	-	-
Other (Uses)	-	-	-
Total other financing sources and uses	-	-	-
Net changes in fund balances	\$ (5,297,260)	\$ (34,948)	\$ (357,844)
Debt service as a percentage of noncapital expenditures	11.24%	9.66%	9.54%

Source: Audited Financial Statements

<u>2013 (b)</u>	<u>2014</u>	<u>2015</u>	<u>2016 (c)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
-	-	49,581	-	-	-	-
-	-	(49,581)	-	-	(13,934)	-
898,000	-	-	-	5,800,000	-	-
(27,155)	-	-	-	-	-	-
-	-	-	-	200,502	-	-
-	-	-	-	(5,801,881)	-	-
-	1,055,541	1,320,948	-	-	-	-
-	(1,055,541)	(1,360,747)	-	-	-	-
(42)	-	-	-	-	-	-
<u>870,803</u>	<u>-</u>	<u>(39,799)</u>	<u>-</u>	<u>198,621</u>	<u>(13,934)</u>	<u>-</u>
<u>\$ 330,866</u>	<u>\$ 480,180</u>	<u>\$ 544,441</u>	<u>\$ 157,236</u>	<u>\$ (77,655)</u>	<u>\$ 979,230</u>	<u>\$ 295,641</u>
22.65%	10.62%	11.20%	8.68%	7.20%	7.64%	7.49%

City of Vidor, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended Sept 30	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Tax Rate
2010	\$ 224,055,237	\$ 55,717,902	\$ 279,773,139	\$ 0.75457
2011	227,271,335	53,497,793	280,769,128	0.75457
2012	233,046,100	54,648,250	287,694,350	0.75000
2013	236,534,989	56,249,632	292,784,621	0.74500
2014	249,158,672	61,166,297	310,324,969	0.73218
2015	245,716,227	59,813,668	305,529,895	0.73200
2016	262,562,689	64,139,154	326,701,843	0.72900
2017	270,725,165	62,154,975	332,880,140	0.72500
2018	275,972,212	60,418,777	336,390,989	0.72400
2019	257,967,123	65,477,146	323,444,269	0.72400

Notes: The appraisal of property within the City is the responsibility of the Collin County Central Appraisal District. The Appraisal District is required under the Texas Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal, and the market data comparison basis of appraisal, and the method considered most appropriate by the chief appraiser is to be used. The value placed upon property within the Appraisal District is subject to review by a three member Appraisal Review Board.

Source: Orange County Central Appraisal District

Estimated Tax Value		Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 279,773,139		100.0%
280,769,128		100.0%
287,694,350		100.0%
292,784,621		100.0%
310,324,969		100.0%
305,529,895		100.0%
326,701,843		100.0%
332,880,140		100.0%
336,390,989		100.0%
323,444,269		100.0%

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City of Vidor, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (Unaudited)

Fiscal Year	City of Vidor			Vidor	Orange County			Total (a)
	General Fund	Debt Service	Total Tax Rate	Independent School District	County + (Lateral Road)	Drainage District	Port and Navigation District	
2010	\$ 0.5791	\$ 0.1755	\$ 0.7546	\$ 1.2304	\$ 0.5356	\$ 0.0987	\$ 0.0083	\$ 2.6276
2011	0.5698	0.1848	0.7546	1.2300	0.5708	0.1077	0.0091	2.6722
2012	0.5651	0.1849	0.7500	1.2300	0.5356	0.0987	0.0083	2.6226
2013	0.5639	0.1811	0.7450	1.2224	0.5299	0.1020	0.0082	2.6074
2014	0.5750	0.1572	0.7322	1.2237	0.5299	0.1073	0.0081	2.6011
2015	0.5768	0.1552	0.7320	1.2127	0.5440	0.1073	0.0079	2.6039
2016	0.5857	0.1433	0.7290	1.2165	0.5440	0.1073	0.0078	2.6046
2017	0.5841	0.1410	0.7250	1.2165	0.5440	0.1073	0.0077	2.6004
2018	0.5885	0.1356	0.7240	1.2205	0.5440	0.1113	0.0076	2.6074
2019	0.5823	0.1417	0.7240	1.2205	0.5420	0.1113	0.0073	2.6051

Source: Orange County Central Appraisal District

City of Vidor, Texas
PRINCIPAL SALES TAX REMITTERS
Current Year (Unaudited)

Tax Remitter	FY 2019 (a)		
	Tax Liability	Rank	Percentage of Total
Walmart	633,326	1	44%
Orange County Building Materials	165,266	2	11%
Entergy, Texas	147,147	3	10%
Sunbelt Rentals	130,319	4	9%
Kades Beaumont LLC	51,100	5	4%
Spectrum Gulf Coast	50,313	6	3%
Brookshire Brothers Inc	47,574	7	3%
Dolgencorp of Texas Inc.	46,925	8	3%
Newtron Beaumont LLC	45,270	9	3%
M&D Ace Partners LLC	41,813	10	3%
Burgers of Beaumont	41,450	11	3%
B & E Resources LLC	41,241	12	3%
Total	<u>\$ 1,441,744</u>		

(a) Only current year sales tax remittance information was available.

City of Vidor, Texas
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Direct Rate	Orange County Rate	State of Texas Rate	Total Tax Rate
2010	1.5%	0.5%	6.3%	8.25%
2011	1.5%	0.5%	6.3%	8.25%
2012	1.5%	0.5%	6.3%	8.25%
2013	1.5%	0.5%	6.3%	8.25%
2014	1.5%	0.5%	6.3%	8.25%
2015	1.5%	0.5%	6.3%	8.25%
2016	1.5%	0.5%	6.3%	8.25%
2017	1.5%	0.5%	6.3%	8.25%
2018	1.5%	0.5%	6.3%	8.25%
2019	1.5%	0.5%	6.3%	8.25%

Source: City Budget Office and Owen County Department of Finance.

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

	FY 2019 (a)		
	Assessed Value	Rank	Percent of Total Assessed Value
<u>Taxpayer</u>			
Wal-Mart Real Estate Business Trust	\$ 10,527,514	1	3.2548%
Entergy Texas, Inc.	7,433,760	2	2.2983%
Trinity Industries, Inc.	5,671,440	3	1.7535%
Vidor Crossroads, LLC	3,303,813	4	1.0214%
Vidor Express, LLC	3,091,957	5	0.9559%
Wal-Mart Store #457	2,852,801	6	0.8820%
Houseman Development Company, Inc.	2,489,864	7	0.7698%
Kansas City Southern Railway	2,464,540	8	0.7620%
TWE-Advace Newhouse	2,238,030	9	0.6919%
WMR Properties, LLC	2,097,088	10	0.6484%
Weingarten Realty Invest.	-	n/a	-
Vidor Hospitality	-	n/a	-
Southwestern Bell Telephone Co.	-	n/a	-
First Orange Capital Funding LLC	-	n/a	-
Four Star Hospitality, LLC	-	n/a	-
Time Warner Entertainment	-	n/a	-
	<u>\$ 42,170,807</u>		<u>13.0380%</u>

(a) Tax roll for Fiscal Year 2019, tax year 2018.

(b) Tax roll for Fiscal Year 2010, tax year 2009.

FY 2010 (b)		
Assessed Value	Rank	Percent of Total Assessed Value
\$ -	n/a	-
5,358,270	1	1.9152%
-	n/a	-
3,410,820	4	1.2191%
-	n/a	-
4,050,941	3	1.4479%
2,545,253	6	0.9098%
-	n/a	-
-	n/a	-
-	n/a	-
4,642,831	2	1.6595%
2,960,494	5	1.0582%
2,348,893	7	0.8396%
2,328,297	8	0.8322%
2,223,431	9	0.7947%
2,056,700	10	0.7351%
<u>\$ 31,925,930</u>		<u>11.4114%</u>

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City of Vidor, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Adj. Tax Levy For Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 2,234,622	\$ 2,093,876	93.70%	\$ 124,742	\$ 2,218,618	99.28%
2011	1,445,496	1,405,945	97.26%	13,532	1,419,477	98.20%
2012	1,513,122	1,468,427	97.05%	11,615	1,480,042	97.81%
2013	2,364,845	2,210,637	93.48%	116,614	2,327,251	98.41%
2014	2,413,138	2,265,701	93.89%	103,558	2,369,260	98.18%
2015	2,417,946	2,272,858	94.00%	95,515	2,368,373	97.95%
2016	2,564,586	2,406,039	93.82%	91,842	2,497,881	97.40%
2017	2,610,106	2,450,944	93.90%	70,075	2,521,019	96.59%
2018	2,650,584	2,487,920	93.86%	48,429	2,536,349	95.69%
2019	2,542,173	2,377,041	93.50%	-	2,377,041	93.50%

(a) Tax levy adjusted for adjustments or supplements in subsequent years.

Source: Orange County Tax Assessor Collector.

City of Vidor, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Government Activities			Business-Type Activities	
	General			General	
	Obligation Bonds & Notes	Premium	Capital Leases	Obligation Bonds	Capital Leases
2010	\$ 7,525,000	\$ -	\$ 113,503	\$ -	\$ 151,294
2011	7,360,000	-	171,096	-	99,017
2012	7,175,000	-	121,835	-	43,898
2013	6,928,000	-	70,187	-	15,035
2014	6,720,000	-	92,080	-	149,634
2015	6,503,000	-	48,667	-	105,122
2016	6,283,000	200,502	19,394	-	85,314
2017	6,355,000	194,933	4,940	-	89,038
2018	6,039,000	183,793	-	-	211,549
2019	5,710,000	172,654	-	-	335,618

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

(1) See the Schedule of Demographic and Economic Statistics, Table 15, for personal income and population data.

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 7,789,797	n/a	\$ 736.35
7,630,113	n/a	721.25
7,340,733	n/a	693.90
7,013,222	n/a	662.94
6,961,714	n/a	658.07
6,656,789	n/a	629.25
6,588,210	n/a	622.76
6,643,911	n/a	628.03
6,434,342	n/a	608.22
6,218,272	n/a	587.79

City of Vidor, Texas
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Debt			Less: Amounts Available in	
	Governmental Activities		Business-Type Activities	Debt Service Fund	Total
	Principal	Premium			
2010	\$ 7,525,000	\$ -	\$ -	\$ 129,882	\$ 7,395,118
2011	7,360,000	-	-	154,749	7,205,251
2012	7,175,000	-	-	201,754	6,973,246
2013	6,928,000	-	-	161,119	6,766,881
2014	6,720,000	-	-	170,517	6,549,483
2015	6,503,000	-	-	179,614	6,323,386
2016	6,283,000	200,502	-	184,153	6,098,847
2017	6,355,000	194,933	-	195,638	6,159,362
2018	6,039,000	183,793	-	187,412	5,851,588
2019	5,710,000	172,654	-	503,212	5,206,788

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

(a) See Assessed Value & Estimated Actual Value of Taxable Property (Table 6) for Actual Taxable assessed value.

(b) See Demographic and Economic Statistics, Table 15, for Population information.

Percentage of Estimated Actual Taxable Value of Property (a)	Per Capita (b)
2.64%	\$ 699.04
2.57%	681.09
2.42%	659.16
2.31%	639.65
2.11%	619.10
2.07%	597.73
1.87%	576.51
1.85%	582.23
1.74%	553.13
1.61%	492.18

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City of Vidor, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2019 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Vidor	\$ 5,882,654 (a)	100.00%	\$ 5,882,654
Orange County	4,625,000 (b)	6.51% (c)	301,088
Vidor ISD	12,998,415 (b)	34.89% (c)	4,535,147
Orange County Water Control & Improvement District #1	22,891,528 (b)	83.12% (c)	19,027,438
Subtotal Overlapping Debt	<u>\$ 40,514,943</u>		<u>\$ 23,863,673</u>
Total Direct and Overlapping Debt	<u>\$ 46,397,597</u>		<u>\$ 29,746,327</u>

Source: Debt outstanding data provided by overlapping entities and compiled by Municipal Advisory Council of Texas (Texas MAC).

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

(a) Excluding general obligation bonds or CO's reported in the enterprise funds.

(b) Information from the Municipal Advisory Council of Texas (Texas MAC) used for debt outstanding from other entities.

(c) Information from the Municipal Advisory Council of Texas (Texas MAC) used for overlapping % information in 2019.

City of Vidor, Texas
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 32,344,427	\$ 33,639,099	\$ 33,288,014	\$ 32,670,184
Total net debt applicable to limit	<u>5,206,788</u>	<u>5,851,588</u>	<u>6,159,362</u>	<u>6,098,847</u>
Legal debt margin	<u><u>\$ 27,137,639</u></u>	<u><u>\$ 27,787,511</u></u>	<u><u>\$ 27,128,652</u></u>	<u><u>\$ 26,571,337</u></u>
 Total net debt applicable to limit as a percentage of debt limit	 16.10%	 17.40%	 18.50%	 18.67%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	323,444,269
Add back: exempt real property	
Total assessed value	<u>323,444,269</u>
 Debt limit (10% of total assessed value)	 32,344,427
Debt applicable to limit:	
General obligation	5,710,000
Less: Amount set aside for repayment of general obligation debt	<u>(503,212)</u>
Total net debt applicable to limit	<u>5,206,788</u>
Legal debt margin	<u><u>27,137,639</u></u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 30,552,990	\$ 31,032,497	\$ 29,278,462	\$ 28,769,435	\$ 28,076,913	\$ 27,977,314
<u>6,323,386</u>	<u>6,549,483</u>	<u>6,766,881</u>	<u>7,020,251</u>	<u>7,205,251</u>	<u>7,395,118</u>
<u><u>\$ 24,229,604</u></u>	<u><u>\$ 24,482,014</u></u>	<u><u>\$ 22,511,581</u></u>	<u><u>\$ 21,749,184</u></u>	<u><u>\$ 20,871,662</u></u>	<u><u>\$ 20,582,196</u></u>
20.70%	21.11%	23.11%	24.40%	25.66%	26.43%

City of Vidor, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population (a)	Personal Income (b)	Per Capita		Median Age (a)	School Enrollment (a)	Unemployment Rate (c)
			Personal	Income (a) (b)			
2010	10,579	n/a	\$	20,967	35.1	n/a	11.7%
2011	10,579	n/a		20,967	35.1	n/a	12.0%
2012	10,579	n/a		20,967	35.1	n/a	10.6%
2013	10,579	n/a		20,967	35.1	n/a	10.6%
2014	10,579	n/a		20,967	35.1	n/a	8.8%
2015	10,579	n/a		20,967	36.2	n/a	6.6%
2016	10,579	n/a		20,967	36.2	n/a	6.8%
2017	10,579	n/a		20,967	36.2	n/a	7.0%
2018	10,579	n/a		20,967	36.2	n/a	6.2%
2019	10,579	n/a		20,967	36.2	n/a	5.5%

Data Sources

(a) Bureau of the Census, year 2010 uses Census for Orange County.

(b) US Department of Commerce, Bureau of Economic Analysis.

(c) US Department of Labor, Bureau of Labor Statistics by State and Metropolitan Area.

City of Vidor, Texas

PRINCIPAL EMPLOYERS

Current Year (Unaudited)

Employer	2019 (a)		
	Employees	Rank	Percentage of Total County Employment (b)
Vidor ISD	785	1	2.11%
Southeast Texas Industries	200	2	0.54%
ISM Industries Inc.	130	3	0.35%
Orange County Building Materials	120	4	0.32%
Vidor Health and Rehabilitation	113	5	0.30%
Trinity Industries	110	6	0.30%
Oakwood Manor Nursing Home	88	7	0.24%
Market Basket	87	8	0.23%
Orange County Park Development	82	9	0.22%
City of Vidor	70	10	0.19%
Brookshire Brothers	60	11	0.16%
Casa Ole Mexican Restaurants	52	12	0.14%
Walmart Supercenter	50	13	0.13%
Sims Logistics	50	14	0.13%
	<u>1,997</u>		<u>5.37%</u>

(a) Provided by Workforce Solutions of Southeast Texas.

(b) In labor force, population 16 years and over, per Southeast Texas Workforce Development Board 2019 - 37,189.

Note: Statistics were not maintained before this year. First CAFR filed

City of Vidor, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years (Unaudited)

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Manager	1	1	1	1	1	1
City Secretary	1	1	1	1	1	0.5
Municipal Court	3	3	3	3	3	3
Human Resources	1	1	1	1	1	0.5
Finance	4	4	4	4	4	4
Animal Control	2	2	2	2	2	2
Library	3	3	3	3	3	3
Police	31	30	32	32	32	32
Street & Drainage	10	10	10	10	10	10
Public Works Administration	3	3	3	3	3	4
Maintenance	3	3	2	2	2	3
Sanitation	6	6	6	6	6	6
Total	<u>68.0</u>	<u>67.0</u>	<u>68.0</u>	<u>68.0</u>	<u>68.0</u>	<u>69.0</u>

Source: Accounting software - payroll module.

2016	2017	2018	2019
1	1	1	1
0.5	0.5	0.5	0.5
3	3	3	3
0.5	0.5	0.5	0.5
4	4	4	4
2	2	2	2
3	3	3	2
32	33	31	31
10	10	11	11.5
4	4	4	4
3	3	3	2.5
6	6	6	6
<u>69.0</u>	<u>70.0</u>	<u>69.0</u>	<u>68.0</u>

City of Vidor, Texas

OPERATING INDICATORS BY FUNCTION

Last Two Fiscal Years* (Unaudited)

<u>Function</u>	<u>2018</u>	<u>2019</u>
Police		
Physical arrests	641	831
Traffic violations	4,506	4,108
Street & Drainage		
Street resurfacing (miles)	1	5
Potholes repaired	1,850	1,976
Culture and recreation		
Park and Recreation Fees (use fees)	21,728	20,622
Library patrons (use fees)	3,246	3,245

Source: Various city departments.

* - The City has not maintained all of the information for this statistical section so we have compared the last 2 years and will the information going forward.

City of Vidor, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Last Two Fiscal Years* (Unaudited)

<u>Function</u>	<u>2018</u>	<u>2019</u>
Police		
Stations	1	1
Patrol units	21	19
Personnel & officers	29	30
Sanitation		
Collection Trucks	4	4
Street and Drainage		
Streets (miles)	105	105
Streetlights	266	267
Cultural and Recreation		
Parks acreage	39	39
Parks	3	3
Library	1	1
Swimming Pools	1	1

Source: Various city departments.

* - The City has not maintained all of the information for this statistical section so we have compared the last 2 years and will maintain the information going forward.