

CITY OF LADONIA, TEXAS

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2025



CITY OF LADONIA, TEXAS

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HankinsEastup

Deaton Tonn Seay & Scarborough | A Texas LLC

Independent Auditors' Report

Honorable Mayor and City Council
City of Ladonia, Texas

Opinion

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 Ladonia, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle Pertaining to Compensated Absences

As discussed in the notes to the financial statements, the District has changed its accounting for compensated absences, which was required by Governmental Accounting Standards Board (GASB) Statement No. 101, which became effective for fiscal years beginning after December 15, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund and component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining nonmajor fund and component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hankins Eastup Deaton Tonn Seay & Scarborough, LLC

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
April 24, 2026

CITY OF LADONIA, TEXAS
Management's Discussion and Analysis
September 30, 2025

As management of the City of Ladonia (the City), Texas, we offer readers of the City of Ladonia's financial statements this narrative overview and analysis of the financial activities of the City of Ladonia (the City) for the fiscal year ended September 30, 2025. Please consider this information in conjunction with the accompanying financial statements.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2025, by \$1,633,025 a decrease of \$92,431 from the prior year.
- The assets and deferred outflows of resources of the Governmental Funds exceed its liabilities and deferred inflows of resources at the close of the prior fiscal year by \$564,039 (net position). Of this amount, \$92,598 (unrestricted net position) may be used to meet the ongoing obligations of the Governmental Funds. The Governmental Funds' total net position increased by \$90,092.
- The assets and deferred outflows of resources of the Utility Fund (enterprise fund) exceed its liabilities and deferred inflows of resources at the close of the prior fiscal year by \$1,068,986 (net position). Of this amount, \$132,549 (unrestricted net position) may be used to meet the ongoing obligations of the Utility Fund. The Utility Fund's total net position decreased by \$182,523.
- The City's unrestricted cash at September 30, 2025 and 2024 amounted to \$233,911 and \$103,214, respectively.
- The City's capital assets, reported at cost less accumulated depreciation, totaled \$3,830,733 and \$3,924,198 at September 30, 2025 and 2024, while the City's long-term obligations totaled \$2,637,304 and \$2,735,348 at September 30, 2025 and 2024.

Overview of the Financial Statements

The discussion and analysis 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 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 financial information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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).

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*). The governmental activities of the City include general government, public safety, and public works. The business-type activities of the City include water, sewer, and sanitation.

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.

CITY OF LADONIA, TEXAS
Management's Discussion and Analysis
September 30, 2025

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 three 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, the debt service fund, and the special revenue fund.

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

Proprietary Funds. The City reports on the activities for which it charges users in a proprietary fund known as an *enterprise fund*. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water, sewer, electrical, and sanitation operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Utilities Fund, which is considered to be a major fund of the City.

Fiduciary Funds. These funds are used to account for resources held for the benefit of parties outside the government. The accounting used for fiduciary funds is much like that used for proprietary funds. The City does not currently have any fiduciary funds.

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

Government-Wide Financial Analysis

The following table represents a summary of the City's net position at September 30, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	\$ 140,233	\$ 29,843	\$ 304,700	\$ 550,024	\$ 444,933	\$ 579,867
Noncurrent assets	93,304	105,246	379,067	390,963	472,371	496,209
Capital assets	362,541	407,431	3,468,192	3,516,767	3,830,733	3,924,198
Total Assets	<u>596,078</u>	<u>542,520</u>	<u>4,151,959</u>	<u>4,457,754</u>	<u>4,748,037</u>	<u>5,000,274</u>
Deferred outflows of resources	<u>9,130</u>	<u>4,741</u>	<u>1,076</u>	<u>422</u>	<u>10,206</u>	<u>5,163</u>
Liabilities						
Current liabilities	20,526	33,746	179,982	187,722	200,508	221,468
Long term liabilities	10,085	7,863	2,540,341	2,638,469	2,550,426	2,646,332
	<u>30,611</u>	<u>41,609</u>	<u>2,720,323</u>	<u>2,826,191</u>	<u>2,750,934</u>	<u>2,867,800</u>
Deferred inflows of resources	<u>10,558</u>	<u>31,705</u>	<u>363,726</u>	<u>380,476</u>	<u>374,284</u>	<u>412,181</u>
Net position:						
Net investment in capital assets	362,541	404,079	830,421	781,419	1,192,962	1,185,498
Restricted for Capital Assets	-	-	106,016	299,024	106,016	299,024
Restricted for Grant	24,721	28,524	-	-	24,721	28,524
Restricted for Debt Service	84,179	3,500	-	-	84,179	3,500
Unrestricted	<u>92,598</u>	<u>37,844</u>	<u>132,549</u>	<u>171,066</u>	<u>225,147</u>	<u>208,910</u>
Total Net Position	<u>\$ 564,039</u>	<u>\$ 473,947</u>	<u>\$ 1,068,986</u>	<u>\$ 1,251,509</u>	<u>\$ 1,633,025</u>	<u>\$ 1,725,456</u>

CITY OF LADONIA, TEXAS
Management's Discussion and Analysis
September 30, 2025

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1,633,025 and represented a decrease of \$92,431 over the prior year net position of \$1,725,456. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - is \$225,147 at September 30, 2025, an increase of \$16,237 from the prior year unrestricted net position of \$208,910.

The City's net position is split almost equally between the governmental activities and business-type activities, while 68.7% percent of net position represent the City's investment in capital assets (e.g., land, buildings, equipment, furnishings, and infrastructure); less any related debt used to acquire those assets that is 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (1.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$225,147 may be used to meet the City's ongoing obligations to citizens and creditors.

The most significant changes in the statement of net position are as follows:

- Total current assets decreased by \$134,934, mostly due to decreases in restricted cash balances of \$277,000.
- Capital assets of the business-type activities decreased by \$93,465, mostly due to additions of \$175,405 less depreciation expense of \$268,870.
- Decrease in total long-term liabilities is mostly due to principal payments made for \$101,396..

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CITY OF LADONIA, TEXAS
Management's Discussion and Analysis
September 30, 2025

Statement of Activities

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Charges for services - fees and others	-	-	373,239	389,844	373,239	389,844
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	-	158,671	50,000	104,692	50,000	263,363
General revenues:						
Property taxes	267,645	80,846	-	-	267,645	80,846
Sales taxes	52,645	26,990	-	-	52,645	26,990
Other local taxes	21,132	23,230	-	-	21,132	23,230
Licenses and fees	9,720	394	-	-	9,720	394
Investment income	2,899	2,398	6,631	20,089	9,530	22,487
Insurance claim proceeds	-	-	34,649	-	34,649	-
Miscellaneous	17,551	7,095	42,995	19,134	60,546	26,229
Total revenue	371,592	299,624	507,514	533,759	879,106	833,383
Expenditures:						
General government and other	192,744	348,949	-	-	192,744	348,949
Public Safety	37,941	9,537	-	-	37,941	9,537
Public works	10,086	1,507	-	-	10,086	1,507
Water and sewer	-	-	730,766	645,423	730,766	645,423
Total expenditures:	240,771	359,993	730,766	645,423	971,537	1,005,416
Increase in net position before transfers	130,821	(60,369)	(223,252)	(111,664)	(92,431)	(172,033)
Transfers In/(Out)	(40,729)	(57,483)	40,729	57,483	-	-
Changes in net position	90,092	(117,852)	(182,523)	(54,181)	(92,431)	(172,033)
Net position - Beginning of year	473,947	591,799	1,251,509	1,305,690	1,725,456	1,897,489
Net position - End of year	\$ 564,039	\$ 473,947	\$ 1,068,986	\$ 1,251,509	\$ 1,633,025	\$ 1,725,456

Revenues of governmental activities increased by \$71,968, from \$299,624 to \$371,592. This was mostly due to the net effect of an increase in property taxes of \$186,799, sale taxes of \$25,655, and a decrease in capital grants and contributions of \$231,363, mostly due to no HOME program funds received during fiscal year 2025 while a total of \$158,671 was received during fiscal year 2024.

The cost of all governmental activities was \$240,771 in 2025 as compared to \$359,993 in 2024, a decrease of \$119,222, mostly due to general government expenditures including \$158,671 related to the HOME Program in 2024, and an increase in Public Safety's payroll expenses of approximately \$29,000.

As shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City property and sales taxes was only \$320,290 in 2025 and \$107,836 in 2024 because some of the costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Governmental activities increased the City's net position by \$90,092 while business-type activities decreased the City's net position by \$182,523.

CITY OF LADONIA, TEXAS
Management's Discussion and Analysis
September 30, 2025

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$81,862, an increase of \$103,680 in comparison with the prior year. Approximately (\$2,317) or 2.83% of this amount constitutes unassigned fund balance, which is available for spending at the government's discretion.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Both unassigned and total fund balance represent approximately 38.8% of General Fund's expenditures. A general rule of thumb is for governments to maintain unassigned fund balance in the range of 30 to 100 percent of annual General Fund expenditures.

General Fund Budgetary Highlights

To enhance the process of developing a budget, the City utilizes goals and objectives defined by the mayor and City Council, community input, long-term plans, and input from various staff groups. The City's priorities are well defined through this process. The original budget included revenues of \$278,263 and expenditures of \$274,319 for a remaining excess of \$3,944. Actual revenues budgeted revenues by approximately \$77,000 mostly due to increase in property and sales tax collections of \$26,945 and \$31,645, respectively. Budgeted expenditures exceeded actual expenditures by approximately \$23,000 mostly because of excess budgeted payroll expenses of approximately \$50,000 and excess of actual versus budget of insurance of \$19,000.

GASBs 34 and 37 do not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The General Fund and the Proprietary Fund are the only major budgetary funds. It should be noted that the General Fund, the Proprietary Fund, the Debt Service Fund and the Special Revenue Fund are considered major funds based on criteria defined in GASB Statements No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* or as determined by management.

Capital Assets and Debt Administration

Capital Assets

Changes to the City's capital assets for its governmental and business-type activities for the fiscal year ended September 30, 2025, are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 114,500	\$ 114,500	\$ 47,477	\$ 47,477	\$ 161,977	\$ 161,977
Buildings and Improvements	135,214	135,214	259,200	259,200	394,414	394,414
Furniture and Fixtures, and Vehicles	130,784	130,784	93,281	85,725	224,065	216,509
Infrastructure	466,790	466,790	6,976,074	6,808,225	7,442,864	7,275,015
	847,288	847,288	7,376,032	7,200,627	8,223,320	8,047,915
Less accumulated depreciation	(484,747)	(439,857)	(3,907,840)	(3,683,860)	(4,392,587)	(4,123,717)
Total capital assets, net	\$ 362,541	\$ 407,431	\$ 3,468,192	\$ 3,516,767	\$ 3,830,733	\$ 3,924,198

CITY OF LADONIA, TEXAS
Management's Discussion and Analysis
September 30, 2025

Major capital assets additions during the current fiscal year occurred in the proprietary fund and were as follows:

- Sewer plant fence project amounting to \$167,849.
- Equipment and software for water meters readings of \$7,556.

Debt Administration

Changes to the City's long-term debt for its governmental and business-type activities for the fiscal year ended September 30, 2025, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Note payable	\$ 3,352		\$ 3,352	\$ -	\$ -
Total governmental activities	<u>\$ 3,352</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities					
Note payables	\$ 180,348	\$ -	\$ 28,044	\$ 152,304	\$ 28,648
Certificates of Obligation	2,555,000	-	70,000	2,485,000	70,000
Total business-type activities	<u>\$ 2,735,348</u>	<u>\$ -</u>	<u>\$ 98,044</u>	<u>\$ 2,637,304</u>	<u>\$ 98,648</u>

Economic Outlook and Next Year's Budgets and Tax Rates

The City's elected and appointed officials consider many factors when adopting budgets and setting tax rates. Chief among those factors is the local economy, which appears to have remained constant from prior year. The City's approved fiscal year 2026 property tax rate was 0.6329868 per \$100 valuation from 0.637180 per \$100 valuation in the previous year.

Factors such as the above are taken into account during the budgeting process. For the fiscal year ending September 30, 2026, the City has budgeted approximately \$625,547 of revenues, versus expenditures of \$664,547, and transfers in from the proprietary fund of \$51,722.

Contacting the City's Financial Management

This financial report is designed to provide an overview of the City's finances for everyone who has an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Secretary at the City of Ladonia, 100 Center Plaza, P.O. Box 5, Ladonia, Texas 75449.

BASIC FINANCIAL STATEMENTS



CITY OF LADONIA, TEXAS

Statement of Net Position

September 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 194,378	\$ 39,533	\$ 233,911
Restricted Assets - Cash and Cash Equivalents	-	106,016	106,016
Receivables (net of allowance for uncollectibles):	66,781	38,225	105,006
Lease Receivable	-	368,068	368,068
Internal Balances	(120,926)	120,926	-
Capital Assets:			
Land	114,500	47,477	161,977
Buildings and Improvements	-	-	-
Furniture, Equipment, and Vehicles	37,503	18,884	56,387
Infrastructure	210,538	-	210,538
Water and Sewer System	-	3,401,831	3,401,831
Net Pension Asset	93,304	10,999	104,303
Total Assets	<u>596,078</u>	<u>4,151,959</u>	<u>4,748,037</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to Pension	8,583	1,012	9,595
Deferred outflow related to OPEB	547	64	611
Total Deferred Outflows of Resources	<u>9,130</u>	<u>1,076</u>	<u>10,206</u>
LIABILITIES			
Accounts Payable	20,526	22,270	42,796
Accrued Interest Payable	-	10,478	10,478
Customer Deposits Payable	-	48,616	48,616
Noncurrent Liabilities:			
Due within one year	-	98,620	98,620
Due in more than one year	-	2,539,150	2,539,150
Net OPEB liability	10,085	1,189	11,274
Total Liabilities	<u>30,611</u>	<u>2,720,323</u>	<u>2,750,934</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to Pension	7,827	923	8,750
Deferred inflow related to OPEB	2,731	322	3,053
Deferred inflow related to Leases	-	362,481	362,481
Total Deferred Inflows of Resources	<u>10,558</u>	<u>363,726</u>	<u>374,284</u>
NET POSITION			
Net investment in capital assets	362,541	830,421	1,192,962
Restricted for:			
Grant	-	-	-
Capital Projects	-	106,016	106,016
Debt Service	84,179	-	84,179
Unrestricted Net Position	117,319	132,549	249,868
Total Net Position	<u>\$ 564,039</u>	<u>\$ 1,068,986</u>	<u>\$ 1,633,025</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Statement of Activities
Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Administration	\$ 192,744	\$ -	\$ -	\$ -
Public Safety	37,941	-	-	-
Public Works	10,086	-	-	-
Total Governmental Activities	<u>240,771</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	<u>\$ 730,766</u>	<u>\$ 373,239</u>	<u>\$ -</u>	<u>\$ 50,000</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 971,537</u></u>	<u><u>\$ 373,239</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,000</u></u>

GENERAL REVENUES:

Taxes:

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

Sales taxes

Franchise taxes

Licenses and Fees

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Special Items

 Change in Net Position

NET POSITION, October 1 (beginning)

NET POSITION, September 30 (ending)

The accompanying notes are an integral part of these financial statements.

Net (expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business_Type Activities	Total
\$ (192,744)	\$ -	\$ (192,744)
(37,941)	-	(37,941)
(10,086)	-	(10,086)
<u>(240,771)</u>	<u>-</u>	<u>(240,771)</u>
\$ -	\$ (307,527)	(307,527)
\$ -	\$ (307,527)	\$ (548,298)
76,588	-	76,588
191,057	-	191,057
52,645	-	52,645
21,132	-	21,132
9,720	-	9,720
2,899	6,631	9,530
17,551	77,644	95,195
<u>(40,729)</u>	<u>40,729</u>	<u>-</u>
<u>330,863</u>	<u>125,004</u>	<u>455,867</u>
90,092	(182,523)	(333,202)
<u>473,947</u>	<u>1,251,509</u>	<u>1,725,456</u>
<u>\$ 564,039</u>	<u>\$ 1,068,986</u>	<u>\$ 1,633,025</u>

CITY OF LADONIA, TEXAS

Statement of Net Position

September 30, 2025

ASSETS	GENERAL FUND	DEBT SERVICE FUND	SPECIAL REVENUE FUND	ELIMINATIONS	TOTAL
Cash and cash equivalents	\$ 85,478	\$ 84,179	\$ 24,721	\$ -	\$ 194,378
Receivables, net	46,685	20,096	-	-	66,781
Due from Special Revenue Fund	24,721	-		(24,721)	-
Due from Water & Sewer	6,924				6,924
Total Assets	<u>163,809</u>	<u>104,275</u>	<u>24,721</u>	<u>(24,721)</u>	<u>268,084</u>
LIABILITIES					
Accounts payable and accrued liabilities					
Due to Water and Sewer Fund	20,527	-		-	20,527
Due to General fund	127,850	-	24,721	(24,721)	127,850
Total Liabilities	<u>148,377</u>	<u>-</u>	<u>24,721</u>	<u>(24,721)</u>	<u>148,377</u>
Deferred Inflows of Resources:					
Unavailable revenue - Property Taxes	17,749	20,096		-	37,845
Total Deferred Inflows of Resources	<u>17,749</u>	<u>20,096</u>	<u>-</u>	<u>-</u>	<u>37,845</u>
Fund Balances:					
Restricted fund balance:					
Restricted for debt service	-	84,179	-	-	84,179
Unassigned fund balance	(2,317)	-	-	-	(2,317)
Total Fund Balances	<u>(2,317)</u>	<u>84,179</u>	<u>-</u>	<u>-</u>	<u>81,862</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 163,809</u>	<u>\$ 104,275</u>	<u>\$ 24,721</u>	<u>\$ (24,721)</u>	<u>\$ 268,084</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2025

Total Fund Balance - Governmental Funds	\$ 81,862
Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	37,845
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	847,288
Accumulated depreciation is not reported in the fund financial statements.	(484,747)
Included in the items related to debt is the recognition of the City’s net TMRS pension asset required by GASB 68 in the amount of \$93,304, a Deferred Resource Outflow related to TMRS in the amount of \$8,583 and a Deferred Resource Inflow related to TMRS in the amount of \$7,827. This amounted to an increase in Net Position in the amount of \$94,060.	94,060
Included in the items related to debt is the recognition of the City’s net TMRS OPEB liability required by GASB 75 in the amount of \$10,085, a Deferred Resource Outflow related to OPEB in the amount of \$547, and a Deferred Resource Inflow related to OPEB in the amount of \$2,731. This amounted to a decrease in Net Position in the amount of \$12,269.	(12,269)
Total net position of governmental activities	<u>\$ 564,039</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year September 30, 2025

	GENERAL FUND	DEBT SERVICE FUND	SPECIAL REVENUE FUND	ELIMINATION	TOTAL
Revenues:					
Property Taxes	\$ 72,059	\$ 179,409	\$ -	\$ -	\$ 251,468
Sales Tax	52,645	-	-	-	52,645
Franchise Tax	21,132	-	-	-	21,132
Fines and forfeitures	294	-	-	-	294
Intergovernmental	-	-	-	-	-
Investment Earnings	656	1,688	555	-	2,899
Miscellaneous	17,257	-	-	-	17,257
Total Revenues	<u>173,762</u>	<u>181,097</u>	<u>555</u>	<u>-</u>	<u>355,414</u>
Expenditures:					
General Government	168,163	-	-	-	168,163
Public safety	31,197	-	-	-	31,197
Public works	8,293	-	-	-	8,293
Debt Service					-
Principal	3,352	-	-	-	3,352
Interest	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>211,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,005</u>
Excess of Revenues Over (Under) Expenditures	(37,243)	181,097	555	-	144,409
Other Financing Resources (Uses):					
Transfers in	56,744	-	-	-	56,744
Transfers out	-	(96,918)	(555)	-	(97,473)
Total Other Financing Resources (Uses)	<u>56,744</u>	<u>(96,918)</u>	<u>(555)</u>	<u>-</u>	<u>(40,729)</u>
Net Change in Fund Balance	19,501	84,179	-	-	103,680
Fund Balance - October 1 (beginning)	(21,818)	-	-	-	(21,818)
Fund Balance - September 30 (ending)	<u>(2,317)</u>	<u>84,179</u>	<u>-</u>	<u>-</u>	<u>81,862</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
September 30, 2025

Net Change in Fund Balance – Total Governmental Funds	\$ 103,680
Accumulated depreciation is not reported in the fund financial statements.	(44,890)
Difference between prior year unavailable taxes and current year unavailable taxes reported as revenue in the government-wide financial statements	16,178
Current year principal payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	3,352
Current year pension expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balances, and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability and deferred outflows/inflows of resources.	12,468
Current year OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balances, and as actuarially determined in the government-wide statement of activities. These differences are reflected in total OPEB liability and deferred outflows/inflows of resources.	(696)
Change in net position of governmental activities	<u>\$ 90,092</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Statement of Net Position – Proprietary Fund
September 30, 2025

	BUSINESS-TYPE ACTIVITIES
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 39,533
Accounts receivable	38,225
Lease Receivable	368,068
Due from General Fund	120,926
Restricted cash and cash equivalents	106,016
	672,768
Non Current Assets	
Capital Assets	
Land	47,477
Buildings	259,200
Machinery, Equipment and Vehicles	93,281
Water and Sewer System	6,976,076
Less Accumulated Depreciation	(3,907,842)
Total Capital Assets	3,468,192
Net Pension Asset	10,999
Total non current Assets	3,479,191
Total Assets	\$ 4,151,959
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	1,012
Deferred Outflows related to OPEB	64
Total deferred outflows of resources	1,076
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	22,270
Accrued interest payable	10,478
Customer Deposits	48,616
Notes Payable - Current	28,620
Certificates of Obligation - Current	70,000
Total current liabilities	179,984
Noncurrent Liabilities:	
Notes Payable - Noncurrent	124,150
Certificates of obligation payable - noncurrent	2,415,000
Net OPEB liability	1,189
Total non current liabilities	2,540,339
Total liabilities	2,720,323
Deferred Inflows of Resources:	
Deferred Inflows Related to Pension	923
Deferred Inflows Related to OPEB	322
Deferred Inflows Related to Leases	362,481
Total deferred inflows of resources	363,726
NET POSITION	
Net investment in capital assets	830,421
Restricted for capital projects	106,016
Unrestricted	132,549
Total Net Position	\$ 1,068,986

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2025

	BUSINESS-TYPE ACTIVITIES
OPERATING REVENUES	
Charges for Services	\$ 373,239
Miscellaneous	42,996
Total operating revenues	416,235
OPERATING EXPENSES	
Salaries and related	53,706
Contract labor	133,673
System supplies and maintenance	97,821
Sanitation services	63,444
Utilities and telephone	49,085
Dues and membership	24,791
Laboratory fees	6,572
Office supplies	3,349
Bad debts expense	6,360
Miscellaneous	6,170
Depreciation	223,980
Total Operating Expenses	\$ 668,951
Operating Income (loss)	\$ (252,716)
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	6,631
Interest expense	(61,817)
Insurance proceeds	34,650
Total nonoperating revenue (expenses)	(20,536)
Income before capital contributions and transfers	(273,252)
Capital contributions	50,000
Transfers in	40,729
Transfers out	-
	90,729
Change in net position	(182,523)
Net position - beginning	1,251,509
Net position - ending	\$ 1,068,986

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Statement of Cash Flows - Proprietary Fund
Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 409,574
Payments to employees for salaries and benefits	(53,706)
Payments to suppliers and service providers	<u>(386,088)</u>
Net cash provided by operating activities	<u>(30,220)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>40,729</u>
Net cash used in noncapital financing activities	<u>40,729</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(175,405)
Capital contributions	50,000
Insurance proceeds	34,649
Principal paid on debt	(99,661)
Interest paid on debt	<u>(59,732)</u>
Net cash used in capital and related financing activities	<u>(250,149)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from interest earnings	<u>6,631</u>
Net Increase in Cash and Cash Equivalents	(233,009)
Cash and Cash Equivalents, Beginning of Year	<u>378,558</u>
Cash and Cash Equivalents, End of Year	<u>\$ 145,549</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating loss	\$ (252,716)
Adjustment to reconcile operating income to net cash provided by operating activities	
Depreciation	223,980
(Increases) decreases in assets:	
Receivables	5,391
Due from Other Funds	6,924
Lease receivable	15,586
Net Pension Asset	(3,690)
Deferred outflows - pension	(644)
Deferred outflows - OPEB	(10)
Increases (decreases) in liabilities:	
Accounts payable and accrued liabilities	(2,581)
Accrued interest payable	747
Customer deposits	(6,947)
Net OPEB liability	490
Deferred inflows - pension	505
Deferred inflows - OPEB	(62)
Deferred inflows - leases	<u>(17,193)</u>
Total adjustments	<u>222,496</u>
Net Cash Provided by Operating Activities	<u>\$ (30,220)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Note 1: Summary of Significant Accounting Policies

General Statement

The City of Ladonia (the city) was incorporated on September 7, 1886 as a municipal corporation governed by elected council members and a mayor. The City's major operations include general government services and water and sewer system.

This summary of significant accounting policies of the City is presented to assist the understanding of the City's financial statements. The financial statements and notes are the representation of the City's management who is responsible for their integrity and objectivity.

The basic financial statements of City of Ladonia, Texas (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's basic financial statements.

Financial Reporting Entity

The City's basic financial statements include the accounts of all its operations, as well as organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements be misleading or incomplete. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, as amended, "The Financial Reporting Entity," include whether:

1. The organization is legally separate (can sue and be sued in its name).
2. The City holds the corporate powers of the organization.
3. The City appoints a voting majority of the organization's board.
4. The City is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the City.
6. There is fiscal dependency by the organization on the City.
7. The exclusion of the organization would result in misleading or incomplete financial statements.

Additionally, the City is not a component unit of any other reporting entity as defined by the GASB Statement.

Basis of Presentation

Government-wide 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 City's enterprise fund. Separate financial statements are provided for governmental funds and the proprietary fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Fund Financial Statements

The fund financial statements provide information about the City'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 funds and the enterprise fund, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The City reports the following major governmental funds:

General Fund – the primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Special Revenue Fund – Accounts for the activities related to the Home Investment Partnerships Program (HOME).

The City reports the following major enterprise fund:

Water and Sewer Fund – this is the City's operating fund for water and sewer distribution. It also accounts for all financial resources of the City concerning water and sewer sales. Its activity is financed with debt secured by a pledge of the net revenues and has the requirement that the cost of providing services, including capital costs, be recovered by used fees and charges.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to 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 funds) are eliminated so that only the net amount is included as internal balances in the governmental 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.

Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, like under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and other postemployment benefit plans, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

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

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

Budgetary Policy and Control

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. For management purposes, the City adopts budgets for all funds. An annual budget is legally adopted by the General Fund, and for the Proprietary Fund. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is within a fund. Budgeted amounts presented are the original adopted budget and the budget as further amended by the City Council (if amended).

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand and demand deposits. Substantially all operating deposits are maintained in pooled deposits accounts. Interest income relating to pooled deposits is allocated to the participating individual funds based on each fund's pro rata share of total pooled deposits and investments. For the purpose of the statement of cash flows, the City considers all highly liquid investments to be cash equivalents.

Receivables, Payables, and Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied each October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. Any uncollected property taxes as of September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and unavailable revenue.

Lease Receivable

The City is a lessor for noncancellable leases related to cellular towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee’s rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Restricted Assets

Certain resources of the City are classified as restricted assets on the statement of net position and balance sheet because their use is limited by applicable bond covenants or City ordinance, resulting in enabling legislation.

Capital Assets

The City’s capital assets and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Donated assets are stated at acquisition value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchases and outlays occur. The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	
Park improvements	20-30 years
Infrastructure	20-30 years
Buildings and improvements	10-50 years
Equipment and vehicles	3-20 years

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the period of issuance.

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

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Pensions

For purposes of measuring the net pension asset, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City'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.

Defined Benefit Other Postemployment Benefit Plan

The City has a single-employer defined benefit other postemployment benefit (OPEB) plan (Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Compensated Absences

During the year ended September 30, 2025, the City adopted the provisions of the Government Accounting Standards Board ('GASB') Statement No. 101, "Compensated Absences," which was effective for fiscal years beginning after December 15, 2023. Such provisions require a liability for compensated absences that employees have earned and carry-forward to future fiscal years has been accrued in the government-wide financial statements. The measurement of the liability includes salary-related payments that are directly and incrementally associated with the leave (e.g., employer Social Security and Medicare payroll taxes).

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Management has determined that the adoption of this pronouncement had no significant impact the year ended September 30, 2025.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories.

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

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

The classifications used in the governmental fund financial statements are as follows:

- ***Nonspendable***: This classification includes amounts that cannot be spent because they are either: (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- ***Restricted***: This classification includes amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- ***Committed***: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- ***Assigned***: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- ***Unassigned***: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

As previously mentioned, sometimes the City 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 City'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.

Deferred Outflows and Deferred Inflows of Resources

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

- **Deferred charge on refunding** – 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.
- **Pension and OPEB contributions after measurement date** – These contributions are deferred and recognized in the following fiscal year.
- **Difference in expected and actual experience – pension and OPEB** – This difference is deferred and amortized over the average remaining service life of all participants in the pension and OPEB plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred.

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- Difference in assumption changes – pension and OPEB – This difference is deferred and amortized over the average remaining service life of all participants in the pension and OPEB plan and recorded as a component of pension and OPEB expense beginning with the period in which they incurred.

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

- Difference between projected and actual experience – pension and OPEB – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in assumption changes – OPEB – This difference is deferred and amortized over the average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.
- Difference in projected and actual earnings on pension plan investments – This difference is deferred and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
- Unavailable revenue – This arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, ambulance revenues, and court revenues. In the General Fund, deferred inflows of resources consists of property taxes of \$22,665. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

Program and General Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund and sewer fund and internal service funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2: Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is

CITY OF LADONIA, TEXAS
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waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash Deposits

At September 30, 2025, the total carrying amounts of the City's deposits (restricted and unrestricted cash, and interest-bearing savings accounts) were \$339,927 and the bank balances were \$369,901. The City's cash deposits at September 30, 2025, were partially covered by FDIC insurance with a remaining uncovered portion of \$119,901.

Investments

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

The City did not have an investment policy in place and did not maintain idle cash invested in certificates of deposits and/or public funds investment pools during the year ended September 30, 2025 and, as such, was not in compliance the provisions of the Act.

Note 3: Property Taxes

Property taxes are assessed and remitted to the City by the Fannin County Tax Assessor's Office. Taxes, levied annually on October 1, are due by January 31. Lien dates for real property occur annually in July. Allowances for uncollectible tax receivables reported in the general fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically received and written off when deemed uncollectible; however, state statutes prohibit writing off real property taxes without specific authority from the Texas Legislature.

In the governmental fund-level financial statements, property taxes receivable are recorded in the general fund when assessed (October 1 of each fiscal year). At fiscal year-end, property tax receivables represent delinquent taxes. If delinquent taxes are not paid within 60 days of fiscal year-end, they are recorded as unavailable revenue.

In the government-wide financial statements, property tax receivables and related revenues include all amounts due to the City regardless of when cash is received.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. If a city with a population of less than 30,000 adopts a tax rate that exceeds the greater of the City's voter-approval tax rate or the de minimis tax rate, the city council must order an election to approve the adopted tax rate for the November uniform election date.

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Note 4: Receivables

Receivables as of year-end for the government’s individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Utility Fund
Receivables:			
Property taxes	\$ 22,186	\$ 25,120	\$ -
Franchise tax	24,815	-	-
Sales tax	4,121	-	-
Trade	-	-	38,225
	<u>51,122</u>	<u>25,120</u>	<u>38,225</u>
Allowance for doubtful accounts	(4,437)	(5,024)	-
Total net receivables	<u>\$ 46,685</u>	<u>\$ 20,096</u>	<u>\$ 38,225</u>

Note 5: Lease Receivable

The City leases a portion of its property to various cell phone companies who use the space to conduct their operations, the terms of which expire in 2046. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

During the year ended September 30, 2025, the City recognized \$18,993 in lease revenue and \$543 in interest revenue in the proprietary fund. As of September 30, 2025, the City’s receivable for lease payments was \$368,068, as well as deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms \$362,481 in the proprietary fund.

The following is a schedule by year of minimum payments to be received under the City’s leases that are included in the measurement of the lease receivable as of September 30, 2025:

Year Ending September 30	Business-Type Activities		Total Receipts
	Principal	Interest	
2026	15,751	3,785	19,536
2027	15,917	3,619	19,536
2028	16,084	3,452	19,536
2029	16,254	3,282	19,536
2030	16,425	3,111	19,536
2031-2035	84,760	12,920	97,680
2036-2040	89,322	8,358	97,680
2041-2045	94,130	3,550	97,680
2046	19,425	111	19,536
	<u>368,068</u>	<u>42,188</u>	<u>410,256</u>

Note 7: Interfund Transfers

Transfers to and from other funds at September 30, 2025, consisted of \$40,729 transferred from the Debt Service Fund to the Proprietary Fund for payment of long term debt.

CITY OF LADONIA, TEXAS
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Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund level balance sheets / statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

These internal balances amounted to \$127,850 which represent amounts owed by the general fund to the proprietary fund used for operational purposes.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as all assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Note 8: Capital Assets

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

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated -				
Land	\$ 114,500	\$ -	\$ -	\$ 114,500
Capital assets, being depreciated:				
Buildings and Improvements	135,214	-	-	135,214
Furniture and Fixtures, and Vehicles	130,784	-	-	130,784
Infrastructure	<u>466,790</u>	<u>-</u>	<u>-</u>	<u>466,790</u>
Capital assets being depreciated	732,788	-	-	732,788
Less accumulated depreciation for:				
Buildings and improvements	(135,214)	-	-	(135,214)
Furniture and Fixtures, and Vehicles	(78,492)	(14,789)	-	(93,281)
Infrastructure	<u>(226,151)</u>	<u>(30,101)</u>	<u>-</u>	<u>(256,252)</u>
Total accumulated depreciation	<u>(439,857)</u>	<u>(44,890)</u>	<u>-</u>	<u>(484,747)</u>
Capital assets being depreciated, net	<u>292,931</u>	<u>(44,890)</u>	<u>-</u>	<u>248,041</u>
Governmental activities capital assets, net	<u>\$ 407,431</u>	<u>\$ (44,890)</u>	<u>\$ -</u>	<u>\$ 362,541</u>

Depreciation expense was charged to the following functions:

Governmental Activities:	
General Government	\$ 36,176
Public Safety	6,884
Public Works	<u>1,830</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 44,890</u>

CITY OF LADONIA, TEXAS
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Capital assets activity for the City's business type activities is as follows:

Business-Type Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated -				
Land	\$ 47,477	\$ -	\$ -	\$ 47,477
Assets not being depreciated	47,477	-	-	47,477
Capital assets, being depreciated:				
Buildings and Improvements	259,200	-	-	259,200
Furniture and Fixtures, and Vehicles	85,725	7,556	-	93,281
Infrastructure	6,808,225	167,849	-	6,976,074
Capital assets being depreciated	7,153,150	175,405	-	7,328,555
Less accumulated depreciation for:				
Buildings and improvements	(259,200)	-	-	(259,200)
Furniture and Fixtures, and Vehicles	(63,685)	(10,712)	-	(74,397)
Infrastructure	(3,360,975)	(213,268)	-	(3,574,243)
Total accumulated depreciation	(3,683,860)	(223,980)	-	(3,907,840)
Capital assets being depreciated, net	3,469,290	(48,575)	-	3,420,715
Business-Type activities capital assets, net	\$ 3,516,767	\$ (48,575)	\$ -	\$ 3,468,192

NOTE 9 – LONG TERM DEBT

Long term debt activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 3,352		\$ 3,352	\$ -	\$ -
Total governmental activities	\$ 3,352	\$ -	\$ 3,352	\$ -	\$ -
Note payables	\$ 180,348	\$ -	\$ 28,044	\$ 152,304	\$ 28,648
Certificates of Obligation	2,555,000	-	70,000	2,485,000	70,000
Total business-type activities					
Long-term Liabilities	\$ 2,735,348	\$ -	\$ 98,044	\$ 2,637,304	\$ 98,648

Long term debt in the business-type activities was as follows:

- Note payable entered on February 15, 2016, in the original amount of \$225,030, due in annual installments of \$20,217 bearing interest of 3.986% through April 5, 2031. The outstanding balance was \$105,334 at September 30, 2025.
- Note payable entered on September 19, 2016, in the original amount of \$79,740, due in annual installments of \$6,925 bearing interest of 3.691% through May 19, 2031. The outstanding balance was \$36,904 at September 30, 2025.

CITY OF LADONIA, TEXAS
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- Combination Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2018, due in annual installments of between \$45,000 and \$150,000 with a final payment due on September 30, 2047. Interest is payable semi-annually at rates ranging from 0.96% to 2.51%. The outstanding balance was \$2,485,000 at September 30, 2025.
- Note payable entered on March 1, 2022, in the original amount of \$33,510, due in annual installments of \$607 bearing interest of 3.34% through March 1, 2027. The outstanding balance was \$10,066 at September 30, 2025.

The minimum required debt service requirements maturities are as follows:

Year Ending September 30	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 98,648	\$ 64,079	\$ 162,727
2027	95,446	61,772	157,218
2028	98,313	59,547	157,860
2029	99,224	57,151	156,375
2030	100,171	54,659	154,830
2031-2034	545,502	234,941	780,443
2035-2039	610,000	168,030	778,030
2040-2044	690,000	89,717	779,717
2045-2047	300,000	11,280	311,280
	\$ 2,637,304	\$ 801,176	\$ 3,438,480

NOTE 9 – RETIREMENT PLAN

Plan Description

The City participates in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmr.com.

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

Benefits Provided

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

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

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The Plan provisions are adopted by the governing body of the City within the options available in the state’s statutes governing TMRS. Plan provisions for the City were as follows: Members can retire at ages 60 and above with five (5) or more years of service, or with 25 years of service regardless of age. Members are vested after five (5) years of service. The contribution rate for employees is 7%, and the City’s contribution rate is 3.88%, both as adopted by the governing body of the City. Updated service credit is 100% repeating, and the retiree cost of living adjustment is 70% of CPI repeating.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees enlisted but not yet receiving benefits	10
Active employees	<u>1</u>
Total	<u>13</u>

Contributions

Member contribution rates in TMRS are either 5 percent, 6 percent, or 7 percent of the Member’s total compensation, and the City’s matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time. Employees for the City were required to contribute five percent (5%) of their annual compensation during the fiscal year. The contribution rates for the City were 4.45% and 3.64% for both calendar years 2023 and 2022, respectively. The City’s contributions to TMRS for the year ended September 30, 2025 were \$2,076 and were equal to the required contributions.

Net Pension Liability

The City’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Significant methods and assumptions used in the December 31, 2024 actuarial valuation are as follows:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas Mortality Tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. Based on the size of the City, rates are by an additional factor of 87%. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5 percent and 3.0 percent minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

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

Net Pension Asset

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. Based on the stated assumptions and the projection of cash flows, the City’s fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e. the employer normal cost).

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CITY OF LADONIA, TEXAS
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Changes in the Net Pension Liability/(Asset)

At September 30, 2025 the City reported the following changes in net pension liability:

	Total Pension Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning net pension liability (asset) - prior measurement date	\$ 79,830	\$ 169,296	\$ (89,466)
Increases (decreases) during the year:			
Service cost	9,111	-	9,111
Interest on total pension liability	5,345	-	5,345
Change in benefit terms	-	-	-
Difference between expected and actual experience	(6,199)	-	(6,199)
Change in assumptions	-	-	-
Benefit payment, including refunds of employee contributions	(10,410)	-	(10,410)
Contributions – employer	-	2,076	(2,076)
Contributions – employee	-	3,745	(3,745)
Net investment income		17,389	(17,389)
Benefit payment, including refunds of employee contributions		(10,410)	10,410
Administrative expense		(113)	113
Other		(3)	3
Net change in total pension liability	<u>(2,153)</u>	<u>12,684</u>	<u>(14,837)</u>
Ending net pension liability (asset) - current measurement date	<u>\$ 77,677</u>	<u>\$ 181,980</u>	<u>\$ (104,303)</u>

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

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension asset	<u>\$ (99,784)</u>	<u>\$ (104,303)</u>	<u>\$ (108,202)</u>

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

The City's pension expense (income) for the year ending September 30, 2025 (based on a measurement date of December 31, 2024) is (\$15,822).

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Deferred Inflows / Outflows of Resources – Pension Plan

At September 30, 2025, the City’s deferred inflows and outflows of resources pertaining to the pension plan are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experiences	\$ 6,694	\$ -
Changes of assumptions	-	8,750
Net difference between projected and actual earnings	-	-
Contributions made subsequent to the measurement date	2,901	-
	\$ 9,595	\$ 8,750

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the pension plan, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Fiscal Year Ended September 30,		
2025	\$	(24)
2026		1,793
2027		(2,635)
2028		(1,190)
2029		-
Total	\$	(2,056)

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – RETIREE HEALTHCARE

Plan Description

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees.

As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75).

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	1
Active employees	1
Total	4

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September 30, 2025

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the OPEB Plan for the year ended September 30, 2025 were \$611.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumption and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	4.08%

Mortality rates for retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). For disabled annuitants, the mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5 percent and 3 percent minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2024, was 4.08 percent, compared to 3.77 percent as of December 31, 2023. Because the Supplemental Death Benefits Fund is considered an unfunded trust under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the relevant discount rate for calculating the Total OPEB Liability was based on the 20-Bond GO Index" rate closest to but not later than December 31, 2024. Index's "20-Year Municipal GO AA Index" rate as of the measurement date of December 31, 2022.

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

The following schedule shows the impact on the total OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.77 percent) in measuring the total OPEB liability.

	1% Decrease	Current Discount Rate	1% Increase
	3.08%	4.08%	5.08%
Net OPEB liability	\$ 13,154	\$ 11,274	\$ 9,747

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Changes in the Total OPEB Liability

At September 30, 2025, the City reported a total OPEB liability of \$11,274 measured at December 31, 2024. For the year ended September 30, 2025, the City recognized OPEB expense of \$1,321. There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period, except for a change in the discount rate from 3.77% to 4.08%. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the total OPEB liability for the measurement year ended December 31, 2024 are as follows:

Total OPEB liability - beginning of year	\$	8,562
Increases (decreases) during the year:		
Service cost		1,824
Interest on total pension liability		352
Change in benefit terms		-
Difference between expected and actual experience		1,337
Change in assumptions		(544)
Benefit payments		(257)
Net change in total pension liability		<u>2,712</u>
Total OPEB liability - end of year	\$	<u>11,274</u>

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

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experiences	\$ -	\$ 1,603
Changes of assumptions	-	1,450
Net difference between projected and actual earnings	-	-
Contributions made subsequent to the measurement date	611	-
	<u>\$ 611</u>	<u>\$ 3,053</u>

Benefit payments subsequent to the measurement date and before fiscal year-end will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
2024	\$ (991)
2025	(1,607)
2026	(455)
2027	-
2028	-
Thereafter	-
Total	<u>\$ (3,053)</u>

CITY OF LADONIA, TEXAS
Notes to Basic Financial Statements
September 30, 2025

Allocation of OPEB Items

The City allocates OPEB items between governmental activities and business-type activities on the basis of employee payroll funding. For governmental activities, the total OPEB liability is liquidated by the general fund. For the business-type activities, the water and sewer fund liquidate the total OPEB liability.

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, error and omissions, injuries to employees, and natural disasters. The City has obtained general liability coverage at a cost that is considered economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from this risk have not exceeded coverage in any of the past three fiscal years.

NOTE 12 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

The City has received funds in recent years from a federal grant program. Such funds are governed by various rules and regulations of the grantor agencies. Costs charged to the program are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grant, refunds of money received may be required. 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 combined financial statements for such contingencies at September 30, 2024.

NOTE 13 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through April 24 2026, the date on which the financial statements were available to be issued. Management considers that no events have occurred subsequent to the date of these financial statements, that would require additional adjustment or disclosure.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LADONIA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund – Budget vs Actual

	Budgeted Amounts		Actual Amounts	Final Budget Positive
	Original	Final		(Negative)
Interest & Sinking	52,440	52,440	179,409	126,969
Maintenance & Operations	171,018	171,018	70,994	(100,024)
Lieu of Taxes	60	60	177	117
Franchise Tax income	1,000	1,000	887	(113)
SalesTaxINCOME	20,000	20,000	21,132	1,132
LiquorLicenseFees	21,000	21,000	52,645	31,645
RightofWay	5,000	5,000	650	(4,350)
PermitFees	125	125	307	182
InterestEarned	1,500	1,500	8,577	7,077
Fax,Copy,Notary	6,000	6,000	2,842	(3,158)
Miscellaneous	120	120	185	65
Total Revenues	<u>278,263</u>	<u>278,263</u>	<u>17,256</u>	<u>17,256</u>
			<u>355,061</u>	<u>76,798</u>
Postage	150	150	425	(275)
Payroll	28,750	28,750	11,454	17,296
PayrollTaxes	5,400	5,400	10,276	(4,876)
Retirement/TMRS	451	451	9,433	(8,982)
Non-Payroll-Subs	500	500	960	(460)
TML Risk Pool	18,354	18,354	37,067	(18,713)
Advertising	600	600	184	416
Lease-Copy	2,000	2,000	1,722	278
SoftwarePrograms	3,500	3,500	4,435	(935)
TaxAppraisalServices	2,800	2,800	3,808	(1,008)
LegalFees	9,000	9,000	15,275	(6,275)
AuditFees	50,000	50,000	7,500	42,500
TaxCollectionServices	506	506	5,291	(4,785)
Repair/Maint.Buildings	2,000	2,000	2,173	(173)
Repair/MaintIT	600	600	144	456
Repair/MaintOther	2,000	2,000	16	1,984
Utility-Electric	20,001	20,001	17,753	2,248
Utility-Gas	900	900	1,407	(507)
Utility-Telephone	1,120	1,120	3,468	(2,348)
Utility-Internet	1,260	1,260	1,776	(516)
Supplies-Office	600	600	3,643	(3,043)
Dues&Memberships	2,875	2,875	1,735	1,140
Travel-Miles	600	600	980	(380)
Elections	3,900	3,900	7,097	(3,197)
TrainingandTravel	500	500	550	(50)
FireworksPayOut	1,500	1,500	4,000	(2,500)
LVFDMunicipalSupport	6,000	6,000	6,000	-
CourtProgram	1,000	1,000	2,704	(1,704)
Sanitation Purchased Services	500	500	415	85
PolicevehicleFuel	1,000	1,000	355	645
Police-Payroll	62,000	62,000	29,994	32,006

CITY OF LADONIA, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund – Budget vs Actual

PoliceDept.Fees	1,500	1,500		1,500
PoliceEquipment/Repair&	1,500	1,500	1,109	391
Training-Police	1,000	1,000		1,000
Repair/Maint.	5,000	5,000	8,142	(3,142)
PurchaseServices-	840	840		840
Supplies-Gas	500	500	122	378
TruckExpense	3,387	3,387	29	3,358
Uniforms	500	500		500
Transfer Out - Water Development Fund	29,725	29,725	40,729	(11,004)
Miscellaneous	-	-	9,210	(9,210)
Total Expenditures	<u>274,319</u>	<u>274,319</u>	<u>251,381</u>	<u>22,938</u>
Excess/(Deficiency) Budget vs Actual	<u>3,944</u>	<u>3,944</u>	<u>103,680</u>	<u>(99,736)</u>

CITY OF LADONIA, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability				
Service Cost	\$ 9,111	\$ 7,085	\$ 12,258	\$ 12,725
Interest (on the Total Pension Liability)	5,345	5,775	6,680	6,922
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(6,199)	(10,759)	(23,453)	(10,731)
Change of assumptions	-	(628)	-	-
Benefit payments, including refunds of employee contributions	<u>(10,410)</u>	<u>(7,316)</u>	<u>(5,290)</u>	<u>(19,245)</u>
Net Change in Total Pension Liability	(2,153)	(5,843)	(9,805)	(10,329)
Total Pension Liability - Beginning	<u>79,830</u>	<u>85,673</u>	<u>95,478</u>	<u>105,807</u>
Total Pension Liability - Ending (a)	<u><u>\$ 77,677</u></u>	<u><u>\$ 79,830</u></u>	<u><u>\$ 85,673</u></u>	<u><u>\$ 95,478</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 2,076	\$ 1,599	\$ 4,897	\$ 4,039
Contributions - Employee	3,745	3,530	7,045	6,340
Net Investment Income (loss)	17,389	17,608	(11,445)	19,142
Benefit payments, including refunds of employee contributions	(10,410)	(7,316)	(5,290)	(19,245)
Administrative Expense	(113)	(113)	(100)	(90)
Other	<u>(3)</u>	<u>(1)</u>	<u>120</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	12,684	15,307	(4,773)	10,186
Plan Fiduciary Net Position - Beginning	<u>169,296</u>	<u>153,989</u>	<u>158,762</u>	<u>148,576</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 181,980</u></u>	<u><u>\$ 169,296</u></u>	<u><u>\$ 153,989</u></u>	<u><u>\$ 158,762</u></u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u><u>\$ (104,303)</u></u>	<u><u>\$ (89,466)</u></u>	<u><u>\$ (68,316)</u></u>	<u><u>\$ (63,284)</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	234.28%	212.07%	179.74%	166.28%
Covered Employee Payroll	\$ 53,499	\$ 50,429	\$ 100,642	\$ 90,567
Net Pension Liability as a Percentage of Covered Employee Payroll	-194.96%	-177.41%	-67.88%	-69.88%

Note: This schedule is presented to illustrate the requirement to show information for 10 years, for which is the period covered as of the Plan's me December 31.

2020	2019	2018	2017	2016	2015
\$ 9,749	\$ 10,461	\$ 7,907	\$ 6,246	\$ 7,542	\$ 4,824
6,577	6,045	5,631	5,792	5,584	5,658
-	-	-	-	-	-
862	(401)	(793)	(4,615)	1,236	(1,683)
-	27	-	-	-	1,592
<u>(7,891)</u>	<u>(7,891)</u>	<u>(7,891)</u>	<u>(13,383)</u>	<u>(7,891)</u>	<u>(11,803)</u>
9,297	8,241	4,854	(5,960)	6,471	(1,412)
<u>96,510</u>	<u>88,269</u>	<u>83,415</u>	<u>89,375</u>	<u>82,904</u>	<u>84,316</u>
<u>\$ 105,807</u>	<u>\$ 96,510</u>	<u>\$ 88,269</u>	<u>\$ 83,415</u>	<u>\$ 89,375</u>	<u>\$ 82,904</u>
\$ 2,293	\$ 3,194	\$ 1,567	\$ 1,128	\$ 66	\$ 699
4,924	4,925	3,344	3,073	3,676	3,115
10,406	18,555	(3,801)	16,589	7,846	183
(7,891)	(7,891)	(7,891)	(13,383)	(7,891)	(11,803)
(68)	(105)	(74)	(86)	(89)	(12)
<u>(3)</u>	<u>(32)</u>	<u>(4)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>
9,661	18,646	(6,859)	7,317	3,603	(7,824)
<u>138,916</u>	<u>120,240</u>	<u>127,100</u>	<u>119,783</u>	<u>116,180</u>	<u>124,103</u>
<u>\$ 148,577</u>	<u>\$ 138,886</u>	<u>\$ 120,241</u>	<u>\$ 127,100</u>	<u>\$ 119,783</u>	<u>\$ 116,279</u>
<u>\$ (42,770)</u>	<u>\$ (42,376)</u>	<u>\$ (31,972)</u>	<u>\$ (43,685)</u>	<u>\$ (30,408)</u>	<u>\$ (33,375)</u>
140.42%	143.94%	136.22%	152.37%	134.02%	140.14%
\$ 70,338	\$ 70,350	\$ 47,775	\$ 43,894	\$ 52,521	\$ 44,505
-60.80%	-60.28%	-66.92%	-99.52%	-57.90%	-74.77%

CITY OF LADONIA, TEXAS
Schedule of Employer Contributions
Texas Municipal Retirement System

	2025	2024	2023	2022
Contractually Required Contribution	\$ 2,076	\$ 1,599	\$ 4,897	\$ 5,720
Contribution in Relation to the Contractually Required Contribution	(2,076)	(1,599)	(4,897)	(5,720)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-
City's Covered-Employee Payroll	\$ 53,499	\$ 50,429	\$ 100,642	\$ 118,686
Contributions as a Percentage of Covered-Employee Payroll	3.88%	3.17%	4.87%	4.82%

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	
Notes	There were no benefit changes during the year.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 3,410	\$ 2,495	\$ 2,793	\$ 1,393	\$ 952	\$ 224
<u>(3,410)</u>	<u>(2,495)</u>	<u>(2,793)</u>	<u>(1,393)</u>	<u>(952)</u>	<u>(224)</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
\$ 81,372	\$ 69,634	\$ 64,608	\$ 44,075	\$ 49,776	\$ 51,422
4.19%	3.58%	4.32%	3.16%	1.91%	0.44%

CITY OF LADONIA, TEXAS
Schedule of Changes in the Total OPEB Liability and Related Ratios
Texas Municipal Retirement System

	<u>2025</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 1,824	\$ 106	\$ 282	\$ 851
Interest on total OPEB liability	352	316	306	289
Changes of benefit terms		-	-	-
Differences between expected and actual experience	1,337	104	(5,703)	1,198
Change of assumptions	(544)	389	(3,381)	427
Benefit payments/refunds of contributions	(257)	(202)	(302)	(281)
Net change in total OPEB liability	<u>2,712</u>	<u>713</u>	<u>(8,798)</u>	<u>2,484</u>
Total OPEB liability, beginning	<u>8,562</u>	<u>7,849</u>	<u>16,647</u>	<u>14,163</u>
Total OPEB liability, ending	<u>\$ 11,274</u>	<u>\$ 8,562</u>	<u>\$ 7,849</u>	<u>\$ 16,647</u>
Covered employee payroll	\$ 53,499	\$ 50,429	\$ 100,642	\$ 90,567
Net OPEB liability as a percentage of covered payroll	21.07%	16.98%	7.80%	18.38%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 485	\$ 485	\$ 621	\$ 518
342	357	319	307
-	-	-	-
(407)	24	(171)	
1,595	2,057	(603)	686
(98)	(134)	(57)	(53)
<u>1,917</u>	<u>2,789</u>	<u>109</u>	<u>1,458</u>
<u>12,246</u>	<u>9,457</u>	<u>9,348</u>	<u>7,890</u>
<u>\$ 14,163</u>	<u>\$ 12,246</u>	<u>\$ 9,457</u>	<u>\$ 9,348</u>
\$ 70,338	\$ 70,350	\$ 47,775	\$ 43,894
20.14%	17.41%	19.79%	21.30%

