



NOTICE OF THE CITY COUNCIL – REGULAR MEETING

The City Council for the City of Simonton, Texas, will hold its City Council – Regular Meeting on August 19, 2025, at 6:45 PM at Simonton City Hall, 35011 FM 1093, Simonton, Texas 77476, for the purpose of considering the following:

1. Call to Order

2. Invocation and Pledge

3. Public Comments

*In accordance with the Texas Open Meetings Act and Texas Government Code 551.007, the City Council may not discuss or take action on any item NOT listed on the Agenda. Each member of the public wishing to speak must sign in prior to the meeting and is limited to 3 minutes.*

4. New Business

- a. Audit Presentation FY 2023-2024 by Natalie Ridley of Breedlove & Co. P.C. Consider and take action to approve same.
- b. Consider and take action to approve Breedlove audit invoice FY 2023-2024.
- c. Receive General Land Office MIT-MOD grant agreement presentation for items I, J, K and N by Brianna Swingle.
- d. Receive 2025 Tax Year Appraisal Roll and New Property Value provided by Carmen Turner, Fort Bend County Tax Assessor/ Collector.
- e. Consideration and possible action for the City to cover legal costs incurred by a city employee in the performance of their official capacity and to have said costs come from the City's budgeted line item for legal expenses.

Invoice	Amount
146523	\$ 731.25
146540	\$ 795.01
Total	\$ 1,526.26

- f. Receive Independent Contractor Agreement- Stacey Gootee.
- g. Monthly Payment Report (Income)- April 2025
- h. Monthly Revenue and Expense Report- April 2025

5. Consider and take action on the Consent Agenda

*Items listed under the Consent Agenda are considered routine and are generally enacted in one motion. The exception to this rule occurs when a Council Member requests one or more items removed from the Consent Agenda for separate discussion and action.*

- a. Minutes of June 17, 2025 Regular City Council Meeting
- b. Minutes of July 15, 2025 Regular City Council Meeting
- c. Minutes of August 5, 2025 Special City Council Meeting
- d. Monthly Payment Report (Income)- May 2025
- e. Monthly Council Report (Payments)- May 2025
- f. Monthly Revenue and Expense Report- May 2025
- g. Monthly Payment Report (Income)- June 2025
- h. Monthly Council Report (Payments)- June 2025
- i. Monthly Revenue and Expense Report- June 2025

5. Adjourn to Executive (Closed) Session

*Sec. 551.071 of the Texas Government Code Consultation with Legal Counsel*

*Sec. 551.074 of the Texas Government Code Deliberation of the appointment, employment of a public officer or employee: Julie Watts. .*

*No action shall be taken during this closed session.*

6. Reconvene to Open Session

7. Consider and take action resulting from the Executive Session.

8. Public Information Requests

- a) *Interim City Secretary's contracts with Texas First or the city from 2023 to current, Copy of all payments made to Texas First, Copy of all payments made to Amber Gustafson for any and all lease agreements made with the City of Simonton, Copy of all payments regarding city secretary for terms of 2023-current, Copy of all PIR requests regarding lease for living locations for interim city secretary, Resume, employment contract, and information pertaining to the hiring of Nanci Mohr.*
- b)

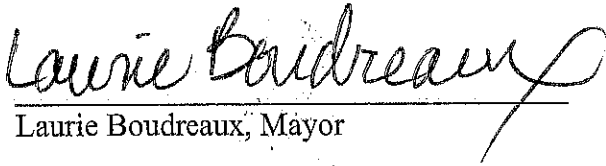
9. Reports

- a. Mayor
  - Budget workshop 2 September 2, 2025, 6:00 pm*
  - Other*
- b. City Council
- c. City Attorney
- d. City Staff
- e. Keep Simonton Beautiful
- f. EDC A & EDC B

10. Next Regular City Council Meeting September 16<sup>th</sup> , 2025, 6:30 pm.

11. Adjournment

I, the undersigned, Mayor of the City of Simonton, do hereby certify that on August 15, 2025 I posted a true and correct copy of the above and following notice of the Regular Meeting of the City of Simonton City Council to be held on August 19, 2025 at 6:30 PM at Simonton City Hall, 35011 FM 1093, Simonton, TX 77476, which posting was done not less than seventy-two (72) hours prior to the date fixed for said meeting.

  
Laurie Boudreaux, Mayor



The City Council may hold an Open or Closed meeting by telephone conference call if an emergency or public necessity exists within the meaning of Section 551.045 of the Open Meetings Act, and the convening at one location of a quorum of the City Council is difficult or impossible.

The City Council may convene into executive session on any matter related to any of the above agenda items for a purpose, such a closed session is allowed under Chapter 551, Texas Government Code.

*Reasonable accommodation for people with disabilities attending this meeting will be available. Persons with disabilities in need of Regular assistance at the meeting should please contact the City Secretary at 281-533-9809 Agendas are posted on the City Website at <http://simontontexas.gov>.*

# BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

17014 Seven Pines Drive  
Spring, Texas 77379  
(281) 379-1065  
(281) 379-6322 (fax)

JILL A. HENZE, CPA  
President

NICOLE BREEDLOVE HUNT, CPA  
CEO

August 19, 2025

Council Members  
City of Simonton, Texas  
Simonton, Texas

We have audited the financial statements of the governmental activities, business-type activities, and the aggregate remaining fund information of City of Simonton, Texas ("the City") for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements for the year ended September 30, 2024.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management will correct all such misstatements. The following material misstatements detected as a result of audit procedures will be corrected by the bookkeeper: cash and cash equivalents, capital assets and payables.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 19, 2025.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Simonton, Texas' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The auditor noted that funds held in accounts at NewFirst National Bank were not adequately secured throughout the year. The amounts in excess of FDIC insurance of \$250,000 are subject to credit risk.

The transition to the new accounting software remains incomplete with incorrect opening balances. Due to the delay in completing the setup of the new software, month-end accounting procedures are not being completed in a timely manner. We recommend that the accounting software setup be completed and procedures be implemented to ensure appropriate and timely accounting functions, including but not limited to, monthly bank and credit card reconciliations and other asset and liability account reconciliations. In addition, we recommend that the Council considers appropriate staff training for full utilization of the accounting software in future years and coordination with the contracted trained service provider to maintain the accounting records and financial data.

During the audit there were instances where payroll tax deposits and reporting requirements were not made in a timely manner or the amount deposited did not reconcile to the amount due to be deposited. We recommend that procedures be implemented to ensure that all filing and payment due dates are met timely and the amount remitted to the IRS are reconciled to the underlying documentation.

The auditor noted that there were instances where council minutes refer to resolution numbers for council discussion and approval whereby the resolution number was duplicated. We recommend that procedures be considered to streamline this process to avoid duplication of resolution numbers, such as a log or resolution register.

We recommend that an appropriate employee or Council member conducts an inventory of all capital assets and create a register of all assets owned by the City.

### Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Council Members and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Jill A. Henze".

Jill A. Henze

DRAFT

**CITY OF SIMONTON, TEXAS**

**REPORT ON FINANCIAL STATEMENTS**  
*(With Supplemental Material)*

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**BREEDLOVE & CO., P.C.**  
*CERTIFIED PUBLIC ACCOUNTANTS*

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President

NICOLE BREEDLOVE HUNT, CPA  
CEO

## INDEPENDENT AUDITORS' REPORT

August 19, 2025

Council Members  
City of Simonton, Texas  
Simonton, Texas

### Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of City of Simonton, Texas, 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, each major fund, and the aggregate remaining fund information of City of Simonton, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Simonton, Texas, 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 opinion.

### Responsibilities of Management for the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Simonton, Texas' 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 of Simonton, Texas' ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and death benefit schedules on pages 5 through 9 and 35 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 19, 2025, on our consideration of City of Simonton, Texas' 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 City of Simonton, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Simonton, Texas' internal control over financial reporting and compliance.

*Brucellone & Co., P.C.*

DRAFT

## CITY OF SIMONTON, TEXAS

### MANAGEMENT DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024

As management of the City of Simonton, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2024.

#### FINANCIAL HIGHLIGHTS

The assets of the City, excluding component units, exceeded its liabilities at the close of the fiscal year by \$2,719,926 (net position). Of this amount, \$2,447,913 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. \$38,664 is restricted for the purpose of renovating City Hall. The remaining \$233,349 represents a restriction equal to the net amount invested in buildings, improvements, furniture and equipment, minus associated debts.

The City's total net position, excluding component units, increased by \$337,695 during the fiscal year ending September 30, 2024.

Excluding component units, the City's total expenses were \$535,713.

At the end of the fiscal year, unassigned fund balance for the General Fund was \$2,432,307 or 324% percent of total General Fund expenditures.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

## CITY OF SIMONTON, TEXAS

### MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024

(Continued)

#### FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's most significant funds. The fund financial statements provide more information about the City's most significant fund - not the City as a whole.

The City has one type of fund:

**Governmental Fund** - Some of the City's basic services are included in the governmental fund, which focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's major programs.

The City maintains one individual governmental fund, the General Fund, for financial reporting purposes. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for this fund, which is considered to be a major fund as of September 30, 2024.

**Component Units** - The City maintains the accounting and financial statements for two component units. The Simonton Development Corporation and the City of Simonton Development Corporation are both discretely presented component units displayed on the government-wide financial statements.

#### NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 29 of this report.

#### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and the general fund's budget comparison. The required supplementary information can be found on pages 35 through 41 of 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, excluding component units, assets exceeded liabilities by \$2,719,926 as of September 30, 2024.

The largest portion of the City's net position (90 percent) represents unrestricted financial resources available for future operations. The remaining portion of the City's net position (1 percent) represents restricted financial resources to be used for specific purposes.

Additionally, a portion of the City's net position (9 percent) reflects its net investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment). The City uses these capital assets to provide services to the individuals we serve; consequently, these assets are not available for future spending.

**CITY OF SIMONTON, TEXAS**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2024**

(Continued)

**SUMMARY OF NET POSITION**

As of September 30,

	<u>2024</u>	<u>2023</u>
Current assets	\$ 2 539 757	\$ 2 442 243
Capital assets	233 349	17 662
Total Assets	<u>\$ 2 773 106</u>	<u>\$ 2 459 905</u>
Deferred outflows of resources	\$ 17 053	\$ 6 238
Total Deferred Outflows of Resources	<u>\$ 17 053</u>	<u>\$ 6 238</u>
Current liabilities	\$ 66 444	\$ 83 197
Total Liabilities	<u>\$ 66 444</u>	<u>\$ 83 197</u>
Deferred inflows of resources	\$ 3 789	\$ 715
Total Deferred Inflows of Resources	<u>\$ 3 789</u>	<u>\$ 715</u>
Net Position:		
Net investment in capital assets	\$ 233 349	\$ 17 662
Restricted	38 664	217 676
Unrestricted	2 447 913	2 146 893
Total Net Position	<u>\$ 2 719 926</u>	<u>\$ 2 382 231</u>

Net position of the City, excluding component units which relate to governmental activities, increased by \$337,695 during the year ended September 30, 2024.

# CITY OF SIMONTON, TEXAS

## MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024

(Continued)

### Statement of Changes in Net Position

	2024	2023
<b>Revenues</b>		
Property taxes	\$ 393 181	\$ 485 029
Franchise taxes	72 565	66 062
Sales taxes	277 091	288 467
Penalties and interest	5 481	5 385
Other revenues	35 480	36 127
Interest income	89 610	57 908
Grants	-	242 294
<b>Total Revenues</b>	<b>873 408</b>	<b>1 181 272</b>
<b>Expenditures</b>		
Administrative fees and expenses	438 105	544 383
Emergency management	37 123	18 763
Public safety	11 985	190
Facilities fee and expenses	19 766	28 917
Public works	23 521	259 460
Beautification	5 213	4 136
<b>Total Expenditures</b>	<b>535 713</b>	<b>855 849</b>
<b>Change in Net Position</b>	<b>337 695</b>	<b>325 423</b>
<b>Net position, beginning of period</b>	<b>2 382 231</b>	<b>2 056 808</b>
<b>Net position, end of period</b>	<b>\$ 2 719 926</b>	<b>\$ 2 382 231</b>

The City's governmental net position increased by \$337,695 from operations during the 2024 fiscal year.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's governmental fund is discussed below:

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

As of September 30, 2024, the City's governmental fund reported an ending fund balance of \$2,470,971. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. The unassigned fund balance represents 324 percent of total General Fund expenditures.

## CITY OF SIMONTON, TEXAS

### MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024

(Continued)

#### CAPITAL ASSETS

The City's net investment in capital assets as of September 30, 2024, amounts to \$233,349.

Additional information on the City's capital assets can be found in Note 5 in the notes to the financial statements.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The City did not amend the budget during the fiscal year. Actual revenues were more than budgeted revenues by \$160,671.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Simonton, Texas' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Simonton, Texas, City Secretary, P.O. Box 7 Simonton, Texas 77476.



# CITY OF SIMONTON, TEXAS

## STATEMENT OF NET POSITION SEPTEMBER 30, 2024

	Primary Government	Component Units	
	Governmental Activities	City of Simonton Development Corporation	Simonton Development Corporation
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents - Unrestricted	\$ 2 093 684	\$ -	\$ -
Cash and Cash Equivalents - Restricted	38 664	322 541	504 090
Investments	378 311	-	-
Property Taxes Receivable	15 606	-	-
Due from Tax Assessor	137	-	-
Other Receivables	2 246	-	-
Due to / from Primary Government	-	5 412	10 343
Net Pension Asset	11 109	-	-
Capital assets, net of depreciation of \$284,144	16 771	-	-
Construction in progress	216 578	-	-
Total Assets	2 773 106	327 653	514 433
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred Outflows of Resources	17 053	-	-
Total Deferred Outflows of Resources	17 053	-	-
Total Assets and Deferred Outflows of Resources	\$ 2 790 159	\$ 327 653	\$ 514 433
<b><u>LIABILITIES</u></b>			
Accounts Payable	17 671	-	-
Payroll Taxes Payable	18 381	-	-
Retainage Payable	14 937	-	-
Due to / from Component Units	15 455	-	-
Total Liabilities	66 444	-	-
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Inflows of Resources	3 789	-	-
Total Deferred Inflows of Resources	3 789	-	-
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	233 349	-	-
Restricted	38 664	327 653	514 433
Unrestricted	2 447 913	-	-
Total Net Position	2 719 926	327 653	514 433
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2 790 159	\$ 327 653	\$ 514 433

See Independent Auditors' Report and the accompanying Notes to Financial Statements

# CITY OF SIMONTON, TEXAS

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Net (Expenses) Revenue and Changes in Net Position			
		Primary Government		Component Units	
		Charges for Services	Governmental Activities	City of Simonton Development Corporation	Simonton Development Corporation
Primary Government:					
Governmental Activities:					
Administrative Fees and Expenses	\$ 438 105	\$ -	\$ 438 105	\$ -	\$ -
Emergency Management	37 123	-	37 123	-	-
Public Safety	11 985	-	11 985	-	-
Facilities Fee and Expenses	19 766	-	19 766	-	-
Public Works	23 521	-	23 521	-	-
Keep Simonton Beautiful	5 213	-	5 213	-	-
Total Governmental Activities	535 713	-	535 713	-	-
Component Units:					
City of Simonton Development Corporation	2 025	-	-	2 025	-
Simonton Development Corporation	32 400	-	-	-	32 400
Total Component Units	34 425	-	-	2 025	32 400
General Revenues					
Property Tax			393 181	-	-
Franchise Tax			72 565	-	-
Sales Tax			277 091	49 269	98 540
Other Revenue			35 480	-	-
Penalties and Interest			5 481	-	-
Interest			89 610	7 729	13 100
Grants			-	-	-
Total General Revenues			873 408	56 998	111 640
Change in Net Position			337 695	54 973	79 240
Net Position - Beginning			2 382 231	272 680	435 193
Net Position - Ending			\$ 2 719 926	\$ 327 653	\$ 514 433

See Independent Auditors' Report and the accompanying Notes to Financial Statements

**CITY OF SIMONTON, TEXAS**

**BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and Cash Equivalents - Unrestricted	\$ 2 093 684
Cash and Cash Equivalents - Restricted	38 664
Investments	378 311
Property Taxes Receivable	15 606
Due from Tax Assessor	137
Other Receivables	2 246
Net Pension Asset	11 109
Total Assets	<u>2 539 757</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources	17 053
Total Deferred Outflows of Resources	<u>17 053</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2 556 810</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 17 671
Payroll Taxes Payable	18 381
Retainage Payable	14 937
Due to Component Units	15 455
Total Liabilities	<u>66 444</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources	3 789
Unavailable Tax Revenue	15 606
Total Deferred inflows of Resources	<u>19 395</u>
<u>FUND BALANCE</u>	
Restricted	38 664
Unassigned	2 432 307
Total Fund Balance	<u>2 470 971</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2 556 810</u>

See Independent Auditors' Report and the accompanying Notes to Financial Statements

# CITY OF SIMONTON, TEXAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Fund</u>
Revenues	
Property Tax	\$ 390 071
Franchise Tax	72 565
Sales Tax	277 091
Penalties and Interest	5 481
Other Revenues	55 480
Interest Income	89 610
Total Revenues	<u>870 298</u>
Expenditures	
Administrative Fees and Expenses	460 163
Emergency Management	53 923
Public Safety	11 985
Facilities Fee and Expenses	196 595
Public Works	23 521
Beautification	5 213
Total Expenditures	<u>751 400</u>
Net Change in Fund Balance	118 898
Fund Balance, Beginning	<u>2 352 073</u>
Fund Balance, Ending	<u>\$ 2 470 971</u>

See Independent Auditors' Report and the accompanying Notes to Financial Statements

## CITY OF SIMONTON, TEXAS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024

#### NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Simonton, Texas, (the "City") was organized as the Village of Simonton, Texas and incorporated in 1986. The City operates as a "general law" city, which provides for a "Mayor-Council" form of government.

The City provides the following services: general government, public safety (including police, fire, and emergency medical services on a contract basis) and public works.

#### A. FINANCIAL REPORTING ENTITY

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. The component units, listed below, although legally separate, are considered part of the reporting entity. These component units have been presented in the City's reporting entity as required by generally accepted accounting principles. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

##### Discretely Presented Component Units

##### Simonton Development Corporation

The citizens of the City approved an additional one half of one percent sales and use tax on November 4, 2008, for economic development under the provisions of Section 4B of the Development Corporation Act of 1979. The Simonton Development Corporation (the "SDC") was created for the public purpose of aiding, promoting and furthering the economic development of the City. The SDC may issue bonds or incur other forms of debt to fulfill its public purpose. The SDC began collecting sales tax in April 2009. The Board of Directors is appointed by the City Council and includes seven board members. City Council approval is required for annual budgets. In the event of dissolution, the net position of the SDC shall be conveyed to the City. The SDC does not have separately issued financial statements.

## CITY OF SIMONTON, TEXAS

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

#### NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### A. FINANCIAL REPORTING ENTITY (Continued)

###### City of Simonton Development Corporation

The citizens of the City approved an additional one quarter of one percent sales and use tax on November 4, 2008, for economic development under the provisions of Section 4A of the Development Corporation Act of 1979. The City of Simonton Development Corporation (the "Corporation") was created for the public purpose of aiding, promoting and furthering the economic development of the City. The Corporation began collecting sales tax in April 2009. The Corporation may issue bonds or incur other forms of debt to fulfill its public purpose. The Board of Directors is appointed by the City Council and includes five board members. City Council approval is required for annual budgets. In the event of dissolution, the net position of the Corporation shall be conveyed to the City. The Corporation does not have separately issued financial statements.

The following component unit has not been included as part of the reporting entity.

###### Simonton Higher Education Facilities Corporation

The Simonton Higher Education Facilities Corporation (the "SEFC") has not been included in the reporting entity as a discretely presented component unit, as it has been deemed immaterial to the financial statements of the City. In 2004, the City authorized and created the SEFC, which was evidenced by ordinance of City Council.

The SEFC is governed by the provisions of section 53.35(6) of the Higher Education Authority Act (Chapter 53, Texas Education Code) referred to as the "Act" for the purpose of benefiting and accomplishing public purposes of, and to act on behalf of, the City pursuant to the Act. The Board of Directors is appointed and serves at the discretion of the City Council. City Council approval is required for debt issuance. In the event of dissolution, any remaining net position shall be conveyed to the City.

The accounting policies of the City conform to generally accepted accounting principles applicable to governments. The following is a summary of the more significant policies.

##### B. BASIS OF PRESENTATION

The financial transactions of the City are recorded in an individual fund. The funds are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The funds are reported by generic classification within the financial statements. The City uses the following fund types:

###### Governmental Funds

###### a. Fund Types:

General Fund - To account for all revenues and expenditures not required to be accounted for in other funds.

###### b. Fund Balances:

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

## CITY OF SIMONTON, TEXAS

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

#### NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### B. BASIS OF PRESENTATION (Continued)

The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by a formal action of the City Council, the City's highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council. Currently, only the City Council has the authority to assign fund balances.
- Unassigned fund balance - amounts that are available for any purpose.

The City uses the following classifications for net positions:

Net Investment in Capital Assets - To indicate the value of capital invested in capital assets less accumulated depreciation, net of associated debt.

Restricted - To indicate the funds restricted within the General Fund for the purposes of contingencies or emergencies. The City Council must approve any change in the restriction of this fund balance.

Unrestricted - To indicate net position that is available for use in future period.

##### C. BASIS OF ACCOUNTING

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become available and measurable. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

The City has adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In compliance with GASB Statement No. 34, the City has presented a Statement of Net Position and Statement of Activities for the year ended September 30, 2024. These statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded in the period they are earned, and expenses are recorded in the period they are incurred.

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### D. CASH EQUIVALENTS

The City considers all highly liquid investments with a maturity of three months or less from the date of acquisition to be cash equivalents. As of September 30, 2024, the City's cash and cash equivalents consisted of demand deposits and certificates of deposit, with maturities not exceeding three months.

#### E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### F. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund as incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset.

Assets are capitalized if they have an original cost of \$500 or more, and a useful life of at least one year. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings and improvements	17 - 20
Furniture and equipment	3-8

#### G. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Management considers accounts receivable to be fully collectible at year-end; accordingly, no allowance for doubtful accounts is required.



# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 (Continued)

### NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### H. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net position and governmental funds balance sheet are different because:

Total Fund Balance at September 30, 2024	\$ 2 470 971
Conversion of property tax assessments to full accrual basis	15 606
Capital assets used in governmental activities are not financial and are not reported in the funds	233 349
Adjustment to fund balance to arrive at net position	248 955
Total Net Position at September 30, 2024	\$ 2 719 926

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

Change in fund balance	\$ 118 898
Conversion of property tax assessments to full accrual basis	3 110
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlay and conveyance of capital assets exceeded depreciation in the current period.	215 687
Change in net position of governmental activities	\$ 337 695

#### I. PENSIONS

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

## CITY OF SIMONTON, TEXAS

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

#### NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### J. OTHER POSTEMPLOYMENT BENEFITS "OPEB"

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

#### NOTE (2) DEPOSITS AND INVESTMENTS

During the year ended September 30, 2024, the contacted depository banks used by the City were Wallis State Bank and NewFirst National Bank. The largest cash, savings, time deposit combined balances at Wallis State Bank during the year ended September 30, 2024, were \$118,704 occurring in September 2024. These funds were adequately insured during the year. The largest cash, savings, time deposit combined balances at NewFirst National Bank during the year ended September 30, 2024, were \$474,183 occurring in March 2024. These funds were not adequately insured during the year.

Statutes authorize the City to invest in direct or indirect obligations of the United States, the state, or any county, school district, or other political subdivision of the state. Funds of the City may also be placed in certificates of deposit of state or national banks or savings associations within the state. The City also holds investments at September 30, 2024, in accordance with the Council approved investment policy, in TexPool State Treasury "TexPool". In following the Public Funds Collateral Act, TexPool invests the City's funds in obligations of the United States, obligations issued by a public agency that is payable from taxes, revenues, or a combination thereof that has been rated by a nationally recognized rating agency with a rating of not less than A, or any security in which a public entity may invest under the Public Funds Investment Act of 1987. Surety bonds and investment securities are used as collateral to secure both the amount of the deposits with TexPool plus any accrued interest. A separate financial report for TexPool is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Copies of the report can be obtained from TexPool Participant Services, c/o Federated Hermes, 1001 Texas Ave., 14th Floor, Houston, Texas 77002. The City held investments in TexPool with a total carrying value and market value of \$378,311 at September 30, 2024.

Local governments are subject to the Public Funds Investment Act as amended during the 1995 legislative session. The Act directs local governments to adopt a written investment policy that primarily emphasizes safety of principal and liquidity. Also addressed under the Act are the areas of investment diversification, yield, maturity, and quality of investment management. The City has complied with the Act's provisions during the year ended September 30, 2024.

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (3) AD VALOREM TAX

During the year ended September 30, 2024, the City levied an ad valorem tax at the rate of \$.30 per \$100 of assessed valuation, which resulted in a tax levy of \$343,646 for 2024, on the taxable valuation of \$114,548,552 for the 2023 tax year. The ad valorem tax was due upon receipt and will be considered delinquent if not paid by February 1, at which time penalties and interest will be assessed. The levy date of the tax was September 1 prior to the delinquent date, or as soon after September 1 as it took to set the tax rate. The lien date is January 1, subsequent to the delinquent date.

In the governmental funds, property taxes are initially recorded as receivables and unearned revenue at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2024, include collections during the current period or within 60 days of year-end related to the 2023 tax levies.

### NOTE (4) SALES TAX REVENUE

During the year ended September 30, 2024, the City received \$246,351 in sales tax revenue and \$30,740 in mixed beverage sales tax revenue.

### NOTE (5) CHANGES IN CAPITAL ASSETS

The changes in capital assets for the year are as follows:

	Beginning of Year	Acquisitions (Disposals), net	Depreciation Expense	End of Year
Buildings and improvements	\$ 171 583	\$ -	\$ -	\$ 171 583
Furniture and equipment	129 332	-	-	129 332
Less: Accumulated Depreciation	( 283 253)	-	( 891)	( 284 144)
Net book value	\$ 17 662	\$ -	\$ ( 891)	\$ 16 771
Construction in Progress	\$ -	\$ 216 578	\$ -	\$ 216 578

### NOTE (6) PENSION PLAN

Effective October 1, 2018, the City became a participant in TMRS.

#### Plan Description

The City participates as one of 920 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report "ACFR" that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (6) PENSION PLAN (Continued)

#### Benefits Provided

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

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

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

#### Plan year 2023

Employee deposit rate	7.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20
Updated service credit	100% Repeating Transfers
Annuity increase to (Retirees)	70% 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	-
Inactive employees entitled to but not yet receiving benefits	2
Active employees	-
Total	<u>2</u>

#### Contributions

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

## CITY OF SIMONTON, TEXAS

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

#### NOTE (6) PENSION PLAN (Continued)

Employees for the City of Simonton were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City of Simonton was 9.08% for calendar years 2023. The City's contributions to TMRS for the year ended September 30, 2024 were \$1,460 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 used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### Actuarial assumptions

The TPL in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll growth	0.00% per year
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation.

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2024 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rates are applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

**CITY OF SIMONTON, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

(Continued)

**NOTE (6) PENSION PLAN (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.00 %	6.75 %
Core Fixed Income	6.00 %	4.70 %
Non-Core Fixed Income	20.00 %	8.00 %
Other Public and Private Markets	12.00 %	8.00 %
Real Estate	12.00 %	7.60 %
Hedge Funds	5.00 %	6.40 %
Private Equity	10.00 %	11.60 %
<b>Total</b>	<b>100.00 %</b>	

**Discount Rate**

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

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

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

<u>1% Decrease 5.75%</u>	<u>1% Decrease 6.75%</u>	<u>1% Increase 7.75%</u>
\$ 14 244	\$ ( 11 109)	\$ ( 30 785)

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (6) PENSION PLAN (Continued)

#### Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	\$ 88 605	\$ 61 116	\$ 27 489
Changes for the year:			
Service cost	-	-	-
Interest	5 981	-	5 981
Change in Benefit terms	-	-	-
Difference between expected and actual experience	18 403	-	18 403
Changes of assumptions	277	-	277
Contributions - employer	-	34 636	( 34 636)
Contributions - employees	-	21 475	( 21 475)
Net investment income	-	7 193	( 7 193)
Benefit payments, including refunds of empl. contributions	-	-	-
Administrative expense	-	( 45)	45
Other changes	-	-	-
Balance at 12/31/2023	\$ 113 266	\$ 124 375	\$ ( 11 109)

#### 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](http://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 \$1,456.

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 16 801
Changes in actuarial assumptions	-	252
Difference between projected and actual investment earnings	( 2 453)	-
Contributions subsequent to the measurement date	-	-
Total	\$ ( 2 453)	\$ 17 053

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (6) PENSION PLAN (Continued)

The City reported \$14,600 as net deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a change of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2024	\$ 1,013
2025	1,013
2026	1,013
2027	1,016
2028	1,627
Thereafter	8,918
Total	<u>\$ 14,600</u>

### NOTE (7) SUPPLEMENTAL DEATH BENEFITS FUND

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

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

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

#### Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	<u>-</u>



# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (7) SUPPLEMENTAL DEATH BENEFITS FUND (Continued)

#### Total OPEB Liability

The City's OPEB was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

#### Actuarial assumptions

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

#### Methods and Assumptions used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.6% to 11.85%, including inflation per year
Discount Rate	3.77%
Retirees' share of benefit-related costs	\$ -
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements. Based on the size of the City, rates are multiplied by an additional factor of 103% for males and 105% for females. For disabled annuitants, the mortality tables for healthy retirees is 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 will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

#### Discount Rate

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

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

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

1% Decrease 2.77%	Current Single Discount Rate Assumption 3.77%	1% Increase 4.77%
\$ -	\$ -	\$ -

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Continued)

### NOTE (7) SUPPLEMENTAL DEATH BENEFITS FUND (Continued)

#### Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 703
Changes in the total OPEB liability	
Service cost	-
Interest on total OPEB liability	28
Changes of benefit terms including TMRS plan participation	-
Difference between expected and actual experience	( 131)
Changes of assumptions or other inputs	-
Benefits payments	-
Net Change in total OPEB liability	( 703)
Total OPEB liability - ending	\$ -

The City reported \$1,336 as deferred inflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024.

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$4.

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ ( 1 284)	\$ -
Changes in actuarial assumptions and other inputs	( 52)	-
Contributions subsequent to the measurement date	N/A	-
Total	\$ ( 1 336)	\$ -

# CITY OF SIMONTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 (Continued)

### NOTE (7) SUPPLEMENTAL DEATH BENEFITS FUND (Continued)

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

Year Ended December 31:	
2024	\$ ( 110)
2025	( 140)
2026	( 109)
2027	( 108)
2028	( 108)
Thereafter	( 791)
Total	\$ (1,336)

### NOTE (8) GRANT AWARDS

In the normal course of operations, the City receives grant funds from various governmental agencies. These grant programs are subject to audit by agents of the granting agency, the purpose of which is to ensure compliance with the provisions of the granting agency. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

During the year ended September 30, 2024, the City was not awarded any grant funding.

### NOTE (9) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

### NOTE (10) SUBSEQUENT EVENTS

In March 2025, the City received grant approvals from Texas General Land Office ("TGLO") for \$1,559,101. These funds are to be used for infrastructure repairs within the city limits.

Management has evaluated subsequent events through August 19, 2025, (the date the financial statements were available to be issued) and noted no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

# BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Spring, Texas 77379  
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JILL A. HENZE, CPA  
President

NICOLE BREEDLOVE HUNT, CPA  
CEO

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

August 19, 2025

Council Members  
City of Simonton, Texas  
Simonton, 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, and the aggregate remaining fund information of the City of Simonton, Texas, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the City of Simonton, Texas' basic financial statements, and have issued our report thereon dated August 19, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Simonton, Texas' internal control over financial reporting (internal control) to determine the 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 of Simonton, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Simonton, Texas' internal control.

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

Our consideration of internal control was for the limited purpose described in the 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 discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

### Material Weaknesses

The City's management consists of an elected Council. Day-to-day operations are performed by employees of the City. The City Council supervises the performance of the employees. The employees are considered to be members of management and as such the employees and Council are responsible for the design and implementation of internal controls.

As is common with the system of internal control of most small organizations, the accounting function of the City does not prepare the financial statements complete with footnotes in accordance with accounting principles generally accepted in the United States of America. Accordingly, the City has not established internal controls over the preparation of its financial statements. During the course of the audit, it was noted that appropriate month-end and year-end closing procedures were not being performed in a timely manner, which resulted in adequate books not being maintained and resulted in a significant passage of time between the fiscal year end and the completion of the audit. These conditions are considered to be material weaknesses in the City's system of internal control over financial reporting. In addition, during the course of performing an audit it is not unusual for the auditor to prepare various journal entries to correct and present the financial statements on the government-wide basis of accounting.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Simonton, Texas' 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. Due to matters discussed in the preceding paragraph, the City is considered to be non-compliant with the requirement to submit an annual audit report with the State of Texas.

### City of Simonton's Response to Findings

We recognize and agree that full integrated use of our accounting software and related procedures will resolve timeliness and appropriate accounting function issues. Simonton is a small City with limited resources, but we will work diligently to rectify the needed internal controls.

City of Simonton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### 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.

*Breckhoff & Co., P.C.*

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**REQUIRED SUPPLEMENTARY INFORMATION**

# CITY OF SIMONTON, TEXAS

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Actual	Original and Final Budget *	Variance Positive (Negative)
<b>Revenues</b>			
Property Tax	\$ 390 071	\$ 343 646	\$ 46 425
Franchise Tax	72 565	72 008	557
Sales Tax	277 091	268 375	8 716
Penalties and Interest	5 481		5 481
Other Revenues	35 480	23 100	12 380
Interest Income	89 610	2 498	87 112
<b>Total Revenues</b>	<u>870 298</u>	<u>709 627</u>	<u>160 671</u>
<b>Expenditures</b>			
Administrative Fees and Expenses	460 163	519 183	59 020
Emergency Management	53 923	46 800	( 7 123)
Public Safety	11 985	21 000	9 015
Facilities Fee and Expenses	196 595	64 005	( 132 590)
Public Works	23 521	240 500	217 979
Beautification	5 213	6 000	787
Municipal Courts	-	250	250
<b>Total Expenditures</b>	<u>751 400</u>	<u>898 738</u>	<u>147 338</u>
<b>Net Change in Fund Balance</b>	<u>118 898</u>	<u>( 189 111)</u>	<u>308 009</u>
<b>Fund Balance, Beginning</b>	<u>2 352 073</u>	<u>2 352 073</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 2 470 971</u>	<u>\$ 2 162 962</u>	<u>\$ 308 009</u>

\* Budget was not amended during the year. Therefore, the original budget is the same as the final budget.

**CITY OF SIMONTON, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
YEARS ENDED DECEMBER 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability</b>			
Service cost	\$ -	\$ 22 804	\$ 20 784
Interest	5 981	4 756	3 735
Change in benefit terms (TMRS Plan Participant)	-	-	13 296
Difference between expected and actual experience	18 403	1 995	( 10 414)
Changes of assumptions or other inputs	277	-	-
Benefits payments, including refunds of participant contributions	-	-	-
<b>Net change in total pension liability</b>	<u>24 661</u>	<u>29 555</u>	<u>27 401</u>
<b>Total pension liability - beginning</b>	<u>88 605</u>	<u>59 050</u>	<u>31 649</u>
<b>Total pension liability - ending (a)</b>	<u>113 266</u>	<u>88 605</u>	<u>59 050</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	34 636	14 110	3 947
Contributions - members	21 475	10 889	7 767
Net Investment income	7 193	( 2 883)	3 178
Benefit payments, including refunds of participant contributions	-	-	-
Administrative expenses	( 45)	( 25)	( 15)
Other	-	29	-
<b>Net change in plan fiduciary net position</b>	<u>63 259</u>	<u>22 120</u>	<u>14 877</u>
<b>Plan fiduciary net position - beginning</b>	<u>61 116</u>	<u>38 996</u>	<u>24 119</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>124 375</u>	<u>61 116</u>	<u>38 996</u>
<b>Fund's net position liability - ending (a) - (b)</b>	<u>\$ ( 11 109)</u>	<u>\$ 27 489</u>	<u>\$ 20 054</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	109.81%	68.98%	66.04%
<b>Covered payroll</b>	\$ -	\$ 155 551	\$ 155 340
<b>Fund's net position as a percentage of covered payroll</b>	N/A	17.67%	12.91%

See the Accompanying Independent Auditors' Report



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 10 151	\$ 8 397	\$ 1 635	N/A	N/A	N/A	N/A
1 560	771	405	N/A	N/A	N/A	N/A
-	-	5 179	N/A	N/A	N/A	N/A
1 897	1 319	-	N/A	N/A	N/A	N/A
-	335	-	N/A	N/A	N/A	N/A
-	-	-	N/A	N/A	N/A	N/A
13 608	10 822	7 219	N/A	N/A	N/A	N/A
18 041	7 219	-	N/A	N/A	N/A	N/A
31 649	18 041	7 219	N/A	N/A	N/A	N/A
3 712	3 264	643	N/A	N/A	N/A	N/A
7 644	6 410	1 248	N/A	N/A	N/A	N/A
910	296	-	N/A	N/A	N/A	N/A
-	-	-	N/A	N/A	N/A	N/A
( 7)	( 1)	-	N/A	N/A	N/A	N/A
-	-	-	N/A	N/A	N/A	N/A
12 259	9 969	1 891	N/A	N/A	N/A	N/A
11 860	1 891	-	N/A	N/A	N/A	N/A
24 119	11 860	1 891	N/A	N/A	N/A	N/A
\$ 7 530	\$ 6 181	\$ 5 328	N/A	N/A	N/A	N/A
76.21%	65.74%	26.19%	N/A	N/A	N/A	N/A
\$ 152 876	\$ 128 205	\$ 24 964	N/A	N/A	N/A	N/A
4.93%	4.82%	21.34%	N/A	N/A	N/A	N/A

See the Accompanying Independent Auditors' Report

# CITY OF SIMONTON, TEXAS

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN YEARS ENDED DECEMBER 31,

Year Ending September 30	Actuarially Determined Contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
2014					
2015					
2016					
2017					
2018	\$ 643	\$ 643	\$ -	\$ 24,964	2.59%
2019	\$ 3,264	\$ 3,264	\$ -	\$ 129,746	2.59%
2020	\$ 3,712	\$ 3,712	\$ -	\$ 152,189	2.44%
2021	\$ 3,947	\$ 3,947	\$ -	\$ 153,693	2.57%
2022	\$ 14,110	\$ 14,110	\$ -	\$ 155,551	9.07%
2023	\$ 34,636	\$ 34,636	\$ (34,636)	\$ -	N/A

#### Notes to Schedule of Employer Contributions to Pension Plan

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 15 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  
 Assets Valuation Method: 10 Year smoothed market; 12% soft corridor  
 Inflation: 2.50%  
 Salary Increases: N/A  
 Investment Rate of Return: 6.75%  
 Retirement Age: Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.  
 Mortality: Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).  
 Pre-retirement: PUB(10) mortality tables, with the public safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis by the most recent scale-MP-2021 (with immediate convergence).

#### Other Information

#### Notes

There were no benefit changes during the year.

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**CITY OF SIMONTON, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)  
LIABILITY AND RELATED RATIOS  
YEARS ENDED DECEMBER 31**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Changes in the total OPEB liability			
Service cost	\$ -	\$ 327	\$ 233
Interest on total OPEB liability	28	29	35
Changes of benefit terms including TMRS plan participation	-	-	-
Difference between expected and actual experience	( 731)	( 476)	( 556)
Changes of assumptions or other inputs	-	( 577)	66
Benefits payments	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	( 703)	( 697)	( 222)
Total OPEB liability - beginning	<u>703</u>	<u>1 400</u>	<u>1 622</u>
Total OPEB liability - ending	<u>\$ -</u>	<u>\$ 703</u>	<u>\$ 1 400</u>
Covered payroll	-	155 551	155 340
Fund's net position as a percentage of covered payroll	N/A	0.45%	0.90%

**NOTES TO SCHEDULE**

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

See the Accompanying Independent Auditors' Report

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 183	\$ 141	\$ 32	N/A	N/A	N/A	N/A
29	13	9	N/A	N/A	N/A	N/A
-	-	254	N/A	N/A	N/A	N/A
90	227	-	N/A	N/A	N/A	N/A
356	305	( 17)	N/A	N/A	N/A	N/A
-	-	-	N/A	N/A	N/A	N/A
658	686	278	N/A	N/A	N/A	N/A
964	278	-	N/A	N/A	N/A	N/A
<u>\$ 1 622</u>	<u>\$ 964</u>	<u>\$ 278</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
152 876	128 205	24 964	N/A	N/A	N/A	N/A
1.06%	0.75%	1.11%	N/A	N/A	N/A	N/A

See the Accompanying Independent Auditors' Report

**CITY OF SIMONTON, TEXAS**

P.O. Box 7

Simonton, Texas 77476

August 19, 2025

Breedlove & Co., P.C.  
17014 Seven Pines Drive  
Spring, TX 77379

This representation letter is provided in connection with your audit of the financial statements of City of Simonton, which comprise the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 19, 2025, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 17, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. In addition, you have proposed adjusting journal entries that will be posted to the entity's accounts. We are in agreement with those adjustments.

- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

- 23) We have provided our views on reported findings, conclusions and recommendations, as well as our planned corrective actions, for the report.
- 24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately disclosed or recorded, and disclosed all leases in accordance with GASBS No. 87.
- 27) We have appropriately disclosed or recorded, and disclosed all subscription-based information technology in accordance with GASBS No. 96.
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws and regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.
- 31) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 35) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 39) Provisions for uncollectible receivables have been properly identified and recorded.
- 40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.



- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

# BREEDLOVE & Co., P.C.

17014 Seven Pines Dr.  
Spring TX 77379

Phone 281-379-1065  
Fax 281-379-6322  
Website www.breedlovecpa.com  
Email info@breedlovecpa.com

46

## INVOICE

To: City of Simonton  
Laurie Boudreaux  
PO Box 7  
Simonton TX 77476

Invoice Date Aug 13 25  
Due Date Aug 13 25  
Invoice Number 15373  
Client Code 3524  
Page 1

Description	Total
Audits of financial statements YE 09/30/2024	17,370.69
	Sub Total 17,370.69
	Tax 0.00
	<b>TOTAL \$17,370.69</b>

ALL INVOICES ARE DUE UPON RECEIPT. Accounts with past due balances are subject to 1% monthly interest charge. Invoices do not show prior balances. Statements will be issued monthly on past due accounts.

THANK YOU FOR YOUR BUSINESS

## PAYMENT ADVICE

Client City of Simonton  
Client Code 3524  
Invoice Number 15373  
Due Date Aug 13 25  
Total Due \$17,370.69

To: Breedlove & Co., P.C.  
17014 Seven Pines Dr.  
Spring TX 77379

4d.



**COUNTY TAX ASSESSOR-COLLECTOR**  
Fort Bend County, Texas

Carmen P. Turner, MPA, PCC, CTOP  
County Tax Assessor-Collector

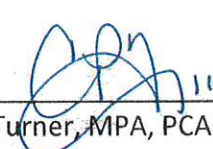
(281) 341-3710  
Fax (832) 471-1830  
www.fbctx.gov

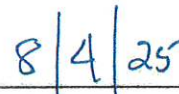
**SUBMISSION OF 2025 TAX YEAR APPRAISAL ROLL  
AND NEW PROPERTY VALUE**

I, Carmen P. Turner, Tax Assessor Collector for **City of Simonton** submit the following information from the 2025 Certified Appraisal Roll for your review:

- Taxable Value of New Property is \$471,876
- Appraised Value of All Property is \$184,148,034
- Taxable Value of All Property is \$125,740,045

**Please record receipt of the above information into the minutes of your next meeting.**

  
\_\_\_\_\_  
Carmen P. Turner, MPA, PCAC, PCC, CTOP  
Fort Bend County Tax Assessor/Collector

  
\_\_\_\_\_  
Date



## Office of the Chief Appraiser

Fort Bend Central Appraisal District  
2801 B.F. Terry Blvd.  
Rosenberg, TX 77471-5600  
281.344.8623

### Appraisal Review Board Fort Bend County, Texas

#### Order Approving Appraisal Records

After review of the appraisal records of the Fort Bend Central Appraisal District and hearing and determining all or substantially all taxpayer protests and all taxing unit challenges which were properly brought before the Appraisal Review Board in accordance with the Texas Property Tax Code, the Board, with a quorum present, has determined that the appraisal records should be approved as changed by Board orders duly submitted to the Chief Appraiser.

It is therefore ordered that the appraisal records, as changed, are approved and constitute the appraisal roll for the Fort Bend Central Appraisal District for the tax year 2025.

The approved appraisal records are attached to this Order and are incorporated herein by reference the same as if fully copied and set forth at length.

Total Value for C18 City of Simonton

Total Market Value	\$184,148,034
Total Assessed Value	\$146,196,972
Total Net Taxable Value	\$125,740,045
Freeze Adjusted Taxable	N/A

Signed this 11th day of July, 2025

Cheryl Harper  
Appraisal Review Board Chairman  
Fort Bend County, Texas



## Office of the Chief Appraiser

Fort Bend Central Appraisal District  
2801 B.F. Terry Blvd.  
Rosenberg, TX 77471-5600  
281.344.8623

Fort Bend County, Texas

### Certification Statement:

In accordance with and pursuant to Tax Code Section 26.01, on this 17 day of July, I, Jordan T. Wise, Chief Appraiser for the Fort Bend Central Appraisal District, do hereby certify to the tax assessor for City of Simonton the appraisal roll and other required information for City of Simonton.

The value of all property in, C18 - City of Simonton as shown by the certified appraisal roll for 2025, after being submitted to and approved by the appraisal review board is:

Total Market Value	\$184,148,034
--------------------	---------------

Total Assessed Value	\$146,196,972
----------------------	---------------

Witness my hand, July 17, 2025

Jordan T. Wise

Jordan T. Wise

Chief Appraiser



## Office of the Chief Appraiser

Fort Bend Central Appraisal District  
2801 B-F Terry Blvd.  
Rosenberg, TX 77471-5600  
281.344.8623

Fort Bend County, Texas

### CERTIFICATION OF 2025 APPRAISAL ROLL

FOR: C18 - City of Simonton

In accordance with and pursuant to Tax Code Section 26.01, on this 17 day of July, I, Jordan T. Wise, Chief Appraiser for the Fort Bend Central Appraisal District, do hereby certify to the tax assessor for City of Simonton the appraisal roll, and other required information for City of Simonton.

#### 2025 Appraisal Roll:

Total Market Value	\$184,148,034
Total Assessed Value	\$146,196,972
Total Taxable Value	\$125,740,045
Freeze Adjusted Taxable	N/A
Number of Certified Accounts	684

Jordan T. Wise

Jordan T. Wise

Chief Appraiser

July 17, 2025

Date



## Office of the Chief Appraiser

Fort Bend Central Appraisal District  
28018 F. Terry Blvd.  
Rosenberg, TX 77471-5600  
281.344.8623

Fort Bend County, Texas

### Chief Appraiser's Reasonable Estimate of Value for Property Under Review as of 2025 Appraisal Roll Certification

On July 11, 2025, the Appraisal Review Board of Fort Bend County, Texas, met to approve the appraisal records for tax year 2025. At the time of certification 98.40% of the roll value was approved leaving 1.60% of the value still under review. Under Section 26.01 of the Texas Property Tax Code, the chief appraiser must give a reasonable estimate of value for the properties still under review.

For C18: City of Simonton, the district's full certified appraised value is as follows:

Market Value                \$184,148,034

Taxable Value              \$125,740,045

### A reasonable estimate of value for the properties still under review is as follows:

Number of Under Review Accounts	34	Estimated Value Adjusted for ARB Action	
Market value is	\$2,038,748	<u>Market Value</u>	\$1,794,098
Taxable Value is	\$892,470	<u>Taxable Value</u>	\$785,374
Freeze Adjusted Taxable Value	<u>N/A</u>	<u>Freeze Adjusted</u>	<u>N/A</u>

I, the undersigned, the duly selected chief appraiser of Fort Bend Central Appraisal District, do hereby certify this to be a reasonable estimate of value of the property still under protest for 2025.

Witness my hand, July 17, 2025.

*Jordan T. Wise*

Jordan T. Wise

Chief Appraiser

# Effective Tax Rate Report

Tax Year: 2025

Taxing Unit: C18 - City of Simonton

## NEW EXEMPTIONS:

	COUNT	2024 ABSOLUTE EX VALUES	2025 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	0	\$0	
NEW HS EXEMPTIONS	4		\$403,428
NEW PRO EXEMPTIONS	0		\$0
NEW OA EXEMPTIONS	0		\$0
NEW DP EXEMPTIONS	0		\$0
NEW DV1 EXEMPTIONS	0		\$0
NEW DV2 EXEMPTIONS	0		\$0
NEW DV3 EXEMPTIONS	0		\$0
NEW DV4 EXEMPTIONS	0		\$0
NEW DVX EXEMPTIONS	0		\$0
NEW HB366 EXEMPTIONS	0		\$0
NEW PC EXEMPTIONS	0		\$0
NEW FRSS EXEMPTIONS	0		\$0

ABSOLUTE EX TOTAL		\$0
PARTIAL EX TOTAL	(+)	\$403,428
2024 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2025	(=)	\$403,428

## NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	0	\$0	\$0
IMPROVEMENT SEGMENTS	0	\$0	
LAND SEGMENTS	0	\$0	
MINERAL	0	\$0	
OTHER	0	\$0	

TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:	\$0
--	-----

## NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT	0
2024 MARKET	\$0
2025 USE	(-) \$0
VALUE LOST DUE TO AG APPLICATIONS:	(=) \$0 (\$0 Taxable)

## NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE <sup>1</sup>	NEW CURRENT TAXABLE <sup>2</sup>
NEW IMPROVEMENTS	5	\$815,941	\$381,754
RESIDENTIAL	5	\$815,941	\$381,754
COMMERCIAL	0	\$0	\$0



OTHER	0	\$0	\$0
NEW ADDITIONS	18	\$7,708,788	\$66,353
RESIDENTIAL	18	\$7,708,788	\$66,353
COMMERCIAL	0	\$0	\$0
OTHER	0	\$0	\$0
PERCENT COMPLETION CHANGED	1	\$194,453	\$23,769
TOTAL NEW PERSONAL VALUE	0	\$0	\$0
SECTION 52 & 59	0	\$0	\$0
REDUCED/EXPIRING ABATEMENTS	0	\$0	\$0

TOTALS:		\$8,719,182	\$471,876
NEW IMPROVEMENT CURRENT MARKET		\$381,754	

2024 TOTAL TAXABLE (EXCLUDES UNDER PROTEST) \$138,561,612  
 2024 OA DP FROZEN TAXABLE \$0  
 2024 TAX RATE 0.2100  
 2024 OA DP TAX CEILING \$0

2025 CERTIFIED TAXABLE \$125,740,045  
 2025 TAXABLE UNDER PROTEST \$892,470  
 2025 OA FROZEN TAXABLE \$0  
 2025 DP FROZEN TAXABLE \$0  
 2025 TRANSFERRED OA FROZEN TAXABLE \$0  
 2025 TRANSFERRED DP FROZEN TAXABLE \$0  
 2025 OA FROZEN TAXABLE UNDER PROTEST \$0  
 2025 DP FROZEN TAXABLE UNDER PROTEST \$0  
 2025 TRANSFER OA WITH FROZEN TAXABLE UNDER PROTEST \$0  
 2025 TRANSFER DP WITH FROZEN TAXABLE UNDER PROTEST \$0  
 2025 APPRAISED VALUE \$147,391,582  
 2025 OA DP TAX CEILING \$0

1. Includes all land and other improvements of properties with new improvement values.  
 2. Includes only new improvement value.

2024 total taxable value.	1. \$138,561,612
2024 tax ceilings.	2. \$0
2024 total adopted tax rate.	4. 0.210000
a. 2024 M&O tax rate.	a. 0.210000
b. 2024 I&S tax rate.	+b. 0.000000
2024 taxable value of property in territory deannexed after Jan. 1, 2024.	7. \$0
2024 taxable value lost because property first qualified for an exemption in 2025.	8. \$403,428
a. Absolute exemptions.	a. \$0
b. Partial exemptions.	+b. \$403,428
2024 taxable value lost because property first qualified for agricultural appraisal (1 - d or 1 - d - 1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in 2025.	9. \$0
a. 2024 market value.	a. \$0
b. 2025 productivity or special appraisal value.	-b. \$0
2025 certified taxable.	\$125,740,045
2025 tax ceilings.	18. \$0
Total 2025 taxable value of properties in territory annexed after Jan. 1, 2024.	20. \$0
Total 2025 taxable value of new improvements and new personal property	21. \$471,876

\* 2024 Values as of Supplement 12.

# Assessment Roll Grand Totals Report

FT. BEND CENTRAL APPRAISAL DISTRICT

Tax Year: 2025 As of: Certification

C18 - City of Simonton (ARB Approved Totals)

Number of Properties: 684

## Land Totals

Land - Homesite	(+)	\$37,858,311		
Land - Non Homesite	(+)	\$22,732,545		
Land - Ag Market	(+)	\$15,483,051		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$76,073,907	(+)	\$76,073,907

## Improvement Totals

Improvements - Homesite	(+)	\$75,427,971		
Improvements - Non Homesite	(+)	\$22,626,325		
Total Improvements	(=)	\$98,054,296	(+)	\$98,054,296

## Other Totals

Personal Property (32)		\$10,019,831	(+)	\$10,019,831
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$184,148,034
Total Homestead Cap Adjustment (91)			(-)	\$5,737,371
Total Circuit Breaker Limit Cap Adjustment (62)			(-)	\$2,077,276
Total Exempt Property (90)			(-)	\$14,732,604

## Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$15,483,051		
Ag Use (34)	(-)	\$79,240		
Timber Use (0)	(-)	\$0		
Total Productivity Loss	(=)	\$15,403,811	(-)	\$15,403,811
Total Assessed			(=)	\$146,196,972

## Exemptions

(HS Assd 79,571,263 )

(HS) Homestead Local (206)	(+)	\$15,057,129		
(HS) Homestead State (206)	(+)	\$0		
(O65) Over 65 Local (72)	(+)	\$1,053,117		
(O65) Over 65 State (72)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$15,000		
(DP) Disabled Persons State (1)	(+)	\$0		
(DV) Disabled Vet (5)	(+)	\$45,667		
(DVX) Disabled Vet 100% (7)	(+)	\$3,746,928		
(DVXSS) DV 100% Surviving Spouse (1)	(+)	\$529,445		
(HB366) House Bill 366 (11)	(+)	\$9,641		
Total Exemptions	(=)	\$20,456,927	(-)	\$20,456,927
Net Taxable (Before Freeze)			(=)	\$125,740,045

# Assessment Roll Grand Totals Report

FT. BEND CENTRAL APPRAISAL DISTRICT

Tax Year: 2025 As of: Certification

C18 - City of Simonton (Under ARB Review Totals)

Number of Properties: 34

## Land Totals

Land - Homesite	(+)	\$223,536		
Land - Non Homesite	(+)	\$848,358		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$1,071,894	(+)	\$1,071,894

## Improvement Totals

Improvements - Homesite	(+)	\$558,026		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$558,026	(+)	\$558,026

## Other Totals

Personal Property (24)		\$241,212	(+)	\$241,212
Minerals (0)		\$0	(+)	\$0
Autos (6)		\$167,616	(+)	\$167,616
Total Market Value			(=)	\$2,038,748
Total Homestead Cap Adjustment (0)			(-)	\$0
Total Circuit Breaker Limit Cap Adjustment (1)			(-)	\$844,138
Total Exempt Property (0)			(-)	\$0

## Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$0		
Ag Use (0)	(-)	\$0		
Timber Use (0)	(-)	\$0		
Total Productivity Loss	(=)	\$0	(-)	\$0
Total Assessed			(=)	\$1,194,610

## Exemptions

(HS Assd 781,562 )

(HS) Homestead Local (2)	(+)	\$156,312		
(HS) Homestead State (2)	(+)	\$0		
(O65) Over 65 Local (1)	(+)	\$15,000		
(O65) Over 65 State (1)	(+)	\$0		
(DV) Disabled Vet (1)	(+)	\$12,000		
(HB366) House Bill 366 (15)	(+)	\$12,624		
(AUTO) Lease Vehicles Ex (2)	(+)	\$106,204		
Total Exemptions	(=)	\$302,140	(-)	\$302,140
Net Taxable (Before Freeze)			(=)	\$892,470



## FORT BEND CENTRAL APPRAISAL DISTRICT

2801 B.F. Terry Blvd. Rosenberg, Texas 77471-5600

Phone (281) 344-6623

[www.fbcad.org](http://www.fbcad.org)

# 2024-2025 Homestead Averages - Certification

## Fort Bend County

Jurisdiction Code C18 Description City of Simonton

	2024	2025
Instances:	201	208
Sum Of Market:	\$89,001,654	\$89,041,103
Average Market:	\$442,794	\$428,082
Sum Of Assessed:	\$73,569,038	\$80,352,825
Average Assessed:	\$366,015	\$386,312

**Roll Correction Penalty Report**  
C18 - City of Simonton

*No Roll Corrections found for this taxing unit.*

### 30 Accounts

**Active Litigation Totals:**

**Appeal Status:**

Litigation Resolved

***No Litigation Resolved Appeals found for this taxing unit***

**City of Simonton Totals:**

27,006,940



**The Donati Brashear Law Firm**  
 410 West Grand Parkway South  
 Suite 104  
 Katy, Texas 77494  
 United States  
 281-994-4034

The Donati Brashear Law Firm

**Julie Watts**

**Balance** \$731.25  
**Forwarded** to #146540  
**Invoice #** 146523  
**Invoice Date** July 2, 2025  
**Payment Terms** Net 15  
**Due Date** July 17, 2025

**Watts, Julie (Criminal Investigation) 5491**

**Time Entries**

Date	EE	Activity	Description	Rate	Hours	Line Total
06/30/2025	KS	Case Work	Review case with Jeff. Preparation of letter of representation for investigator and FBCDAO, review emails from Jeff and opposing counsels.	\$150.00	0.50	\$75.00
06/30/2025	JB	Case Review	Review of Fort Bend County records related to two defendants and four criminal charges as related to client's involvement review of indictments and client having received subpoena from FBCDAO and one defendant, notes.	\$262.50	1.00	\$262.50
06/30/2025	JB	Communication	Phone conversation with FBCDAO ADA handling prosecution of defendants, notes.	\$262.50	0.50	\$131.25
06/30/2025	JB	Communication	Phone conversation with Jenifer Ward's defense counsel regarding subpoena served upon client, defense counsel agreed to two week extension for client to produce in accordance with subpoena, notes.	\$262.50	0.50	\$131.25
06/30/2025	JB	Communication	Phone conversation with client - overview of phone conversations with Jenifer Wards defense counsel and FBCDAO ADA handling prosecution, agreement client no need to appear in Court tomorrow, notes.	\$262.50	0.50	\$131.25

Totals: 3.00 \$731.25

**Terms & Conditions:**

Due within 15 days of receipt.

Time Entry Sub-Total:	\$731.25
<b>Sub-Total:</b>	\$731.25
<b>Total:</b>	\$731.25
<b>Amount Paid:</b>	\$0.00
<b>Balance Due:</b>	<b>\$731.25</b>
Balance Forwarded to Invoice #146540	

**The Donati Brashear Law Firm**  
 410 West Grand Parkway South  
 Suite 104  
 Katy, Texas 77494  
 United States  
 281-994-4034

The Donati Brashear Law Firm

**Julie Watts**

**Balance** \$812.96  
**Invoice #** 146540  
**Invoice Date** August 11, 2025  
**Payment Terms** Net 15  
**Due Date** August 26, 2025

**Watts, Julie (Criminal Investigation) 5491**

Securely pay online

<https://the-brashear-law-firm.mycase.com/x6b7dmfw>



**Time Entries**

Date	EE	Activity	Description	Rate	Hours	Line Total
07/09/2025	KS	Case Work	Review notes on file, update clients file with reminders, email to the client about status of documents.	\$150.00	0.30	\$45.00
07/14/2025	KS	Case Work	Follow up email sent to the client for documents needed to be sent per subpoena.	\$150.00	0.10	\$15.00
07/18/2025	JB	Document Review	Receipt and review of client's document produced in response to two subpoenas issued (FBCDAO and Defense Attorney), notes.	\$262.50	0.50	\$131.25
07/18/2025	JB	Communication	Phone conversation with client - discussions regarding documents produced in response to subpoenas issued (FBCDAO and Defense Attorney), clarification/specifics of documents being produced, notes.	\$262.50	0.50	\$131.25
07/21/2025	JB	Case Work	Receipt and review of client's message regarding amended production, download and save client's amended production, review of client's amended production, notes	\$262.50	0.50	\$131.25
07/21/2025	JB	Communication	Receipt and review of client's response messages - discussions regarding amended documents' notes/comments being how documents were stored at City, phone call with client discussions regarding need for documents without notes/comments to be able to submit both versions to FBCDAO and Defense Attorney, notes	\$262.50	0.25	\$65.63
07/29/2025	JB	Communication	Discussions with FBCDAO ADA regarding client's responses to subpoena, notes.	\$0.00	0.25	\$0.00
07/29/2025	JB	Document Preparation	Drafted response letter to FBCDOA and Defense Attorney regarding client's response to subpoenas issued and documents/records produced by client, notes.	\$262.50	0.25	\$65.63



07/29/2025	KS	Case Work	Review file with Jeff, review documents, left voicemail with client about new affidavit, phone call with the client about affidavit.	\$175.00	0.20	\$35.00
07/30/2025	KS	Case Work	Phone call with client about affidavit. Review letters to the FBODAO and to Chris Downey. Review additional documents.	\$175.00	0.50	\$87.50
07/30/2025	KS	Case Work	Review and complete business records affidavit, sorted documents and bates stamped, scanned and combined documents for serving. Update clients file as needed.	\$175.00	0.50	\$87.50
08/04/2025	KS	Case Work	Review and update clients file, message sent to the client regarding billing.	\$0.00	0.30	\$0.00

Totals: 4.15 \$795.01

### Unpaid Invoice Balance Forward

Invoice #	Invoice Total	Amount Paid	Due Date	Balance Forward
146523	\$731.25	\$0.00	07/17/2025	\$731.25

Balance Forward: \$731.25

#### Terms & Conditions:

Due within 15 days of receipt.

Time Entry Sub-Total:	\$795.01
<b>Sub-Total:</b>	<b>\$795.01</b>
Balance Forward:	\$731.25
<b>Total:</b>	<b>\$1,526.26</b>
<b>Amount Paid:</b>	<b>\$713.30</b>
<b>Balance Due:</b>	<b>\$812.96</b>

### Payment History

Activity	Date	Payment Method	Amount	Responsible User	Deposited Into
Payment Received	Aug 11, 2025	Trust	\$713.30	Kim Solley (Legal Assistant)	Operating

4e.

**The Donati Brashear Law Firm**  
 410 West Grand Parkway South  
 Suite 104  
 Katy, Texas 77494  
 United States  
 281-994-4034

The Donati Brashear Law Firm

**Julie Watts**

**Balance** \$731.25  
**Forwarded** to #146540  
**Invoice #** 146523  
**Invoice Date** July 2, 2025  
**Payment Terms** Net 15  
**Due Date** July 17, 2025

**Watts, Julie (Criminal Investigation) 5491**

**Time Entries**

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06/30/2025	JB	Communication	Phone conversation with client - overview of phone conversations with Jenifer Wards defense counsel and FBCDAO ADA handling prosecution, agreement client no need to appear in Court tomorrow, notes.	\$262.50	0.50	\$131.25
Totals:					<b>3.00</b>	<b>\$731.25</b>

**Terms & Conditions:**

Due within 15 days of receipt.

Time Entry Sub-Total:	\$731.25
<b>Sub-Total:</b>	<b>\$731.25</b>
<b>Total:</b>	<b>\$731.25</b>
<b>Amount Paid:</b>	<b>\$0.00</b>
<b>Balance Due:</b>	<b>\$731.25</b>
Balance Forwarded to Invoice #146540	



**The Donati Brashear Law Firm**  
 410 West Grand Parkway South  
 Suite 104  
 Katy, Texas 77494  
 United States  
 281-994-4034

The Donati Brashear Law Firm

Julie Watts

**Balance** \$812.96  
**Invoice #** 146540  
**Invoice Date** August 11, 2025  
**Payment Terms** Net 15  
**Due Date** August 26, 2025

**Watts, Julie (Criminal Investigation) 5491**

Securely pay online

<https://the-brashear-law-firm.mycase.com/x6b7dmfw>



**Time Entries**

Date	EE	Activity	Description	Rate	Hours	Line Total
07/09/2025	KS	Case Work	Review notes on file, update clients file with reminders, email to the client about status of documents.	\$150.00	0.30	\$45.00
07/14/2025	KS	Case Work	Follow up email sent to the client for documents needed to be sent per subpoena.	\$150.00	0.10	\$15.00
07/18/2025	JB	Document Review	Receipt and review of client's document produced in response to two subpoenas issued (FBCDAO and Defense Attorney), notes.	\$262.50	0.50	\$131.25
07/18/2025	JB	Communication	Phone conversation with client - discussions regarding documents produced in response to subpoenas issued (FBCDAO and Defense Attorney), clarification/specifics of documents being produced, notes.	\$262.50	0.50	\$131.25
07/21/2025	JB	Case Work	Receipt and review of client's message regarding amended production, download and save client's amended production, review of client's amended production, notes	\$262.50	0.50	\$131.25
07/21/2025	JB	Communication	Receipt and review of client's response messages - discussions regarding amended documents' notes/comments being how documents were stored at City, phone call with client discussions regarding need for documents without notes/comments to be able to submit both versions to FBCDAO and Defense Attorney, notes	\$262.50	0.25	\$65.63
07/29/2025	JB	Communication	Discussions with FBCDAO ADA regarding client's responses to subpoena, notes.	\$0.00	0.25	\$0.00
07/29/2025	JB	Document Preparation	Drafted response letter to FBCDAO and Defense Attorney regarding client's response to subpoenas issued and documents/records produced by client, notes.	\$262.50	0.25	\$65.63

07/29/2025	KS	Case Work	Review file with Jeff, review documents, left voicemail with client about new affidavit, phone call with the client about affidavit.	\$175.00	0.20	\$35.00
07/30/2025	KS	Case Work	Phone call with client about affidavit. Review letters to the FBCDAO and to Chris Downey. Review additional documents.	\$175.00	0.50	\$87.50
07/30/2025	KS	Case Work	Review and complete business records affidavit, sorted documents and bates stamped, scanned and combined documents for serving. Update clients file as needed.	\$175.00	0.50	\$87.50
08/04/2025	KS	Case Work	Review and update clients file, message sent to the client regarding billing.	\$0.00	0.30	\$0.00

Totals: 4.15 \$795.01

### Unpaid Invoice Balance Forward

Invoice #	Invoice Total	Amount Paid	Due Date	Balance Forward
146523	\$731.25	\$0.00	07/17/2025	\$731.25

Balance Forward: \$731.25

#### Terms & Conditions:

Due within 15 days of receipt.

Time Entry Sub-Total:	\$795.01
<b>Sub-Total:</b>	<b>\$795.01</b>
Balance Forward:	\$731.25
<b>Total:</b>	<b>\$1,526.26</b>
<b>Amount Paid:</b>	<b>\$713.30</b>
<b>Balance Due:</b>	<b>\$812.96</b>

### Payment History

Activity	Date	Payment Method	Amount	Responsible User	Deposited Into
Payment Received	Aug 11, 2025	Trust	\$713.30	Kim Solley (Legal Assistant)	Operating

**INDEPENDENT CONTRACTOR AGREEMENT**

**CITY OF SIMONTON**

**THE STATE OF TEXAS       §  
                                     §  
COUNTY OF FORT BEND   §**

**AN AGREEMENT FOR PERSONAL SERVICES BY AND BETWEEN THE CITY OF SIMONTON AND STACEY GOOTEE, FOR ASSISTANCE WITH FINANCIAL RECORDKEEPING UPDATES AND MAINTENANCE, REPORTING, BUDGET.**

This Agreement is made and entered into on this 1st day of August 2025, by and between the City of Simonton and Stacey Gootee, an Individual ("Gootee").

**SECTION 1.  
SCOPE OF SERVICES**

Gootee agrees to provide consultation services to the City of Simonton on an as needed basis to bring financial reporting current and maintain, and assist with budget preparation.

**SECTION 2.  
TERM OF AGREEMENT**

The term of this agreement shall be for a period of one (1) year, effective August 1, 2025. The term of the agreement shall be automatically extended for successive one (1) year periods unless one party notifies the other, in writing, of its intent to opt out of the successive term a minimum of thirty (30) days before the end of any particular term.

**SECTION 3.  
COMPENSATION**

For satisfactory performance of the services described in Section 1, the City shall pay Gootee for professional/personal services in the amount of \$28.00 per hour.

**SECTION 4.  
METHOD OF PAYMENT**

Each month, Gootee shall furnish to the City an invoice for services performed for compensation during the preceding month. Each invoice shall also include a detailed record of the month's actual reimbursable expenditures, if any. The City shall pay such invoices within fifteen (15) days of receipt.

**SECTION 5.  
INDEPENDENT CONTRACTOR.**

It is understood and agreed that Gootee, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the City; and as an independent contractor, Gootee shall obtain no rights to retirement benefits or other benefits, and Gootee hereby expressly waives any claim she may have to any such rights.

#### **SECTION 6. TERMINATION.**

A. Either Party shall have the right to terminate this Agreement, without cause, by giving not less than seven (7) days written notice of termination.

B. The Mayor is empowered to terminate this Agreement on behalf of the City.

C. In the event of termination, Gootee shall deliver to the City copies of all reports, documents, and other work performed by Gootee under this Agreement, and upon receipt thereof, the City shall pay Gootee for services performed and reimbursable expenses incurred to the date of termination.

#### **SECTION 7. GOVERNING LAW.**

The City and Gootee agree that the law governing this Agreement shall be that of the State of Texas.

#### **SECTION 8. CONFIDENTIAL INFORMATION.**

All data, documents, discussions or other information developed or received by or for Gootee in performance of this Agreement are confidential and not to be disclosed to any person except as authorized by the City or as required by law.

#### **SECTION 9. OWNERSHIP OF MATERIALS.**

All reports, documents, electronic equivalents or other materials developed or discovered by Gootee or any other person engaged directly or indirectly by Gootee to perform the services required hereunder shall be and remain the property of the City without restriction or limitation upon their use.



**SECTION 10.**  
**NOTICES.**

All notices and other communications required or permitted under this Agreement shall be in writing and shall be personally served or mailed, postage prepaid and return receipt requested, addressed to the respective parties as follows:

To The City:  
City of Simonton  
P.O. Box 368  
Simonton, Texas 77476

With a copy to:  
Philip Boedeker  
Olson & Olson, LLP.  
2727 Allen Parkway, Suite 600  
Houston, Texas 77019

To Stacey Gootee:  
Stacey Gootee  
420 Fort Bend Drive  
Wallis, Texas 77485

A notice shall be deemed effective on the date of personal delivery by hand or the date of receipt of facsimile transmission (with verification of receipt) or, if mailed, three (3) days after deposit in the mail.

**SECTION 11.**  
**NO THIRD-PARTY BENEFICIARIES.**

This Agreement is for the benefit of the named Parties hereto only, and no provision shall be interpreted to grant or convey to any person not a named Party to this contract any benefits or rights.

**SECTION 12.**  
**VENUE.**

In the event that suit shall be brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the state courts of the County of For Bend, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Southern District of Texas, Galveston Division, Houston, Texas.

**SECTION 13.**  
**PRIOR AGREEMENTS AND AMENDMENTS.**

This Agreement represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by a written amendment duly executed by the parties to this Agreement.

**SECTION 14.**  
**SEVERABILITY.**

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

WITNESS THE EXECUTION HEREOF on the day and year first hereinabove written.

CITY OF SIMONTON

By: Laurie Boudreaux Date: August 13, 2025  
Laurie Boudreaux, MAYOR

By: Stacey A. Gootee Date: Aug 13, 2025  
Stacey Gootee