

CITY OF PARIS, TEXAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Fiscal Year Ended September 30, 2024

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT
FOR**

CITY OF PARIS, TEXAS

Fiscal Year Ended September 30, 2024



**Prepared By
Finance Department
W.E. Anderson, Director**

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INTRODUCTORY SECTION



September 19, 2025

Mayor Mihir Pankaj
and Members of the City Council
City of Paris, Texas

Dear Mayor and Council Members:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Paris, Texas, for the fiscal year ended September 30, 2024.

The City of Paris is a financial reporting entity as defined by the Government Accounting Standards Board codification section 2100. As such, it has a separately elected governing body chosen by its citizens in a general, popular election, is a legally separate primary government, and is fiscally independent of other state and local governments. The financial reporting entity includes all the funds of the primary government and its component unit, the Paris Economic Development Corporation (PEDC). More information about PEDC can be found in footnote I.B. which deals with reporting entity topics. There are no other potential component units.

The primary purpose of this report is to provide the City Council, citizens, financial community, and others with detailed information concerning the financial condition and performance of the City of Paris. It is strongly recommended that any user of this report read the Management's Discussion and Analysis included in the financial section of the report. In addition, this report provides assurance that the City presents fairly its financial position as verified by independent auditors.

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Comprehensive Financial Report of the City of Paris, Texas, for the fiscal year ended September 30, 2024, which follows, was prepared by the Finance Department. The financial statements have been audited by McClanahan and Holmes, LLP, CPAs, whose report is included herein. This audit satisfies Article III, Section 33 of the City Charter which requires that an annual audit of all accounts of the City be made by an independent certified public accountant.

The City Finance Department is responsible for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures. I believe the data presented is accurate in all material aspects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. Furthermore, I believe that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activity have been included.

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The Notes to the Financial Statements are provided in the Financial Section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the City and other necessary disclosures of important matters relating to the financial position of the City. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

General Information Regarding the City and Surrounding County

The City of Paris is the county seat and principal commercial center of Lamar County and is located at the intersection of United States Highways 271 and 82, approximately 100 miles northeast of Dallas near the Red River. The City is served by 6 banks. The City's 2020 census is 24,476, a decrease of 2.76% from the 2010 census of 25,171. The current population estimate is 24,930.

Lamar County (the County) is located in northeast Texas and borders the State of Oklahoma. The County, which is situated between the Red River and the Sulphur River, is traversed by United States Highways 271 and 82, State Highways 19 and 24, and 32 farm-to-market roads. The County's 2020 census is 50,088, an increase of 0.59% over the 2010 census of 49,793.

The City is a regional medical center serving patients in Northeast Texas and Southeast Oklahoma. Founded in 1911 as St. Joseph's Hospital, Paris Regional Medical Center is a 154 bed general acute-care hospital.

The City provides utilities through its 36 MGD water plant and 7.25 MGD wastewater plant. Electric power is supplied to Paris by TXU Electric's interconnected transmission system. It has a generating capacity of 22,808,000 KW. The supply of electric power is adequate to meet the requirements of any commercial or industrial demand. Atmos Energy provides natural gas for residential, commercial, and industrial users. Atmos Energy is the largest provider of pure natural gas in America. It provides service to over three million customers in 12 states. There are 3 transmission lines serving the City with a line pressure of 300 pounds per square inch. Telephone service is provided by AT & T.

Educational facilities of the City are provided by 3 independent school districts. Each of the districts is accredited by the Texas Education Agency. Higher education needs in the County are provided at Paris Junior College located in the City. Total enrollment of these entities is 11,826.

Tourists are attracted to the area by activities on Lake Crook and Pat Mayse Reservoir. Pat Mayse Reservoir is located 15 minutes from the City and provides 6,000 acres for boating, fishing, and camping. The Gambill Goose Refuge and numerous hunting and fishing areas are also located in the County. Other points of interest and activities include the Sam Bell Maxey House, the A.M. Aikin Archives, Veterans Memorial, and the Lamar County Historical Society Museum.

Also, the City has one 18-hole golf course, one public swimming pool, 26 tennis courts (some of which are also striped for pickle ball), 3 walk/jog tracks, a sports complex, and 24 public park areas.

Government Organization

The City was founded in 1839 with the current charter adopted in November of 1948 and last revised in 2022. The City operates under the Council/Manager form of government with 7 council members elected from single member districts. The

Mayor is elected by the Council itself to serve as moderator of the group. The Council members can serve a maximum of three consecutive 2-year staggered terms. The Mayor and Council appoint the City Manager, the City Attorney, and the Municipal Judge. The City is a Home Rule City with all powers granted to home rule cities by the constitution and laws of the State of Texas. The Council enacts legislation, adopts budgets, and determines policies of the City of Paris. The City Manager executes the laws and administers the government of the City.

Economic Condition and Outlook

Taxable values, as originally certified by the Lamar County Appraisal District, for fiscal year 2024-25 reflect an 8.21% increase over the 2023-24 values. Building permits for new residential and commercial construction were valued at \$11,737,260 for fiscal year 2023-24. This activity will be reflected in next year's taxable values.

Sales taxes for 2023-24 increased from the prior year by 3.16%. Sales taxes for 2024-25 on a cash basis were 2.33% above the 2023-24 level as of March 31, 2025.

Hotel occupancy taxes were up 13.01% compared to 2022-23.

Franchise fees for 2023-24 were down 0.57% compared to the previous year. This is an immaterial amount.

The City of Paris, Paris Economic Development Corporation, and the Lamar County Chamber of Commerce have been actively recruiting new business to the area as well as supporting already existing businesses. PEDC has several active incentive commitments in regard to its recruitment of new industry and support of existing industry. There are currently incentives totaling \$2,064,320 involving Lions Head, Universal Fabricating, Rodgers Wade, and Ametsa.

General Fund receipts equaled 124.19% of the budget. General Fund expenditures were 110.57% of the budget. For the 2024-25 fiscal year, the City Council adopted a tax rate of .46120 cents per \$100 of value. This rate is \$0.01662 cents lower than the previous year but does allow maintaining all services at their current levels and funds all required interest and sinking funds. Taxable property value increased 8.21%.

Long-term Financial Planning and Relevant Financial Policies

The City continues to exercise its long-range financial plan. The City formalized a key financial policy in 2010 that had been informally followed previously: a utility rate maintenance policy. The utility rate maintenance policy will help assure the financial integrity of the enterprise fund along with its related interest and sinking funds. Another policy was formalized in 2013 in the form of a reserve level guideline for both the general fund and utility fund. Adequate reserve levels provide the City with the ability to deal with extraordinary events and maintain its credit worthiness. This credit worthiness, as reflected in the current financial statements, allowed the City to obtain very favorable interest rates on debt issued from 2016 through 2025.

Major Initiatives

The City continues to work on its long-range plan to maintain its infrastructure. The City called for a general obligation bond election in May 2013 in the amount of \$45,000,000 which passed overwhelmingly. Proceeds from these bonds were used for water and sewer infrastructure improvements. At the same time a small low interest \$2,900,000 Certificates of Obligation issue was made through the Texas Water Development Board. Both bonds will be paid for out of utility system revenues.

With the payoff of earlier debt issues, it was not necessary to raise utility rates to fund this new debt. Likewise, a \$9,750,000 bond election for street construction and repair was approved in 2017 and those projects have been completed. In May of 2021, the City issued \$43,855,000 in Combination Tax and Surplus Revenue Certificates of Obligation to fund Phase One construction of a new wastewater treatment plant. These bonds will be paid for out of utility system revenue and tax revenue. Additional bonds were issued in 2024 in the amount of \$42,720,000 for Phase Two of the new wastewater treatment plant project. Also, the City used the Federal American Rescue Plan funding to install water transmission lines around Loop 286 to aid in industrial recruitment as well as providing a second water line connection to certain areas of town.

The City also continues to expand its effort in law enforcement related areas. Programs in this effort include the Auto Theft Task Force and Justice Assistance Grants for needed equipment.

From a development standpoint, the City has taken several steps. Reentry into the State of Texas Main Street Program has channeled additional funds for revitalization of existing structures and businesses. The City continues to work closely with the Paris Economic Development Corporation to attract new business to Paris and to support existing businesses as well. Working with the Chamber of Commerce, the City is effectively using the civic center to attract people and business to Paris. A major renovation of the civic center was recently completed. City officials are also closely working with Keep Paris Beautiful, Inc. to promote and improve the City. The Historic Preservation Committee is working with local property owners to maintain the historical character of the City. The City also implemented a new incentive program to encourage residential housing construction. The City, PEDC, and the Chamber of Commerce recently worked together to develop a common branding strategy to emphasize our unity in economic development and other areas. In a partnership agreement the City and Paris Texas Pickleball joined forces to construct and maintain eight pickleball courts located at the City Sports Complex.

Other Financial Information

The financial statements of the City of Paris, Texas, have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Using the GASB 34 reporting model, the City's Annual Comprehensive Financial Report provides for a management's discussion and analysis, government-wide financial statements, major fund financial statements, notes to the financial statements, and other required supplementary information.

The City has a written investment policy that conforms to state statutes, which outlines permissible investments. The City pools its cash balances for investment purposes from the various funds maintained in its consolidated cash account. Interest earnings of the pool are allocated to the various funds of the City based upon a fund's equity position in the pool. The City of Paris' primary risk exposures are in the areas of workers' compensation and tort liability. Provision for these risks is made through participation in the Texas Municipal League's risk pool.

Between 30 days and 90 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them. Public hearings are conducted at which all interested people's comments concerning the budget for the next fiscal year are heard. The budget is legally enacted by the City Council through passage of an ordinance not later than the 27th day of the last month prior to the beginning of the fiscal year. Generally, appropriations are legally adopted at the department level. Budgetary controls are maintained at the major category of expenditure level within each operating division. All anticipated expenditures are budgeted for control purposes. Capital project funds are appropriated on a project-by-project basis. Expenditures and/or

expenses are directly monitored by the City Council through financial reports provided to them.

Internal Controls

Internal accounting controls are designed to provide reasonable, but not absolute, assurance of the safeguarding of assets against loss from unauthorized use or disposition and reliable financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived.

All internal control evaluations occur within this framework. The Finance Department's staff believes the City's internal control structure adequately ensures compliance with laws and regulations and reasonable assurance for safeguarding of assets.

Debt

The following schedule outlines the outstanding City debt as of 09-30-24:

Issue	Tax Supported	Revenue Supported	Fund Maturity	Moody's Investors Rating Insured
2013 C.O. (TWDB)	\$ -	\$ 1,260,000	06-15-32	N/A
2016 G.O. Bonds	-	5,840,000	12-15-36	Aa3
2017 G.O. Bonds	6,950,000	-	06-15-37	Aa3
2018 G.O. Bonds	-	520,000	06-15-38	Aa3
2020 Tax and Rev. C.O. (Civic Center)	-	935,000	06-15-30	N/A
2020 G.O. Refunding Bonds	1,210,000	-	12-15-29	Aa3
2020 Tax Notes	390,000	-	06-15-26	N/A
2021 Tax and Rev. C.O.	12,875,000	27,885,000	12-15-50	Aa3
2022 GO Pension Bonds	-	11,180,000	06-15-42	Aa3
2022 Water & Sewer System Rev. Bds.	-	26,420,000	06-15-51	Aa3
2023 GO Refunding Bonds	20,570,000	-	12-15-43	Aa3
2024 Tax and Rev. C.O.	-	42,790,000	06-15-54	Aa3
Financed Purchases-Firetrucks	288,902	-	01-28-26	N/A
Total	<u>\$ 42,283,902</u>	<u>\$ 116,830,000</u>		

Independent Audit

The City Charter requires an annual audit to be made of the accounts, financial records, and transactions of all administrative departments of the City by a certified public accountant selected by the City Council. The requirement has been complied with, and the Independent Auditors' Report has been included in this report.

Acknowledgment

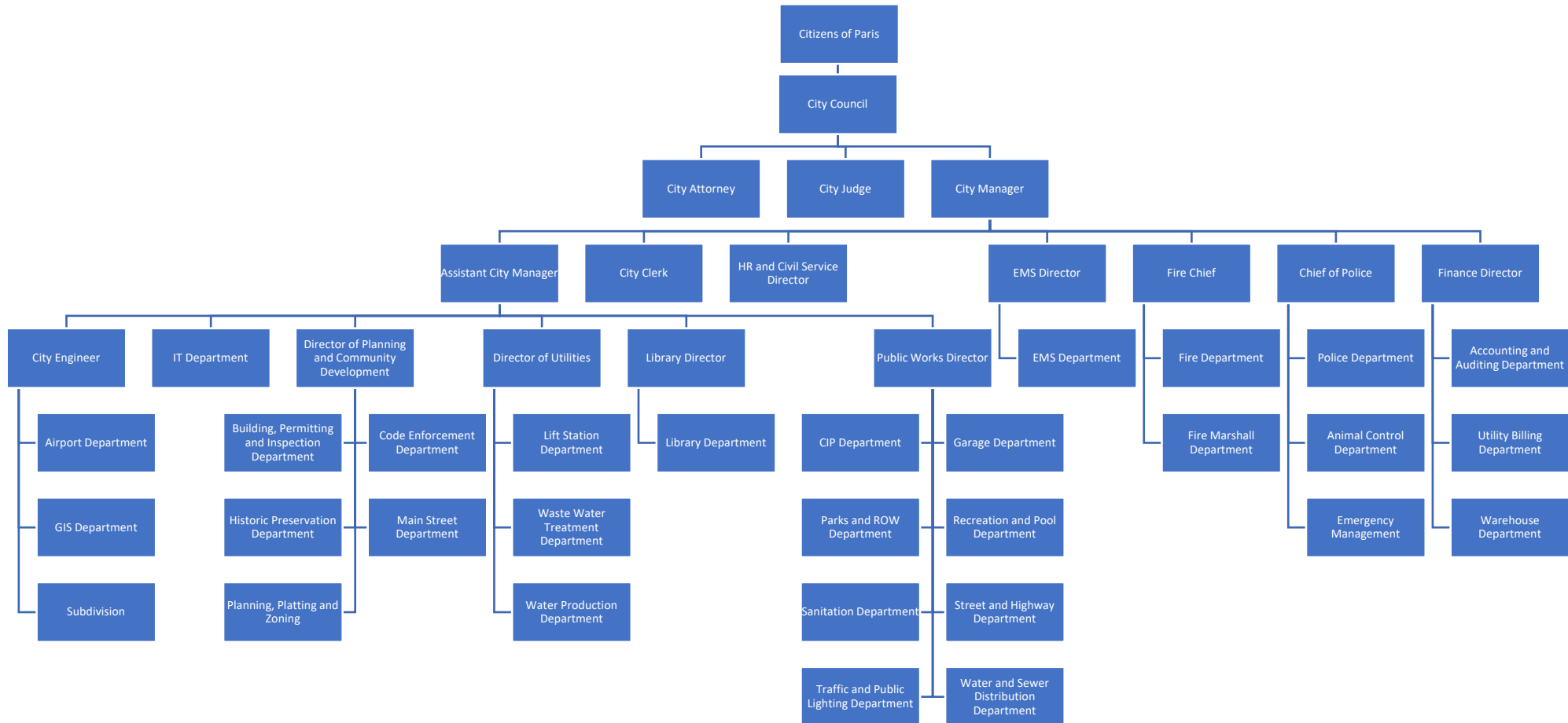
The preparation of this report could not have been accomplished without the full support and efficient and dedicated efforts of the entire staff of the Finance Department and the competent services of the independent auditors, McClanahan and Holmes, LLP, CPAs. I express my appreciation to all members of the Finance Department who assisted and contributed to the completion of this report and to all City departments involved in the preparation of information for this report. In addition, I express my appreciation to the Mayor, City Council, and City Manager for their continuing interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Gene Anderson".

Gene Anderson
Director of Finance

CITY OF PARIS ORGANIZATIONAL CHART



List of Elected and Appointed Officials

Elected Officials

Mihir Pankaj – Mayor
Gary Savage – Mayor Pro Tem
Shatara Moore
Rebecca Norment
Alix Putnam
Rudy Kessel
Mickey Ellis

Appointed Officials

Robert Vine – Interim City Manager
Gene Anderson, CPA – Finance Director
Janice Ellis – City Clerk
Stephanie Harris – City Attorney
Tom E. Hunt, III – Presiding Municipal Court Judge
Michael Smith – Public Works Director
Richard Salter – Police Chief
Connie Lawman – Library Director
Sandy Collard – Human Resources
Jason Dyess – Emergency Medical Services
Osei Amo-Mensah – Planning and Development
Danny Rowell – Interim Utilities Director
Thomas McMonigle – Fire Chief

FINANCIAL SECTION



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AND
HOLMES, LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor,
Members of the City Council,
and City Manager
City of Paris, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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

As discussed in Note I.J. the City adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62. Our opinions are not modified with respect to this matter.

Honorable Mayor,
Members of the City Council,
and City Manager
City of Paris, Texas

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 the 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedules of changes in total OPEB liability and related ratios, and the schedules of City contributions 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 inquires of management about the methods of preparing the information and comparing the information

Honorable Mayor,
Members of the City Council,
and City Manager
City of Paris, Texas

for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
September 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights of the Primary Government

- The City increased its tax rate from 0.44278 to 0.47782 per \$100 of valuation for fiscal year 2023-24. The increase was for debt service.
- For the 2024-25 fiscal year, the City decreased its tax rate to 0.46120 per \$100 of valuation. Both the O&M rate and the debt rate decreased.
- City-wide revenues this year exceeded City-wide expenses by \$14,414,535 whereas in the previous year revenues exceeded expenses by \$10,339,649. The underlying causes of the higher surplus were increases in property taxes, sales taxes, unrestricted investment earnings, and miscellaneous revenues. These increases more than offset the increase in expenses.
- At the end of the fiscal year, the unassigned fund balance for the general fund was \$25,624,971 or 71.07% of total general fund expenditures. The prior year unassigned fund balance was \$26,253,936 or 71.30% of general fund expenditures.
- At the end of the fiscal year, the net position of the proprietary funds was \$72,753,918 compared to \$42,501,397 the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of net position presents information on all of the City of Paris' 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 of Paris is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Paris that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Paris include general government, public safety, public works, culture and recreation, health, and airport. The business-type activities of the City of Paris include water production and distribution as well as wastewater collection and treatment. The government-wide financial statements include not only the City of Paris itself (known as the primary government), but also a legally separate economic development corporation (known as the component unit) over which the City of Paris is able to exercise significant control. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found at Statement 1 and 2.

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 of Paris, 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 of Paris can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 government 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 of Paris classifies its governmental funds as either Nonmajor or Major. Nonmajor governmental funds include all special revenue funds and permanent 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, capital projects fund, and the debt service fund, all of which are considered to be Major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found beginning with Statement 3 and continuing through Statement 6 of this report.

Proprietary Funds

The City of Paris maintains only one type of proprietary fund. An enterprise fund (the type used by the City of Paris) is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Paris uses an enterprise fund to account for its water and sewer related activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund used by the City of Paris is considered a major fund.

The basic proprietary fund financial statements can be found beginning with Statement 7 and continuing through Statement 9 of this report.

Fiduciary Funds

The City of Paris is the trustee, or fiduciary, for certain amounts held on behalf of other entities. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The activity of this fund is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose.

The basic fiduciary fund financial statements can be found in Statements 10 and 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the Statement of Changes in Net Position – Fiduciary Funds in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Paris' progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found immediately following the Notes to the Financial Statements.

Combining and individual fund statements and schedules can be found immediately after the required supplementary information in this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Paris, assets exceeded liabilities by \$118,036,312 at the close of the most recent fiscal year. This compares to \$103,407,459 for the previous year. This was a 14.14% increase in net position.

By far, the largest portion of the City of Paris' net position falls in the unrestricted category (\$87,854,453 or 74.43%) and may be used to meet the government's ongoing obligations to citizens and creditors. Net investment in capital assets (\$21,876,862 or 18.53%) is the next largest portion of net position and is used by the City of Paris to provide services to citizens and is not available for future spending. The remaining net position (\$8,304,997 or 7.03%) is restricted in its use.

City of Paris Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 44,544,629	\$ 39,469,331	\$116,732,992	\$ 87,538,931	\$ 164,527,338	\$127,008,262
Capital Assets	41,341,902	40,044,939	95,883,140	77,979,255	133,975,325	118,024,194
Total Assets	85,886,531	79,514,270	212,616,132	165,518,186	298,502,663	245,032,456
Deferred Outflows						
Related to Asset Retirement	-	-	5,118,012	5,140,506	5,118,012	5,140,506
Related to Pension	3,193,734	6,725,001	500,265	929,305	3,693,999	7,654,306
Related to OPEB	477,043	430,480	23,310	29,693	500,353	460,173
Total Deferred Outflows	3,670,777	7,155,481	5,641,587	6,099,504	9,312,364	13,254,985
Long-Term Liabilities						
Outstanding	37,807,969	19,678,153	138,512,970	121,895,899	176,320,939	141,574,052
Other Liabilities	2,436,631	2,168,602	6,839,417	7,092,505	9,276,048	9,261,107
Total Liabilities	40,244,600	21,846,755	145,352,387	128,988,404	185,596,987	150,835,159
Deferred Inflows						
Related to Pensions	1,051,786	944,110	106,231	58,033	1,158,017	1,002,143
Related to OPEB	1,066,319	861,431	45,183	69,856	1,111,502	931,287
Related to Leases	1,912,209	2,111,393	-	-	1,912,209	2,111,393
Total Deferred Inflows	4,030,314	3,916,934	151,414	127,889	4,181,728	4,044,823

Net Position						
Net Investment in						
Capital Assets	11,085,414	31,070,770	10,791,448	26,718,407	21,876,862	57,789,177
Restricted	8,304,997	7,540,275	-	-	8,304,997	7,540,275
Unrestricted	<u>25,891,983</u>	<u>22,295,017</u>	<u>61,962,470</u>	<u>15,782,990</u>	<u>87,854,453</u>	<u>38,078,007</u>
Total Net Position	<u>\$ 45,282,394</u>	<u>\$ 60,906,062</u>	<u>\$ 72,753,918</u>	<u>\$ 42,501,397</u>	<u>\$ 118,036,312</u>	<u>\$103,407,459</u>

An additional portion of the City of Paris' net position (\$8,304,997 or 7.03%) represents resources that are subject to external restrictions on how they might be used. The balance of unrestricted net position (\$87,854,453 or 74.43%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Paris is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities net investment in capital assets, restricted net position, and unrestricted net position. This was also true for the prior fiscal year.

Statement 1 reflects the relevant deferred outflows and inflows for the fiscal year. Outflows are intended to account for the anticipated future liabilities for pension payments as well as contributions toward the cost of retiree health care and other post-employment benefits. Inflows anticipate future contributions to the pension plan and retiree health care and other post-employment benefits as well as certain asset retirement obligations.

Governmental Activities

Governmental activities decreased the City of Paris' net position by \$15,837,986 or 25.91% during the current fiscal year. This decrease was caused by the reclassification of grant revenue from the General fund to the Water/Sewer Fund and a transfer from Debt Service to the Water/Sewer Fund to reclassify debt issuance. Total general and program revenues were up \$3,023,535 (7.05%). The largest contributors to this increase were property taxes and miscellaneous revenue.

	General Revenues & Program Revenues		
	2024	2023	Increase (Decrease)
Property Taxes	\$ 11,121,845	\$ 9,207,529	\$ 1,914,316
Sales Taxes	10,828,578	10,496,451	332,127
Franchise Taxes	4,697,982	4,725,373	(27,391)
Hotel Occupancy Taxes	1,451,801	1,284,639	167,162
Unrestricted Investment Earnings	1,968,083	1,369,937	598,148
Miscellaneous	3,061,069	1,012,657	2,048,412
Gain (Loss) on Disposal of Assets	-	170,071	(170,071)
Program Revenues	<u>12,760,438</u>	<u>14,599,606</u>	<u>(1,839,168)</u>
	<u>\$ 45,889,796</u>	<u>\$ 42,866,263</u>	<u>\$ 3,023,535</u>

The following table provides a summary of the City's operations for the years ending 2024 and 2023 for both governmental and business-type activities.

City of Paris
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 10,055,565	\$ 11,972,295	\$ 20,935,627	\$ 19,633,034	\$ 30,991,192	\$ 31,605,329
Operating Grants and Contributions	1,467,445	1,536,446	468,281	998,533	1,935,726	2,534,979
Capital Grants and Contributions	1,237,428	1,090,865	188,074	62,500	1,425,502	1,153,365
General Revenues						
Property Taxes	11,121,845	9,207,529	1,145,302	1,228,894	12,267,147	10,436,423
Sales Taxes	10,828,578	10,496,451	-	-	10,828,578	10,496,451
Franchise Taxes	4,697,982	4,725,373	-	-	4,697,982	4,725,373
Hotel Occupancy Taxes	1,451,801	1,284,639	-	-	1,451,801	1,284,639
Unrestricted Investment Earnings	1,968,083	1,369,937	5,133,463	3,248,285	7,101,548	4,618,222
Miscellaneous	3,061,069	1,182,728	-	38,800	3,061,069	1,221,528
Total Revenues	<u>45,889,796</u>	<u>42,866,263</u>	<u>27,870,747</u>	<u>25,210,046</u>	<u>73,760,545</u>	<u>68,076,309</u>
Expenses						
General Government	6,222,625	5,275,865	-	-	6,222,627	5,275,865
Public Safety	13,761,148	13,157,874	-	-	13,761,148	13,157,874
Public Works	9,819,300	9,148,859	-	-	9,819,300	9,148,859
Health	6,606,156	9,029,457	-	-	6,606,156	9,029,457
Culture and Recreation	988,985	932,113	-	-	988,985	932,113
Other	-	-	-	-	-	-
Cox Field Airport	1,061,018	1,109,416	-	-	1,061,018	1,109,416
Interest on Long-Term Debt	262,654	39,542	-	-	262,654	39,542
Water and Sewer	-	-	20,624,122	19,043,534	20,624,122	19,043,534
Total Expenses	<u>38,721,886</u>	<u>38,693,126</u>	<u>20,624,122</u>	<u>19,043,534</u>	<u>59,346,010</u>	<u>57,736,660</u>
Increase (Decrease) in Net Position Before Transfers	7,167,910	4,173,137	7,246,625	6,166,512	14,414,535	10,339,649
Transfers/Special Items	<u>(23,005,896)</u>	<u>(157,419)</u>	<u>23,005,896</u>	<u>157,419</u>	<u>-</u>	<u>-</u>
Increase(Decrease) in Net Position	(15,837,986)	4,015,718	30,252,521	6,323,931	14,414,535	10,339,649
Net Position, Beginning	60,906,062	56,890,344	42,501,397	36,177,466	103,407,459	93,067,810
Restatement	214,318	-	-	-	214,318	-
Net Position, Ending	<u>\$ 45,282,394</u>	<u>\$ 60,906,062</u>	<u>\$ 72,753,918</u>	<u>\$ 42,501,397</u>	<u>\$ 118,036,312</u>	<u>\$ 103,407,459</u>

Business-Type Activities

Business-type activities increased the City of Paris' net position by \$30,252,521. This increase was primarily due to increased interest earnings on investments and reclassification of grant revenue and debt issuance.

Financial Analysis of the Government's Funds

As noted earlier, the City of Paris uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Paris' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Paris' financing requirements. In particular, 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.

	Governmental Funds	
	2024	2023
Total Assets	\$ 43,064,955	\$ 39,340,134
Total Liabilities	2,160,267	2,175,610
Deferred Inflows of Resources	2,631,222	2,775,770
Fund Balances		
Nonspendable		
Inventories	354,666	275,122
Prepaid Items	382,969	-
Long-Term Receivables and Interfund Loans	3,263,522	-
Permanent Fund Principal	108,145	100,530
Restricted For		
Debt Service	2,994,786	2,002,722
Capital Projects	2,963,117	2,942,370
Law Enforcement	1,134,300	1,408,798
Public Education	841,645	798,716
Community Development	263,004	287,139
Assigned		
Library	90,213	81,211
Community Development	252,128	238,210
Unassigned		
General Fund	25,624,971	26,253,936
Total Fund Balances	38,273,466	34,388,754
Total Liabilities, Deferred Inflows and Fund Balances	\$ 43,064,955	\$ 39,340,134

As of the end of the current fiscal year, the City of Paris' governmental funds reported combined ending fund balances of \$38,273,466. Approximately 66.95% of this total amount (\$25,624,971) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is non-spendable, restricted, or assigned to 1) Permanent Fund Principal (\$108,145), 2) pay debt service (\$2,994,786), 3) inventories (\$354,666), 4) law enforcement (\$1,134,300), 5) library (\$90,213), 6) Public Education (\$841,645), 7) capital projects (\$2,963,117); 8) Community Development (\$252,128), 9) Prepaid Items (\$382,969), and 10) Long-Term Receivables and Interfund Loans (\$3,263,522).

	Governmental Funds	
	Revenues, Expenditures, and Changes in Fund Balances	
	2024	2023
Revenues	\$ 44,293,637	\$ 42,785,984
Expenditures	40,517,883	39,833,361
Deficiency of Revenues Over (Under) Expenditures	3,775,754	2,952,623
Total Other Financing Sources (Uses)	(105,360)	284,093
Net Change in Fund Balances	3,670,394	3,236,716
Fund Balances-Beginning	34,388,754	31,152,038
Restatement	214,318	-
Fund Balances-Ending	\$ 38,273,466	\$ 34,388,754

General Fund

The General Fund is the chief operating fund of the City of Paris. At the end of the current fiscal year, unassigned fund balance of the general fund was \$25,624,971 (\$26,253,936 the previous year), while total fund balance reached \$30,372,365 (\$27,329,955 the previous year). The increase in the fund balance of the general fund was primarily due to an improved cash position. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 63.24% of total general fund expenditures, while total fund balance represents 74.96% of that same amount.

During the year, the City also made budgeted transfers from the Water and Sewer Fund to the General Fund for administrative support and payment of franchise fees. Transfers were made from the Water and Sewer Fund to the Debt Service Fund to make debt service payments.

Other governmental funds (nonmajor) include the Permanent and Expendable Library Funds, Special Revenue Fund, Grant Fund, and the Community Development Fund. Only the General Fund had unassigned fund balance at the end of the year.

Budget Analysis

The City of Paris adopts an annual appropriated budget for its general fund and general fund types. Statement 6 combines these funds and provides a budget to actual comparison.

The final appropriation of the general fund types in total was overspent by \$3,449,712 (\$3,659,375 overspent the previous year). This 10.57% variance was due to a large EMS bad debt expense. General fund type revenues were over budget by 24.19% or \$7,570,855 (\$7,663,988 last year). Higher than expected investment earnings, intergovernmental revenues, sales tax collections and grossing up EMS billings from a cash basis to an accrual basis account for the variance.

Capital Projects Fund

The Capital Projects Fund is funded by the General Fund and/or the Proprietary Fund on an as needed basis or by debt issue authorized by the City Council. As Proprietary Fund projects are completed in the Capital Projects Fund, they are transferred back to the Proprietary Fund. The fund balance in the Capital Projects Fund was \$2,958,692 (\$2,938,214 last year). This increase was due to a positive revenue vs. expense comparison. Variances from year to year are common in this fund as projects are approved on a year-to-year basis by the City Council.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$3,089,892 (\$2,002,722 the previous year), all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$1,087,170 (\$203,066 increase the previous year). The government enacted a dedicated property tax for debt service at the beginning of the current fiscal year. This tax produced revenues of \$2,828,770 in the current fiscal year (\$1,079,215 the previous year).

Proprietary Fund

The City of Paris' Proprietary Fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$61,962,470 (\$15,782,990 the previous year). Factors concerning the finances of this fund have already been addressed in the discussion of the City of Paris' business-type activities.

Capital Asset and Debt Administration

Capital Assets

The City of Paris' investment in capital assets for its governmental and business-type activities as of September 30, 2024 amounts to \$135,918,276 (\$117,454,141 the previous year). Both amounts are net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

	Governmental Activities		Net Capital Assets Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,142,418	\$ 6,142,418	\$ 339,620	\$ 339,620	\$ 6,482,038	\$ 6,482,038
Buildings and System Improvements Other than Buildings	10,946,218	11,057,889	55,056,368	56,826,303	66,002,586	67,884,192
Machinery, Furniture, and Equipment	3,994,562	1,902,078	-	-	3,994,562	1,902,078
Infrastructure	4,396,008	4,978,358	2,781,716	2,608,174	7,177,724	7,586,532
Construction in Progress	14,312,220	15,273,977	-	-	14,312,220	15,273,977
Water Rights	393,403	311,377	34,455,719	14,878,290	34,849,122	15,189,667
- Net	-	-	3,100,024	3,135,657	3,100,024	3,135,657
Total	<u>\$40,184,829</u>	<u>\$39,666,097</u>	<u>\$95,733,447</u>	<u>\$77,788,044</u>	<u>\$135,918,276</u>	<u>\$117,454,141</u>

Additional information on the City of Paris' capital assets can be found in note IV. D. of the Notes to the Financial Statements.

Long-Term Debt

The City of Paris has total debt outstanding in the amount of \$159,113,902 (includes two financed purchases). Of this amount, \$41,995,000 comprises debt being paid for by property tax, and \$116,830,000 represents bonds being paid for by water and sewer revenues.

Issue	Tax Supported	Revenue Supported	Fund Maturity	Moody's Investors Rating Insured
2013 C.O. (TWDB)	\$ -	\$ 1,260,000	06-15-32	N/A
2016 G.O. Bonds	-	5,840,000	12-15-36	Aa3
2017 G.O. Bonds	6,950,000	-	06-15-37	Aa3
2018 G.O. Bonds	-	520,000	06-15-38	Aa3
2020 Tax and Rev. C.O. (Civic Center)	-	935,000	06-15-30	N/A
2020 G.O. Refunding Bonds	1,210,000	-	12-15-29	Aa3
2020 Tax Notes	390,000	-	06-15-26	N/A
2021 Tax and Rev. C.O.	12,875,000	27,885,000	12-15-50	Aa3
2022 GO Pension Bonds	-	11,180,000	06-15-42	Aa3
2022 Water & Sewer System Rev. Bds.	-	26,420,000	06-15-51	Aa3
2023 GO Refunding Bonds	20,570,000	-	12-15-43	Aa3
2024 Tax and Rev. C.O.	-	42,790,000	06-15-54	Aa3
Financed Purchases-Firetrucks	288,902	-	01-28-26	N/A
Total	<u>\$ 42,283,902</u>	<u>\$ 116,830,000</u>		

Paris' bond debt increased by \$35,108,088 during the fiscal year. This was due to the \$42,790,000 Tax & Revenue COs issued for the purpose of constructing a new wastewater treatment plant. This new debt was offset somewhat by principal payments made on the previously issued debt. The City's underlying bond rating from Moody's is Aa3. The maximum tax rate permitted by Article XI, Section 5 of the State of Texas constitution is \$2.50 per \$100 of assessed valuation. Consequently, no legal debt margin can be calculated. The state attorney general has traditionally allowed up to \$1.50 per \$100 valuation to be applied to debt service. The City levied a tax rate of \$0.47782 per \$100 valuation for the 2023-24 fiscal year. This rate was broken down into \$0.32176 per \$100 valuation for operations and \$0.15606 per \$100 valuation for debt service. Using the traditional allowance of the state attorney general as a guide, the City of Paris is utilizing only 10.40% of its debt capacity. Additional information on the City of Paris' long-term debt can be found in note IV. K. of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- Sales tax revenues are projected to grow 5.50% in the coming year.
- New construction amounted to 31 residential units and 9 commercial units.
- Local population growth is expected to be minimal.
- The debt tax rate is expected to decrease \$0.00778 per \$100 of value for debt services while the O&M rate is expected to decrease \$0.00884 per \$100 of value for operations.
- Franchise fees are expected to remain stable.

All of these factors were considered in preparing the City of Paris' budget for 2024-25.

Requests for Information

This financial report is designed to provide a general overview of the City of Paris' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 135 S.E. First Street, City of Paris, Texas 75460.

CITY OF PARIS, TEXAS
Statement of Net Position
September 30, 2024

Statement 1

	Primary Government			Component Unit
	Governmental	Business-Type		Economic
	Activities	Activities	Total	Development
Assets				
Cash and Cash Equivalents	\$ 11,336,098	\$ 24,007,328	\$ 35,343,426	\$ 2,202,901
Investments	17,450,111	1,048,371	18,498,482	2,361,756
Receivables (Net of Allowance for Uncollectibles)	6,568,677	3,741,191	10,309,868	874,352
Note Receivable	2,099,917	-	2,099,917	-
Lease Receivable	2,010,961	-	2,010,961	-
Intergovernmental Receivable	470,213	-	470,213	-
Inventories	354,666	717,325	1,071,991	-
Prepaid Items	382,969	116,377	499,346	6,588
Net Pension Asset	1,577,043	42,955	1,619,998	-
Restricted Assets				
Cash and Cash Equivalents	1,724,124	12,805,694	14,529,818	-
Investments	552,819	74,253,751	74,806,570	-
Due from Component Unit	17,031	-	17,031	-
Water Rights (Net of Accumulated Amortization)	-	3,100,024	3,100,024	-
Capital Assets Not Being Depreciated				
Land	6,142,418	339,620	6,482,038	5,338,784
Construction in Progress	393,403	34,455,719	34,849,122	-
Capital Assets (Net of Accumulated Depreciation)				
Buildings and System Improvements Other Than Buildings	10,946,218	55,056,368	66,002,586	-
Machinery and Equipment	3,994,562	-	3,994,562	-
Infrastructure	4,396,008	2,781,716	7,177,724	-
	14,312,220	-	14,312,220	8,085
Right-to-Use Assets, Net of Amortization	1,157,073	149,693	1,306,766	-
Total Assets	85,886,531	212,616,132	298,502,663	10,792,466
Deferred Outflows of Resources				
Deferred Outflows Related to Asset Retirement Obligation	-	5,118,012	5,118,012	-
Deferred Outflows Related to Pensions	3,193,734	500,265	3,693,999	-
Deferred Outflows Related to OPEB	477,043	23,310	500,353	-
Total Deferred Outflows of Resources	3,670,777	5,641,587	9,312,364	-

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

CITY OF PARIS, TEXAS
Statement of Net Position
September 30, 2024

Statement 1
(Continued)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Economic Development
Liabilities				
Accounts Payable and Accrued Liabilities	2,062,258	3,881,655	5,943,913	740,128
Accrued Interest Payable	373,733	1,740,303	2,114,036	374
Due to Custodial Fund	640	-	640	-
Unearned Revenue	-	114,870	114,870	306,092
Customers' Deposits	-	1,102,589	1,102,589	-
Intergovernmental Payable	-	-	-	17,031
Noncurrent Liabilities				
Due Within One Year				
Compensated Absences	145,298	22,277	167,575	-
Bonds and Notes Payable	1,607,974	3,830,000	5,437,974	151,542
Right-to-Use Liability	313,041	40,037	353,078	-
Due in More Than One Year				
Compensated Absences	1,215,621	200,496	1,416,117	-
Bonds and Notes Payable	30,173,237	128,464,349	158,637,586	1,948,043
Right-to-Use Liability	711,694	90,715	802,409	-
Asset Retirement Obligation	-	5,684,834	5,684,834	-
Total OPEB Liability	3,641,104	180,262	3,821,366	-
Total Liabilities	40,244,600	145,352,387	185,596,987	3,163,210
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	1,051,786	106,231	1,158,017	-
Deferred Inflows Related to OPEB	1,066,319	45,183	1,111,502	-
Deferred Inflows Related to Leases	1,912,209	-	1,912,209	-
Total Deferred Inflows of Resources	4,030,314	151,414	4,181,728	-
Net Position				
Net Investment in Capital Assets	11,085,414	10,791,448	21,876,862	5,346,869
Restricted for				
Capital Projects	2,963,117	-	2,963,117	-
Debt Service	2,994,786	-	2,994,786	2,099,585
Law Enforcement	1,134,300	-	1,134,300	-
Public Education	841,645	-	841,645	-
Community Development	263,004	-	263,004	-
Industrial Incentives	-	-	-	2,064,320
Permanent Library Funds				
Nonexpendable	108,145	-	108,145	-
Unrestricted (Deficit)	25,891,983	61,962,470	87,854,453	(1,881,518)
Total Net Position	\$ 45,282,394	\$ 72,753,918	\$ 118,036,312	\$ 7,629,256

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

CITY OF PARIS, TEXAS
Statement of Activities
Year Ended September 30, 2024

Statement 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit Economic Development
Primary Government								
Governmental Activities								
General Government	\$ 6,222,625	\$ 627,895	\$ 1,463,929	\$ 2,329	\$ (4,128,472)	\$ -	\$ (4,128,472)	\$ -
Public Safety	13,761,148	321,835	340,320	18,238	(13,080,755)	-	(13,080,755)	-
Public Works	9,819,300	1,637,218	-	785,730	(7,396,352)	-	(7,396,352)	-
Health	6,606,156	6,648,010	-	-	41,854	-	41,854	-
Culture and Recreation	988,985	78,512	-	-	(910,473)	-	(910,473)	-
Cox Field Airport	1,061,018	742,095	2,600	91,727	(224,596)	-	(224,596)	-
Interest on Long-Term Debt	262,654	-	-	-	(262,654)	-	(262,654)	-
Total Governmental Activities	<u>38,721,886</u>	<u>10,055,565</u>	<u>1,806,849</u>	<u>898,024</u>	<u>(25,961,448)</u>	<u>-</u>	<u>(25,961,448)</u>	<u>-</u>
Business-Type Activities								
Water and Sewer	20,624,122	20,935,627	468,281	188,074	-	967,860	967,860	-
Total Business-Type Activities	<u>20,624,122</u>	<u>20,935,627</u>	<u>468,281</u>	<u>188,074</u>	<u>-</u>	<u>967,860</u>	<u>967,860</u>	<u>-</u>
Total Primary Government	<u>\$ 59,346,008</u>	<u>\$ 30,991,192</u>	<u>\$ 2,275,130</u>	<u>\$ 1,086,098</u>	<u>(25,961,448)</u>	<u>967,860</u>	<u>(24,993,588)</u>	<u>-</u>
Component Unit								
Economic Development	<u>\$ 2,968,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,081,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,886,479)</u>
General Revenues and Transfers								
General Revenues								
Property Taxes					11,121,845	1,145,302	12,267,147	-
Sales Taxes					10,828,578	-	10,828,578	2,164,081
Franchise Taxes					4,697,982	-	4,697,982	-
Hotel Occupancy Taxes					1,451,801	-	1,451,801	-
Unrestricted Investment Earnings					1,968,083	5,133,463	7,101,546	227,265
Contributed Capital					1,541,522	-	-	-
Miscellaneous					1,519,547	-	1,519,547	327,554
Transfers					(23,005,896)	23,005,896	-	-
Total General Revenues and Transfers					<u>10,123,462</u>	<u>29,284,661</u>	<u>37,866,601</u>	<u>2,718,900</u>
Changes in Net Position					(15,837,986)	30,252,521	12,873,013	832,421
Net Position - Beginning of Year, as Previously Presented					60,906,062	42,501,397	103,407,459	6,796,835
Restatement					214,318	-	214,318	-
Net Position - Beginning of Year, as Restated					<u>61,120,380</u>	<u>42,501,397</u>	<u>103,621,777</u>	<u>6,796,835</u>
Net Position - End of Year					<u>\$ 45,282,394</u>	<u>\$ 72,753,918</u>	<u>\$ 116,494,790</u>	<u>\$ 7,629,256</u>

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

CITY OF PARIS, TEXAS
Balance Sheet - Governmental Funds
September 30, 2024

Statement 3

	General	Debt Service	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 5,370,104	\$ 2,999,505	\$ 2,958,692	\$ 1,731,921	\$ 13,060,222
Investments	17,897,879	-	-	105,051	18,002,930
Receivables (Net of Allowance for Uncollectibles)					
Accounts	3,579,125	-	-	22,504	3,601,629
Taxes	2,871,942	95,106	-	-	2,967,048
Leases	1,283,446	-	-	727,515	2,010,961
Notes	2,099,917	-	-	-	2,099,917
Intergovernmental Receivable	470,213	-	-	-	470,213
Inventories	352,694	-	-	1,972	354,666
Prepaid Items	380,214	-	-	2,755	382,969
Due from Other Funds	-	82,867	-	14,502	97,369
Due from Component Unit	17,031	-	-	-	17,031
Total Assets	<u>\$ 34,322,565</u>	<u>\$ 3,177,478</u>	<u>\$ 2,958,692</u>	<u>\$ 2,606,220</u>	<u>\$ 43,064,955</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts Payable and Accrued Liabilities	\$ 2,006,716	\$ -	\$ -	\$ 55,542	\$ 2,062,258
Due to Other Funds	98,009	-	-	-	98,009
Total Liabilities	<u>2,104,725</u>	<u>-</u>	<u>-</u>	<u>55,542</u>	<u>2,160,267</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	631,427	87,586	-	-	719,013
Unavailable Revenue - Leases	1,214,048	-	-	698,161	1,912,209
Total Deferred Inflows of Resources	<u>1,845,475</u>	<u>87,586</u>	<u>-</u>	<u>698,161</u>	<u>2,631,222</u>
Fund Balances					
Nonspendable					
Inventories	352,694	-	-	1,972	354,666
Prepaid Items	380,214	-	-	2,755	382,969
Long-Term Receivables and					
Interfund Loans	3,168,416	95,106	-	-	3,263,522
Permanent Library Funds	-	-	-	108,145	108,145
Restricted for					
Capital Projects	4,425	-	2,958,692	-	2,963,117
Debt Service	-	2,994,786	-	-	2,994,786
Law Enforcement	-	-	-	1,134,300	1,134,300
Public Education	841,645	-	-	-	841,645
Community Development	-	-	-	263,004	263,004
Assigned					
Library	-	-	-	90,213	90,213
Community Development	-	-	-	252,128	252,128
Unassigned: General Fund	25,624,971	-	-	-	25,624,971
Total Fund Balances	<u>30,372,365</u>	<u>3,089,892</u>	<u>2,958,692</u>	<u>1,852,517</u>	<u>38,273,466</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 34,322,565</u>	<u>\$ 3,177,478</u>	<u>\$ 2,958,692</u>	<u>\$ 2,606,220</u>	<u>\$ 43,064,955</u>

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

CITY OF PARIS, TEXAS
Balance Sheet - Governmental Funds
September 30, 2024

Statement 3
(Continued)

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

Fund Balances - Total Governmental Funds	\$ 38,273,466
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Amounts reported for governmental activities in the statement of net position are different because:

Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. (Net of Accumulated Depreciation/Amortization)	41,341,902
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred or not reflected in the funds.	719,013
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Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(34,540,598)
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Included in noncurrent liabilities is the recognition of the City's proportionate share of the net pension asset required by GASB 68 in the amount of \$1,577,043, a Deferred Outflow of Resources in the amount of \$3,193,734, and a Deferred Inflow of Resources in the amount of \$1,051,786. This amounted to an increase in Net Position of \$3,718,991.	3,718,991
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Included in noncurrent liabilities is the recognition of the City's proportionate share of the total OPEB liability required by GASB 75 in the amount of \$3,641,104, a Deferred Outflow of Resources in the amount of \$477,043, and a Deferred Inflow of Resources in the amount of \$1,066,319. This amounted to a decrease in Net Position of \$4,230,380.	(4,230,380)
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Net Position of Governmental Activities	<u>\$ 45,282,394</u>
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The accompanying notes to the financial statements are an integral part of this statement.

CITY OF PARIS, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2024

Statement 4

	General	Debt Service	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes					
Property	\$ 8,238,439	\$ 2,828,770	\$ -	\$ -	\$ 11,067,209
Sales	10,828,578	-	-	-	10,828,578
Franchise	4,697,982	-	-	-	4,697,982
Hotel Occupancy	1,081,333	315,292	-	55,176	1,451,801
Licenses and Permits	610,658	-	-	-	610,658
Fines and Fees	423,160	-	-	23,329	446,489
Leases	95,074	-	-	93,203	188,277
Charges for Services	-	-	-	741,994	741,994
Use of Money and Property	1,364,200	321,775	166,621	115,487	1,968,083
Sanitation	1,405,361	-	-	-	1,405,361
Health	6,637,108	-	-	-	6,637,108
Intergovernmental	2,035,101	-	-	96,304	2,131,405
Other	1,444,229	-	-	674,463	2,118,692
Total Revenues	38,861,223	3,465,837	166,621	1,799,956	44,293,637
Expenditures					
Current					
General Government	2,570,804	-	-	47,928	2,618,732
Public Safety	12,860,941	-	-	514	12,861,455
Public Works	7,880,542	-	-	499,749	8,380,291
Health	6,366,967	-	-	1,811	6,368,778
Culture and Recreation	891,597	-	-	1,142	892,739
Cox Field Airport	-	-	-	1,038,916	1,038,916
Other	2,364,997	-	-	-	2,364,997
Debt Service					
Principal	544,902	1,054,178	-	-	1,599,080
Interest	36,215	893,742	-	-	929,957
Bond Issuance Costs	-	203,212	-	-	203,212
Capital Outlay					
General Government	401,747	-	34,969	-	436,716
Public Safety	1,585,513	-	-	-	1,585,513
Public Works	255,978	-	111,174	573,468	940,620
Health	296,877	-	-	-	296,877
Total Expenditures	36,057,080	2,151,132	146,143	2,163,528	40,517,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,804,143	1,314,705	20,478	(363,572)	3,775,754

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

CITY OF PARIS, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2024

Statement 4
(Continued)

	General	Debt Service	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Refunding Bonds Issued	-	21,849,699	-	-	21,849,699
Inception of Lease	271,089	-	-	-	271,089
Inception of Subscription-Based IT Arrangement	779,748	-	-	-	779,748
Transfers In	507,017	-	-	154,098	661,115
Transfers Out	(1,533,905)	(22,077,234)	-	(55,872)	(23,667,011)
Total Other Financing Sources (Uses)	23,949	(227,535)	-	98,226	(105,360)
Net Changes in Fund Balances	2,828,092	1,087,170	20,478	(265,346)	3,670,394
Fund Balances - Beginning of Year, as Previously Presented	27,329,955	2,002,722	2,938,214	2,117,863	34,388,754
Restatement	214,318	-	-	-	214,318
Fund Balances - Beginning of Year, as Restated	27,544,273	2,002,722	2,938,214	2,117,863	34,603,072
Fund Balances - End of Year	<u>\$ 30,372,365</u>	<u>\$ 3,089,892</u>	<u>\$ 2,958,692</u>	<u>\$ 1,852,517</u>	<u>\$ 38,273,466</u>

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

CITY OF PARIS, TEXAS
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2024

Statement 5

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Net Change in Fund Balances - Total Governmental Funds (Statement 4)	\$ 3,670,394
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(244,559)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	1,541,522
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	54,636
Accrued interest expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(295,392)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(63,204)
Pension expenses are not reported as expenditures in governmental funds and contributions after the measurement date are deferred.	607,749
OPEB expenses are not reported as expenditures in governmental funds and contributions after the measurement date are deferred.	212,550
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(21,321,682)</u>
Change in net position of governmental activities (Statement 2).	<u><u>\$ (15,837,986)</u></u>

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

CITY OF PARIS, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended September 30, 2024

Statement 6

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 8,302,000	\$ 8,302,000	\$ 8,238,439	\$ (63,561)
Sales Taxes	10,300,000	10,300,000	10,828,578	528,578
Franchise Taxes	4,885,150	4,885,150	4,697,982	(187,168)
Hotel Occupancy Taxes	900,000	900,000	1,081,333	181,333
Licenses and Permits	217,800	217,800	610,658	392,858
Fines and Fees	364,800	364,800	423,160	58,360
Leases	-	-	95,074	95,074
Investment Earnings	442,000	442,000	1,364,200	922,200
Sanitation	1,345,000	1,345,000	1,405,361	60,361
Health	3,845,000	3,845,000	6,637,108	2,792,108
Intergovernmental Revenues	271,818	271,818	2,035,101	1,763,283
Other	416,800	416,800	1,444,229	1,027,429
Total Revenues	31,290,368	31,290,368	38,861,223	7,570,855
EXPENDITURES				
General Government				
Council	190,500	275,925	561,731	(285,806)
Manager	762,223	794,058	825,369	(31,311)
Attorney	418,188	418,188	403,078	15,110
Municipal Court	273,021	273,021	288,234	(15,213)
Clerk	219,071	222,371	221,966	405
Finance	664,712	614,712	796,901	(182,189)
Total General Government	2,527,715	2,598,275	3,097,279	(499,004)
Public Safety				
Police	7,853,148	7,863,343	9,002,140	(1,138,797)
Fire	5,664,697	5,857,337	5,865,325	(7,988)
Total Public Safety	13,517,845	13,720,680	14,867,465	(1,146,785)
Public Works				
Community Development	1,760,684	1,660,684	1,872,700	(212,016)
Engineering	418,884	418,884	397,820	21,064
Public Works	258,963	258,963	249,273	9,690
Parks and Recreation	1,410,031	1,486,701	1,497,857	(11,156)
Sanitation	1,350,000	1,350,000	1,627,519	(277,519)
Streets and Highways	2,544,784	2,344,784	1,582,141	762,643
Traffic and Public Lighting	515,289	515,289	549,296	(34,007)
Garage	401,450	401,450	362,557	38,893
Total Public Works	8,660,085	8,436,755	8,139,163	297,592

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

CITY OF PARIS, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended September 30, 2024

Statement 6
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Health	5,010,435	4,749,400	6,696,579	(1,947,179)
Culture and Recreation				
Paris Band	23,050	23,700	24,063	(363)
Library Services	842,999	858,519	867,534	(9,015)
Total Culture and Recreation	866,049	882,219	891,597	(9,378)
Other	2,025,239	2,220,039	2,364,997	(144,958)
Total Expenditures	32,607,368	32,607,368	36,057,080	(3,449,712)
Excess (Deficiency) of Revenues Over Expenditures	(1,317,000)	(1,317,000)	2,804,143	4,121,143
Other Financing Sources (Uses)				
Inception of Lease	-	-	271,089	271,089
Inception of Subscription-Based IT Arrangement	-	-	779,748	779,748
Transfers In	-	-	507,017	507,017
Transfers Out	(62,000)	(62,000)	(1,533,905)	(1,471,905)
Total Other Financing Sources (Uses)	(62,000)	(62,000)	23,949	85,949
Net Changes in Fund Balance	(1,379,000)	(1,379,000)	2,828,092	4,207,092
Fund Balance - Beginning of Year, as Previously Presented	27,329,955	27,329,955	27,329,955	-
Restatement	-	-	214,318	214,318
Fund Balance - Beginning of Year, as Restated	27,329,955	27,329,955	27,544,273	214,318
Fund Balance - End of Year	\$ 25,950,955	\$ 25,950,955	\$ 30,372,365	\$ 4,421,410

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

CITY OF PARIS, TEXAS
Statement of Net Position
Proprietary Fund
September 30, 2024

Statement 7

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 24,007,328
Restricted Cash and Cash Equivalents	12,805,694
Total Cash and Cash Equivalents	<u>36,813,022</u>
Accounts Receivable, Net	3,505,889
Accrued Interest Receivable	235,302
Inventories	717,325
Prepaid Items	116,377
Total Current Assets	<u>41,387,915</u>
Noncurrent Assets	
Investments	
Construction	65,150,377
Reserve and Contingency	9,103,374
Unrestricted	1,048,371
Total Investments	<u>75,302,122</u>
Water Rights (Net of Accumulated Amortization)	<u>3,100,024</u>
Capital Assets	
Land	339,620
Construction in Progress	34,455,719
Plant, Pumps, and Motors	33,177,315
Distribution System	83,050,863
Collection System	28,590,708
Maintenance Equipment and Vehicles	6,860,537
Furniture and Equipment	2,092,872
Subscription-Based IT Asset	207,587
Less Accumulated Depreciation/Amortization	(95,992,105)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	<u>92,783,116</u>
Net Pension Asset	<u>42,955</u>
Total Noncurrent Assets	<u>171,228,217</u>
Total Assets	<u>212,616,132</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Asset Retirement Obligation	5,118,012
Deferred Outflows Related to Pensions	500,265
Deferred Outflows Related to OPEB	23,310
Total Deferred Outflows	<u>5,641,587</u>

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

CITY OF PARIS, TEXAS
Statement of Net Position
Proprietary Fund
September 30, 2024

Statement 7
(Continued)

	<u>Water and Sewer Enterprise Fund</u>
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	3,881,655
Accrued Interest Payable	1,740,303
Customers' Deposits Payable - Restricted Assets	1,102,589
Bonds Payable - Current Portion	3,830,000
Right-to-Use Liability - Current Portion	40,037
Accrued Compensated Absences - Current Portion	22,277
Unearned Revenue	114,870
Total Current Liabilities	<u>10,731,731</u>
Noncurrent Liabilities	
Bonds Payable - Noncurrent Portion	128,464,349
Right-to-Use Liability - Noncurrent Portion	90,715
Accrued Compensated Absences - Noncurrent Portion	200,496
Asset Retirement Obligation	5,684,834
Total OPEB Liability	180,262
Total Noncurrent Liabilities	<u>134,620,656</u>
Total Liabilities	<u>145,352,387</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	106,231
Deferred Inflows Related to OPEB	45,183
Total Deferred Inflows	<u>151,414</u>
NET POSITION	
Net Investment in Capital Assets	10,791,448
Unrestricted	<u>61,962,470</u>
Total Net Position	<u><u>\$ 72,753,918</u></u>

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

CITY OF PARIS, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended September 30, 2024

Statement 8

	<u>Water and Sewer Enterprise Fund</u>
Operating Revenues	
Charges for Sales and Services	
Water Sales and Taps	\$ 8,872,206
Sewer Charges and Taps	11,524,416
Sanitation Billing Fees	79,432
Service Charges	198,499
Industrial Surcharges	17,559
Miscellaneous	243,515
Total Operating Revenues	<u>20,935,627</u>
Operating Expenses	
Personnel	3,686,056
Supplies	1,820,259
Contractual	4,200,677
Maintenance	925,145
Sundry Charges	806,927
Other	815,189
Depreciation/Amortization	3,773,752
Amortization of Water Rights	35,633
Amortization of Asset Retirement Obligation	189,494
Total Operating Expenses	<u>16,253,132</u>
Operating Income	<u>4,682,495</u>
Nonoperating Revenues (Expenses)	
Investment Earnings	3,760,591
Property Taxes	1,145,302
Net Increase (Decrease) in the Fair Value of Investments	1,372,872
Intergovernmental	468,281
Interest Expense	(4,091,719)
Bond Issue Costs	(279,271)
Net Nonoperating Revenues (Expenses)	<u>2,376,056</u>
Income Before Contributions, Other Revenue, and Transfers	<u>7,058,551</u>
Capital Contributions, Other Revenue, and Transfers	
Capital Contributions	188,074
Transfers In	23,361,894
Transfers Out	(355,998)
Total Capital Contributions, Other Revenue, and Transfers	<u>23,193,970</u>
Changes in Net Position	30,252,521
Total Net Position - Beginning	<u>42,501,397</u>
Total Net Position - Ending	<u><u>\$ 72,753,918</u></u>

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

CITY OF PARIS, TEXAS
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2024

Statement 9

	<u>Water and Sewer Enterprise Fund</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 18,202,167
Other Receipts	243,515
Payments to Suppliers, Contractors, and Service Providers	(7,544,459)
Payments to Employees for Salaries and Benefits	<u>(3,663,742)</u>
Net Cash Provided (Used) by Operating Activities	<u>7,237,481</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	23,361,894
Transfers Out	<u>(355,998)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>23,005,896</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(21,713,270)
Proceeds from Long-Term Debt	42,790,000
Principal Paid on Capital Debt	(27,061,772)
Capital Grants	656,355
Bond Issue Costs	(279,271)
Interest Paid on Capital Debt	(2,375,801)
Property Taxes	<u>1,154,353</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,829,406)</u>
Cash Flows from Investing Activities	
Interest on Investments	3,788,836
Purchases of Investment Securities	(100,383,173)
Maturities of Investments	<u>79,558,530</u>
Net Cash Provided (Used) by Investing Activities	<u>(17,035,807)</u>
Net Increase in Cash and Cash Equivalents	6,378,164
Cash and Cash Equivalents - Beginning	<u>30,434,858</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 36,813,022</u></u>

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

CITY OF PARIS, TEXAS
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2024

Statement 9
(Continued)

	<u>Water and Sewer Enterprise Fund</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Operating Income	<u>\$ 4,682,495</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by (Used in) Operating Activities	
Depreciation and Amortization	3,773,752
Amortization of Water Rights	35,633
Amortization of Asset Retirement Obligation	189,494
Decrease (Increase) in Accounts Receivable	(584,847)
Decrease (Increase) in Prepaid Items	(51,549)
Decrease (Increase) in Inventory	93,673
Decrease (Increase) in Net Pension Asset	(42,955)
Decrease (Increase) in Deferred Outflows of Resources	435,423
Increase (Decrease) in Accounts Payable and Accrued Liabilities	1,208,743
Increase (Decrease) in Customers' Deposits	17,965
Increase (Decrease) in Due to Other Funds	(70,000)
Increase (Decrease) in Unearned Revenue	(1,923,063)
Increase (Decrease) in Net Pension Liabilities	(566,443)
Increase (Decrease) in Total OPEB Liabilities	15,635
Increase (Decrease) in Deferred Inflows of Resources	<u>23,525</u>
Total Adjustments	<u>2,554,986</u>
Net Cash Provided by Operating Activities	<u><u>\$ 7,237,481</u></u>
Noncash Investing, Capital, and Financing Activities	
Adjustment in Estimate of Asset Retirement Obligation	\$ 167,000
Increase in Deferred Outflow of Resources - Asset Retirement Obligation	(167,000)

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

CITY OF PARIS, TEXAS
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2024

Statement 10

	<u>Custodial Fund</u>
	<u>Court Costs and Fees</u>
ASSETS	
Cash and Cash Equivalents	\$ 17,326
Due from Other Funds	<u>640</u>
Total Assets	<u>17,966</u>
LIABILITIES	
Accounts Payable to State	<u>17,966</u>
Total Liabilities	<u>17,966</u>
NET POSITION	
Total Net Position	<u><u>\$ -</u></u>

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

CITY OF PARIS, TEXAS
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended September 30, 2024

Statement 11

	<u>Custodial Fund</u>
	<u>Court Costs and Fees</u>
ADDITIONS	
Contributions	
State Court Fees Collected	\$ 80,986
Total Additions	<u>80,986</u>
DEDUCTIONS	
Payments of Court Fees to State	<u>80,986</u>
Total Deductions	<u>80,986</u>
Change in Net Position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u><u>\$ -</u></u>

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

CITY OF PARIS, TEXAS
Notes to Financial Statements
September 30, 2024

I. Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

B. Reporting Entity

The City of Paris, Texas (the City), operates under a council-manager form of government with the mayor and six council members being elected. The accompanying financial statements present the government and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for a description) to emphasize that it is legally separate from the government.

Discretely Presented Component Unit: The Paris Economic Development Corporation (PEDC) is a governmental nonprofit corporation established July 19, 1993, funded by a quarter percent sales tax. PEDC was organized exclusively for the purpose of benefiting and accomplishing public purposes of the City by promoting, assisting, and enhancing economic development activities for the City as provided by the Development Corporation Act of 1979. The business and affairs are managed by a seven-member board of directors appointed by the governing body of the City. PEDC is fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component unit does not qualify for blending because the component services directly benefit the community rather than the City itself. Complete financial statements for PEDC may be obtained at its administrative office at 1125 Bonham Street, Paris, Texas 75460.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

As discussed earlier, the government has one discretely presented component unit, PEDC. PEDC is shown in a separate column in the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

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

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

D. Basis of Presentation – Fund Financial Statements (Continued)

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It accounts for and reports all financial resources not accounted for in another fund.

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay.

The City reports nonmajor funds as Other Governmental Funds which include Special Revenue Funds and a Permanent Fund as follows:

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than for debt service or capital projects.

The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings and not principal may be used.

The City reports the following enterprise funds as one major fund:

The Water Fund accounts for the water distribution system as well as the billings and collections for that service.

The Sewer Fund accounts for the sewer system as well as the collection activities for that service.

The City reports the following fiduciary fund:

The Court Cost and Fees Custodial Fund includes court costs collected by the City on behalf of the State of Texas, which are remitted to the State quarterly. These assets are excluded from the government-wide financial statements as they cannot be used to support the government's own programs.

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 and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (e.g., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (e.g., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Interfund services provided and used are not eliminated in the process of consolidation.

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

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

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

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

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Property taxes, franchise taxes, licenses, interest, and special assessments are susceptible to accrual. Sales taxes are recognized as revenue in the period when the exchange transaction on which the tax is imposed occurs. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The proprietary and fiduciary funds are accounted for using the economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The proprietary fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

F. Budgetary Information

1. Budgetary Basis of Accounting

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund, proprietary funds, and library trust fund. The budget for the capital projects fund is legally adopted for specific projects and may exceed one year. Formal budgetary integration is not employed for the proprietary funds. The City adopts an annual, informal budget as a financial plan for all proprietary funds. The library trust fund includes nonbudgeted

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

F. Budgetary Information (Continued)

1. Budgetary Basis of Accounting (Continued)

financial activities, which are not subject to an appropriated budget and the appropriation process or to any legally authorized nonappropriated budget review and approval process. The community development block grant fund is not annually appropriated. The City has no permanent or special revenue funds which are reported as major funds.

At the close of each fiscal year, any unencumbered appropriation balance (appropriations including prior year encumbrances less current year expenditures and encumbrances) lapse or revert to the undesignated fund balance.

At least thirty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.

The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than the twenty-seventh day of the last month of the fiscal year. If the City Council does not enact the budget within this time period, then the budget as submitted by the City Manager becomes the legally authorized budget. An annual budget is not legally adopted for the Library Memorial Fund, a nonmajor special revenue fund.

2. Excess of Expenditures Over Appropriations

For the year ended September 30, 2024, expenditures may not legally exceed appropriations at the department level for each legally adopted annual operating budget. The City Manager may, without Council approval, transfer appropriation balances from one expenditure account to another within a department or agency of the City. The City Council, however, must approve any transfer or unencumbered appropriation balances or portions thereof from one department or agency to another. During the year ended September 30, 2024, the City Council approved a transfer of \$611,035 from various departments to other departmental line items. Expenditures exceeded appropriations in the following departments: Council \$285,806, Manager \$31,311, Municipal Court \$15,213, Finance \$182,189, Police \$1,138,797, Fire \$7,988, Community Development \$212,016, Parks and Recreation \$11,156, Sanitation \$277,519, Traffic and Public Lighting \$34,007, Health \$1,947,179, Paris Band \$363, Library Services \$9,015, Transfers Out \$1,471,905.

G. Assets, Liabilities, and Equity

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

2. Investments

Investments are reported in the accompanying balance sheet at fair value with changes in fair value being reported as part of investment income. The City and PEDC hold investments in two external investment pools, Texas CLASS and LOGIC. Both investment pools carry investments at amortized cost, which

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Equity (Continued)

2. Investments (Continued)

approximates fair value. Investments are priced daily and compared to the carrying value. If the ratio of the fair value of the portfolio of investments to the carrying value of investments is less than .995 or greater than 1.005, the investment pools will sell investment securities, as required, to maintain the ratio at a point between .995 and 1.005. Participation in external investment pools was voluntary.

Statutes authorize the City and PEDC to invest in obligations of the U. S. Treasury, direct obligations of the State of Texas, other obligations guaranteed or insured by the State of Texas or the United States, obligations of states and political subdivisions of any state meeting certain rating requirements, certificates of deposit, and fully collateralized direct repurchase agreements having a defined termination date. The City did not engage in repurchase or reverse repurchase agreement transactions during the current year.

In accordance with generally accepted accounting principles, inputs to valuation techniques used to measure fair value are prioritized according to a fair value hierarchy, as follows:

Level I – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level II – Fair values are based on generally indirect information such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level III – Fair values are based on inputs other than quoted prices included within Level I that are unobservable and include the City's own assumptions about pricing.

This fair value hierarchy gives the highest priority to Level I inputs and the lowest priority to Level III inputs. The City's investments are classified in Level II of the hierarchy.

3. Inventories

Inventories are valued at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. An equivalent amount is reported as nonspendable fund balance in the governmental funds.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

5. Restricted Assets

Prior to the issuance of General Obligation Refunding Bonds, Series 2010, the City's Water and Sewer Revenue Bonds and Certificates of Obligation covenants required certain restrictions of net assets. After the refunding occurred, these legal restrictions no longer existed. In order to safeguard the financial integrity of the water and sewer system, the City Council approved a resolution establishing and maintaining funds comparable to those required by the refunded bonds.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Equity (Continued)

5. Restricted Assets (Continued)

Other restricted assets include funds restricted from revenue bond proceeds, contractual obligation debt service funds, unspent grant proceeds, and customer deposits. Assets restricted for a specific purpose are utilized before the use of unrestricted assets to pay related obligations when authorized to do so.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 are included in the financial statements. Information on leased assets is presented in Note I.G.7. and subscription-based information technology arrangements (SBITA) is presented in Note I.G.8.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as an expense during the period incurred.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20-40 years
Furniture, Fixtures, and Equipment	5-10 years
Vehicles	5 years
Works of Art	50 years
Public Domain Infrastructure	25-45 years
System Infrastructure	25-30 years

7. Leases

The Government Accounting Standards Board defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

City as Lessor

The City is a lessor for noncancellable leases of equipment. The City recognizes a lease receivable and a deferred inflow of resources at the beginning of the lease term in the government-wide and governmental fund financial statements. In general, the lease receivable and deferred inflows of resources are measured at the

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Equity (Continued)

7. Leases (Continued)

City as Lessor (Continued)

present value of the lease payments expected to be received during the lease term. The City remeasures the lease receivables at subsequent financial reporting dates if one or more of the following changes have occurred at or before the financial reporting date: change in the lease term; change in the interest rate the lessor charges the lessee; and/or change in future contingency lease payments to fixed payments for the remainder of the lease.

The key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. The City uses its estimated incremental borrowing rate as the discount rate for leases, unless the rate is stated in the lease agreement. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee. Leases with periodic percentage rent increases or flat rate increases that are specified in the lease terms are included in the measurement of the lease receivable.

The City calculates the amortization of the discount on the lease receivable on a straight-line basis over the term of the lease and reports that amount as an inflow of resources for the period. Any payments received are allocated first to the accrued interest receivable and then to the lease receivable. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

The City accounts for the partial or full lease termination by reducing the carrying values of the lease receivable and related deferred inflow of resources, and recognizing a gain or loss for the difference. However, if the lease is terminated as a result of the lessee purchasing an underlying asset from the City, the carrying value of the underlying asset should be derecognized and included in the calculation of any resulting gain or loss.

Leases that are considered a short-term lease (12 months or less) are not included in the measurement of the lease receivable. The City recognizes short-term lease payments as revenues based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

City as Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset at the beginning of a lease in the government-wide financial statements. In general, the lease liability and the right-to-use assets are measured based on the present value of the expected payments during the term of the lease. Remeasurement of a lease liability and right-to-use lease asset occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the City is reasonably certain to

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Equity (Continued)

7. Leases (Continued)

City as Lessee (Continued)

exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended. Leases with payments that depend on an index or rate, such as the Consumer Price Index or market rate, are initially measured using the index or rate as of the commencement of the lease term. Leases with periodic percentage rent increases or flat rate increases that are specified in the lease terms are included in the measurement of the lease liability.

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources or interest expense for the period. Payments are allocated first to accrued interest liability and then to the lease liability.

The City amortizes the right-to-use lease asset on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. However, if a lease contains a purchase option that the City has determined is reasonably certain of being exercised, the lease asset is amortized over the useful life of the underlying asset. If the underlying asset is non-depreciable, such as land, the lease asset is not amortized. The City reports the amortization of the lease asset as an outflow of resources, amortization expense, which is combined with depreciation expense related to other capital assets for financial reporting purposes.

The City accounts for the partial or full lease termination by reducing the carrying values of the lease asset and lease liability, and recognizing a gain or loss for the difference. However, if the lease is terminated as a result of the City purchasing an underlying asset from the lessor, the lease asset will be reclassified to the appropriate class of owned asset.

Leases that are considered a short-term lease (12 months or less), transfers ownership of the underlying asset, assets held as investments, or contain variable payments based on future performance of the City or usage of the underlying assets are not included in the measurement of the lease liability. The City recognizes payments for short-term leases and variable payments as expense in the period in which the City incurs the obligation for those payments.

8. Subscription-Based Information Technology Arrangements (SBITA)

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Equity (Continued)

8. Subscription-Based Information Technology Arrangements (SBITA) (Continued)

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred outflow of resources related to pensions and OPEB. See footnote IV. F. and G. for further information. The City also reports a deferred outflow of resources related to an asset retirement obligation. See footnote IV. Q. for further information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The government has a deferred inflow of resources related to pensions and OPEB. See IV.F. and G. for further information. In addition, the government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and street assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, there are deferred amounts related to leases, that is initially an offset to lease receivable recorded at lease commencement, and is subsequently recognized as revenue over the life of the lease term. See footnote IV.L. for further information.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Equity (Continued)

10. Net Position Flow Assumption

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

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

11. Fund Balance Flow Assumption

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

12. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The City does not have any restricted fund balances by enabling legislation.

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

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

H. Revenues and Expenditures/Expenses (Continued)

1. Program Revenues (Continued)

function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

2. Property Taxes

The City's property taxes are levied on October 1 and are due no later than January 31 of the following year. Taxes become delinquent February 1, after which time penalties and interest and, if not paid by July, attorney's collection fees are added. A tax lien attaches to the property (real and personal) on January 1 of each year to secure the payment of all taxes, penalties, and interest ultimately imposed on the property. The lien is effective until all such amounts are paid.

3. Compensated Absences

Vacation and sick leave benefits are accumulated by City employees in accordance with guidelines suggested in the City's personnel policies.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund 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 service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Recent Accounting Pronouncements Adopted

During fiscal year 2024, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City is reporting a correction of an error in previously issued financial statements for fiscal year 2024, and note IV.T. provides information on the financial effects associated with the implementation of GASB Statement No. 100.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

I. Summary of Significant Accounting Policies (Continued)

K. Future Adoption of Accounting Pronouncements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2024.

Statement No.		Adoption Required
101	<i>Compensated Absences</i>	September 30, 2025
102	<i>Certain Risk Disclosures</i>	September 30, 2025
103	<i>Financial Reporting Model Improvements</i>	September 30, 2026
104	<i>Disclosure of Certain Capital Assets</i>	September 30, 2026

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$41,341,902 are as follows:

Land	\$ 6,142,418
Construction in Progress	393,403
Buildings	22,936,307
Less: Accumulated Depreciation – Buildings	(11,990,089)
Improvements Other Than Buildings	9,011,258
Less: Accumulated Depreciation – Improvements Other Than Buildings	(5,016,696)
Machinery and Equipment	25,326,603
Less: Accumulated Depreciation – Machinery and Equipment	(20,930,595)
Infrastructure	52,818,522
Less: Accumulated Depreciation – Infrastructure	(38,506,302)
Right-To-Use Assets - Leases	514,890
Less: Accumulated Amortization – Right-To-Use Assets - Leases	(157,310)
Right-To-Use Assets - SBITAs	997,838
Less: Accumulated Amortization – Right-To-Use Assets - SBITAs	<u>(198,345)</u>
Net Adjustment to Increase Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ 41,341,902</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

II. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$34,540,598 difference are as follows:

Bonds Payable	\$ 29,665,000
Plus: Premiums on Bonds Payable (to be Amortized Over the Life of the Debt)	1,287,309
Tax Notes Payable	390,000
Financed Purchases	288,902
Leases	348,687
SBITAs	676,048
Accrued Interest	373,733
Compensated Absences	1,360,919
Landfill Post-Closure Care Costs	<u>150,000</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ 34,540,598</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$244,559 difference are as follows:

Capital Outlay	\$ 3,000,498
Depreciation Expense	<u>(3,245,057)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position Of Governmental Activities	<u>\$ (244,559)</u>

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.” The details of this \$1,541,522 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental fund because they are not financial resources.	<u>\$ 1,541,522</u>
Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 1,541,522</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

III. Stewardship, Compliance, and Accountability

Violations of Legal or Contractual Provisions

Note I.F.2, on the Excess of Expenditures Over Appropriations, describes budgetary violations that occurred for the year ended September 30, 2024.

IV. Detailed Notes on All Activities and Funds

A. Cash and Cash Equivalents

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Collateral agreements must be approved prior to deposit of funds as provided by law.

At September 30, 2024, the City maintained deposits at a bank with a carrying amount of \$49,995,621, and the bank's balances were \$49,829,213. As of September 30, 2024, \$605,051 was insured by FDIC and \$49,224,162 was collateralized with securities held by the pledging financial institution's agent in the name of the City. The City's certificate of deposit totaling \$105,051 is considered a deposit for this footnote, but is classified as an investment on the face of the financial statements.

B. Investments

As of September 30, 2024, the City had the following investments:

Type of Security	Fair Value	Credit Rating	Weighted Average Maturity (Years)	Weighted Average Maturity (Days)
Primary Government				
Federal Home Loan Mortgage Corporation	\$ 3,260,470	AA+	6.90	
Federal National Mortgage Association	1,877,139	AA+	6.11	
Federal Home Loan Banks Debenture	798,598	AA+	2.24	
Federal Farm Credit Banks Debenture	289,302	AA+	2.03	
Certificates of Deposit	105,051	Not Rated	0.58	
U.S. Treasury Bills OID	63,999,373		0.28	
U.S. Treasury Notes	22,975,119		0.88	
Paris Economic Development Corporation				
Texas Class Investment Pool	2,361,756	AAAm		72
Totals	<u>\$ 95,666,808</u>			

The City invested in the Texas Local Government Investment Cooperative (LOGIC) Liquid Asset Portfolio. LOGIC is a public funds investment pool managed by Southwest Securities Group, Inc. LOGIC uses amortized cost rather than market value to report net position to compute share prices. Accordingly, fair value of the position of LOGIC is the same as the net asset value of LOGIC shares. LOGIC issues an annual report that can be obtained upon request. The accounts remain open at September 30, 2024. However, the City had a zero balance at year end.

The City invested in Texas Cooperative Liquid Assets Security System (Texas CLASS) Trust. Texas CLASS was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, or other laws of the State of Texas governing the investment of funds of a participant or funds under its control. Texas CLASS is administered by Cutwater Investor Services Corp. with Wells Fargo Bank Texas, NA as the Custodian. Texas CLASS is supervised by a Board of Trustees who are elected by the participants. Texas CLASS uses amortized cost rather than market value to report net position

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

B. Investments (Continued)

to compute share prices. Accordingly, the fair value of the position in Texas CLASS is the same as the net asset value of Texas CLASS shares. Texas CLASS issues a publicly available annual report that can be obtained at www.texasclass.com. The City had a zero balance at year end.

Interest rate risk is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds. The City's investment portfolio is designed with the objective of attaining an acceptable rate of return throughout budgetary and economic cycles and commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. The City's investment strategy is active. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the Average Fed Funds rate. No other formal policy related to interest rate risk is included in the City's adopted investment policy.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The City and PEDC reduce the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Concentration credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. With the exception of obligations of the United States or its agencies and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single financial institution with the exception of its local depository. PEDC's investment balance consists of only externally pooled accounts.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In accordance with the City's deposit and investment policy, all deposits placed at a financial institution shall be insured or collateralized with applicable State law.

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce in value as a result of changes in currency exchange rates. At September 30, 2024, the City was not exposed to foreign currency risk.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

C. Accounts Receivable and Payable

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Nonmajor Governmental Funds	Enterprise
Receivables:				
Accrued Interest	\$ 23,867	\$ -	\$ 2,420	\$ 235,302
Property Taxes	1,092,297	126,808	-	17,025
Sales Taxes	1,843,660	-	-	-
Hotel Occupancy Taxes	372,904	-	-	-
Franchise Taxes	497,451	-	-	-
Accounts	568,643	-	20,084	3,538,628
Street Assessments	26,473	-	-	-
Fines	2,539,065	-	-	-
EMS	4,969,330	-	-	-
Leases	1,283,446	-	727,515	-
Notes	2,099,917	-	-	-
Gross Receivables	15,317,053	126,808	750,019	3,790,955
Less: Allowance for Uncollectibles	(5,482,623)	(31,702)	-	(49,764)
Net Total Receivables	<u>\$ 9,834,430</u>	<u>\$ 95,106</u>	<u>\$ 750,019</u>	<u>\$ 3,741,191</u>

Net receivable balances not expected to be collected within one year are Property Taxes - \$642,521, Fines - \$37,024, EMS - \$621,166, Street Assessments - \$26,473, Leases - \$1,852,240 and Notes - \$1,948,375.

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At September 30, 2024, the deferred inflows of resources were \$2,631,222.

At year end, PEDC had a receivable for sales tax of \$367,186 and grants of \$507,166. The balances are expected to be collected within one year.

Accounts payable at September 30, 2024, were as follows:

	Accounts	Wages	Totals
Governmental Activities			
General Fund	\$ 1,174,696	\$ 832,020	\$ 2,006,716
Special Revenues	49,369	6,173	55,542
Total – Governmental Activities	<u>\$ 1,224,065</u>	<u>\$ 838,193</u>	<u>\$ 2,062,258</u>
Business-Type Activities			
Water and Sewer Fund	\$ 3,724,526	\$ 157,129	\$ 3,881,655
Total – Business-Type Activities	<u>\$ 3,724,526</u>	<u>\$ 157,129</u>	<u>\$ 3,881,655</u>
Fiduciary Activities			
Custodial Fund	\$ 17,966	\$ -	\$ 17,966
Total – Fiduciary Activities	<u>\$ 17,966</u>	<u>\$ -</u>	<u>\$ 17,966</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

D. Capital Assets

Capital assets activity for the year ended September 30, 2024, follows:

	Balance 9/30/23	Additions	Retirements	Balance 9/30/24
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 6,142,418	\$ -	\$ -	\$ 6,142,418
Construction in Progress	311,377	367,955	285,929	393,403
Total Capital Assets, Not Being Depreciated	<u>6,453,795</u>	<u>367,955</u>	<u>285,929</u>	<u>6,535,821</u>
Capital Assets, Being Depreciated/Amortized				
Buildings	22,523,529	412,778	-	22,936,307
Improvements Other Than Buildings	6,695,332	2,315,926	-	9,011,258
Machinery and Equipment	24,646,150	680,453	-	25,326,603
Infrastructure	52,818,522	-	-	52,818,522
Right-to-Use Lease – Equipment	280,928	271,089	37,127	514,890
Subscription-Based IT Asset	218,090	779,748	-	997,838
Total Capital Assets, Being Depreciated/Amortized	<u>107,182,551</u>	<u>4,459,994</u>	<u>37,127</u>	<u>111,605,418</u>
Less Accumulated Depreciation/Amortization for				
Buildings	11,465,640	524,449	-	11,990,089
Improvements Other Than Buildings	4,793,254	223,442	-	5,016,696
Machinery and Equipment	19,667,792	1,262,803	-	20,930,595
Infrastructure	37,544,545	961,757	-	38,506,302
Right-to-Use Lease – Equipment	101,545	92,892	37,127	157,310
Subscription-Based IT Asset	18,631	179,714	-	198,345
Total Accumulated Depreciation/Amortization	<u>73,591,407</u>	<u>3,245,057</u>	<u>37,127</u>	<u>76,799,337</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>33,591,144</u>	<u>1,214,937</u>	<u>-</u>	<u>34,806,081</u>
Governmental Activities, Capital Assets, Net	<u>\$40,044,939</u>	<u>\$ 1,582,892</u>	<u>\$ 285,929</u>	<u>\$41,341,902</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

D. Capital Assets (Continued)

	Balance 9/30/23	Additions	Retirements	Balance 9/30/24
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 339,620	\$ -	\$ -	\$ 339,620
Construction in Progress	14,878,290	20,452,167	874,738	34,455,719
Total Capital Assets, Not Being Depreciated	<u>15,217,910</u>	<u>20,452,167</u>	<u>874,738</u>	<u>34,795,339</u>
Capital Assets, Being Depreciated/Amortized				
Plant, Pumps, and Motors	32,991,325	185,990	-	33,177,315
Distribution System	82,033,482	1,017,381	-	83,050,863
Collection System	28,300,115	290,593	-	28,590,708
Maintenance Equipment and Vehicles	6,218,660	641,877	-	6,860,537
Furniture and Equipment	2,092,872	-	-	2,092,872
Subscription-Based IT Asset	207,587	-	-	207,587
Total Capital Assets, Being Depreciated/Amortized	<u>151,844,041</u>	<u>2,135,841</u>	<u>-</u>	<u>153,979,882</u>
Less Accumulated Depreciation/Amortization for				
Plant, Pumps, and Motors	28,352,646	469,626	-	28,822,272
Distribution System	35,380,197	2,311,261	-	37,691,458
Collection System	22,765,776	483,012	-	23,248,788
Maintenance Equipment and Vehicles	3,920,526	439,776	-	4,360,302
Furniture and Equipment	1,782,832	28,559	-	1,811,391
Subscription-Based IT Asset	16,376	41,518	-	57,894
Total Accumulated Depreciation	<u>92,218,353</u>	<u>3,773,752</u>	<u>-</u>	<u>95,992,105</u>
Total Capital Assets, Being Depreciated/Amortization, Net	<u>59,625,688</u>	<u>(1,637,911)</u>	<u>-</u>	<u>57,987,777</u>
Business-Type Activities, Capital Assets, Net	<u>74,843,598</u>	<u>18,814,256</u>	<u>874,738</u>	<u>92,783,116</u>
Intangible Asset – Water Rights	4,113,119	-	-	4,113,119
Less Accumulated Amortization	<u>977,462</u>	<u>35,633</u>	<u>-</u>	<u>1,013,095</u>
Total Intangible Asset - Water Rights, Net	<u>3,135,657</u>	<u>(35,633)</u>	<u>-</u>	<u>3,100,024</u>
Business-Type Activities, Capital and Intangible Assets, Net	<u>\$77,979,255</u>	<u>\$18,778,623</u>	<u>\$ 874,738</u>	<u>\$95,883,140</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

D. Capital Assets (Continued)

	Balance 9/30/23	Additions	Retirements	Balance 9/30/24
PEDC				
Capital Assets, Not Being Depreciated				
Land	\$ 5,032,692	\$ 306,092	\$ -	\$ 5,338,784
Construction in Progress	92,410	-	92,410	-
Total Capital Assets, Not Being Depreciated	<u>5,125,102</u>	<u>306,092</u>	<u>92,410</u>	<u>5,338,784</u>
Capital Assets, Being Depreciated/Amortized				
Equipment	6,895	-	-	6,895
Intangible Assets	-	9,900	-	9,900
Total Capital Assets, Being Depreciated/Amortized	<u>6,895</u>	<u>9,900</u>	<u>-</u>	<u>16,795</u>
Less Accumulated Depreciation/Amortization for				
Equipment	6,895	-	-	6,895
Intangible Assets	-	1,815	-	1,815
Total Accumulated Depreciation	<u>6,895</u>	<u>1,815</u>	<u>-</u>	<u>8,710</u>
Total Capital Assets, Being Depreciated/Amortization, Net	<u>-</u>	<u>8,085</u>	<u>-</u>	<u>8,085</u>
PEDC, Capital Assets, Net	<u>\$ 5,125,102</u>	<u>\$ 314,177</u>	<u>\$ 92,410</u>	<u>\$ 5,346,869</u>

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

Governmental Activities	
General Government	\$ 326,474
Public Safety	946,229
Public Works, Including Depreciation of General Infrastructure Assets	1,424,140
Health	301,058
Culture and Recreation	116,486
Cox Field Airport	<u>130,670</u>
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 3,245,057</u>
Business-Type Activities	
Water and Sewer	<u>\$ 3,809,385</u>
Total Depreciation/Amortization Expense – Business-Type Activities	<u>\$ 3,809,385</u>

E. Deferred Compensation Plan

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans

The City participates in a nontraditional defined benefit retirement plan for all full-time employees and maintains a single-employer, defined benefit plan for firefighters.

As of and for the year ended September 30, 2024, the two plans had the following balances reported in the government-wide financial statements:

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Texas Municipal Retirement System	\$ (261,675)	\$ 2,652,417	\$ 612,816	\$ 159,274
Paris Firefighters' Relief and Retirement Fund	(1,358,323)	1,041,582	545,201	65,179
Total Pension Plans	<u>\$ (1,619,998)</u>	<u>\$ 3,693,999</u>	<u>\$ 1,158,017</u>	<u>\$ 224,453</u>

1. Texas Municipal Retirement System

Plan Description

The City of Paris participates as one of 934 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with Texas Government Code, Title 8, Subtitle G (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. The plan financial statements are prepared using the accrual basis of accounting. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.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 benefits are calculated based on the sum of the member's contributions with interest, the City-financed monetary credits with interest, their age at retirement and other actuarial factors. When a member applies for retirement, they have three options to determine how their lifetime monthly benefit will be paid. After a member selects one of the three benefit payment options, they can choose to receive a partial lump-sum distribution to 12, 24, or 36 times the Retiree Life Only monthly benefit, however this partial lump-sum cannot exceed 75% of the total member contributions and interest.

Prior service credit is a monetary credit that a city may grant to eligible employees when the City joins TMRS. The credit is used in calculating the employee's retirement benefit and is based on compensation they earned while working for the City before the City joined TMRS. Current service credit is a monetary credit for service performed by a member after a city joins TMRS and is based on a city's matching ratio (100%, 150%, or 200%) of the member's total contributions and interest. A change in a city's matching ratio is applied prospectively. Update service credit (USC) is a monetary credit a city may grant to active

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

1. Texas Municipal Retirement System (Continued)

Benefits Provided (Continued)

members. The USC calculation is performed annually on a member's account and may grant supplemental financial credits. The USC calculation considers a member's salary history and the City's plan changes and may increase the value of a member's benefit at retirement.

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

	<u>Plan Year 2023</u>
Employee Deposit Rate	7%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5 Years
Retirement Eligibility (Age/Service)	60/5, 0/20
Updated Service Credit	0%
Retiree Cost of Living Adjustment	0% of CPI

Employees Covered by Benefit Terms.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	251
Inactive Employees Entitled to but not yet Receiving Benefits	194
Active employees	<u>296</u>
Total	<u><u>741</u></u>

Contributions

Active member contribution rates are adopted by the City and may be either 5%, 6%, or 7% of an employee's total compensation. The City's contribution rate is determined annually by TMRS using the Entry Age Normal actuarial cost method based on the liabilities created from the City's benefit options and any changes in benefits or actual experience over time. The City's contribution rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated as a level percent of the City's reported payroll.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 4.59% and 5.36% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$964,366 and were equal to the required contributions.

Net Pension Liability

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

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

1. Texas Municipal Retirement System (Continued)

Actuarial Assumptions

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

Inflation	2.5% per year
Overall Payroll Growth	3.6% to 11.85%, including inflation
Investment Rate of Return	6.75%

Salary increases were based on a service-related table. For calculating the actuarial liability and the retirement contribution rates, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. 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) to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100%. For disabled annuitants, the 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% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

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 the December 31, 2023 actuarial valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	6.70%
Core Fixed Income	6.0	4.70
Non-Core Fixed Income	20.0	8.00
Other Public and Private Markets	12.0	8.00
Real Estate	12.0	7.60
Hedge Funds	5.0	6.40
Private Equity	10.0	11.60
Total	<u>100.0%</u>	

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

1. Texas Municipal Retirement System (Continued)

Discount Rate

A single discount rate of 6.75% was used to measure the Total Pension Liability as of December 31, 2023. This single discount rate was based on the expected rate of return on pension plan investments of 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 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 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).

Net Pension Liability and Changes in the Pension Liability

	Increase (Decrease)		Net Pension
	Total Pension Liability	Plan Fiduciary Net Position	Liability (Asset)
	(a)	(b)	(a) – (b)
Balance at 12/31/2022	\$ 71,258,568	\$ 67,807,930	\$ 3,450,638
Changes for the year:			
Service Cost	2,236,060	-	2,236,060
Interest	4,758,205	-	4,758,205
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(244,728)	-	(244,728)
Changes of Assumptions	(557,537)	-	(557,537)
Contributions – Employer	-	832,402	(832,402)
Contributions – Employee	-	1,269,458	(1,269,458)
Net Investment Income	-	7,852,929	(7,852,929)
Benefit Payments, Including Refunds of Employee Contributions	(4,309,352)	(4,309,352)	-
Administrative Expense	-	(50,126)	50,126
Other Changes	-	(350)	350
Net Changes	1,882,648	5,594,961	(3,712,313)
Balance at 12/31/2023	\$ 73,141,216	\$ 73,402,891	\$ (261,675)

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

1. Texas Municipal Retirement System (Continued)

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

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

	1% Decrease in Discount Rate 5.75%	Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's Net Pension Liability (Asset)	\$ 8,177,048	\$ (261,675)	\$ (7,367,134)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the City recognized pension expense of \$159,274.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Economic Experience (Net of Current Year Amortization)	\$ -	\$ 209,295
Changes in Actuarial Assumptions	-	403,521
Differences Between Projected and Actual Investment Earnings (Net of Current Year Amortization)	1,921,579	-
Contributions Subsequent to the Measurement Date	730,838	-
Total	<u>\$ 2,652,417</u>	<u>\$ 612,816</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

1. Texas Municipal Retirement System (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$730,838 reported as deferred outflows of resources, related to pensions resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions, will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	
2025	\$ 245,807
2026	386,864
2027	1,327,624
2028	(651,532)
2029	-
Thereafter	-
	<u>\$ 1,308,763</u>

2. Firefighters' Relief and Retirement Fund

Plan Description

The Paris Firefighters' Relief and Retirement Fund, a single-employer defined benefit pension plan, is established under the authority of the Texas Local Firefighters' Retirement Act and is administered by a Board of Trustees made up of three members elected from and by the fund's members, two representatives of the City of Paris, Texas, and two citizen members. Specified plan provisions are governed by a plan document and a trust agreement executed by the Board of Trustees. The plan is an independent entity for financial reporting purposes and issues a stand-alone financial statement. A copy of the audited financial statement may be obtained from the Board of Trustees, Paris Firefighters' Relief and Retirement Fund, P.O. Box 9037, Paris, Texas 75461. Governing state law requires public retirement systems to hire an actuary to make a valuation at least once every three years of the assets and liabilities of the system and to determine if the assumptions and methods are reasonable. The plan financial statements are prepared using the accrual basis of accounting. All plan investments are reported at fair value.

Eligibility

The plan covers current and former firefighters hired prior to October 1, 2022 of the City of Paris, Texas, as well as certain beneficiaries. The plan had a freeze date of September 30, 2022. Effective October 1, 2022, firefighters no longer make contributions to the plan. The City is responsible for the existing unfunded actuarial liability. As of September 30, 2022, the plan was closed to new entrants.

Contributions

The City's liability was fully funded as of September 30, 2024. The City made no contributions during the year ended September 30, 2024, and had no required contributions.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

2. Firefighters' Relief and Retirement Fund (Continued)

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>47</u>
Total	<u><u>101</u></u>

Service Retirement Disability and Death Benefits

A member is eligible for service retirement upon the earlier of (a) the completion of 20 years of service and attainment of age 55 or (b) the date as of which the sum of the member's age and service equals 80 provided the member has completed 20 years of service. A member who retires under the service retirement provisions of the fund will receive a monthly benefit equal to \$94 multiplied by his/her years of service at retirement. The minimum service retirement benefit is \$500 per month. Service retirement benefits are payable for the member's lifetime. In the event the member's death precedes that of his/her spouse, two-thirds of the member's pension will be continued to the spouse for his/her lifetime. In lieu of the normal form of benefit, a member may elect at the time of his/her retirement to receive a modified monthly amount payable under one of several optional forms of payment. An active member will qualify for a disability benefit if he/she becomes disabled for either physical or mental reasons. If a member dies while in active service, his/her widow(er) will receive an immediate monthly benefit, payable for his/her lifetime.

Actuarial Methods and Assumptions

The actuarial valuation date used to determine the total pension liability for the year ended September 30, 2024, and the most current available information required for disclosure under GASB Statement No. 67 is based on an actuarial valuation as of December 31, 2022. The measurement was completed using a roll-forward of the December 31, 2022 actuarial valuation which was based upon member census data as of the same date. The measurements were also based on audited December 31, 2023 financial information. The actuarial cost method used in the December 31, 2022 valuation is the Normal to Pure Unit Credit Actuarial Cost Method.

The long-term expected real rate of return was developed using the annual money-weighted internal rate of return, net of pension plan investment expense. Inputs to the money-weighted internal rate of return calculation are determined at least monthly.

The demographic assumptions were chosen based on expected future rates of retirement, mortality, disability, and termination. Mortality was taken from published studies and was updated to reflect expected future improvement. Retirement and salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates, adjusted as necessary, to conform to the plan's own experience.

Both economic and demographic assumptions were further tested through the calculation of the plan's aggregate experience with respect to both demographic decrements and economic assumptions.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

2. Firefighters' Relief and Retirement Fund (Continued)

Net Pension Liability and Changes in the Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/2022	\$ 15,473,252	\$ 15,687,798	\$ (214,546)
Changes for the year:			
Service Cost	-	-	-
Interest	1,078,958	-	1,078,958
Experience	-	-	-
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income	-	2,257,162	(2,257,162)
Benefit Payments, Including Refunds of Employee Contributions	(1,182,152)	(1,182,152)	-
Administrative Expense	-	(34,427)	34,427
Other Changes	-	-	-
Net Changes	(103,194)	1,040,583	(1,143,777)
Balance at 12/31/2023	\$ 15,370,058	\$ 16,728,381	\$ (1,358,323)

The following presents the net pension liability of the Paris Firefighters' Relief and Retirement Fund, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
Net Pension Liability	\$379,151	\$(1,358,323)	\$(2,789,322)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued financial report. That report may be obtained at 1444 N. Main Street, Paris, Texas 75460.

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

For the year ended September 30, 2024, the City recognized pension expense of \$65,179.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

F. Employee Retirement Systems and Plans (Continued)

2. Firefighters' Relief and Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Economic Experience	\$ 57,423	\$ 520,195
Changes in Actuarial Assumptions	984,159	-
Difference Between Projected and Actual Investment Earnings	-	25,006
Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 1,041,582</u>	<u>\$ 545,201</u>

Amounts reported as deferred outflows and inflows of resources related to pensions, will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	
2025	\$ 108,100
2026	185,395
2027	318,047
2028	(170,666)
2029	55,505
Thereafter	-
Total	<u>\$ 496,381</u>

G. Other Post Employment Benefit (OPEB) Obligations

The City also participates in a single-employer defined benefit program, which operates like a group-term life insurance plan, operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF) and maintains a single-employer plan for eligible retirees, the City of Paris Retiree Health Care Plan.

As of and for the year ended September 30, 2024, the two plans had the following balances reported in the government-wide financial statements:

	Total OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Supplemental Death Benefits Fund	\$ 1,098,411	\$ 142,047	\$ 275,269	\$ 22,311
City of Paris Retiree Healthcare Plan	2,722,955	358,306	836,233	(43,233)
Total OPEB Plans	<u>\$ 3,821,366</u>	<u>\$ 500,353</u>	<u>\$ 1,111,502</u>	<u>\$ (20,922)</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

G. Other Post Employment Benefit (OPEB) Obligations (Continued)

1. Supplemental Death Benefits Fund

Plan Description

The SDBF covers both active and retiree participants with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other post-employment benefit" (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	188
Inactive employees entitled to but not yet receiving benefits	47
Active employees	296
Total	<u>531</u>

Contributions

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees of the City were not required to contribute to the OPEB plan during the fiscal year. The contribution rates for the City were 0.51% and 0.41% of gross earnings in calendar year 2023 and 2024, respectively. The City's contributions to TMRS SDBF for the year ended September 30, 2024 were \$81,851 and were equal to the required contributions.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

G. Other Post Employment Benefit (OPEB) Obligations (Continued)

1. Supplemental Death Benefits Fund (Continued)

Changes in the OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balance at 12/31/22	\$ 1,002,994
Changes for the year:	
Service Cost	43,524
Interest	40,511
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	8,303
Changes of Assumptions	52,044
Contributions – Employer	-
Contributions – Employees	-
Net Investment Income	-
Benefit Payments, Including Refunds of Employee Contributions	(48,965)
Administrative Expense	-
Other Changes	-
Net Changes	95,417
Balance at 12/31/23	\$ 1,098,411

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

	1% Decrease in Discount Rate 2.77%	Discount Rate 3.77%	1% Increase in Discount Rate 4.77%
Total OPEB Liability	\$1,294,230	\$1,098,411	\$943,241

Supplemental Death Benefits Fund Net Position

Detailed information about the plan's net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

G. Other Post Employment Benefit (OPEB) Obligations (Continued)

1. Supplemental Death Benefits Fund (Continued)

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

For the year ended September 30, 2024, the City recognized OPEB expense in the amount of \$22,311.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Economic Experience (Net of Current Year Amortization)	\$ 6,636	\$ 35,718
Changes in Actuarial Assumptions	79,507	239,551
Differences Between Projected and Actual Investment Earnings (Net of Current Year Amortization)	-	-
Contributions Subsequent to the Measurement Date	55,904	-
Total	<u>\$ 142,047</u>	<u>\$ 275,269</u>

\$55,904 reported as deferred outflows of resources related to SDBF OPEB resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB, will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	
2025	\$ (93,941)
2026	(116,584)
2027	9,524
2028	11,875
2029	-
Thereafter	-
Total	<u>\$ (189,126)</u>

2. City of Paris Retiree Health Care Plan

Plan Description

The City has in effect a single employer plan (the Plan) adopted by City Council resolution whereby persons who retire before age sixty-five will be provided health care coverage until they become sixty-five. The contribution requirements of the government are established and may be amended by the governing council. The Plan covers retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB). The Plan issues a stand-alone financial report.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

G. Other Post Employment Benefit (OPEB) Obligations (Continued)

2. City of Paris Retiree Health Care Plan (Continued)

Benefits

Retiree health benefits are available to all retirees who meet the definition of a retiree as set for by City ordinance. Retirees are responsible for the full cost of their retiree health benefits. Retirees who meet certain conditions are eligible for a monthly subsidy from the City toward the purchase of health care coverage until the retiree becomes age 65. Retirees are able to remain on the City group health insurance plan until the retiree reaches age 65 or becomes eligible for Medicare coverage. Retiree premiums are 1.95 times the rates for active employees. Retiree health benefits are available to spouses and eligible dependents of retirees. All costs for dependents are paid by the retiree if they have them. The City will provide a monthly subsidy to eligible retirees who purchase medical coverage either through the City group insurance plan or from an alternate provider. The cost of coverage for the retiree will be reimbursed up to a maximum amount set by the City with the balance paid by the retiree. Effective January 1, 2023, the maximum amount of the monthly subsidy is \$595.

Employees Covered by Benefit Terms

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

Inactive Retirees or Beneficiaries Currently Receiving Benefits	10
Inactive, Nonretired Members	-
Active employees	<u>42</u>
Total	<u><u>52</u></u>

Contributions

The City's contributions are financed on a pay-as-you-go basis. For the year ended September 30, 2024, the contributions were approximately \$19,191.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

G. Other Post Employment Benefit (OPEB) Obligations (Continued)

2. City of Paris Retiree Health Care Plan (Continued)

Changes in the OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balance at 12/31/2022	\$ 3,173,612
Changes for the year:	
Service Cost	53,983
Interest	126,693
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(729,798)
Changes of Assumptions	243,223
Contributions – Employer	-
Contributions – Employees	-
Net Investment Income	-
Benefit Payments, Including Refunds of Employee Contributions	(144,730)
Administrative Expense	-
Other Changes	(28)
Net Changes	(450,657)
Balance at 12/31/2023	\$ 2,722,955

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

	1% Decrease in Discount Rate 2.77%	Discount Rate 3.77%	1% Increase in Discount Rate 4.77%
Total OPEB Liability	\$2,871,511	\$2,722,955	\$2,581,646

The following presents the Plan's total OPEB liability, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$2,565,639	\$2,722,955	\$2,892,603

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

G. Other Post Employment Benefit (OPEB) Obligations (Continued)

2. City of Paris Retiree Health Care Plan (Continued)

OPEB Plan Net Position

Detailed information about the plan's net position is available in a separately-issued TMRS financial report. That report may be obtained at 1444 N. Main Street, Paris, Texas 75460.

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

For the year ended September 30, 2024, the City recognized OPEB expense in the amount of \$(43,233).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Economic Experience (Net of Current Year Amortization)	\$ -	\$ 625,644
Changes in Actuarial Assumptions	233,628	210,589
Contributions Subsequent to the Measurement Date	124,678	-
Total	<u>\$ 358,306</u>	<u>\$ 836,233</u>

\$124,678 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB, will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	
2025	\$ (264,577)
2026	(245,695)
2027	(92,333)
2028	-
2029	-
Thereafter	-
Total	<u>\$ (602,605)</u>

H. Water Sales and Commitments

1. Water Sales

The City has contracts extending for several years to sell treated and untreated water to six entities. Total water sales under these contracts to these entities during the year ended September 30, 2024, were approximately \$3,232,154.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

H. Water Sales and Commitments (Continued)

2. Construction Commitments

The City has active construction projects as of September 30, 2024. At year-end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>To Date</u>	<u>Commitment</u>
Waste Water Treatment Plant Improvements – Phase 1	\$ 23,147,780	\$ 39,704,862
Waste Water Treatment Plant Improvements – Phase 2	838,559	39,149,941
Total	<u>\$ 23,986,339</u>	<u>\$ 78,854,803</u>

3. Water Storage Commitment

The City has the right to utilize an undivided 100% of the usable conservation storage space in Pat Mayse Lake between elevations 451 feet and 415 feet above sea level which is estimated at 109,600-acre feet. The Government reserves the right to control and use all storage in accordance with project purposes, to take such measures to preserve life and or property including the right not to make downstream releases and to inspect, maintain, or repair the project. The City will be required to pay 10.526% of the cost of joint-use repair, rehabilitation, and replacement and 26.659% of the annual experienced joint-use operation and maintenance of the project.

4. Civic Center Contract Commitment

The City is a party to a contract with the Chamber of Commerce of Lamar County, Inc. whereby three-sevenths of the hotel/motel tax is to be dedicated to a fund to be used for improving, enlarging, equipping, repairing, operating, or maintaining a civic center. The contract provides that the Chamber of Commerce of Lamar County, Inc. will operate the civic center through September 30, 2024, and may be renewed for four additional one-year terms upon written agreement of the parties. Either party may terminate this contract at the end of the current term by giving thirty days notice.

5. Other Commitments - PEDC

Metro Gate – On January 22, 2021, the Board of Directors reached a performance agreement with Metro Gate and Manufacturing Company, Inc. PEDC will provide \$120,000 for the creation of 40 full-time employees paid out in installments over 5 years and \$40,000 for expected capital expenditures for a total of \$160,000. The remaining balance at September 30, 2024 is estimated to be \$69,000.

Lionshead Specialty Tire and Wheel – On June 21, 2022, the Board of Directors reached a performance agreement with Lionshead Paris, LLC. PEDC will invest up to \$807,526 in cash, land, and improvements in connection with a new assembly and warehousing plant, job creation, and employment retention. The remaining balance at September 30, 2024 is estimated to be \$583,320.

Universal Fabricating USA, Inc. – On February 21, 2023, the Board of Directors reached a performance agreement with Universal Fabricating USA, Inc. PEDC will provide up to \$600,000 for the creation of 100 full-time employees paid out in installments over 5 years and \$75,000 as an employee relocation grant. The remaining balance at September 30, 2024 is estimated to be \$600,000.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

H. Water Sales and Commitments (Continued)

5. Other Commitments – PEDC (Continued)

Ametsa Packaging, LLC – On July 12, 2023, the Board of Directors reached a performance agreement with Ametsa Packaging, LLC. PEDC will provide up to \$665,000 for the creation of 95 full-time employees paid out in installments over 5 years and \$100,000 as an equipment relocation grant. The remaining balance at September 30, 2024 is estimated to be \$532,000.

Rodgers-Wade Manufacturing Company, Inc. – On October 17, 2023, the Board of Directors reached an incentive agreement with Rodgers-Wade Manufacturing Company, Inc. PEDC will provide up to \$280,000 for the creation of 57 full-time employees paid out in installments over 3 years. The remaining balance at September 30, 2024 is estimated to be \$280,000.

I. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases insurance coverage from commercial insurers and participates in risk pools to limit risk of loss in these areas. The risk pools maintain adequate protection from catastrophic losses to protect their financial integrity. Aggregate protection is also maintained to ensure that the City shall at no time be assessed. The City's contributions are limited to the rates calculated under the agreement. There has been no significant reduction in insurance coverage during the year ended September 30, 2024. There have been no settlements in excess of insurance coverage in any of the prior three fiscal years.

J. Financed Purchases

In September 2015, the City began leasing equipment under an agreement classified as a financing purchase due to a bargain purchase option. Equipment purchased through the agreement are pledged as security for repayment of the lease liability. The present value and accumulated amortization are as follows:

Financed Purchase – Equipment, at Cost	\$ 617,114
Less: Accumulated Amortization	<u>546,938</u>
Financed Purchase – Equipment, Net	<u><u>\$ 70,176</u></u>

The future minimum payments required under the financing purchase and the present value of the net minimum payments as of September 30, 2024, are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	<u>\$ 72,353</u>
Total Minimum Payments	72,353
Less: Amount Representing Interest	<u>(2,177)</u>
Present Value of Net Minimum Payments	70,176
Less: Current Maturities of Financing Purchase Obligation	<u>(70,176)</u>
Long-Term Portion of Financing Purchase Obligation	<u><u>\$ -</u></u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

J. Financed Purchases (Continued)

The future minimum payments required under the financing purchase and the present value of the net minimum payments as of September 30, 2024, are as follows:

Year Ending September 30,	Amount
2025	\$ 114,337
2026	114,337
Total Minimum Payments	228,674
Less: Amount Representing Interest	(9,948)
Present Value of Net Minimum Payments	218,726
Less: Current Maturities of Financing Purchase Obligation	(107,798)
Long-Term Portion of Financing Purchase Obligation	<u>\$ 110,928</u>

K. Long-Term Liabilities

In the government-wide financial statements and proprietary funds in the 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 funds statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as 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, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

General Obligation, Certificates of Obligation, and Other Long-Term Obligations

\$9,750,000 General Obligation Bonds, Series 2017, due in annual installments varying from \$440,000 to \$635,000 with final payment due June 15, 2037. On July 17, 2017, the City issued this series bearing interest ranging from 2.125% to 3.0%. On December 15, 2027, or any date thereafter, the outstanding bonds may be redeemed prior to their scheduled maturities at the City's option. The bonds were issued at a premium to provide funds to pay the costs of construction, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections including, utility relocation, landscaping, sidewalks, traffic safety and operational improvements, the purchase of any necessary right-of-way, drainage, and other related costs, and improving and equipping parks, trails and recreational facilities. The bonds are reported as General Obligation debt.

\$2,900,000 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013, due in annual installments varying from \$150,000 to \$165,000 with final payment due June 15, 2032. Interest is payable semi-annually at rates ranging from 0.98% to 1.45%. On June 15, 2023, or any date thereafter, the outstanding bonds may be redeemed prior to their scheduled maturities at the City's option. These bonds were issued to provide funds to pay the costs of improving the potable water distribution system and related costs. The certificates are also secured by a pledge of net revenues of the water works and sewer system. In addition to the purchase of these bonds by the Texas Water Development Board, the City received \$500,778 in connection with a loan forgiveness program. The bonds are reported as obligations of the Enterprise Fund.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

K. Long-Term Liabilities (Continued)

General Obligation, Certificates of Obligation, and Other Long-Term Obligations (Continued)

\$8,780,000 General Obligation Bonds, Series 2016, due in annual installments varying from \$375,000 to \$535,000 with final payment due December 15, 2036. Interest is payable semi-annually at rates ranging from 3.0% to 4.0%. On December 15, 2026, or any date thereafter, the outstanding bonds may be redeemed prior to their scheduled maturities at the City's option. These bonds were issued December 1, 2016, at a premium for the purpose of constructing and acquiring improvements and equipping the City's waterworks and sewer system and for replacing and extending water distribution lines and sewer collection lines and construction repairs to streets and drainage infrastructure necessitated by such water and sewer line construction. Voters approved the issuance of \$45,000,000 in tax bonds. The bonds are reported as obligations of the Enterprise Fund.

\$1,390,000 General Obligation Bonds, Series 2018, due in annual installments of \$130,000 with final payment due June 15, 2028. Interest is payable semi-annually at 2.59%. The principal installments of this bond are not subject to redemption prior to maturity. These bonds were issued May 1, 2018, in the amount of \$1,200,000 for the purpose of constructing and acquiring improvements and equipping the City's waterworks and sewer system and for replacing and extending water distribution lines and sewer collection lines and construction repairs to streets and drainage infrastructure necessitated by such water and sewer line construction and in the amount of \$190,000 to pay the costs of construction, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections including, utility relocation, landscaping, sidewalks, traffic safety and operational improvements, the purchase of any necessary right-of-way, drainage and other related costs. The bonds are reported as Enterprise Fund debt and General Obligation debt.

\$1,500,000 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020, due in annual installments varying from \$150,000 to \$165,000 with final payment due June 15, 2030. Interest is payable semi-annually at 1.95%. The certificates of this series are not subject to redemption prior to maturity. These bonds were issued February 1, 2020 for the purpose of paying all or a portion of the City's contractual obligations incurred in connection with the renovation, repair and other improvement of the City's Love Civic Center and paying legal, fiscal and engineering fees in connection with such projects. The bonds are reported as General Obligation debt.

\$1,115,000 Tax Notes, Series 2020, due in annual installments of \$195,000 with final payment due June 15, 2026. Interest is payable semi-annually at 1.05%. The principal installments of this note are not subject to redemption prior to maturity. The note was issued November 1, 2020 for the purpose of paying contractual obligations incurred or to be incurred for the construction of any public work, for the purchase of materials, supplies, equipment, machinery, buildings, lands and right-of-way for the City's authorized needs and purposes, and to pay costs of professional services. The note is reported as General Obligation debt.

\$1,765,000 General Obligation Refunding Bonds, Series 2020, due in annual installments varying from \$195,000 to \$210,000 with final payment due December 15, 2029. Interest is payable semi-annually at 1.24%. On December 15, 2020, the City issued this series to refund Outstanding Combination Tax and Revenue Certificates of Obligation, Series 2010 (\$3,005,000) bearing interest ranging from 3.0% to 4.2%. The net proceeds of \$1,772,711 (after payment of various fees, outstanding principal balance, and accrued interest) were deposited in the Old Paying Agent account to refund the Refunding Bonds on the Redemption Date in accordance with the Deposit Agreement. The issuance of the bonds produced a present value debt service savings of \$188,730 and an actual debt service savings of \$201,195. The bonds are reported as General Obligation Debt.

\$43,855,000 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2021, due in annual installments varying from \$620,000 to \$2,160,000 with final payment due on December 15, 2050. Interest is payable semi-annually at rates ranging from 2.0% to 5.0%. On December 15, 2030, or any date thereafter, the certificate may be redeemed prior to their scheduled maturities at the City's option. The bonds were issued on May 12, 2021, at a premium for the purpose of refurbishment of portions of the existing waste water treatment

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

K. Long-Term Liabilities (Continued)

General Obligation, Certificates of Obligation, and Other Long-Term Obligations (Continued)

plant as needed in connection with the construction of a new waste water treatment plant. Voters approved the issuance of \$46,065,000 in tax bonds. The bonds are reported as obligations of the Enterprise Fund.

\$12,355,000 General Obligation Pension Bonds, Taxable Series 2022, due in annual installments varying from \$270,000 to \$855,000 with final payment due on June 15, 2042. Interest is payable semi-annually at rates ranging from 4.0% to 5.0%. On June 15, 2031, or on any date thereafter, the bonds may be redeemed prior to their scheduled maturities at the City's option. The bonds were issued August 31, 2022 at a discount for the purpose of fund all or any part of an unfunded, accrued liability of the City to a public pension fund as determined by actuarial analysis. The bonds are reported as obligations of the Enterprise Fund.

\$26,795,000 Waterworks and Sewer System Revenue Bonds, Series 2022, due in annual installments varying from \$400,000 to \$1,725,000 with final payment due on June 15, 2051. Interest is payable semi-annually at rates ranging from 4.0% to 5.25%. On June 15, 2031, or any date thereafter, the bonds may be redeemed prior to their scheduled maturities at the City's option. The bonds were issued on November 9, 2022, at a discount for the purpose of acquiring, constructing, installing and equipping additions, improvements and extensions to the City's waterworks and sewer system. The bonds are reported as obligations of the Enterprise Fund.

\$20,570,000 General Obligation Refunding Bonds, Series 2023, due in annual installments varying from \$450,000 to \$1,485,000 with final payment due on December 15, 2043. Interest is payable semi-annually at 5.00%. On December 15, 2032, or any date thereafter, the bonds may be redeemed prior to their scheduled maturities at the City's option. The bonds were issued on December 14, 2023, at a premium to pay off the Series 2013 General Obligation Bonds and to fund Phase II of the wastewater treatment plant. The bonds are reported as obligations of the General Obligation Debt.

\$42,790,000 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024, due in annual installments varying from \$515,000 to \$2,630,000 with final payment due on June 15, 2054. Interest is payable semi-annually at rates ranging from 4.0% to 5.0%. On June 15, 2033, or any date thereafter, the bonds may be redeemed prior to their scheduled maturities at the City's option. The bonds were issued on April 8, 2024, at a premium for the purpose of constructing the final phase of the City's wastewater treatment plant. The bonds are reported as obligations of the Enterprise Fund.

The ordinances require that property taxes be levied and collected at a rate sufficient to pay principal and interest as they come due. They also require that these funds be placed in special interest and sinking funds created solely for the benefit of the obligations. At September 30, 2024, the fund balances in the Interest and Sinking Funds are \$3,089,892.

The State of Texas is requiring additional monitoring of a landfill owned by the City that has been closed for several years. The City and its' consultants estimate that, based on known requirements, future costs may be \$150,000. These costs are subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations. At September 30, 2024, there were no assets restricted to pay this liability.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

K. Long-Term Liabilities (Continued)

General Obligation, Certificates of Obligation, and Other Long-Term Obligations (Continued)

A summary of long-term liability transactions for the year ended September 30, 2024, follows:

	Balance September 30, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Governmental Activities					
Debt Payable					
Bonds Payable	\$ 9,860,000	\$ 20,570,000	\$ 765,000	\$ 29,665,000	\$ 1,235,000
Tax Notes Payable	580,000	-	190,000	390,000	195,000
Premium	86,562	1,279,699	78,952	1,287,309	-
Financed Purchases	461,737	-	172,835	288,902	177,974
Total Debt Payable	10,988,299	21,849,699	1,206,787	31,631,211	1,607,974
Compensated Absences	1,297,715	911,409	848,205	1,360,919	145,298
Right-to-use Lease Liability	178,441	271,089	100,843	348,687	99,535
Right-to-use SBITA Liability	167,524	779,748	271,224	676,048	213,506
Landfill Post-Closure Care Costs	150,000	-	-	150,000	-
Governmental Activities Long-Term Liabilities	<u>\$ 12,781,979</u>	<u>\$ 23,811,945</u>	<u>\$ 2,427,059</u>	<u>\$ 34,166,865</u>	<u>\$ 2,066,313</u>
	Balance September 30, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Business-Type Activities					
Debt Payable					
Bonds Payable	\$ 113,005,000	\$ 42,790,000	\$ 27,025,000	\$ 128,770,000	\$ 3,830,000
Premium	2,574,533	1,489,271	236,323	3,827,481	-
Discount	(322,835)	-	(19,703)	(303,132)	-
Total Debt Payable	115,256,698	44,279,271	27,241,620	132,294,349	3,830,000
Compensated Absences	222,773	172,229	172,229	222,773	22,277
Right-to-use SBITA Liability	167,524	-	36,772	130,752	40,037
Business-Type Activities Long-Term Liabilities	<u>\$ 115,646,995</u>	<u>\$ 44,451,500</u>	<u>\$ 27,450,621</u>	<u>\$ 132,647,874</u>	<u>\$ 3,892,314</u>
Component Unit					
Notes Payable	\$ 2,247,922	\$ -	\$ 148,337	\$ 2,099,585	\$ 151,542
Component Unit Long-Term Liabilities	<u>\$ 2,247,922</u>	<u>\$ -</u>	<u>\$ 148,337</u>	<u>\$ 2,099,585</u>	<u>\$ 151,542</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

K. Long-Term Liabilities (Continued)

General Obligation, Certificates of Obligation, and Other Long-Term Obligations (Continued)

For governmental activities, pension-related debt and compensated absences are liquidated by the general fund.

Long-term debt service requirements for the next five years and after, in five year increments, are as follows:

Year Ending September 30,	General Obligation		Water and Sewer		PEDC	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,430,000	\$ 1,247,009	\$ 3,830,000	\$ 3,178,488	\$ 151,542	\$ 43,451
2026	2,055,000	1,188,068	2,210,000	5,378,810	154,817	40,176
2027	1,940,000	1,113,222	2,825,000	4,889,151	158,163	36,830
2028	2,020,000	1,036,338	3,125,000	4,762,217	161,581	33,412
2029	1,560,000	973,593	3,135,000	4,620,172	165,073	29,920
2030-2034	7,220,000	4,034,758	18,890,000	20,780,194	1,308,409	54,158
2035-2039	7,090,000	2,469,998	21,995,000	16,567,090	-	-
2040-2044	6,740,000	873,250	24,420,000	11,956,439	-	-
2045-2049	-	-	26,445,000	7,244,070	-	-
2050-2054	-	-	19,265,000	2,436,545	-	-
2055	-	-	2,630,000	111,775	-	-
Totals	<u>\$ 30,055,000</u>	<u>\$ 12,936,236</u>	<u>\$ 128,770,000</u>	<u>\$81,924,951</u>	<u>\$ 2,099,585</u>	<u>\$ 237,947</u>

PEDC has an outstanding \$2,500,000 Note Payable to the City issued December 27, 2021, due in monthly installments of \$16,249 through November 27, 2031 and a final payment of \$940,083 on December 27, 2031, bearing an interest rate of 2.14%. At September 30, 2024, the balance was \$2,099,585.

L. Leases

Lease Receivable

The City, as a lessor, leases City-owned properties such as land, tower space, and airport hangars. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term. Revenue recognized under GASB 87 lease contracts during the year ended September 30, 2024 was \$227,823, which includes both lease revenue and interest.

As of September 30, 2024, the City had fifty-one active leases. The leases have receipts that range from \$100 to \$26,444 and interest rates that range from 0.2480% to 3.3600%. As of September 30, 2024, the total combined value of the lease receivable is \$2,010,961, the total combined value of the short-term lease receivable is \$158,721, and the combined value of the deferred inflow of resources is \$1,912,209. The leases had no variable receipts or other receipts not included in the lease receivable with in the fiscal year.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

L. Leases (Continued)

Lease Receivable (Continued)

The City expects to receive the following lease receivable amounts for Governmental Activities in subsequent years as follows:

Year Ending September 30,	General Activities	
	Principal	Interest
2025	\$ 158,720	\$ 37,161
2026	165,741	34,647
2027	172,971	32,007
2028	172,320	29,337
2029	160,386	26,762
2030-2034	527,029	102,100
2035-2039	409,146	53,808
2040-2044	157,698	17,970
2045-2049	17,895	7,505
2050-2054	17,966	5,835
2055-2059	19,721	4,079
2060-2064	21,648	2,152
2065-2069	9,720	379
Totals	<u>\$ 2,010,961</u>	<u>\$ 353,742</u>

Lease Liability

The City, as a lessee, has entered into lease agreements involving equipment. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide Statement of Net Position. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of September 30, 2024, the City had fourteen active leases. The leases have payments that range from \$702 to \$54,116 and interest rates that range from 0.2480% to 4.8860%. As of September 30, 2024, the total combined value of the lease liability is \$348,687, the total combined value of the short-term lease liability is \$99,535. The combined value of the right to use asset, as of September 30, 2024 of \$514,890 with accumulated amortization of \$158,036 is included with the lease class activities table found below. The leases had no variable payments or other payments not included in the lease liability with in the fiscal year.

Asset Class	As of Fiscal Year-End	
	Lease Asset Value	Accumulated Amortization
Equipment	<u>\$ 514,890</u>	<u>\$ 158,036</u>
Total Leases	<u>\$ 514,890</u>	<u>\$ 158,036</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

L. Leases (Continued)

Lease Liability (Continued)

As of September 30, 2024, the City had a minimum principal and interest payment requirements for its leasing activities, with a remaining term more than one year, as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2025	\$ 99,535	\$ 11,585
2026	98,758	8,442
2027	97,878	5,237
2028	45,750	1,936
2029	6,766	63
Totals	<u>\$ 348,687</u>	<u>\$ 27,263</u>

M. Subscription-Based Information Technology Arrangements (SBITA)

As of September 30, 2024, the City has eight active subscriptions. The subscriptions have payments that range from \$21,312 to \$105,000 and interest rates that range from 2.6500% to 3.5490%. As of September 30, 2024, the total combined value of the subscription liability is \$806,800, and the total combined value of the short-term subscription liability is \$253,543. The combined value of the right to use asset, as of September 30, 2024 of \$1,205,426 with accumulated amortization of \$256,240 is included within the subscription class activities table found below. The subscriptions had no variable payments or other payments not included in the subscription liability within the fiscal year.

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Software	<u>\$ 1,205,426</u>	<u>\$ 256,240</u>
Total Subscriptions	<u>\$ 1,205,426</u>	<u>\$ 256,240</u>

As of September 30, 2024, the City had a minimum principal and interest payment requirements for its SBITA activities, with a remaining term more than one year, as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 213,506	\$ 21,697	\$ 40,037	\$ 4,132
2026	192,410	15,001	43,511	2,867
2027	149,859	9,081	47,204	1,492
2028	69,563	4,250	-	-
2029	50,710	1,790	-	-
Totals	<u>\$ 676,048</u>	<u>\$ 51,819</u>	<u>\$ 130,752</u>	<u>\$ 8,491</u>

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

N. Interfund Transactions and Balances

During the year ended September 30, 2024, the City made transfers from the General fund to the Water and Sewer fund of \$1,461,951 to reclassify grant revenue. The City also made transfers from the Debt Service Fund to the Water and Sewer fund of \$21,646,488 to reclassify debt issuance. Other minor transfers were made between funds making up transfers of:

	General	Other Governmental	Water and Sewer	Transfers Out
General	\$ -	\$ 71,954	\$ 1,461,951	\$ 1,533,905
Debt Service	177,291	-	21,899,943	22,077,234
Other Governmental	55,872	-	-	55,872
Water and Sewer	273,854	82,144	-	355,998
	<u>\$ 507,017</u>	<u>\$ 154,098</u>	<u>\$ 23,361,894</u>	<u>\$ 24,023,009</u>
Transfers In	<u>\$ 507,017</u>	<u>\$ 154,098</u>	<u>\$ 23,361,894</u>	<u>\$ 24,023,009</u>

Due To/Due Froms for the year ended September 30, 2024 consisted of the following:

Due to Debt Service Fund From:	
General Fund	\$ 82,867
Total Due to Debt Service Fund	<u>\$ 82,867</u>
Due to Special Revenue Fund From:	
General Fund	\$ 14,502
Total Due to Special Revenue Fund	<u>\$ 14,502</u>
Due to Fiduciary Fund From:	
General Fund	\$ 640
Total Due to Fiduciary Fund	<u>\$ 640</u>

The amounts payable to the Funds above relate to operating activities. These balances are scheduled to be collected in the subsequent year.

O. Restricted Net Position and Restricted Asset Accounts

In order to safeguard the financial integrity of the water and sewer system, the City Council approved a resolution establishing and maintaining funds comparable to those required by the revenue bonds refunded in 2010. At September 30, 2024, these accounts, shown as cash and investments on the Statement of Net Position – Proprietary Funds, are as follows:

Reserve Fund	\$ 19,313,122
Contingency Fund	995,635

Collections of notes receivable are restricted by grant agreements to be used for building rehabilitation.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

O. Restricted Net Position and Restricted Asset Accounts (Continued)

The balances of the City's restricted asset accounts are as follows:

	Cash and Cash Equivalents	Certificates of Deposit and Other Investments
Lake Crook	\$ 4,425	\$ -
Contingency	954,967	40,668
Loan	42,048	-
Bond Reserves and Sinking Funds	10,250,416	9,062,706
Construction	2,935,441	65,703,196
Other	342,521	-
Total Restricted Assets	<u>\$ 14,529,818</u>	<u>\$ 74,806,570</u>

P. Related Party

The Mayor appoints the governing board of an entity which is legally separate from the City. The City is not able to impose its will on this entity, and a financial benefit/burden relationship is not present; therefore, it is considered a related organization.

Q. Contingent Liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The U.S. Environmental Protection Agency and the Texas Commission on Environmental Quality regulates wastewater utility system closure and post closure requirements. Environmental engineers calculated the asset retirement obligation based on the estimated current cost of remediation and removal of the contamination and contaminated sludge and dirt in the wastewater treatment facilities. The estimated liability of the legally required closure costs for the waste water utility system was estimated as of September 30, 2024 to be \$5,684,834. The estimated remaining wastewater utility system life is 30 years. The actual cost of closure and post closure may be higher due to inflation, changes in technology, or changes in waste water utility system laws and regulations. At September 30, 2024, there were no assets restricted to pay this liability.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

R. Tax Abatements

As of September 30, 2024, the City provides tax abatements through two programs-Industrial and Residential:

1. Industrial abatements are possible for manufacturing, research, regional distribution, regional services, regional tourist entertainment, basic industry, and any primary jobs creating industry. The property involved must be newly created or improvements to an existing facility. Abatements may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, tangible personal property, and office space and improvements necessary to the operation and administration of the facility. Inventory and supplies are not eligible for abatement. The City Council grants abatements on a case by case basis. The abatement is stated as a percentage of the eligible property under consideration and for a specified period of time up to ten years. The City has a written industrial tax abatement policy. Provisions for recapturing abated taxes, if any, are included in this policy.

2. Residential abatements are granted for five-year periods. The property involved must be new residential structures or improvements to existing structures that will be at least a 20% increase in the previous appraised value of the property. The abatements are stated as a percentage of the increased value using the following schedule: Year 1-100%, Year 2-100%, Year 3-80%, Year 4-60%, and Year 5-40%. The City has a standard written residential tax abatement agreement. Provisions for recapturing abated taxes, if any, are included in this policy.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated 2023-24</u>
Industrial Incentives	\$ 1,123,805
Residential	1,516

S. Subsequent Events

Subsequent events have been evaluated through September 19, 2025 the date the financial statements were available to be issued.

In October 2024, the City entered into ground lease agreements with a present value of \$352,658. The lots will be used to build 9 private hangars for storage of personal aircraft at Cox Field Airport.

In November 2024, the City was awarded a Texas Community Development Block Grant in the amount of \$500,000 for the reconstruction of sewer mains located in the City.

In February 2025, the City entered into a participation agreement with the State of Texas for the development of a public aviation facility at Cox Field Airport. The total cost of the project is estimated to be \$1,200,000, of which the City will be responsible for \$60,000. The remaining costs will be eligible for federal financial assistance.

In April 2025, the City entered into a development agreement with Lone Star Planned Developments, LLC in relation to the Forestbrook Public Improvement District No. 1.

In April 2025, the City approved a contract in the amount of \$333,650 for concrete demolition and construction services.

In June 2025, the City approved a contract in the amount of \$1,935,222 for the 2025 Mill and Overlay Project for twelve streets in the City.

In July 2025, the City issued \$3,995,000 Tax Notes, Series 2025 for the purpose of purchasing equipment and vehicles. The interest rate is payable semi-annually at a rate of 5.0%, with the final payment due on June 15, 2032.

CITY OF PARIS, TEXAS
Notes to Financial Statements (Continued)
September 30, 2024

IV. Detailed Notes on All Activities and Funds (Continued)

S. Subsequent Events (Continued)

In July 2025, the City approved PEDC's purchase of 102 acres for \$1,028,000.

T. Adjustments and Restatements of Beginning Balances

Correction of an Error in Previously Issued Financial Statements

During the fiscal year 2024, the City identified an error in the prior year's financial statements related to the recording of a grant match in General Fund. In the prior fiscal year, the City incorrectly recorded a grant match as accounts payable and an expenditure in the General Fund. Upon further review, it was determined that the transaction did not represent a liability or expense in that period. Rather, the appropriate accounting treatment was to record an interfund transfer in the current fiscal year, when the actual transfer of resources occurred.

In accordance with GASB Statement No. 100, the City has corrected the prior period error by removing the accounts payable and expense from the General Fund financial statements for the year ended September 30, 2023. The effect of correcting this error is shown in the table below.

	<u>General Fund</u>
Fund Balance at September 30, 2023, as previously reported	\$ 27,329,955
Error Correction	214,318
Fund Balance at September 30, 2023, as restated	<u>\$ 27,544,273</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PARIS, TEXAS
Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Net Pension Liability and Related Ratios
Year Ended September 30, 2024

Schedule 1

	Plan Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 2,236,060	\$ 1,660,689	\$ 1,443,089	\$ 1,184,350	\$ 1,233,792	\$ 1,198,978	\$ 1,192,255	\$ 1,190,613	\$ 1,084,666	\$ 1,084,779
Interest	4,758,205	4,595,080	4,487,312	4,344,087	4,233,112	4,092,798	3,952,930	3,826,176	3,718,773	3,592,818
Changes in Benefit Terms	-	-	390,679	-	-	-	-	-	1,615,467	-
Differences Between Expected and Actual Experience	(244,728)	(18,490)	(749,803)	(321,817)	(260,390)	(118,708)	19,208	(211,467)	(159,282)	(191,294)
Changes in Assumptions	(557,537)	-	-	-	(110,977)	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(4,309,352)	(3,907,254)	(3,748,402)	(3,731,229)	(3,122,282)	(3,101,195)	(3,090,075)	(2,766,533)	(2,741,148)	(2,632,638)
Net Change in Total Pension Liability	1,882,648	2,330,025	1,822,875	1,475,391	1,973,255	2,071,873	2,074,318	2,038,789	3,518,476	1,853,665
Total Pension Liability - Beginning	71,258,568	68,928,543	67,105,668	65,630,277	63,657,022	61,585,149	59,510,831	57,472,042	53,953,566	52,099,901
Total Pension Liability - Ending	<u>\$ 73,141,216</u>	<u>\$ 71,258,568</u>	<u>\$ 68,928,543</u>	<u>\$ 67,105,668</u>	<u>\$ 65,630,277</u>	<u>\$ 63,657,022</u>	<u>\$ 61,585,149</u>	<u>\$ 59,510,831</u>	<u>\$ 57,472,042</u>	<u>\$ 53,953,566</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 832,402	\$ 1,049,532	\$ 878,482	\$ 852,067	\$ 845,646	\$ 825,989	\$ 817,914	\$ 669,501	\$ 700,159	\$ 721,733
Contributions - Employee	1,269,458	999,555	783,806	712,034	730,054	705,973	704,087	701,189	676,545	667,048
Net Investment Income	7,852,929	(5,492,045)	8,898,242	4,972,797	8,988,070	(1,845,475)	7,698,497	3,607,913	80,774	3,031,103
Benefit Payments, Including Refunds of Employee Contributions	(4,309,352)	(3,907,254)	(3,748,402)	(3,731,229)	(3,122,282)	(3,101,195)	(3,090,075)	(2,766,533)	(2,741,148)	(2,632,638)
Administrative Expense	(50,126)	(47,640)	(41,245)	(32,223)	(50,855)	(35,702)	(39,921)	(40,766)	(49,204)	(31,651)
Other	(350)	56,848	282	(1,257)	(1,527)	(1,865)	(2,023)	(2,196)	(2,430)	(2,602)
Net Change in Plan Fiduciary Net Position	5,594,961	(7,341,004)	6,771,165	2,772,189	7,389,106	(3,452,275)	6,088,479	2,169,108	(1,335,304)	1,752,993
Plan Fiduciary Net Position - Beginning	67,807,930	75,148,934	68,377,769	65,605,580	58,216,474	61,668,749	55,580,270	53,411,162	54,746,466	52,993,473
Plan Fiduciary Net Position - Ending	<u>\$ 73,402,891</u>	<u>\$ 67,807,930</u>	<u>\$ 75,148,934</u>	<u>\$ 68,377,769</u>	<u>\$ 65,605,580</u>	<u>\$ 58,216,474</u>	<u>\$ 61,668,749</u>	<u>\$ 55,580,270</u>	<u>\$ 53,411,162</u>	<u>\$ 54,746,466</u>
City's Net Pension Liability (Asset) - Ending	\$ (261,675)	\$ 3,450,638	\$ (6,220,391)	\$ (1,272,101)	\$ 24,697	\$ 5,440,548	\$ (83,600)	\$ 3,930,561	\$ 4,060,880	\$ (792,900)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.36%	95.16%	109.02%	101.90%	99.96%	91.45%	100.14%	93.40%	92.93%	101.47%
Covered Payroll	\$ 18,135,117	\$ 14,279,353	\$ 12,461,905	\$ 11,867,235	\$ 12,167,574	\$ 11,766,222	\$ 11,734,791	\$ 11,684,128	\$ 11,203,172	\$ 11,177,790
City's Net Pension Liability as a Percentage of Covered Payroll	-1.44%	24.17%	-49.92%	-10.72%	0.20%	46.24%	-0.71%	33.64%	36.25%	-7.09%

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF PARIS, TEXAS
Required Supplementary Information
Texas Municipal Retirement System -
Schedule of City Pension Contributions
Year Ended September 30, 2024

Schedule 2

	2024	2023	2022	2021	Fiscal Year Ended September 30,		2018	2017	2016	2015
Contractually Required Fiscal Year Contribution	\$ 964,366	\$ 947,941	\$ 972,171	\$ 809,036	\$ 852,884	\$ 834,605	\$ 825,691	\$ 801,727	\$ 733,564	\$ 704,441
Contribution in Relation to the Contractually Required Fiscal Year Contribution	(964,366)	(947,941)	(972,171)	(809,036)	(852,884)	(834,605)	(825,691)	(801,727)	(733,564)	(704,441)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 18,722,788	\$ 17,888,791	\$ 13,050,044	\$ 11,761,104	\$ 11,975,225	\$ 11,980,216	\$ 11,846,360	\$ 11,615,574	\$ 12,058,579	\$ 11,203,172
Contributions as a Percentage of Covered Payroll	5.15%	5.30%	7.45%	6.88%	7.12%	6.97%	6.97%	6.90%	6.08%	6.29%

Notes to Schedule

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

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
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 110% of the Public Safety table used for males and 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	There were no benefit changes during the year

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF PARIS, TEXAS
Required Supplementary Information
Paris Firefighters' Relief and Retirement Fund -
Schedule of Changes in Net Pension Liability and Related Ratios
Year Ended September 30, 2024

Schedule 3

	2023	2022	2021	2020	Plan Year Ended December 31,					
					2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ -	\$ 185,002	\$ 273,163	\$ 263,769	\$ 244,258	\$ 263,477	\$ 254,567	\$ 258,484	\$ 247,353	\$ 236,701
Interest	1,078,958	1,139,106	1,128,647	1,098,206	1,081,834	1,109,567	1,094,074	1,109,262	1,092,874	1,087,700
Changes in Benefit Terms	-	(1,165,161)	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(344,787)	-	125,175	-	(650,764)	-	(65,973)	-	(238,406)
Changes in Assumptions	-	733,322	-	-	-	562,256	-	616,266	-	134,458
Benefit Payments, Including Refunds of Employee Contributions	(1,182,152)	(1,202,081)	(1,136,694)	(1,016,641)	(1,222,906)	(1,052,502)	(1,249,430)	(1,136,379)	(1,156,654)	(1,200,964)
Net Change in Total Pension Liability	(103,194)	(654,599)	265,116	470,509	103,186	232,034	99,211	781,660	183,573	19,489
Total Pension Liability - Beginning	15,473,252	16,127,851	15,862,735	15,392,226	15,289,040	15,057,006	14,957,795	14,175,471	13,991,898	13,972,409
Total Pension Liability - Ending	<u>\$ 15,370,058</u>	<u>\$ 15,473,252</u>	<u>\$ 16,127,851</u>	<u>\$ 15,862,735</u>	<u>\$ 15,392,226</u>	<u>\$ 15,289,040</u>	<u>\$ 15,057,006</u>	<u>\$ 14,957,131</u>	<u>\$ 14,175,471</u>	<u>\$ 13,991,898</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ -	\$ 12,521,952	\$ 457,000	\$ 388,839	\$ 393,136	\$ 336,951	\$ 326,396	\$ 317,902	\$ 310,483	\$ 281,896
Contributions - Employee	-	425,088	522,286	444,388	449,298	411,944	407,996	397,475	388,212	352,370
Net Investment Income	2,257,162	(1,048,039)	471,438	482,463	758,981	(302,649)	578,324	377,387	(121,104)	245,555
Benefit Payments, Including Refunds of Employee Contributions	(1,182,152)	(1,202,081)	(1,136,694)	(1,016,641)	(1,222,906)	(1,052,502)	(1,249,430)	(1,136,379)	(1,156,654)	(1,200,964)
Administrative Expense	(34,427)	(41,262)	(52,994)	(25,739)	(33,025)	(31,444)	(37,553)	(70,404)	(6,500)	(84,445)
Other	-	-	-	-	-	-	5	2,121	-	5,315
Net Change in Plan Fiduciary Net Position	1,040,583	10,655,658	261,036	273,310	345,484	(637,700)	25,738	(111,898)	(585,563)	(400,273)
Plan Fiduciary Net Position - Beginning	15,687,798	5,032,140	4,771,104	4,497,794	4,152,310	4,790,010	4,764,272	4,876,170	5,461,733	5,862,006
Plan Fiduciary Net Position - Ending	<u>\$ 16,728,381</u>	<u>\$ 15,687,798</u>	<u>\$ 5,032,140</u>	<u>\$ 4,771,104</u>	<u>\$ 4,497,794</u>	<u>\$ 4,152,310</u>	<u>\$ 4,790,010</u>	<u>\$ 4,764,272</u>	<u>\$ 4,876,170</u>	<u>\$ 5,461,733</u>
City's Net Pension Liability (Asset) - Ending	\$ (1,358,323)	\$ (214,546)	\$ 11,095,711	\$ 11,091,631	\$ 10,894,432	\$ 11,136,730	\$ 10,266,996	\$ 10,192,859	\$ 9,299,301	\$ 8,530,165
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.84%	101.39%	31.20%	30.10%	29.20%	27.16%	31.81%	31.85%	34.40%	39.03%
Covered Payroll	\$ -	\$ 3,542,400	\$ 3,264,288	\$ 2,777,425	\$ 2,808,113	\$ 2,712,961	\$ 2,717,229	\$ 2,785,912	\$ 2,511,047	\$ 2,368,370
City's Net Pension Liability as a Percentage of Covered Payroll	0.00%	-6.06%	339.91%	399.30%	388.00%	410.50%	377.85%	365.87%	370.34%	360.17%

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF PARIS, TEXAS
Required Supplementary Information
Paris Firefighters' Relief and Retirement Fund
Schedule of City Contributions
Year Ended September 30, 2024

Schedule 4

	2024	2023	2022	2021	Fiscal Year Ended September 30,			2017	2016	2015
					2020	2019	2018			
Contractually Required Fiscal Year Contribution	\$ -	\$ 12,521,952	\$ 457,000	\$ 388,839	\$ 393,157	\$ 336,951	\$ 326,067	\$ 320,851	\$ 332,665	\$ 301,329
Contribution in Relation to the Contractually Required Fiscal Year Contribution	-	(12,521,952)	(457,000)	(388,839)	(393,157)	(336,951)	(326,067)	(320,851)	(332,665)	(301,329)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ 3,582,668	\$ 2,777,425	\$ 2,817,872	\$ 2,713,093	\$ 2,717,229	\$ 2,795,465	\$ 2,772,967	\$ 2,511,047
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	12.76%	14.00%	13.95%	12.42%	12.00%	11.48%	12.00%	12.00%

Notes to Schedule

Valuation Date Roll-forward of the December, 31, 2022 actuarial valuation which was based upon member census data as of the same date.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Unit Credit Actuarial Cost Method
Asset Valuation Method	Market Value of Assets
Retirement Age	Active members who are eligible for the DROP are assumed to retire immediately. Otherwise, actives are assumed to retire at age 55, or current age if older. Previously, active members were assumed to retire 2 years after they had either (a) both attained age 55 and completed at least 20 years of service or (b) satisfied the rule of 80. Active members who have already met the requirements for service retirement are assumed to retire one year after the valuation date. Benefits for Vested terminated members who had less than 10 years of service at the plan freeze and thus are due a refund of contributions, which are assumed to be paid 6 months following the valuation date, July 1, 2023. Otherwise, terminated vested participants are assumed to start on the same date as normal retirement benefits.
Mortality	Employee and healthy annuitant rates from the Pub-2010 Public Safety Below Median Mortality Table, generationally projected using the ultimate rates of the MP-2021 improvement scales.
Other Information	The plan is frozen to new entrants and benefit accruals are frozen as of October 1, 2022. Normal Retirement Date changed from age 55 with 20 years of service to age 55 and Early Retirement Eligibility, the Rule of 80 was limited to those that already have 20 years of service as of the plan freeze date. Members are now eligible for in-service distributions once they reach retirement eligibility rather than having to terminate. Eligibility for the DROP was frozen to those eligible as of the plan freeze date. The pre-retirement death benefit was reduced to the Texas Local Firefighters Retirement Act minimum of \$1,200 per year until reaching age 55 at which point reverting to the frozen benefit. Finally, active members ceased making contributions to the fund.

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF PARIS, TEXAS
Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended September 30, 2024

Schedule 5

	2023	2022	2021	Plan Year Ended December 31,		2018	2017
				2020	2019		
Total OPEB Liability							
Service Cost	\$ 43,524	\$ 71,397	\$ 64,802	\$ 42,722	\$ 26,769	\$ 30,592	\$ 26,990
Interest	40,511	27,229	28,046	32,883	37,003	33,951	33,850
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	8,303	(44,459)	(28,573)	(34,781)	(40,603)	(13,049)	-
Changes in Assumptions	52,044	(476,731)	44,084	175,630	178,024	(67,751)	76,984
Benefit Payments, Including Refunds of Employee Contributions	(48,965)	(37,126)	(31,155)	(10,681)	(10,951)	(9,413)	(9,388)
Net Change in Total OPEB Liability	95,417	(459,690)	77,204	205,773	190,242	(25,670)	128,436
Total OPEB Liability - Beginning	1,002,994	1,462,684	1,385,480	1,179,707	989,465	1,015,135	886,699
Total OPEB Liability - Ending	<u>\$ 1,098,411</u>	<u>\$ 1,002,994</u>	<u>\$ 1,462,684</u>	<u>\$ 1,385,480</u>	<u>\$ 1,179,707</u>	<u>\$ 989,465</u>	<u>\$ 1,015,135</u>
Covered Payroll	\$ 18,135,117	\$ 14,279,353	\$ 12,461,905	\$ 11,867,235	\$ 12,167,574	\$ 11,766,222	\$ 11,734,791
City's Total OPEB Liability as a Percentage of Covered Payroll	6.06%	7.02%	11.74%	11.67%	9.70%	8.41%	8.65%

Notes to Schedule

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

Methods and Assumptions used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	3.77%
Mortality	Mortality rates - service retirees: 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). Mortality rates - disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to There were no benefit changes during the year.
Other Information	

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF PARIS, TEXAS
Required Supplementary Information
City of Paris Retiree Health Care Plan -
Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended September 30, 2024

Schedule 6

	2023	2022	2021	Plan Year Ended December 31,		2018	2017
				2020	2019		
Total OPEB Liability							
Service Cost	\$ 53,983	\$ 107,089	\$ 46,370	\$ 45,329	\$ 34,501	\$ 36,808	\$ 36,410
Interest	126,693	64,353	34,083	44,410	60,652	55,250	61,432
Changes in Benefit Terms	-	-	1,923,344	-	-	-	-
Differences Between Expected and Actual Experience	(729,798)	(5,342)	(250,340)	(10,649)	(174,952)	(10,869)	-
Changes in Assumptions	243,223	(385,395)	91,261	68,964	120,032	(36,122)	51,925
Benefit Payments, Including Refunds of Employee Contributions	(144,730)	(102,025)	(61,564)	(57,093)	(74,044)	(82,466)	(103,929)
Other Changes	(28)	28	-	-	-	-	-
Net Change in Total OPEB Liability	(450,657)	(321,292)	1,783,154	90,961	(33,811)	(37,399)	45,838
Total OPEB Liability - Beginning	3,173,612	3,494,904	1,711,750	1,620,789	1,654,600	1,691,999	1,646,161
Total OPEB Liability - Ending	<u>\$ 2,722,955</u>	<u>\$ 3,173,612</u>	<u>\$ 3,494,904</u>	<u>\$ 1,711,750</u>	<u>\$ 1,620,789</u>	<u>\$ 1,654,600</u>	<u>\$ 1,691,999</u>
Covered Payroll	\$ 3,890,280	\$ 3,777,068	\$ 3,826,545	\$ 3,522,249	\$ 3,799,135	\$ 4,814,704	\$ 5,284,495
City's Total OPEB Liability as a Percentage of Covered Payroll	69.99%	84.02%	91.33%	48.60%	42.66%	34.37%	32.02%

Notes to Schedule

Valuation Date December 31, 2023

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.77% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85% for TMRS and 4.10% to 6.00% for Firefighters, including inflation
Demographic Assumptions	TMRS: Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS). Firefighters: Based on those disclosed in the Paris Firefighters' Relief and Retirement Fund pension valuation report as of December 31, 2023.
Mortality	TMRS: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 tables to account for future mortality improvements. Firefighters: For healthy retirees, the Pub-2010 Public Safety Below Median Healthy Retiree mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 tables to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years; the City's subsidy is assumed to increase by 3.00% per year.
Participation Rates	95% of eligible TMRS employees and Firefighters
Other Information	The discount rate changed from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS experience study, the health care trend rates were updated to reflect the plan's anticipated experience, and the assumptions for Firefighters were updated to match those used in the Paris Firefighter Relief and Retirement Fund pension valuation report as of December 31, 2023.

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

COMBINING AND INDIVIDUAL NONMAJOR
FUND STATEMENTS AND SCHEDULES

CITY OF PARIS, TEXAS
Nonmajor Governmental Funds
September 30, 2024

Special Revenue

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Development Block Grant – This fund accounts for funds received from various federal grant programs and expended for community development purposes.

Cox Field Airport Fund – This fund accounts for activities of Cox Field Airport.

Special Revenue Fund – This fund accounts for funds received from various sources and can be expended for improving efficiency of the administration of justice; enhancing child safety, health, and nutrition; security devices and technological enhancements for municipal court; and other improvement activity.

Library Memorial Funds – These funds account for resources given for book and library related purposes in memory of individuals.

Permanent Funds

Library Trust Funds – These funds account for resources of a permanent nature whereby only earnings and not principal may be used for books and library-related purposes.

Other Major Governmental Funds

Debt Service Fund – This fund accounts for the accumulation of resources and the payment of general obligation principal and interest.

Capital Projects Fund – This fund accounts for proceeds from bond issues and transfers.

CITY OF PARIS, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2024

Schedule 7

	Special Revenue					Permanent	Total
	Community Development Block Grant	Special Revenue Fund	Cox Field Airport	Library Memorial Funds	Total	Library Trust Funds	Nonmajor Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 252,128	\$ 1,323,065	\$ 65,801	\$ 90,253	\$ 1,731,247	\$ 674	\$ 1,731,921
Investments	-	-	-	-	-	105,051	105,051
Receivables							
Accounts (Net of allowance for uncollectibles)	-	-	20,084	-	20,084	2,420	22,504
Leases	-	-	727,515	-	727,515	-	727,515
Inventories	-	-	1,972	-	1,972	-	1,972
Prepaid Items	-	965	1,790	-	2,755	-	2,755
Due from Other Funds	-	14,502	-	-	14,502	-	14,502
Total Assets	<u>\$ 252,128</u>	<u>\$ 1,338,532</u>	<u>\$ 817,162</u>	<u>\$ 90,253</u>	<u>\$ 2,498,075</u>	<u>\$ 108,145</u>	<u>\$ 2,606,220</u>
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 55,502	\$ 40	\$ 55,542	\$ -	\$ 55,542
Total Liabilities	<u>-</u>	<u>-</u>	<u>55,502</u>	<u>40</u>	<u>55,542</u>	<u>-</u>	<u>55,542</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Leases	-	-	698,161	-	698,161	-	698,161
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>698,161</u>	<u>-</u>	<u>698,161</u>	<u>-</u>	<u>698,161</u>
FUND BALANCES							
Nonspendable							
Inventories	-	-	1,972	-	1,972	-	1,972
Prepaid Items	-	965	1,790	-	2,755	-	2,755
Permanent Library Funds	-	-	-	-	-	108,145	108,145
Restricted for							
Law Enforcement	-	1,134,300	-	-	1,134,300	-	1,134,300
Community Development	-	203,267	59,737	-	263,004	-	263,004
Assigned							
Library	-	-	-	90,213	90,213	-	90,213
Community Development	252,128	-	-	-	252,128	-	252,128
Total Fund Balances	<u>252,128</u>	<u>1,338,532</u>	<u>63,499</u>	<u>90,213</u>	<u>1,744,372</u>	<u>108,145</u>	<u>1,852,517</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 252,128</u>	<u>\$ 1,338,532</u>	<u>\$ 817,162</u>	<u>\$ 90,253</u>	<u>\$ 2,498,075</u>	<u>\$ 108,145</u>	<u>\$ 2,606,220</u>

CITY OF PARIS, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2024

Schedule 8

	Special Revenue					Permanent	Total
	Community Development Block Grant	Special Revenue	Cox Field Airport	Library Memorial Funds	Total	Library Trust Funds	Nonmajor Governmental Funds
REVENUES							
Hotel Occupancy Taxes	\$ -	\$ 55,176	\$ -	\$ -	\$ 55,176	\$ -	\$ 55,176
Fees and Fines	-	23,329	-	-	23,329	-	23,329
Leases	-	-	93,203	-	93,203	-	93,203
Charges for Services	-	-	741,994	-	741,994	-	741,994
Use of Money and Property	13,918	77,979	10,924	5,051	107,872	7,615	115,487
Intergovernmental	-	1,977	94,327	-	96,304	-	96,304
Miscellaneous	-	95,622	280	5,093	100,995	-	100,995
Contributions	-	573,468	-	-	573,468	-	573,468
Total Revenues	<u>13,918</u>	<u>827,551</u>	<u>940,728</u>	<u>10,144</u>	<u>1,792,341</u>	<u>7,615</u>	<u>1,799,956</u>
EXPENDITURES							
Current							
General Government	-	47,928	-	-	47,928	-	47,928
Public Safety	-	514	-	-	514	-	514
Public Works	-	499,749	-	-	499,749	-	499,749
Health	-	1,811	-	-	1,811	-	1,811
Culture and Recreation	-	-	-	1,142	1,142	-	1,142
Cox Field	-	-	1,038,916	-	1,038,916	-	1,038,916
Capital Outlay							
Public Works	-	573,468	-	-	573,468	-	573,468
Total Expenditures	<u>-</u>	<u>1,123,470</u>	<u>1,038,916</u>	<u>1,142</u>	<u>2,163,528</u>	<u>-</u>	<u>2,163,528</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,918</u>	<u>(295,919)</u>	<u>(98,188)</u>	<u>9,002</u>	<u>(371,187)</u>	<u>7,615</u>	<u>(363,572)</u>
Other Financing Sources (Uses)							
Transfers In	-	63,460	90,638	-	154,098	-	154,098
Transfers Out	-	(955)	(54,917)	-	(55,872)	-	(55,872)
Total Other Financing Sources (Uses)	<u>-</u>	<u>62,505</u>	<u>35,721</u>	<u>-</u>	<u>98,226</u>	<u>-</u>	<u>98,226</u>
Net Changes in Fund Balances	<u>13,918</u>	<u>(233,414)</u>	<u>(62,467)</u>	<u>9,002</u>	<u>(272,961)</u>	<u>7,615</u>	<u>(265,346)</u>
Fund Balances - Beginning	<u>238,210</u>	<u>1,571,946</u>	<u>125,966</u>	<u>81,211</u>	<u>2,017,333</u>	<u>100,530</u>	<u>2,117,863</u>
Fund Balances - Ending	<u>\$ 252,128</u>	<u>\$ 1,338,532</u>	<u>\$ 63,499</u>	<u>\$ 90,213</u>	<u>\$ 1,744,372</u>	<u>\$ 108,145</u>	<u>\$ 1,852,517</u>

CITY OF PARIS, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Year Ended September 30, 2024

Schedule 9

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Hotel Occupancy Taxes	\$ 45,000	\$ 45,000	\$ 55,176	\$ 10,176
Fees and Fines	19,510	19,510	23,329	3,819
Leases	-	-	93,203	93,203
Charges for Services	855,000	855,000	741,994	(113,006)
Interest Earned	26,400	26,400	107,872	81,472
Intergovernmental	53,000	53,000	96,304	43,304
Miscellaneous	126,366	126,366	100,995	(25,371)
Contributions	-	-	573,468	573,468
Total Revenues	<u>1,125,276</u>	<u>1,125,276</u>	<u>1,792,341</u>	<u>667,065</u>
EXPENDITURES				
Municipal Court	34,150	34,150	47,928	(13,778)
Police	32,500	32,500	514	31,986
Public Works	-	-	1,073,217	(1,073,217)
Culture and Recreation	1,500	1,500	1,142	358
Health	1,000	1,000	1,811	(811)
Cox Field	1,007,041	1,007,041	1,038,916	(31,875)
Total Expenditures	<u>1,076,191</u>	<u>1,076,191</u>	<u>2,163,528</u>	<u>(1,087,337)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49,085</u>	<u>49,085</u>	<u>(371,187)</u>	<u>(420,272)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	154,098	154,098
Transfers Out	-	-	(55,872)	(55,872)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>98,226</u>	<u>98,226</u>
Net Changes in Fund Balance	49,085	49,085	(272,961)	(322,046)
Fund Balance - Beginning	<u>2,017,333</u>	<u>2,017,333</u>	<u>2,017,333</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,066,418</u>	<u>\$ 2,066,418</u>	<u>\$ 1,744,372</u>	<u>\$ (322,046)</u>

CITY OF PARIS, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Debt Service Fund
Year Ended September 30, 2024

Schedule 10

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 1,146,828	\$ 1,146,828	\$ 2,828,770	\$ 1,681,942
Hotel Occupancy Taxes	200,000	200,000	315,292	115,292
Interest Earned	11,300	11,300	321,775	310,475
Total Revenues	<u>1,358,128</u>	<u>1,358,128</u>	<u>3,465,837</u>	<u>2,107,709</u>
EXPENDITURES				
Principal	1,048,728	1,048,728	1,054,178	(5,450)
Interest	258,474	258,474	893,742	(635,268)
Bond Issuance Costs	-	-	203,212	(203,212)
Total Expenditures	<u>1,307,202</u>	<u>1,307,202</u>	<u>2,151,132</u>	<u>(843,930)</u>
Excess of Revenues Over Expenditures	<u>50,926</u>	<u>50,926</u>	<u>1,314,705</u>	<u>1,263,779</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	21,849,699	21,849,699
Transfers Out	-	-	(22,077,234)	(22,077,234)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(227,535)</u>	<u>(227,535)</u>
Net Changes in Fund Balance	50,926	50,926	1,087,170	1,036,244
Fund Balance - Beginning	<u>2,002,722</u>	<u>2,002,722</u>	<u>2,002,722</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,053,648</u>	<u>\$ 2,053,648</u>	<u>\$ 3,089,892</u>	<u>\$ 1,036,244</u>

CITY OF PARIS, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
From Inception and Year Ended September 30, 2024

Schedule 11

	Prior Years	Current Year	Total to Date	Project Authorization (Budget)
REVENUES				
Interest Earned	\$ 730,192	\$ 166,621	\$ 896,813	\$ -
Other	502,576	-	502,576	-
Total Revenues	<u>1,232,768</u>	<u>166,621</u>	<u>1,399,389</u>	<u>-</u>
EXPENDITURES				
General Government	2,240,629	34,969	2,275,598	334,109
Police	285,630	-	285,630	285,630
Fire	915,942	-	915,942	915,942
Community Development	725,207	-	725,207	1,393,624
Engineering	35,555	-	35,555	35,555
Parks and Recreation	563,384	-	563,384	923,781
Solid Waste	568,811	-	568,811	1,181,019
Public Works	13,340,696	111,174	13,451,870	48,545,015
Health	144,232	-	144,232	228,000
Library	7,100	-	7,100	35,000
Cox Field Airport	110,667	-	110,667	159,100
Total Expenditures	<u>18,937,853</u>	<u>146,143</u>	<u>19,083,996</u>	<u>54,036,775</u>
Deficiency of Revenues Over Expenditures	(17,705,085)	20,478	(17,684,607)	(54,036,775)
Other Financing Sources (Uses)				
Transfers In	10,014,042	-	10,014,042	-
Transfers Out	(2,549,549)	-	(2,549,549)	-
Certificates of Obligation Issued	12,918,399	-	12,918,399	-
SPECIAL ITEM				
Proceeds from Sale of Assets	<u>90,100</u>	<u>-</u>	<u>90,100</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ 2,767,907</u>	20,478	<u>\$ 2,788,385</u>	<u>\$ (54,036,775)</u>
Fund Balance - Beginning		<u>2,938,214</u>		
Fund Balance - Ending		<u>\$ 2,958,692</u>		

CAPITAL ASSETS USED IN
THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF PARIS, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
September 30, 2024 and 2023

Schedule 12

	<u>2024</u>	<u>2023</u>
Governmental Funds Capital Assets		
Land	\$ 6,142,418	\$ 6,142,418
Buildings	22,936,307	22,523,529
Improvements Other Than Buildings	9,011,258	6,695,332
Machinery and Equipment	25,326,603	24,646,150
Infrastructure	52,818,522	52,818,522
Construction in Progress	<u>393,403</u>	<u>311,377</u>
Total Governmental Funds Capital Assets	<u><u>\$ 116,628,511</u></u>	<u><u>\$ 113,137,328</u></u>
Investments in Governmental Funds Capital Assets by Source		
General Fund	\$ 73,660,534	\$ 71,833,545
Capital Projects Funds	33,635,121	33,512,449
Donations	<u>9,332,856</u>	<u>7,791,334</u>
Total Investments in Governmental Funds Capital Assets by Source	<u><u>\$ 116,628,511</u></u>	<u><u>\$ 113,137,328</u></u>

STATISTICAL SECTION

CITY OF PARIS, TEXAS
Statistical Section
September 30, 2024

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

Financial Trends

Tables 1-4

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

Tables 5-8

These schedules contain information to help the reader assess the government's most significant local revenue source, the ad valorem tax.

Debt Capacity

Tables 9-13

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

Tables 14-15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

Tables 16-19

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF PARIS, TEXAS
Net Assets/Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

Table 1

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities:				
Net Investment in Capital Assets	\$ 28,043,910	\$ 30,505,784	\$ 21,971,338	\$ 20,713,428
Restricted	3,393,033	3,003,799	3,004,564	12,548,372
Unrestricted	5,694,771	1,890,470	11,159,128	53,717
Total Governmental Activities, Net Position	<u>\$ 37,131,714</u>	<u>\$ 35,400,053</u>	<u>\$ 36,135,030</u>	<u>\$ 33,315,517</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 33,331,038	\$ 33,466,855	\$ 24,198,822	\$ 18,322,809
Restricted	-	-	-	-
Unrestricted	13,508,734	14,460,833	22,900,345	22,945,722
Total Business-Type Activities, Net Position	<u>\$ 46,839,772</u>	<u>\$ 47,927,688</u>	<u>\$ 47,099,167</u>	<u>\$ 41,268,531</u>
Primary Government:				
Net Investment in Capital Assets	\$ 61,374,948	\$ 63,972,639	\$ 46,170,160	\$ 39,036,237
Restricted	3,393,033	3,003,799	3,004,564	12,548,372
Unrestricted	19,203,505	16,351,303	34,059,473	22,999,439
Total Primary Government, Net Assets/Position	<u>\$ 83,971,486</u>	<u>\$ 83,327,741</u>	<u>\$ 83,234,197</u>	<u>\$ 74,584,048</u>

Table 1
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 18,064,569	\$ 21,907,532	\$ 26,703,929	\$ 28,267,799	\$ 31,070,770	\$ 11,085,414
8,782,171	8,272,920	7,357,621	6,528,631	7,540,275	8,304,997
4,831,122	6,866,108	6,606,102	22,093,914	22,295,017	25,891,983
<u>\$ 31,677,862</u>	<u>\$ 37,046,560</u>	<u>\$ 40,667,652</u>	<u>\$ 56,890,344</u>	<u>\$ 60,906,062</u>	<u>\$ 45,282,394</u>
\$ 25,779,748	\$ 28,880,579	\$ 31,236,956	\$ 20,720,075	\$ 26,718,407	\$ 10,791,448
-	-	-	-	-	-
16,473,443	14,923,230	13,975,247	15,457,391	15,782,990	61,962,470
<u>\$ 42,253,191</u>	<u>\$ 43,803,809</u>	<u>\$ 45,212,203</u>	<u>\$ 36,177,466</u>	<u>\$ 42,501,397</u>	<u>\$ 72,753,918</u>
\$ 43,844,317	\$ 50,788,111	\$ 57,940,885	\$ 48,987,874	\$ 57,789,177	\$ 21,876,862
8,782,171	8,272,920	7,357,621	6,528,631	7,540,275	8,304,997
21,304,565	21,789,338	20,581,349	37,551,305	38,078,007	87,854,453
<u>\$ 73,931,053</u>	<u>\$ 80,850,369</u>	<u>\$ 85,879,855</u>	<u>\$ 93,067,810</u>	<u>\$ 103,407,459</u>	<u>\$ 118,036,312</u>

CITY OF PARIS, TEXAS
Changes in Net Assets/Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

Table 2

	Fiscal Year			
	2015	2016	2017	2018
EXPENSES				
Governmental Activities:				
General Government	\$ 2,909,807	\$ 3,463,908	\$ 3,748,965	\$ 3,421,223
Finance	404,567	400,665	398,262	404,443
Public Safety	11,037,966	12,595,127	12,456,655	12,061,033
Public Works	7,508,978	7,020,333	7,126,349	6,882,186
Health	2,404,782	2,633,051	2,836,429	2,884,339
Library Services	790,339	799,187	781,092	866,435
Cox Field Airport	152,063	217,995	235,546	243,666
Interest on Long-Term Debt	276,197	237,313	185,852	399,291
Bond Issue Costs	-	-	-	-
Total Governmental Activities Expenses	25,484,699	27,367,579	27,769,150	27,162,616
Business-Type Activities:				
Water and Sewer Services	11,929,499	12,100,940	14,095,860	14,594,309
Total Primary Government Expenses	37,414,198	39,468,519	41,865,010	41,756,925
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	17,634	6,572	181,197	214,000
Public Safety	370,308	361,100	342,083	376,322
Public Works	1,862,606	1,780,836	1,463,576	1,470,248
Health	2,391,817	2,519,387	2,609,811	2,732,908
Library Services	19,433	16,874	127,997	120,942
Cox Field	76,689	91,810	98,382	134,716
Operating Grants and Contributions	1,396,711	672,298	338,718	154,497
Capital Grants and Contributions	271,961	424,332	2,147,065	522,574
Total Governmental Activities Program Revenues	6,407,159	5,873,209	7,308,829	5,726,207
Business-Type Activities:				
Charges for Services:				
Water and Sewer Service	14,281,964	14,617,218	13,781,748	14,168,934
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
Total Business-Type Activities Program Revenues	14,281,964	14,617,218	13,781,748	14,168,934
Total Primary Government Program Revenues	20,689,123	20,490,427	21,090,577	19,895,141

Table 2
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 3,651,888	\$ 3,927,783	\$ 5,000,473	\$ 7,371,230	\$ 4,224,231	\$ 5,425,724
402,943	481,645	480,880	519,980	1,051,634	796,901
13,228,151	12,727,703	11,874,360	12,265,360	13,157,874	13,761,148
8,274,343	6,699,707	6,452,355	8,186,910	9,148,859	9,819,300
3,205,596	4,267,819	3,962,596	3,781,493	9,029,457	6,606,156
914,874	846,669	762,080	774,910	932,113	988,985
344,964	311,796	374,649	1,099,517	1,109,416	1,061,018
194,004	115,000	99,169	52,281	39,542	262,654
-	-	-	-	-	-
30,216,763	29,378,122	29,006,562	34,051,681	38,693,126	38,721,886
14,568,695	14,026,074	15,241,543	15,747,874	19,043,534	20,624,122
44,785,458	43,404,196	44,248,105	49,799,555	57,736,660	59,346,008
304,818	277,689	237,376	567,805	513,883	627,895
353,571	562,859	530,151	346,023	317,331	321,835
1,437,157	1,473,803	1,493,826	1,488,587	1,479,235	1,637,218
2,979,160	4,790,535	4,818,960	5,946,071	8,745,253	6,648,010
100,014	60,928	80,657	65,827	75,814	78,512
161,527	161,619	170,579	774,986	840,779	742,095
165,064	2,151,740	369,289	522,574	1,536,446	1,467,445
1,160,602	324,889	239,450	1,096,373	1,090,865	1,237,428
6,661,913	9,804,062	7,940,288	10,808,246	14,599,606	12,760,438
14,452,703	15,043,788	16,567,528	18,397,839	19,633,034	20,935,627
-	-	-	1,371,533	998,533	468,281
-	-	-	-	62,500	188,074
14,452,703	15,043,788	16,567,528	19,769,372	20,694,067	21,591,982
21,114,616	24,847,850	24,507,816	30,577,618	35,293,673	34,352,420

CITY OF PARIS, TEXAS
Changes in Net Assets/Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

Table 2
(Continued)

	Fiscal Year			
	2015	2016	2017	2018
Net (Expense)/Revenue				
Governmental Activities	(19,077,540)	(21,494,370)	(20,460,321)	(21,436,409)
Business-Type Activities	2,352,465	2,516,278	(314,112)	(425,375)
Total Primary Government, Net Expense	(16,725,075)	(18,978,092)	(20,774,433)	(21,861,784)
General Revenues and Other Changes in Net Assets/Position				
Governmental Activities:				
Taxes				
Property	7,651,005	7,748,872	8,175,530	9,170,951
Sales	7,684,113	7,051,858	7,233,526	7,317,162
Franchise	2,641,537	2,502,614	4,211,397	4,315,694
Hotel Occupancy	594,493	630,545	657,270	662,263
Investment Earnings	51,741	80,129	173,656	426,518
Grants, Donations, and Miscellaneous	369,689	315,989	361,125	387,306
Capital Contributions	1,087,474	651,847	-	-
Gain/Loss on Sale of Capital Assets	-	(57,026)	-	(57,940)
Transfers	-	1,579,100	382,794	610,955
Total Governmental Activities	20,080,052	20,503,928	21,195,298	22,832,909
Business-Type Activities:				
Taxes				
Investment Earnings	77,787	291,131	315,872	380,393
Gain/Loss on Sale of Capital Assets	-	-	-	-
Transfers	(1,087,474)	(1,579,100)	(382,794)	(610,955)
Total Business-Type Activities	(1,009,687)	(1,287,969)	(66,922)	(230,562)
Total Primary Government	19,070,365	19,215,959	21,128,376	22,602,347
Changes in Net Assets/Position				
Governmental Activities	1,002,512	(990,442)	734,977	1,396,500
Business-Type Activities	1,342,778	1,228,309	(381,034)	(655,937)
Total Primary Government	\$ 2,345,290	\$ 237,867	\$ 353,943	\$ 740,563

Table 2
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
(23,554,850)	(19,574,060)	(21,066,274)	(23,243,435)	(24,093,520)	(25,961,448)
(115,992)	1,017,714	1,325,985	4,021,498	1,650,533	967,860
(23,670,842)	(18,556,346)	(19,740,289)	(19,221,937)	(22,442,987)	(24,993,588)
9,358,943	9,338,087	9,561,394	9,863,420	9,207,529	11,121,845
7,369,079	8,245,939	9,196,157	9,650,605	10,496,451	10,828,578
4,305,851	4,714,021	4,253,182	4,827,601	4,725,373	4,697,982
675,158	872,418	1,192,873	1,151,124	1,284,639	1,451,801
581,115	197,203	41,704	279,262	1,369,937	1,968,083
272,338	714,470	546,391	1,548,315	1,012,657	3,061,069
-	-	-	-	-	-
49,951	25,246	125,176	111,727	170,071	-
(523,031)	(146,679)	(177,451)	11,746,203	(157,419)	(23,005,896)
22,089,404	23,960,705	24,739,426	39,178,257	28,109,238	10,123,462
-	-	-	-	1,228,894	1,145,302
577,621	427,723	(51,563)	(1,376,170)	3,248,285	5,133,463
-	-	19,321	66,138	38,800	-
523,031	146,679	177,451	(11,746,203)	157,419	23,005,896
1,100,652	574,402	145,209	(13,056,235)	4,673,398	29,284,661
23,190,056	24,535,107	24,884,635	26,122,022	32,782,636	39,408,123
(1,465,446)	4,386,645	3,673,152	15,934,822	4,015,718	(15,837,986)
984,660	1,592,116	1,471,194	(9,034,737)	6,323,931	30,252,521
\$ (480,786)	\$ 5,978,761	\$ 5,144,346	\$ 6,900,085	\$ 10,339,649	\$ 14,414,535

CITY OF PARIS, TEXAS
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

Table 3

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 294,776	\$ 223,911	\$ 326,985	\$ 418,995
Restricted	331,086	387,950	446,493	498,359
Unassigned	12,969,124	10,227,839	10,849,390	11,753,392
Total General Fund	<u>\$ 13,594,986</u>	<u>\$ 10,839,700</u>	<u>\$ 11,622,868</u>	<u>\$ 12,670,746</u>
All Other Governmental Funds				
Nonspendable	\$ 90,800	\$ 91,565	\$ 92,347	\$ 93,689
Restricted	2,726,900	2,525,049	12,009,532	10,991,000
Assigned	267,440	188,569	82,042	299,013
Unassigned	-	-	57,705	-
Total All Other Governmental Funds	<u>\$ 3,085,140</u>	<u>\$ 2,805,183</u>	<u>\$ 12,241,626</u>	<u>\$ 11,383,702</u>

Table 3
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 483,575	\$ 500,495	\$ 181,620	\$ 394,147	\$ 273,147	\$ 3,901,324
577,814	659,322	710,901	750,650	802,872	846,070
12,390,089	15,990,260	20,596,761	23,926,645	26,253,936	25,624,971
<u>\$ 13,451,478</u>	<u>\$ 17,150,077</u>	<u>\$ 21,489,282</u>	<u>\$ 25,071,442</u>	<u>\$ 27,329,955</u>	<u>\$ 30,372,365</u>
\$ 96,007	\$ 98,400	\$ 98,543	\$ (46,841)	\$ 102,505	\$ 207,978
8,108,350	7,512,067	6,633,684	5,679,098	6,636,873	7,350,782
292,571	295,955	-	302,615	319,421	342,341
-	-	-	145,724	-	-
<u>\$ 8,496,928</u>	<u>\$ 7,906,422</u>	<u>\$ 6,732,227</u>	<u>\$ 6,080,596</u>	<u>\$ 7,058,799</u>	<u>\$ 7,901,101</u>

CITY OF PARIS, TEXAS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

Table 4

	Fiscal Year		
	2015	2016	2017
REVENUES			
Taxes	\$ 18,457,686	\$ 17,976,072	\$ 20,280,057
Licenses and Permits	220,696	152,016	155,363
Fines and Fees	573,953	515,147	491,880
Leases	-	-	-
Charges for Services	-	-	-
Use of Money and Property	137,030	173,004	272,039
Sanitation	1,462,810	1,474,874	1,463,576
Health	2,383,355	2,519,387	2,609,811
Intergovernmental	1,662,824	1,096,630	1,463,514
Other	224,463	386,853	258,051
Total Revenues	25,122,817	24,293,983	26,994,291
EXPENDITURES			
Current:			
General Government	1,076,798	1,301,401	1,288,458
Finance	404,567	400,665	398,262
Public Safety	10,206,584	11,125,560	11,026,655
Public Works	5,861,079	5,556,359	5,549,270
Health Department	8,672	-	-
Emergency Medical Service	2,240,853	2,366,673	2,535,135
Library	692,290	717,395	697,503
Cox Field Airport	102,539	110,330	129,269
Other	1,641,714	1,771,889	1,738,115
Debt Service:			
Principal	1,077,610	991,899	1,161,513
Interest	280,733	254,304	196,358
Bond Issuance Costs	-	-	103,399
Capital Outlay	1,920,359	4,474,952	2,350,010
Total Expenditures	25,513,798	29,071,427	27,173,947
Excess (Deficiency) of Revenues Over Expenditures	(390,981)	(4,777,444)	(179,656)
Other Financing Sources (Uses):			
Proceeds of Capital Leases	617,114	975,185	-
General Obligation Bonds Issued	-	-	9,913,399
Certificates of Obligation Issued	-	-	-
Tax Notes Issued	-	-	-
Issue Costs	-	-	-
Insurance Recoveries	-	-	-
Inception of Lease	-	-	-
Inception of Subscription-Based IT Arrangement	-	-	-
Transfers In	1,504,281	3,437,300	466,536
Transfers Out	(416,807)	(1,858,200)	(83,742)
Proceeds From Sale of General Capital Assets	95,098	-	-
Total Other Financing Sources (Uses)	1,799,686	2,554,285	10,296,193
Increase (Decrease) in Reserve for Inventory	61,649	(70,865)	103,074
Net Changes in Fund Balances	\$ 1,470,354	\$ (2,294,024)	\$ 10,219,611
Debt Service as a Percentage of Noncapital Expenditures	5.76%	5.07%	5.47%

Table 4
(Continued)

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$21,447,857	\$21,672,347	\$23,106,141	\$24,155,434	\$ 25,561,800	\$ 25,793,589	\$ 28,045,570
197,920	277,507	259,117	211,668	532,557	484,807	610,658
495,708	480,618	743,152	663,873	472,743	455,229	446,489
-	-	-	-	167,337	180,619	188,277
-	-	-	-	774,986	848,777	741,994
561,234	742,644	375,074	212,284	282,927	1,369,937	1,968,083
1,470,248	1,437,157	1,462,452	1,470,237	1,462,220	1,461,058	1,405,361
2,614,504	2,991,995	5,117,649	4,806,996	5,933,986	8,733,472	6,637,108
677,072	1,325,665	2,503,393	706,574	1,704,040	2,392,541	2,131,405
346,789	214,502	692,664	524,586	1,207,739	1,065,955	2,118,692
27,811,332	29,142,435	34,259,642	32,751,652	38,100,335	42,785,984	44,293,637
1,180,280	1,230,366	1,371,042	1,178,384	1,436,945	1,402,106	1,821,831
404,443	402,943	481,645	480,880	519,980	1,051,634	796,901
10,850,538	11,253,953	12,032,115	11,374,139	23,924,796	12,482,397	12,861,455
5,356,374	5,644,019	5,065,867	4,991,668	6,050,354	6,817,178	8,380,291
-	-	-	-	-	-	-
2,670,131	2,845,874	4,058,990	5,200,828	5,595,417	8,717,240	6,368,778
736,513	756,566	723,742	679,491	716,644	813,148	892,739
112,562	210,851	179,631	242,809	972,755	975,641	1,038,916
1,716,365	1,845,609	1,922,363	1,838,073	1,829,866	1,936,078	2,364,997
1,580,682	1,577,803	1,635,788	3,315,266	1,663,315	1,196,529	1,599,080
447,294	443,205	398,844	389,169	331,657	304,184	929,957
4,410	-	-	-	-	-	203,212
3,564,942	4,399,885	5,540,837	2,615,698	4,596,338	4,137,225	3,259,726
28,624,534	30,611,074	33,410,864	32,306,405	47,638,067	39,833,360	40,517,883
(813,202)	(1,468,639)	848,778	445,247	(9,537,732)	2,952,624	3,775,754
-	-	-	-	-	-	-
190,000	-	-	1,765,000	-	-	21,849,699
-	-	1,500,000	-	-	-	-
-	-	-	1,115,000	-	-	-
-	-	(62,000)	(81,992)	-	-	-
-	57,835	-	-	-	-	-
-	-	-	-	278,821	13,421	271,089
-	-	-	-	-	218,091	779,748
994,335	27,678	2,570,626	3,358,332	12,424,649	1,699,025	661,115
(383,374)	(550,708)	(2,717,305)	(3,535,783)	(678,446)	(1,856,445)	(23,667,011)
-	-	28,000	151,266	155,367	210,000	-
800,961	(465,195)	1,319,321	2,771,823	12,180,391	284,092	(105,360)
40,517	-	-	-	-	-	-
\$ 28,276	\$ (1,933,834)	\$ 2,168,099	\$ 3,217,070	\$ 2,642,659	\$ 3,236,716	\$ 3,670,394
8.09%	7.71%	7.30%	12.48%	4.45%	3.97%	6.74%

CITY OF PARIS, TEXAS
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
Unaudited

Table 5

<u>Roll</u>	<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Collection of Current Year's Taxes During Fiscal Year</u>	<u>Percent of Current Levy Collected During Fiscal Year</u>	<u>Delinquent Tax Collections</u>	<u>Total Collections</u>
2014	2014-15	\$ 7,626,530	\$ 7,348,250	96.35%	\$ 111,210	\$ 7,459,460
2015	2015-16	7,627,731	7,406,830	97.10	215,544	7,622,374
2016	2016-17	8,093,094	7,940,087	98.11	116,317	8,056,404
2017	2017-18	9,145,965	8,973,214	98.11	62,442	9,035,656
2018	2018-19	9,381,829	9,208,248	98.15	137,647	9,345,895
2019	2019-20	9,332,621	9,047,982	96.95	109,970	9,157,952
2020	2020-21	9,592,756	9,321,264	97.17	134,553	9,455,817
2021	2021-22	9,888,259	9,673,449	97.83	141,826	9,815,275
2022	2022-23	10,441,096	10,204,442	97.73	155,315	10,359,757
2023	2023-24	12,178,255	11,891,745	97.65	144,617	12,036,362

Source:

Lamar County Appraisal District

Note:

(1) Taxes stated are for General Fund and Debt Service Funds.

(2) Penalty, interest, and attorney fees not included.

Table 5
(Continued)

Ratio of Total Collections To Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes To Total Tax Levy
97.81	\$ 279,144	3.66
99.93	221,880	2.91
99.54	153,007	1.89
98.79	172,751	1.89
99.61	173,582	1.85
98.13	284,639	3.05
98.57	271,491	2.83
99.26	215,835	2.18
99.22	236,654	2.26
98.83	286,509	2.35

CITY OF PARIS, TEXAS
Property Tax Rates-All Direct and Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years
Unaudited

Table 6

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
City of Paris										
M & O	\$ 0.40635	\$ 0.42547	\$ 0.42443	\$ 0.44248	\$ 0.43831	\$ 0.40868	\$ 0.39788	\$ 0.37357	\$ 0.34377	\$ 0.32176
I & S	0.09560	0.07648	0.07752	0.10947	0.11364	0.10740	0.08290	0.08016	0.09901	0.15606
Total	<u>\$ 0.50195</u>	<u>\$ 0.50195</u>	<u>\$ 0.50195</u>	<u>\$ 0.55195</u>	<u>\$ 0.55195</u>	<u>\$ 0.51608</u>	<u>\$ 0.48078</u>	<u>\$ 0.45373</u>	<u>\$ 0.44278</u>	<u>\$ 0.47782</u>
Lamar County										
M & O	\$ 0.42640	\$ 0.40920	\$ 0.40660	\$ 0.37550	\$ 0.36740	\$ 0.37630	\$ 0.38180	\$ 0.34250	\$ 0.32780	\$ 0.29000
I & S	0.01900	0.01830	0.01730	0.01880	0.01910	0.01770	0.00210	0.01830	0.01700	0.01450
Total	<u>\$ 0.44540</u>	<u>\$ 0.42750</u>	<u>\$ 0.42390</u>	<u>\$ 0.39430</u>	<u>\$ 0.38650</u>	<u>\$ 0.39400</u>	<u>\$ 0.38390</u>	<u>\$ 0.36080</u>	<u>\$ 0.34480</u>	<u>\$ 0.30450</u>
Paris ISD										
M & O	\$ 1.17000	\$ 1.17000	\$ 1.17000	\$ 1.17000	\$ 1.17000	\$ 1.06840	\$ 1.05190	\$ 0.99200	\$ 0.94290	\$ 0.75750
I & S	0.28500	0.28500	0.28500	0.28500	0.28500	0.28500	0.25970	0.25970	0.24900	0.20620
Total	<u>\$ 1.45500</u>	<u>\$ 1.45500</u>	<u>\$ 1.45500</u>	<u>\$ 1.45500</u>	<u>\$ 1.45500</u>	<u>\$ 1.35340</u>	<u>\$ 1.31160</u>	<u>\$ 1.25170</u>	<u>\$ 1.19190</u>	<u>\$ 0.96370</u>
Chisum ISD										
M & O	\$ 1.04000	\$ 1.04000	\$ 1.04000	\$ 1.04000	\$ 1.04000	\$ 0.96640	\$ 0.96640	\$ 0.96340	\$ 0.93280	\$ 0.73800
I & S	0.14678	0.14678	0.20650	0.19500	0.19000	0.18000	0.18000	0.18000	0.18000	0.42000
Total	<u>\$ 1.18678</u>	<u>\$ 1.18678</u>	<u>\$ 1.24650</u>	<u>\$ 1.23500</u>	<u>\$ 1.23000</u>	<u>\$ 1.14640</u>	<u>\$ 1.14640</u>	<u>\$ 1.14340</u>	<u>\$ 1.11280</u>	<u>\$ 1.15800</u>
North Lamar ISD										
M & O	\$ 1.04000	\$ 1.04000	\$ 1.04000	\$ 1.04000	\$ 1.04000	\$ 0.96640	\$ 0.96640	\$ 0.89600	\$ 0.85460	\$ 0.70660
I & S	0.06750	0.06750	-	-	-	-	-	0.25000	0.25000	0.25000
Total	<u>\$ 1.10750</u>	<u>\$ 1.10750</u>	<u>\$ 1.04000</u>	<u>\$ 1.04000</u>	<u>\$ 1.04000</u>	<u>\$ 0.96640</u>	<u>\$ 0.96640</u>	<u>\$ 1.14600</u>	<u>\$ 1.10460</u>	<u>\$ 0.95660</u>
Paris Junior College										
M & O	\$ 0.18660	\$ 0.18750	\$ 0.17730	\$ 0.08500	\$ 0.08500	\$ 0.08400	\$ 0.08900	\$ 0.08150	\$ 0.07490	\$ 0.07100
I & S	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 0.18660</u>	<u>\$ 0.18750</u>	<u>\$ 0.17730</u>	<u>\$ 0.08500</u>	<u>\$ 0.08500</u>	<u>\$ 0.08400</u>	<u>\$ 0.08900</u>	<u>\$ 0.08150</u>	<u>\$ 0.07490</u>	<u>\$ 0.07100</u>

Source:
Lamar County Appraisal District

CITY OF PARIS, TEXAS
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years
Unaudited

Table 7

Roll	Year	Real Property		Personal Property	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2014	2014-15	\$1,007,593,690	\$1,472,220,698	\$ 522,773,397	\$ 763,567,027
2015	2015-16	1,006,810,741	1,490,882,796	526,923,827	780,316,817
2016	2016-17	1,148,246,077	1,725,298,577	479,151,390	720,199,051
2017	2017-18	1,206,992,530	1,773,796,952	474,754,769	697,701,527
2018	2018-19	1,236,252,824	1,807,476,750	495,983,817	725,129,690
2019	2019-20	1,295,418,472	1,870,747,790	498,742,817	720,268,510
2020	2020-21	1,391,511,659	1,933,860,434	532,519,786	740,100,180
2021	2021-22	1,667,126,345	2,305,669,290	560,875,228	775,657,080
2022	2022-23	1,784,537,195	2,476,266,752	638,929,410	886,666,860
2023	2023-24	2,214,972,789	2,944,250,811	669,478,496	894,128,560

Sources:

Lamar County Appraisal District

Table 7
(Continued)

Exemptions	Total		Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value		
\$ 705,420,637	\$1,530,367,087	\$2,235,787,725	68.45%	\$ 0.50195
737,465,045	1,533,734,568	2,271,199,613	67.53	0.50195
818,100,161	1,627,397,467	2,445,497,628	66.55	0.50195
789,751,180	1,681,747,299	2,471,498,479	68.04	0.55195
800,369,799	1,732,236,641	2,532,606,440	68.40	0.55195
796,855,011	1,794,161,289	2,591,016,300	69.25	0.51608
749,929,169	1,924,031,445	2,673,960,614	71.95	0.48078
853,324,797	2,228,001,573	3,081,326,370	72.31	0.45373
939,467,007	2,423,466,605	3,362,933,612	72.06	0.44278
953,928,086	2,884,451,285	3,838,379,371	75.15	0.47782

CITY OF PARIS, TEXAS
Principal Property Taxpayers
September 30, 2024 and 2015
Unaudited

Table 8

Taxpayer	Type of Business	2024		
		Taxable Assessed Value	Rank	Percentage of Total Freeze Adjusted Taxable Assessed Value
La Frontera Holdings LLC (Lamar Power Partners)	Electric Utility	\$ 360,663,800	1	12.87%
Campbell Soup Company - A	Food Manufacturer	168,734,582	2	6.02%
Kimberly-Clark Corporation - A	Disposable Diapers	152,988,823	3	5.46%
American Spiral Weld III Inc.	Pipe Manufacturer	62,649,957	4	2.24%
Essent PRMC, LP A	Hospital	48,488,870	5	1.73%
Oncor Electric Delivery	Electric Utility	35,357,285	6	1.26%
Potter Industries	Glass Manufacturer	22,209,231	7	0.79%
Atmos Energy	Gas Utility	20,251,990	8	0.72%
Huhtamaki Inc	Packaging Mfg.	19,392,104	9	0.69%
Paris Generation, LP	Electric Utility	18,278,800	10	0.65%
Campbell Soup Company - B	Food Manufacturer	-		0.00%
Campbell Soup Company - C	Food Manufacturer	-		0.00%
Alpha Lake Limited	Shopping Center	-		0.00%
Walmart	Discount Store	-		0.00%
Totals		<u>\$ 909,015,442</u>		<u>32.43%</u>

Source:
Lamar County Appraisal District

Table 8
(Continued)

2015		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 211,869,640	1	13.81%
47,182,406	3	3.08%
95,117,050	2	6.20%
-		0.00%
30,363,705	4	1.98%
23,602,270	6	1.54%
-		0.00%
9,112,979		0.59%
11,623,623		0.76%
20,551,100	7	1.34%
29,403,860	5	0.00%
10,857,300	8	0.00%
10,596,530	9	0.00%
10,189,050	10	0.00%
<u>\$ 510,469,513</u>		<u>29.30%</u>

CITY OF PARIS, TEXAS
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
Unaudited

Table 9

Fiscal Year	Estimated Population	Taxable Assessed Value	Gross General Bonded Debt	Less Debt Service Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt To Assessed Value	Net General Bonded Debt Per Capita
2014-15	25,200	\$ 1,519,380,526	\$ 7,285,000	\$ 1,117,793	\$ 6,167,207	0.41	\$ 244.73
2015-16	25,400	1,627,397,467	6,442,624	1,087,664	5,354,960	0.33	210.83
2016-17	25,425	1,681,747,299	15,461,503	898,022	14,563,481	0.87	572.80
2017-18	25,450	1,732,236,641	14,306,032	1,073,917	13,232,115	0.76	519.93
2018-19	25,450	1,794,161,289	12,977,671	1,103,061	11,874,610	0.67	466.59
2019-20	25,450	1,876,141,460	11,818,173	1,196,122	10,622,051	0.56	417.37
2020-21	24,476	2,228,001,573	11,420,000	1,272,171	10,147,829	0.46	414.60
2021-22	24,476	2,423,466,605	9,380,000	544,537	8,835,463	0.36	360.98
2022-23	24,930	2,588,988,526	10,440,000	1,898,641	8,541,359	0.33	342.61
2023-24	24,930	2,801,652,344	28,930,000	3,491,161	25,438,839	0.91	1,020.41

Sources:

Lamar County Appraisal District
City of Paris

CITY OF PARIS, TEXAS
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Table 10

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Financed Purchases	Leases/ SBITA	Other	Utility Rate Supported Debt	Financed Purchases	Leases/ SBITA
2015	\$7,285,000	\$ 617,114	\$ -	\$ -	\$ 38,545,000	\$ -	\$ -
2016	6,442,624	1,538,459	-	-	37,997,715	-	-
2017	15,461,503	1,397,929	-	-	45,175,173	-	-
2018	14,306,032	1,253,181	-	-	44,264,589	-	-
2019	12,840,000	1,104,090	-	-	41,075,000	-	-
2020	12,975,000	950,526	-	-	38,875,000	-	-
2021	11,830,000	792,453	-	955,000	80,430,000	-	-
2022	9,380,000	629,538	218,870	770,000	90,440,000	-	-
2023	9,860,000	461,737	345,965	580,000	113,005,000	-	167,524
2024	29,665,000	288,902	1,024,735	390,000	128,770,000	-	130,752

Sources:

City Finance Office
Samco Capital Markets, Inc.
Bureau of Economic Analysis

Table 10
(Continued)

Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
Other				
\$	-	\$ 46,447,114	2.49%	\$ 1,843
	-	45,978,798	2.47	1,810
	-	62,034,605	3.23	2,440
	-	59,823,802	2.91	2,304
	-	55,019,090	2.73	2,180
	-	52,800,526	2.47	2,085
	-	94,007,453	4.03	3,841
	-	101,438,408	3.99	4,135
	-	124,420,226	4.72	5,022
	-	160,269,389	6.00	6,408

CITY OF PARIS, TEXAS
Direct and Overlapping
Governmental Activities Debt
September 30, 2024
Unaudited

Table 11

Taxing Jurisdiction	General Obligation Bonded Debt Outstanding	Percent Applicable to Government	Amount Applicable to Government
Lamar County	\$ 4,880,000	62.75%	\$ 3,062,199
Paris Independent School District	38,645,000	49.30	19,051,985
Chisum Independent School District	49,800,249	47.75	23,779,619
North Lamar Independent School District	<u>42,570,000</u>	58.23	<u>24,788,511</u>
Subtotal Overlapping Debt	135,895,249		70,682,314
City of Paris (Direct Debt)	<u>29,651,818</u>	100.00	<u>29,651,818</u>
Total Direct and Overlapping Debt	<u><u>\$ 165,547,067</u></u>		<u><u>\$ 100,334,132</u></u>
Per Capita Direct and Overlapping Funded Debt	<u><u>\$ 6,640</u></u>		<u><u>\$ 4,025</u></u>

Sources: Outstanding debt and applicable percentages provided by each governmental unit.

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

CITY OF PARIS, TEXAS
Legal Debt Margin Information
September 30, 2024
Unaudited

Table 12

The maximum tax rate permitted by Article XI, Section 5 of the State of Texas constitution is \$2.50 per \$100 of assessed valuation. Consequently, no legal debt margin can be calculated. The state attorney general has traditionally allowed up to \$1.50 per \$100 valuation to be applied to debt service. The City levied a tax rate of \$.47782 per \$100 valuation for the fiscal year ended September 30, 2024.

CITY OF PARIS, TEXAS
Revenue Pledged Coverage - Water and Sewer Revenue Bonds
Last Ten Fiscal Years
Unaudited

Table 13

Fiscal Year	Gross Revenues*	Operating Expenses**	Net Revenue Available For Debt Service	Average Remaining Debt Service Requirements			Percent Coverage
				Principal	Interest	Total***	
2014-15	\$ 14,359,751	\$7,248,302	\$7,111,449	\$ -	\$ -	\$ -	N/A
2015-16	14,894,489	7,834,768	7,059,721	-	-	-	N/A
2016-17	14,097,620	9,902,805	4,194,815	-	-	-	N/A
2017-18	14,549,327	9,922,088	4,627,239	-	-	-	N/A
2018-19	15,030,324	10,182,731	4,847,593	-	-	-	N/A
2019-20	15,043,788	9,602,622	5,441,166	-	-	-	N/A
2020-21	16,768,090	10,440,367	6,327,723	-	-	-	N/A
2021-22	20,198,510	10,254,224	9,944,286	-	-	-	N/A
2022-23	24,310,011	11,955,809	12,354,202	956,964	844,960	1,801,924	6.86%
2023-24	26,309,801	12,479,380	13,830,421	978,519	826,765	1,805,284	7.66%

Notes:

(1)* Gross Revenues = Operating and Nonoperating Revenue of the Water and Sewer Fund
Excluding Contribution Revenue and Premium Amortization

(2)** Operating Expenses Excluding Depreciation

(3)*** Agent Fees Not Included

CITY OF PARIS, TEXAS
Demographic and Economic Statistics
Last Ten Calendar Years
Unaudited

Table 14

Calendar Year	Paris, TX Micropolitan Service Area Population	Paris, TX Micropolitan Service Area Personal Income	Paris, TX Micropolitan Service Area Per Capita Personal Income	Paris, TX Micropolitan Service Area Median Age	School Enrollments (1)	Percent Unemployment Rate
2014	49,523	\$ 1,859,083,000	\$ 37,540	40.4	12,414	6.1
2015	49,440	1,857,879,000	37,578	40.5	12,121	5.4
2016	49,791	1,917,848,000	38,518	40.6	12,180	4.9
2017	49,587	2,013,704,000	40,610	40.6	12,758	3.5
2018	49,728	2,027,062,464	40,763	41.0	12,307	3.3
2019	49,859	2,147,064,000	43,063	37.8	11,482	6.8
2020	50,088	2,330,995,344	46,538	40.7	11,461	6.5
2021	50,484	2,539,934,000	50,311	39.4	11,800	4.3
2022	51,127	2,655,332,000	51,936	40.3	11,811	3.8
2023	51,249	2,661,668,064	51,936 *	42.2	11,826	3.9

(1) Includes Paris Independent School District, North Lamar Independent School District, Chisum Independent School District, and Paris Junior College

Sources:

Paris Independent School District - 3,767
North Lamar Independent School District - 2,372
Chisum Independent School District - 1,194
Paris Junior College - 4,493
Bureau of Economic Analysis
US Census Bureau

* Next data update is 12/03/2025

CITY OF PARIS, TEXAS
Principal Employers
Fiscal Years End 2024 and 2015
Unaudited

Table 15

Taxpayer	September 30, 2024			September 30, 2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Paris Regional Medical Center	900	1	8.34%	700	4	6.78%
Kimberly-Clark Corporation	700	2	6.48%	730	2	6.88%
Campbell Soup Company	680	3	6.30%	905	1	8.53%
The Results Company*	419	4	3.88%	-		0.00%
HWH/WePack Logistics	419	5	3.88%	150	7	1.41%
RK Hall Construction LTD	200	6	1.85%	299	5	2.82%
Delco Trailers	200	7	1.85%	-		0.00%
Huhtamaki**	189	8	1.75%	180	6	1.70%
American SpiralWeld	140	9	1.29%	-		0.00%
Paris Print Works	100	10	0.92%	-		0.00%
Turner Industries	-		0.00%	720	3	6.60%
J Skinner Baking Co.	-		0.00%	95	9	0.90%
Silgan Can Co.	-		0.00%	78	10	0.74%
Daisy Farms	-		0.00%	115	8	1.08%
Totals	<u>3,947</u>		<u>36.54%</u>	<u>3,972</u>		<u>37.44%</u>

Source:

U.S. Department of Labor
PEDC
Bureau of Labor Statistics

Additional Information:

Public Employers:

Paris ISD	605
North Lamar ISD	440
City of Paris	344
Paris Junior College	310
Chisum ISD	194
Lamar County	211
Total	<u>2,104</u>

Notes:

(*) TCIM in 2015

(**) Paris Packaging in 2015

CITY OF PARIS, TEXAS
Operating Indicators by Function
Last Ten Fiscal Years
Unaudited

Table 16

GOVERNMENT:

Date of Incorporation - 1836

Current Charter - Adopted November 2, 1948

	Fiscal Year			
	2015	2016	2017	2018
FACILITIES:				
Airports:				
Number of Airports	1	1	1	1
Fire Protection:				
Number of Stations	3	3	3	3
Number of Fire Hydrants	1,299	1,313	1,333	1,357
Number of Employees (certified)	51	51	51	51
Employees Per 1,000 Population	2.02	2.01	2.00	2.00
Libraries:				
Number of Libraries	1	1	1	1
Number of Volumes	81,893	84,162	85,630	72,288
Circularization of Materials	127,824	119,265	114,611	103,389
Circulation Per Capita	5.07	4.69	4.50	4.06
Library Cards in Force	15,507	13,551	14,312	10,441
Police Protection:				
Number of Stations	1	1	1	1
Number of Employees (certified)	60	60	60	57
Employees Per 1,000 Population	2.38	2.36	2.35	2.24
Parks and Recreation:				
Park Acres Developed	87	87	87	87
Park Acres Undeveloped	221	221	221	221
City Parks	24	24	24	24
Streets:				
Paved Lanes - Miles	160	171	171	171
Unpaved Streets - Miles	3	3	3	3
WATER AND SEWER UTILITY:				
Average Daily Water Consumption - Gallons	11,006,721	10,701,294	13,241,942	10,759,444
Maximum Day's Water Consumption - Gallons	20,662,000	17,983,000	18,493,000	18,137,000
Annual Water Consumption - Gallons	4,017,453,000	3,977,369,000	4,833,309,000	3,927,197,000
Water Mains - Miles	185	185	185	185
Water Connections - Metered	10,024	9,995	9,766	9,698
Sewer Mains - Miles	209	209	209	209
Area Miles	39.18	38.02	38.02	38.02
Number of Full-Time Employees	327	328	330	331.5

Sources: Various City of Paris Departments

Table 16
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
3	3	3	3	3	3
1,367	1,408	1,399	1,510	1,515	1,519
51	51	51	52	52	52
2.00	2.00	2.08	2.12	2.08	2.08
1	1	1	1	1	1
81,185	79,821	81,739	82,409	83,003	81,969
99,239	81,249	86,120	103,731	95,982	89,429
3.90	3.19	3.51	4.24	3.85	3.58
8,734	8,424	9,337	10,345	10,550	12,766
1	1	1	1	1	1
57	57	57	57	57	57
2.24	2.24	2.32	2.12	2.28	2.28
87	87	87	87	87	87
221	221	221	221	221	221
24	24	24	24	24	24
174	174	174	174	174	174
3	3	3	3	3	3
10,775,920	11,138,000	11,740,173	13,715,333	14,907,339	13,751,515
19,202,000	17,747,000	19,386,000	29,661,000	22,876,000	26,013,000
3,937,831,000	4,078,053,000	4,285,163,000	5,015,467,000	5,574,431,000	5,246,754,000
185	185	185	185	185	185
9,679	9,810	9,754	9,776	9,778	9,778
209	209	209	209	209	209
38.02	38.02	38.02	38.02	38.02	38.02
333	322	314	314	317	317

CITY OF PARIS, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years
Unaudited

Table 17

	Fiscal Year			
	2015	2016	2017	2018
Function:				
Public Safety				
Police				
Stations	1	1	1	1
Patrol Units	10	10	10	10
Fire Stations	3	3	3	3
Sanitation				
Collection Trucks	6	6	6	6
Highways and Streets				
Streets (miles)	174	174	174	174
Streetlights	2,228	2,228	2,230	2,231
Traffic Signals*	-	-	-	-
Culture and Recreation				
Park Acreage	286	286	286	286
Swimming Pools - Municipal	1	1	1	1
Tennis Courts	14	14	14	14
Community Centers	1	1	1	1
Water				
Water Mains (miles)	185	185	185	185
Fire Hydrants	1,299	1,313	1,333	1,357
Maximum Daily Capacity (thousands of gallons)	36,000	36,000	36,000	36,000
Sewer				
Sanitary Sewers (miles)	209	209	209	209
Maximum Daily Treatment Capacity (thousands of gallons)	7,250	7,250	7,250	7,250

Source: Various City Departments

* City has none. All inside the City limits belong to the State of Texas.

Table 17
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
10	10	10	10	10	10
3	3	3	3	3	3
6	6	6	6	6	0
174	174	174	174	174	174
2,235	2,235	2,235	2,235	2,240	2,240
-	-	-	-	-	-
308	308	308	308	308	308
1	1	1	1	1	1
14	14	14	14	14	14
1	1	1	1	1	1
185	185	185	185	185	185
1,367	1,408	1,399	1,510	1,515	1,519
36,000	36,000	36,000	36,000	36,000	36,000
209	209	209	209	209	209
7,250	7,250	7,250	7,250	7,250	7,250

CITY OF PARIS, TEXAS
Building Permits at Market Value
Last Ten Fiscal Years
Unaudited

Table 18

Property Value Fiscal Year	Commercial Units	Commercial Construction Value	Residential Units	Residential Construction Value	Total Construction Value
2015	14	\$ 61,243,705	10	\$ 823,430	\$ 62,067,135
2016	59	7,838,210	44	3,252,018	11,090,228
2017	18	12,653,657	21	3,914,081	16,567,738
2018	33	39,273,020	31	4,101,770	43,374,790
2019	15	64,446,766	25	3,744,359	68,191,125
2020	21	15,636,180	36	5,366,500	21,002,680
2021	8	7,995,151	17	1,908,787	9,903,938
2022	17	43,395,000	35	7,237,430	50,632,430
2023	4	11,565,427	15	3,766,818	15,332,245
2024	9	3,284,857	31	8,452,403	11,737,260

Sources: City of Paris Community Development Department

CITY OF PARIS, TEXAS
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years
Unaudited

Table 19

	Fiscal Year			
	2015	2016	2017	2018
Function:				
Manager	3.0	3.0	3.0	3.0
Attorney	4.0	4.0	4.0	2.0
Court Clerk	4.0	4.0	4.0	4.0
City Clerk	2.0	2.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0
Police*	83.0	83.0	83.0	83.5
Fire	57.0	57.0	58.0	58.0
Community Development	4.5	4.5	4.5	4.0
Engineering	7.5	7.5	7.5	6.0
Public Works	2.0	2.0	2.0	3.0
Parks & ROW	11.0	11.0	12.0	12.0
Sanitation	12.0	12.0	12.0	11.0
Streets	15.0	15.0	15.0	17.0
Traffic & Lighting	2.0	2.0	2.0	2.0
Garage	5.5	5.5	5.5	6.0
EMS	26.0	26.0	26.0	26.0
Library	10.5	10.5	10.5	10.5
Warehouse	2.0	2.0	2.0	2.0
Water Billing	8.0	8.0	8.0	8.0
Water Treatment Plant	15.5	16.5	16.5	16.5
Water Distribution	11.0	11.0	11.0	12.5
Waste Water Collection	8.5	8.5	8.5	8.5
Waste Water Treatment Plant	22.5	22.5	22.5	22.5
Lift Stations	3.0	3.0	3.0	3.0
Information Technology	2.5	2.5	2.5	3.5
Totals	327.0	328.0	330.0	331.5

* Includes related grant employees.
Seasonal employees not included.

Source: City of Paris Finance Department

Table 19
(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
3.0	3.0	4.0	4.0	4.0	5.0
2.0	2.0	2.0	2.0	2.0	2.0
4.0	4.0	4.0	4.0	4.0	4.0
2.0	2.0	2.0	2.0	2.0	3.0
5.0	5.0	5.0	5.0	6.0	6.0
84.0	83.0	77.5	77.5	79.5	84.5
58.0	59.0	52.0	52.0	52.0	52.0
4.0	5.5	15.0	15.0	15.0	16.0
6.0	4.5	3.0	3.0	3.0	3.0
3.0	3.0	3.0	3.0	3.0	3.0
12.0	11.0	10.0	10.0	10.0	12.0
12.0	8.0	6.0	6.0	6.0	0.0
17.0	11.0	12.0	12.0	12.0	16.0
2.0	1.0	1.0	1.0	1.0	1.0
6.0	5.5	6.0	6.0	6.0	5.5
27.0	27.0	27.0	27.0	27.0	30.0
10.5	10.5	10.5	10.5	10.5	11.0
2.0	2.0	2.0	2.0	2.0	2.0
8.0	8.0	8.0	8.0	8.0	9.0
17.5	18.0	18.0	18.0	18.0	17.0
12.5	9.0	11.0	11.0	11.0	14.0
8.0	8.0	8.0	8.0	8.0	9.0
21.5	26.0	21.0	21.0	21.0	21.0
3.0	3.0	3.0	3.0	3.0	3.0
3.0	3.0	3.0	3.0	3.0	3.0
333.0	322.0	314.0	314.0	317.0	332.0

CONTINUING DISCLOSURE INFORMATION

**CONTINUING DISCLOSURE INFORMATION FOR
CITY OF PARIS, TEXAS
UNAUDITED**

ASSESSED VALUATION

TABLE 1

2024-2025 Actual Market Value of Taxable Property (100% of Actual)		\$ 3,972,946,398
Less Exemptions:		
Local, Optional Over-65 and/or Disabled Homestead Exemptions	\$ 39,816,044	
Disabled and Deceased Veterans' Exemptions	25,408,507	
Productivity Loss	31,118,300	
Personal Use of Business Vehicle	206,150	
Freeport	98,576,566	
Pollution Control / Solar	59,914,278	
Abatement Loss	172,062,851	
Cap Loss (10%)	186,491,668	
Historical / Other	29,827,712	
Totally Exempt Property	<u>527,871,978</u>	
Total Exemptions		<u>1,171,294,054</u>
2024-2025 Net Taxable Assessed Valuation		2,801,652,344
Frozen Taxable Value and Transfer Adjustment		<u>(247,824,307)</u>
Freeze Adjusted Net Taxable Assessed Valuation		<u><u>\$ 2,553,828,037</u></u>

Source: Lamar County Appraisal District and the Issuer.

GENERAL OBLIGATION BONDED DEBT PRINCIPAL

TABLE 2

General Obligation Debt Principal Outstanding: (As of September 30, 2024)		
Combination Tax and Revenue Certificates of Obligation, Series 2013 (TWDB)	\$ 1,260,000	
General Obligation Bonds, Series 2016	5,840,000	
General Obligation Bonds, Series 2017	6,950,000	
General Obligation Bonds, Series 2018	520,000	
General Obligation Refunding Bonds, Series 2020	1,210,000	
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	935,000	
Tax Notes, Series 2020	390,000	
Combination Tax and Revenue Certificates of Obligation, Series 2021	40,760,000	
General Obligation Pension Bonds, Series 2022	11,180,000	
General Obligation Refunding Bonds, Series 2023	20,570,000	
Combination Tax and Surplus Revenue Surplus Certificates of Obligation, Series 2024	<u>42,790,000</u>	
Total Gross General Obligation Debt Principal Outstanding:		132,405,000
Less: Self-Supporting General Obligation Debt Principal		
Combination Tax and Revenue Certificates of Obligation, Series 2013 (TWDB) (100% WS)	1,260,000	
General Obligation Bonds, Series 2016 (100% WS)	5,840,000	
General Obligation Bonds, Series 2018 (86% WS)	520,000	
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	935,000	
Combination Tax and Revenue Certificates of Obligation, Series 2021	27,885,000	
General Obligation Pension Bonds, Series 2022	11,180,000	
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024	<u>42,790,000</u>	
Total Self-Supporting General Obligation Debt Outstanding Following the Issuance of the Bonds:		90,410,000
Total Net General Obligation Debt Principal Outstanding Following the Issuance of the Bonds:		<u><u>\$ 41,995,000</u></u>
General Obligation Interest and Sinking Fund Balance as of September 30, 2024		\$ 3,089,892
Ratio of Gross General Obligation Debt Principal to 2023-24 Freeze Adjusted Net Taxable Assessed Valuation		5.18%
Ratio of Net General Obligation Debt Principal to 2023-24 Freeze Adjusted Net Taxable Assessed Valuation		1.64%
2024-25 <u>Freeze Adjusted</u> Net Taxable Assessed Valuation		\$ 2,553,828,037
Population: 1980 - 25,498; 1990 - 24,699; 2000 - 25,898; 2010 - 25,171	Current (Estimate)	24,930
Per Capita 2024-2025 Freeze Adjusted Net Taxable Assessed Valuation		\$ 102,440
Per Capita Gross General Obligation Debt Principal		\$ 5,311
Per Capita Net General Obligation Debt Principal		\$ 1,685

**CONTINUING DISCLOSURE INFORMATION FOR
CITY OF PARIS, TEXAS
UNAUDITED**

WATERWORKS AND SEWER SYSTEM REVENUE DEBT SERVICE REQUIREMENTS

TABLE 2A

Fiscal Year 9/30	Current Total Debt Service	The Bonds Principal	Interest	Total	Combined Debt Service
2025	\$ -	\$ 400,000	\$ 1,317,488	\$ 1,717,488	\$ 1,717,488
2026	-	510,000	1,297,488	1,807,488	1,807,488
2027	-	535,000	1,271,988	1,806,988	1,806,988
2028	-	565,000	1,245,238	1,810,238	1,810,238
2029	-	590,000	1,216,988	1,806,988	1,806,988
2030	-	625,000	1,186,013	1,811,013	1,811,013
2031	-	655,000	1,153,200	1,808,200	1,808,200
2032	-	680,000	1,127,000	1,807,000	1,807,000
2033	-	715,000	1,093,000	1,808,000	1,808,000
2034	-	750,000	1,057,250	1,807,250	1,807,250
2035	-	790,000	1,019,750	1,809,750	1,809,750
2036	-	830,000	980,250	1,810,250	1,810,250
2037	-	870,000	938,750	1,808,750	1,808,750
2038	-	915,000	895,250	1,810,250	1,810,250
2039	-	960,000	849,500	1,809,500	1,809,500
2040	-	1,005,000	801,500	1,806,500	1,806,500
2041	-	1,060,000	751,250	1,811,250	1,811,250
2042	-	1,110,000	698,250	1,808,250	1,808,250
2043	-	1,165,000	642,750	1,807,750	1,807,750
2044	-	1,225,000	584,500	1,809,500	1,809,500
2045	-	1,285,000	523,250	1,808,250	1,808,250
2046	-	1,350,000	459,000	1,809,000	1,809,000
2047	-	1,415,000	391,500	1,806,500	1,806,500
2048	-	1,490,000	320,750	1,810,750	1,810,750
2049	-	1,560,000	246,250	1,806,250	1,806,250
2050	-	1,640,000	168,250	1,808,250	1,808,250
2051	-	1,725,000	86,250	1,811,250	1,811,250
	\$ -	\$ 26,420,000	\$ 22,322,653	\$ 48,742,653	\$ 48,742,653

CLASSIFICATION OF ASSESSED VALUATION^(a)
UNAUDITED

TABLE 3

<u>Category</u>	<u>2023-24</u>	<u>% of Total</u>	<u>2022-23</u>	<u>% of Total</u>	<u>2021-22</u>	<u>% of Total</u>	<u>2020-21</u>	<u>% of Total</u>	<u>2019-2020</u>	<u>% of Total</u>
Real, Residential, Single-Family	\$ 1,110,751,880	27.96%	\$ 1,031,677,640	27.86%	\$ 943,179,877	26.69%	\$ 758,658,443	23.85%	\$ 713,569,554	25.47%
Real, Residential, Multi-Family	127,656,257	3.21%	126,527,250	3.42%	121,204,107	3.43%	112,201,519	3.53%	78,929,430	2.82%
Real, Vacant Lots/Tracts	28,439,521	0.72%	30,581,641	0.83%	31,534,732	0.89%	31,470,634	0.99%	30,827,095	1.10%
Real, Acreage (Land Only)	32,448,640	0.82%	29,551,335	0.80%	20,958,160	0.59%	20,972,380	0.66%	20,517,420	0.73%
Farm & Ranch Improvements	38,014,825	0.96%	31,072,118	0.84%	30,038,194	0.85%	25,293,068	0.80%	23,098,838	0.82%
Real, Commercial	502,864,629	12.66%	429,520,635	11.60%	431,656,699	12.22%	409,844,864	12.89%	267,504,955	9.55%
Real Industrial	695,884,960	17.52%	686,461,320	18.54%	667,764,200	18.90%	687,876,550	21.63%	594,799,020	21.23%
Real & Tangible, Personal Utilities	67,749,210	1.71%	65,999,990	1.78%	60,626,630	1.72%	57,691,980	1.81%	55,391,760	1.98%
Tangible Personal, Commercial	194,335,030	4.89%	183,405,280	4.95%	164,277,840	4.65%	151,679,870	4.77%	145,136,550	5.18%
Tangible Personal, Industrial	581,880,940	14.65%	589,051,200	15.91%	611,674,330	17.31%	519,985,340	16.35%	494,875,900	17.67%
Tangible Personal, Mobile Homes	2,050,620	1.19%	1,875,540	0.92%	1,823,340	0.04%	890,630	0.04%	769,900	0.04%
Residential / Special, Inventory	24,781,570	0.62%	24,133,650	0.65%	25,135,220	0.71%	20,948,400	0.66%	19,937,470	0.71%
Totally Exempt Property	566,088,316	13.11%	473,230,545	11.91%	423,675,741	12.00%	382,866,616	12.03%	355,713,491	12.69%
Total Market Value	3,972,946,398	100.00%	3,703,088,144	100.00%	3,533,549,070	100.00%	3,180,380,294	100.00%	2,801,071,383	100.00%
Less Exemptions:										
Productivity Loss	31,118,300		28,516,425		19,856,605		19,992,060		19,523,280	
Cap Loss (10%)	186,491,668		171,024,527		150,758,853		79,061,864		107,587,489	
Local, Optional Over-65/Disabled	39,816,044		39,064,776		40,935,341		45,303,916		40,632,898	
Disabled and Deceased Veterans'	25,408,507		19,872,481		18,533,812		12,132,564		10,827,192	
Exempt Property	527,871,978		444,609,999		396,184,061		361,607,606		338,281,483	
Freeport	98,576,566		119,291,230		111,908,964		91,612,816		85,531,645	
Pollution Control / Solar	59,914,278		59,391,206		62,479,174		62,080,048		65,128,932	
Tax Abatement Loss	172,062,851		204,517,377		281,560,424		259,158,157		187,457,093	
Personal Use of Business Vehicle	206,150		306,980		319,140		303,980		382,630	
Other / Historical	29,827,712		27,504,617		27,546,091		21,125,710		17,220,053	
Total Exemptions	1,171,294,054		1,114,099,618		1,110,082,465		952,378,721		872,572,695	
Net Taxable Assessed Valuation	2,801,652,344		2,588,988,526		2,423,466,605		2,228,001,573		1,928,498,688	
Freeze Taxable & Transfer Adjustment	(247,824,307)		(218,217,870)		(190,151,876)		(178,970,749)		(155,792,063)	
Freeze Adjusted Net Taxable Assessed Valuation	\$ 2,553,828,037		\$ 2,370,770,656		\$ 2,233,314,729		\$ 2,049,030,824		\$ 1,772,706,625	

^(a) Values shown in this table are Certified Values as of July. Values may change during the tax year due to various supplements and protests. Valuations reported on a different date may not match those shown on this table.

Source: Lamar County Appraisal District and the Issuer.

PRINCIPAL TAXPAYERS 2023-24 (UNAUDITED)
TABLE 4

<u>Name</u>	<u>Type of Property</u>	<u>2024 Net Taxable Assessed Valuation</u>	<u>% of Total 2024 Assessed Valuation</u>
La Frontera Holdings LLC	Electric Utility	\$ 360,663,800	14.12%
Campbell Soup	Food Manufacturing	168,734,582	6.61%
Kimberly Clark Corporation	Disposable Diaper Mfg.	152,988,823	5.99%
American Spiral Weld III, Inc	Pipe Manufacturer	62,649,957	2.45%
Essent PRMC LP	Health Care Services/Hospital	48,488,870	1.90%
Oncor Electric Delivery Company	Utility	35,357,285	1.38%
Potter Industries LLC	Manufacturing	22,209,231	0.87%
Atmos Energy	Gas Utility	20,251,990	0.79%
Huhtamaki Inc.	Package Manufacturing	19,392,104	0.76%
Paris Generation, LP	Electric Utility	18,278,800	0.72%
Total		\$ 909,015,442	35.59%
Based on a 2024 Freeze Adjusted Net Taxable Assessed Valuation of		\$ 2,553,828,037	

Source: Lamar County Appraisal District

PROPERTY TAX RATES AND COLLECTIONS (UNAUDITED)
TABLE 5

<u>Tax Year</u>	<u>Net Taxable Assessed Valuation</u> ^(a)	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>% Collections</u>		<u>Year Ended</u>
				<u>Current</u>	<u>Total</u>	
2014	\$ 1,530,367,087	0.50195	\$ 7,626,530	96.35	99.17	9-30-15
2015	1,533,734,568	0.50195	7,627,731	97.10	99.90	9-30-16
2016	1,627,397,467	0.50195	8,093,094	98.11	99.52	9-30-17
2017	1,681,747,299	0.55195	9,145,965	98.11	99.51	9-30-18
2018	1,732,236,641	0.55195	9,381,829	98.15	100.71	9-30-19
2019	1,794,161,289	0.51608	9,332,621	96.95	98.95	9-30-20
2020	1,924,031,445	0.48078	9,592,756	97.17	98.57	9-30-21
2021	2,228,001,573	0.45373	9,888,259	97.83	99.49	9-30-22
2022	2,423,466,605	0.44278	10,441,096	97.73	99.35	9-30-23
2023	2,884,451,285	0.47782	12,178,254	97.65	98.99	9-30-24

Note: Although "Total" tax collection percentages in this table include delinquent tax collections, they are allocated to the year they were originally levied instead of the year in which they were collected.

^(a) Certified Values may change during the tax year due to various supplements and protests, and valuations reported on a different date may not match those shown on this table.

Financial Report. Valuations for tax years 2013-2022 represent Freeze Adjusted Net Taxable Valuations.

^(b) Current Fiscal Year collections are as of September 30, 2022 (Unaudited).

Source: The Lamar County Appraisal District, the City's 2023 Comprehensive Annual Financial Report and additional information from the City.

TAX RATE DISTRIBUTION (UNAUDITED)
TABLE 6

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
General Fund	\$ 0.31292	\$ 0.32176	\$ 0.34377	\$ 0.37357	\$ 0.39788	\$ 0.40868
I & S Fund	0.14828	0.15606	0.09901	0.08016	0.08290	0.10740
TOTAL	\$ 0.46120	\$ 0.47782	\$ 0.44278	\$ 0.45373	\$ 0.48078	\$ 0.51608

Sources: Texas Municipal Report published by the Municipal Advisory Council of Texas and the Lamar County Appraisal District.

**MUNICIPAL SALES TAX
UNAUDITED**

TABLE 7

The Issuer has adopted the provisions of Chapter 321, as amended, Texas Tax Code. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The voters of the City approved the imposition of a 1/4 cent additional sales tax to be used for property tax reduction and a 1/4 cent sales tax for economic development purposes. Levy of the additional sales taxes began on October 1, 1993, and the City received its first payment in December, 1993. Collections on a calendar year basis are as follows:

Calendar Year	Total Collected	1.00% City	0.25% Prop Tax Red	City Collections as % of Ad Valorem Tax Levy	(\$) Equivalent of Ad Valorem Tax Rate	0.25% EDC
2009	\$ 7,591,224	\$ 5,060,816	\$ 1,265,204	80.72	0.42	\$ 1,265,204
2010	7,029,392	4,686,262	1,171,565	75.12	0.39	1,171,565
2011	7,202,519	4,801,679	1,200,420	78.44	0.41	1,200,420
2012	7,268,103	4,845,402	1,211,351	80.29	0.42	1,211,351
2013	7,624,480	5,082,987	1,270,747	84.22	0.43	1,270,747
2014	8,786,209 *	5,857,473	1,464,368	97.65	0.49	1,464,368
2015	8,173,696	5,449,131	1,362,283	89.30	0.45	1,362,283
2016	8,472,647	5,648,431	1,412,108	92.56	0.46	1,412,108
2017	8,689,014	5,792,676	1,448,169	89.47	0.45	1,448,169
2018	8,827,668	5,885,112	1,471,278	90.74	0.50	1,471,278
2019	8,921,837	5,947,891	1,486,973	79.25	0.43	1,486,973
2020	9,950,289	6,633,526	1,658,382	87.90	0.45	1,658,382
2021	11,048,083	7,365,389	1,841,347	95.81	0.47	1,841,347
2022	11,715,522	7,810,348	1,952,587	97.83	0.48	1,952,587
2023	12,591,056	8,394,038	2,098,509	97.73	0.53	2,098,509
2024	13,079,032	8,719,355	2,179,839	89.49	0.49	2,179,839

* Sales taxes increased from the prior year due to a one time collection of an amount due from a prior period. This collection alone would have provided the City a 13.50% increase in sales taxes. The remaining increase is consistent with the expected sales tax revenues due to the recovering local economy.

Source: State Comptroller of Public Accounts Website.

**GENERAL FUND COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
AND ANALYSIS OF CHANGES IN FUND BALANCES
UNAUDITED**

TABLE 8

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Revenues:					
Ad Valorem Taxes	\$ 8,238,439	\$ 8,207,911	\$ 8,287,694	\$ 7,971,838	\$ 7,380,958
Sales Taxes	10,828,578	10,496,451	9,650,605	9,196,157	8,245,939
Franchise Tax	4,697,982	4,725,373	4,827,601	4,253,182	4,714,021
Hotel Occupancy Taxes	1,081,333	949,983	848,508	881,259	643,417
Licenses and Permits	610,658	484,807	532,557	211,668	259,117
Fines and Fees	423,160	426,856	432,115	615,721	724,259
Leases	95,074	81,361	-	-	-
Investment Earnings	1,364,200	950,902	201,997	198,965	304,755
Sanitation	1,405,361	1,461,058	1,462,220	1,470,237	1,462,452
Health	6,637,108	8,733,472	5,933,986	4,806,996	5,117,649
Intergovernmental Revenue	2,035,101	2,051,423	1,574,428	706,574	713,570
Other Revenues	1,444,229	710,472	695,364	442,020	381,355
Total Revenues	<u>38,861,223</u>	<u>39,280,069</u>	<u>34,447,075</u>	<u>30,754,617</u>	<u>29,947,492</u>
Expenditures:					
Current					
General Government	2,570,804	2,412,942	1,917,259	1,613,946	1,779,229
Public Safety	12,860,941	12,479,429	23,917,194	11,367,228	12,005,945
Public Works	7,880,542	6,817,178	6,050,354	4,991,668	5,065,867
Health	6,366,967	8,717,240	5,595,417	5,199,358	4,022,732
Culture and Recreation	891,597	804,955	715,243	677,612	723,046
Cox Field Airport	-	-	1,224	242,809	179,631
Other	2,364,997	1,936,078	1,829,866	1,838,073	1,922,363
Capital Outlay					
General Government	401,747	1,386,613	561,165	252,387	109,280
Public Safety	1,585,513	689,772	1,060,330	870,874	403,654
Public Works	255,978	1,060,768	1,199,200	941,371	626,741
Health	296,877	323,283	486,604	216,631	287,256
Cox Field Airport	-	-	-	65,000	-
Debt Service	581,117	195,155	187,670	186,690	186,690
Total Expenditures	<u>36,057,080</u>	<u>36,823,413</u>	<u>43,521,526</u>	<u>28,463,647</u>	<u>27,312,434</u>
Excess (Deficit) of Revenues Over Expenditures	<u>2,804,143</u>	<u>2,456,656</u>	<u>(9,074,451)</u>	<u>2,290,970</u>	<u>2,635,058</u>
Other Financing Sources (Uses):					
Inception of Lease	271,089	13,421	278,821	-	-
Inception of Subscription-Based IT Arg.	779,748	218,091	-	-	-
Operating Transfers In	507,017	1,183,110	12,682,538	2,751,240	539,986
Operating Transfers Out	(1,533,905)	(1,822,765)	(603,609)	(802,211)	(29,319)
Proceeds From Sale of Capital Assets	-	210,000	155,367	151,266	28,000
Total Other Financing Sources (Uses):	<u>23,949</u>	<u>(198,143)</u>	<u>12,513,117</u>	<u>2,100,295</u>	<u>538,667</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>2,828,092</u>	<u>2,258,513</u>	<u>3,438,666</u>	<u>4,391,265</u>	<u>3,173,725</u>
Fund Balance - Beginning of Year, as previously presented	<u>27,329,955</u>	<u>25,071,442</u>	<u>21,420,072</u>	<u>17,150,077</u>	<u>13,451,478</u>
Restatement	214,318	-	212,704	(52,060)	524,874
Fund Balance - Beginning of Year, as restated	<u>27,544,273</u>	<u>25,071,442</u>	<u>21,632,776</u>	<u>17,098,017</u>	<u>13,976,352</u>
Fund Balance - End of Year	<u>\$ 30,372,365</u>	<u>\$ 27,329,955</u>	<u>\$ 25,071,442</u>	<u>\$ 21,489,282</u>	<u>\$ 17,150,077</u>

Source: The Issuer's Comprehensive Annual Financial Reports.

CONDENSED WATERWORKS AND SEWER SYSTEM OPERATING STATEMENT (UNAUDITED)
TABLE 9

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Operating Revenues ^(a)					
Total Revenues	\$ 26,309,801	\$ 19,633,034	\$ 18,397,839	\$ 16,567,528	\$ 15,043,788
Expenses ^(b)	12,939,187	11,736,249	10,151,891	10,308,035	9,602,622
Net Revenue Available for Debt Service	<u>\$ 13,370,614</u>	<u>\$ 7,896,785</u>	<u>\$ 8,245,948</u>	<u>\$ 6,259,493</u>	<u>\$ 5,441,166</u>
Annual Revenue Bond Debt Service Requirements	\$ 1,711,737	\$ -	\$ -	\$ -	\$ -
Coverage of Annual Revenue Bond Requirements	5.54	N/A	N/A	N/A	N/A
Annual Requirements on all Bonds Paid from System Revenues	\$ 7,115,603	\$ 6,624,452	\$ 5,289,797	\$ 3,842,897	\$ 3,845,397
Coverage of Annual Requirements on all Bonds Paid from System Revenues	1.33 x	1.19 x	1.56 x	1.63 x	1.41 x
Customer Count:					
Water	9,755	9,778	9,786	9,762	9,810
Sewer	9,324	9,362	9,198	9,175	9,221

^(a) Revenues include operating revenues, interest income and other revenues of the Waterworks and Sewer System.

^(b) Expenses include total expenses less depreciation and amortization of the Waterworks and Sewer System.

Sources: Information from the Issuer and the Issuer's Annual Audited Financial Reports.

WATER RATES (UNAUDITED)
TABLE 10

Current Rates (Rates Effective July 1, 2022)		
Residential Class		
Meter Size (Inches)	Base Cost (Per Cubic Foot)	Service in Excess of Base (For Each Additional 100 Cubic Feet)
5/8" - 3/4"	\$13.69 for first 200 Cubic Feet	\$5.04 / 100 Cubic Feet
1" and Larger	\$66.81 for first 1,000 Cubic Feet	\$5.04 / 100 Cubic Feet
Commercial Industrial Class		
Meter Size (Inches)	Base Cost (Per Cubic Foot)	Service in Excess of Base (For Each Additional 100 Cubic Feet)
5/8" - 3/4"	\$16.36 for first 200 Cubic Feet	\$4.94 / 100 Cubic Feet
1" - 2"	\$65.54 for first 1,000 Cubic Feet	\$4.03 / 100 Cubic Feet
Larger than 2"	\$235.24 for first 2,000 Cubic Feet	\$4.03 / 100 Cubic Feet
Commercial Industrial Class (Meters Greater Than Three Inches)		
Meter Size (Inches)	Base Cost (Per Cubic Foot)	Service in Excess of Base (For Each Additional 100 Cubic Feet)
4"	\$4,034.82 for first 100,000 Cubic Feet	\$4.03 / 100 Cubic Feet
6"	\$6,052.22 for first 150,000 Cubic Feet	\$4.03 / 100 Cubic Feet
8" and Larger	\$8,069.63 for first 200,000 Cubic Feet	\$4.03 / 100 Cubic Feet

Source: Information from the Issuer

PRINCIPAL WATER CUSTOMERS 2023-2024 (UNAUDITED)**TABLE 11***(October 1, 2023 to September 30, 2024)*

<u>Name of Customer</u>	<u>Average Monthly Consumption</u>	<u>Average Monthly Bill</u>	
Lamar Power Partners*	18,053,080	\$ 50,596	
Campbell Soup Company	13,850,187	81,413	
Lamar County Water Supply	13,568,872	80,465	
American SpiraWeld	8,339,575	8,395	
Daisy Farms*	3,253,671	21,476	
Paris Generation	2,177,204	30,743	
Kimberly Clark	706,540	28,483	
Paris Housing Authority	235,263	8,163	
Lamar County Human Resources	103,585	4,199	
Paris Junior College	90,019	4,233	
Total	60,377,996	\$ 318,166	^(a)
Total Water Sales as of September 30, 2024 (unaudited)	<u><u>\$ 9,038,642</u></u>		

^(a) Principal Water Customers represent approximately 42.24% of total annual water sales.

* Includes raw water sales.

SEWER RATES (UNAUDITED)**TABLE 12****Current Rates***(Residential Rates Effective April 1, 2024)***Residential Class**

<u>Meter Size (Inches)</u>	<u>Base Cost (Per Cubic Foot)</u>	<u>Service in Excess of Base (For Each Additional 100 Cubic Feet)</u>
3/4" or Less	\$25.92 for first 200 Cubic Feet	\$12.80 / 100 Cubic Feet
1" and Larger	\$127.99 for first 1,000 Cubic Feet	\$12.80 / 100 Cubic Feet

*(Commercial Rates Effective April 1, 2024)***Commercial Industrial Class**

<u>Meter Size (Inches)</u>	<u>Base Cost (Per Cubic Foot)</u>	<u>Service in Excess of Base (For Each Additional 100 Cubic Feet)</u>
3/4" or Less	\$34.49 for first 200 Cubic Feet	\$13.28 / 100 Cubic Feet
1" - 2"	\$132.81 for first 1,000 Cubic Feet	\$13.28 / 100 Cubic Feet
Larger than 2"	\$265.66 for first 2,000 Cubic Feet	\$13.28 / 100 Cubic Feet

PRINCIPAL SEWER CUSTOMERS - 2023-2024 (UNAUDITED)**TABLE 13***(October 1, 2023 to September 30, 2024)*

<u>Name of Customer</u>	<u>Average Monthly Consumption</u>	<u>Average Monthly Bill</u>	
Kimberly Clark	341,303	\$ 43,328	
Paris Housing Authority	185,427	23,533	
Lamar County Human Resources	103,585	13,185	
Campbell Soup Supply	71,580	9,062	
Paris Junior College	79,490	10,796	
Spanish Oaks	65,744	8,276	
Lamar County	54,666	7,063	
North Lamar ISD	52,808	6,725	
Potters Industries	51,321	6,523	
Paris ISD	49,984	6,662	
Total	1,055,908	\$ 135,153	^(a)
Total Sewer Charges as of September 30, 2024 (unaudited)	<u><u>\$ 11,335,300</u></u>		

^(a) Principal Sewer Customers represent approximately 14.30% of total annual sewer charges.

OVERALL COMPLIANCE, INTERNAL CONTROLS
AND FEDERAL AWARDS SECTION

CITY OF PARIS, TEXAS
Overall Compliance, Internal Controls,
And Federal Awards Section
September 30, 2024

This section includes elements required by Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).



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Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Honorable Mayor, Members of the City Council,
and City Manager
City of Paris, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Paris, Texas (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 19, 2025

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-02 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-01 to be a significant deficiency.

Honorable Mayor, Members of the City Council,
and City Manager
City of Paris, Texas

Report on Compliance and Other Matters

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

City of Paris, Texas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
September 19, 2025

CITY OF PARIS, TEXAS
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2024

FINDING / RECOMMENDATION

Financial Statement Findings

Finding 2023-01 – Financial Accounting and Reporting

Condition: The City does not control the period-end financial reporting process including controls over procedures used to analyze transactions compromising general ledger activity and controls over recording recurring and non-recurring adjustment to the financial statements.

Recommendation: We recommend that management of the City of Paris, Texas maintain close oversight of the accounting and period-end financial reporting process, and have a routine closing process and develop a comprehensive list of reconciliations and financial reporting duties to be performed on a routine basis.

Current Status: The City is working to improve oversight of the accounting and period-end financial reporting process (on-going).

CITY OF PARIS, TEXAS
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Paris, Texas.
2. One significant deficiency and one material weakness disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Paris, Texas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs disclosed during the audit are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses were identified.
5. The auditors' report on compliance for the major federal awards programs for the City of Paris, Texas expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs were:

21.027 COVID-19: Coronavirus State and Local Fiscal Recovery Funds
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. City of Paris, Texas, was determined to be a high-risk auditee.

CITY OF PARIS, TEXAS
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2024

Financial Statement Findings

Significant Deficiencies

Finding 2024-01 – Internal Controls Related to Bank Reconciliations

Criteria: Accurate bank reconciliations should be performed and reviewed by management monthly.

Condition: Internal controls were not properly implemented to reconcile items that should have been investigated and corrected in a timely manner on monthly cash reconciliations. Management did not review bank reconciliations prepared by finance department staff.

Cause: Account reconciliations were not accurate in clearing of outstanding items and were not properly reviewed by management to ensure accuracy.

Effect: As a result of this condition, cash reconciliations misrepresented cash balance at year end, resulting in deposits and checks not being properly recorded in the general ledger.

Recommendation: We recommend the City of Paris, Texas perform bank reconciliations addressing all outstanding items and that management review and approve reconciliations monthly. Any reconciling items should be investigated and corrected in a timely manner.

Material Weaknesses

Finding 2024-02 – Financial Accounting and Reporting

Criteria: The City's management should be responsible for preparing period-end financials including recording recurring and non-recurring adjustments to the financial statements and preparing reconciliations of various general ledger accounts.

Condition: The City does not control the period-end financial reporting process including controls over procedures used to analyze transactions compromising general ledger activity and controls over recording recurring and non-recurring adjustments to the financial statements. As a result, during the audit, we noted multiple instances where reconciliations of various general ledger accounts were not reconciled in a timely manner, which resulted in a high volume of post-closing entries and adjusting journal entries. Monthly reconciliations of receivables, related revenue, and payables are important components of the internal control structure and assist with identifying potential errors and misstatements.

Cause: Reconciliations and proper closing processes are not being performed timely and accurately.

Effect: As a result of this condition, the City lacks internal controls over the period-end financial reporting resulting in multiple post-close and adjusting entries.

Recommendation: We recommend that management of the City of Paris, Texas maintain close oversight of the accounting and period-end financial reporting process, and have a routine closing process and develop a comprehensive list of reconciliations and financial reporting duties to be performed on a routine basis. Further, we recommend monitoring be performed to ensure these functions are carried out effectively.

Federal Award Findings and Questioned Costs

The audit disclosed no findings required to be reported.



Corrective Action Plan
Year Ended September 30, 2024

FINDING/RECOMMENDATION

2024-01 Internal Controls Related to Bank Reconciliations

Recommendation: We recommend the City of Paris, Texas perform bank reconciliations addressing all outstanding items and that management review and approve reconciliations monthly. Any reconciling items should be investigated and corrected in a timely manner.

Response: The City will investigate any reconciling items during the monthly reconciliation process. Monthly reconciliations will be reviewed and approved by management.

Contact Person: Gene Anderson, Finance Director

Estimated Completion Date: September 30, 2025

2024-02 Financial Accounting and Reporting

Recommendation: We recommend that management of the City of Paris, Texas maintain close oversight of the accounting and period-end financial reporting process, and have a routine closing process and develop a comprehensive list of reconciliations and financial reporting duties to be performed on a routine basis. Further, we recommend monitoring be performed to ensure these functions are carried out effectively.

Response: The City's management agrees to maintain close oversight of the accounting and period-end financial reporting process.

Contact Person: Gene Anderson, Finance Director

Estimated Completion Date: Ongoing



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Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor, Members of the City Council,
and City Manager
City of Paris, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Paris, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Honorable Mayor, Members of the City Council,
and City Manager
City of Paris, Texas

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Honorable Mayor, Members of the City Council,
and City Manager
City of Paris, Texas

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
September 19, 2025

CITY OF PARIS, TEXAS
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Project Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Texas Department of Housing & Community Affairs:				
Home Investment Partnership Program	14.239	1002887	\$ 193,062	\$ -
Passed through Texas Department of Agriculture:				
Community Development Block Grants/State's Program	14.228	CDM23-0207	19,200	-
Total U.S. Department of Housing and Urban Development			<u>212,262</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
Passed Through Texas Historical Commission:				
Historic Preservation Fund Grant-In-Aid	15.904	TX-24-018	<u>2,329</u>	<u>-</u>
Total U.S. Department of the Interior			<u>2,329</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Edward Byrne Justice Assistance Grant Program	16.738	15PBJA-22-GG-02713-JAGX	<u>916</u>	<u>-</u>
Total U.S. Department of Justice			<u>916</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed Through Texas Department of Transportation - Division of Aviation:				
Airport Improvement Program	20.106	M2401PARI	<u>91,727</u>	<u>-</u>
Total U.S. Department of Transportation			<u>91,727</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
Passed Through Texas Division of Emergency Management:				
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	1505-0271	<u>1,930,232</u>	<u>-</u>
Total U.S. Department of Treasury			<u>1,930,232</u>	<u>-</u>
<u>National Endowment for the Humanities</u>				
Passed Through Texas State Library and Archives Commission				
FY2023 ILL Lending Reimbursement Program	45.310	LS-252486-OL-23	<u>1,310</u>	<u>-</u>
Total National Endowment for the Humanities			<u>1,310</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Passed Through Office of the Governor:				
Homeland Security Grant Program	97.067	4786101	<u>18,238</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>18,238</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,257,014</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule. See Notes on Accounting Policies for Federal and State Awards.

CITY OF PARIS, TEXAS
Notes on Accounting Policies for Federal Awards
Year Ended September 30, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Paris, Texas (the City) under programs of the federal government for the fiscal year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

The City has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Program Costs/ Matching Contributions

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, may be more than shown.