



City of Murchison

Small Town Texas ★ Founded in 1865

**FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024**

**CITY OF MURCHISON, TEXAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>EXHIBIT/ SCHEDULE</u>	<u>PAGE(S)</u>
Independent Auditor’s Report		1-3
Management’s Discussion and Analysis		5-13
Basic Financial Statements:		15
Government-Wide Financial Statements:		17
Statement of Net Position	1	18
Statement of Activities	2	19
Fund Financial Statements:		21
Balance Sheet – Governmental Funds	3	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	25
Statement of Net Position – Proprietary Funds	7	26
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	8	27
Statement of Cash Flows – Proprietary Funds	9	28
Notes to the Financial Statements		29-45
Required Supplementary Information:		47
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	10	48
Supplementary Information:		49
Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual – Proprietary Funds	11	50
Compliance and Internal Control:		51
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		52-53
Summary Schedule of Prior Findings and Responses		54-56
Schedule of Findings and Responses		57-59

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DAVID K. GODWIN

CERTIFIED PUBLIC ACCOUNTANT, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Murchison, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Murchison, Texas (City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–13 and 48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual – Proprietary Funds financial statement is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual – Proprietary Funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2026 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.



David K. Godwin, CPA, PLLC

Tyler, Texas

February 10, 2026

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Management's Discussion and Analysis

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Small Town Texas ★ Founded in 1865

**Management's Discussion and Analysis
For Year Ended December 31, 2024
(Unaudited)**

The Management Discussion and Analysis of the City of Murchison's (City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2024. Please read in conjunction with the City's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

Mayor and Council

Bradley Gray
Mayor

Dana Joslin
Mayor Pro-tem

Torance McClean
City Councilmember

Boyd Sauter
City Councilmember

Danny Garza
City Councilmember

Bobette Bandy
City Councilmember

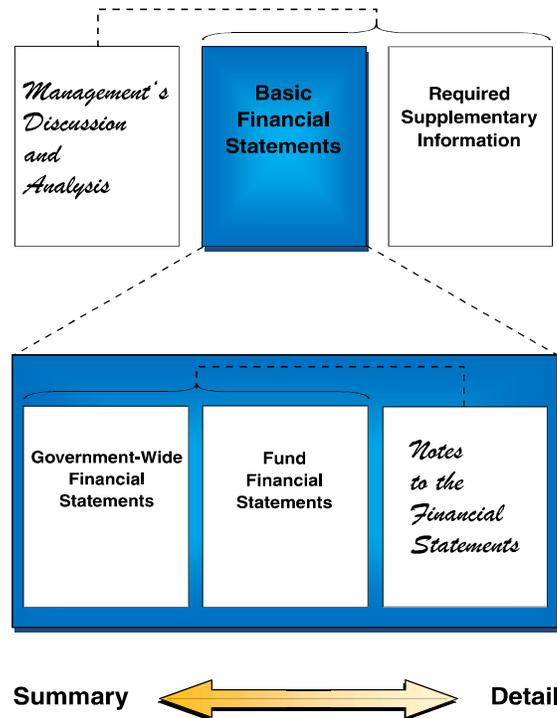
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1,897,418 (Net Position). Of this amount, \$565,774 (Unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$7,121.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$286,172. Of this amount, \$286,172 is unassigned and available for use within the City's fund designation and fiscal policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$286,172, or 87% of the total general fund expenditures.
- The City had no bonded debt at the end of 2024.
- The Murchison Economic Development Corporation's total net position decreased by \$100,192.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City’s annual report consists of a series of financial statements, notes to those statements, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the City’s overall financial status.
- The remaining statements are Fund Financial Statements that focus on individual parts of the government, reporting the City’s operations in more detail than the Government-Wide Statements.
 - The Governmental Funds Statements tell how general government services were financed in the short term as well as what remains for future spending.
 - Proprietary Fund Statements offer financial information about the internal service fund used to report activities that provide services to organizations within the City.

Figure A-1 Required Components of the City’s Annual Financial Report



The basic financial statements include notes that explain information contained within the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 (above) shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 (next page) summarizes the major features of the City’s financial statements, including the portion of the City’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**FIGURE A-2
MAJOR FEATURES OF THE CITY'S GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

<i>Type of Statement</i>	Government-Wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: Wastewater
<i>Required financial statements</i>	• Statement of net position	• Balance sheet	• Statement of net position
	• Statement of activities	• Statement of revenues, expenditures and changes in fund balances	• Statement of revenues, expenses and changes in fund net position • Statement of cash flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of flow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The Government-Wide Statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-Wide Statements report the City's net position and how it has changed. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, you need to consider additional non-financial factors such as changes in the City's tax base.

The Government-Wide Financial Statements of the City include the governmental activities. The City's basic activities include general government, public safety, emergency services, highways and streets, public services, and culture and recreation. Fines, forfeitures and taxes finance most of these activities.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices used by the City to track specific sources and uses of funding for specified activities.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two types of funds:

- **Governmental funds**—Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the year-end balances that are available for spending. Consequently, the Governmental Fund Statements provide a detailed short-term view that helps you determine the level of financial resources that can be spent in the near term to finance the City's programs. Because this information does not encompass the additional long-term focus of the Government-Wide Statements, we provide additional information at the bottom of the Governmental Fund Statements, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-Wide Statements, provide both long-term and short-term financial information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$1,897,418 as of December 31, 2024.

The largest portion of the City's net position, 70.18%, or \$1,331,644, reflects its investments in capital assets (e.g., land, building, equipment, vehicles, improvements and infrastructure), less any outstanding debt used in acquiring those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to repay these liabilities.

CITY OF MURCHISON'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	\$ 298,420	\$ 344,146	\$ 300,839	\$ 472,273	\$ 599,259	\$ 816,419
Capital Assets	168,349	49,080	1,164,639	1,072,840	1,332,988	1,121,919
Total Assets	466,769	393,226	1,465,478	1,545,113	1,932,247	1,938,338
Liabilities:						
Non-Current Liabilities	-	-	1,344	2,594	1,344	2,594
Other Liabilities	12,248	13,743	21,237	31,705	33,485	45,448
Total Liabilities	12,248	13,743	22,581	34,299	34,829	48,042
Net Position:						
Invested in Capital Assets, Net of Related Debt	168,349	49,080	1,163,295	1,071,590	1,331,644	1,120,669
Unrestricted	286,172	330,403	279,602	439,224	565,774	769,627
Total Net Position	\$ 454,521	\$ 379,483	\$ 1,442,897	\$ 1,510,814	\$ 1,897,418	\$ 1,890,296

The balance of unrestricted net position, \$565,774, may be used to meet the government's ongoing obligations to citizens and creditors.

As of December 31, 2024, the City is able to report positive balances in both categories of net position, both for the government as a whole, as well as for its business-type activities. In the prior fiscal year, the City also reported positive balances in both categories of net position.

Analysis of the City's Operations - Overall the City had an increase in net position of \$7,121.

Governmental Activities: Net position for the governmental activities increased by \$75,038. Net position invested in capital assets, net of related debt, increased by \$119,269 due to capital asset additions exceeding depreciation expenses. The remaining change in net position is due to higher-than-expected capital outlay expenditures.

Total revenues for the governmental activities decreased from the previous year by \$84,574, primarily due to the reallocation of Sanitation Services revenue to Business-type activities. General revenue decreased \$3,052 during 2024, primarily due to lower sales tax receipts during the year.

Business-type Activities: Net position from business-type activities decreased by \$67,917. This decrease was primarily due to lower revenue collections associated with water and sewer production and processing in 2024.

The following table provides a summary of the City's operations for the year ended December 31, 2024, with comparative totals for the year ended December 31, 2023.

CITY OF MURCHISON'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Operating Revenues:						
Charges for Services	\$ -	\$ 81,522	\$ 255,249	\$ 278,499	\$ 255,249	\$ 360,021
Other	-	-	-	-	-	-
General Revenues:						
Taxes	182,296	185,348	-	-	182,296	185,348
Miscellaneous	-	-	968	3,233	968	3,233
Total Revenues	<u>182,296</u>	<u>266,870</u>	<u>256,217</u>	<u>281,732</u>	<u>438,513</u>	<u>548,602</u>
Expenses:						
General Government	208,309	229,805	-	-	208,309	229,805
Water and Sewer	-	-	355,084	331,988	355,084	331,988
Total Expenses	<u>208,309</u>	<u>229,805</u>	<u>355,084</u>	<u>331,988</u>	<u>563,393</u>	<u>561,793</u>
Increase (Decrease) in Total Revenues	<u>(26,013)</u>	<u>37,065</u>	<u>(98,867)</u>	<u>(50,256)</u>	<u>(124,880)</u>	<u>(13,191)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Income	288	240	2,119	1,661	2,407	1,901
Interest Expense	-	-	(919)	(282)	(919)	(282)
Total Non-operating Revenue (Expense)	<u>288</u>	<u>240</u>	<u>1,200</u>	<u>1,379</u>	<u>1,488</u>	<u>1,619</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers from Other Funds	100,763	-	29,750	27,982	130,513	27,982
Operating Transfers to Other Funds	-	(27,982)	-	-	-	(27,982)
Total Other Financing Sources (Uses)	<u>100,763</u>	<u>(27,982)</u>	<u>29,750</u>	<u>27,982</u>	<u>130,513</u>	<u>-</u>
Change in Net Position	75,038	9,323	(67,917)	(20,895)	7,121	(11,572)
Net Position – Beginning	<u>379,483</u>	<u>370,160</u>	<u>1,510,814</u>	<u>1,531,709</u>	<u>1,890,297</u>	<u>1,901,869</u>
Net Position – Ending	<u>\$ 454,521</u>	<u>\$ 379,483</u>	<u>\$ 1,442,897</u>	<u>\$ 1,510,814</u>	<u>\$ 1,897,418</u>	<u>\$ 1,890,297</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$286,172; of this total amount, \$286,172, constitutes a surplus in unassigned fund balance.

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

In the general fund, the City's original budget planned for an increase in the fund balance on a budget basis. The City did not pass any budget amendments during the fiscal year ending 2024 Actual revenues in all categories were higher than the final budgeted amounts by a total of \$27,784. Actual expenditures not including transfers were higher than final budgeted amounts by a total of \$176,742.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$1,331,644 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, equipment, improvements, and infrastructure. The total increase in capital assets for the current fiscal year was \$211,068, or 18.81%.

Major capital asset additions during fiscal year 2024 included \$130,513 for park improvements and \$169,185 for construction and infrastructure improvements of the City's waterworks system.

CAPITAL ASSETS AT YEAR-END AND ACCUMULATED DEPRECIATION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,680	\$ 1,680	\$ 25,340	\$ 25,340	\$ 27,020	\$ 27,020
Buildings & Improvements	32,628	32,628	-	-	32,628	32,628
Equipment	5,300	5,300	109,031	65,703	114,331	71,003
Infrastructure	321,414	321,414	-	-	321,414	321,414
Park Improvements	150,775	20,262	-	-	150,775	20,262
Waterworks System	-	-	2,607,997	2,482,161	2,607,997	2,482,161
Right-to-use software arrangements	-	-	3,757	3,757	3,757	3,757
Accumulated Depreciation	(343,448)	(332,204)	(1,581,486)	(1,504,121)	(1,924,934)	(1,836,326)
Total	<u>\$ 168,349</u>	<u>\$ 49,080</u>	<u>\$ 1,164,639</u>	<u>\$ 1,072,840</u>	<u>\$ 1,332,988</u>	<u>\$ 1,121,919</u>

Additional information on the City's capital assets can be found in Note 1 on page 34 and in Note 2 on page 41 in the notes of this report.

DEBT ADMINISTRATION

At the end of the current and prior fiscal years, the City had no bonded debt.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Murchison, Attn: City Secretary at 9540 FM 773, Murchison, Texas 75778, or call (903) 469-3710.

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Basic Financial Statements

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Government-Wide Financial Statements

CITY OF MURCHISON, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	MEDCO
ASSETS				
Cash and cash equivalents	\$ 260,533	\$ 212,632	\$ 473,165	\$ 133,096
Investments	-	27,460	27,460	-
Receivables (net of allowances):				
Sales taxes	37,887	-	37,887	12,629
Other	-	44,027	44,027	-
Due from other funds	-	-	-	9,335
Restricted cash and cash equivalents	-	16,720	16,720	-
Capital assets:				
Land and other non-depreciated assets	1,680	25,340	27,020	-
Other capital assets - net of depreciation	166,669	1,139,299	1,305,968	-
Total assets	<u>466,769</u>	<u>1,465,478</u>	<u>1,932,247</u>	<u>155,060</u>
LIABILITIES				
Accounts payable and accrued liabilities	2,913	21,237	24,150	-
Due to other funds	9,335	-	9,335	-
Long-term liabilities:				
Due within one year	-	1,344	1,344	-
Due in more than one year	-	-	-	-
Total liabilities	<u>12,248</u>	<u>22,581</u>	<u>34,829</u>	<u>-</u>
NET POSITION				
Investment in capital assets, net of related debt	168,349	1,163,295	1,331,644	-
Unrestricted	286,172	279,602	565,774	155,060
Total net position	<u>\$ 454,521</u>	<u>\$ 1,442,897</u>	<u>\$ 1,897,418</u>	<u>\$ 155,060</u>

**CITY OF MURCHISON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			COMPONENT UNIT
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	MEDCO
Primary government:							
Governmental activities:							
Administration	\$ 174,316	\$ -	\$ -	\$ (174,316)	\$ -	\$ (174,316)	
Highways and streets	3,689	-	-	(3,689)	-	(3,689)	
Parks and recreation	30,304	-	-	(30,304)	-	(30,304)	
Total governmental activities	<u>208,309</u>	<u>-</u>	<u>-</u>	<u>(208,309)</u>	<u>-</u>	<u>(208,309)</u>	
Business-type activities:							
Waterworks	356,003	255,249	-	-	(100,754)	(100,754)	
Total business-type activities	<u>356,003</u>	<u>255,249</u>	<u>-</u>	<u>-</u>	<u>(100,754)</u>	<u>(100,754)</u>	
Total primary government	<u>\$ 564,312</u>	<u>\$ 255,249</u>	<u>\$ -</u>	<u>(208,309)</u>	<u>(100,754)</u>	<u>(309,063)</u>	
Component unit:							
Murchison Economic Development Corporation	\$ 26,108	\$ -	\$ -				\$ (26,108)
Total component unit	<u>\$ 26,108</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(26,108)</u>
General revenues:							
Sales taxes				164,178	-	164,178	54,726
Franchise taxes				18,118	-	18,118	-
Investment earnings				288	2,119	2,407	1,602
Miscellaneous local and intermediate revenue				-	968	968	101
Transfers				100,763	29,750	130,513	(130,513)
Total general revenues and transfers				<u>283,347</u>	<u>32,837</u>	<u>316,184</u>	<u>(74,084)</u>
Change in net position				75,038	(67,917)	7,121	(100,192)
Net position - beginning				<u>379,483</u>	<u>1,510,814</u>	<u>1,890,297</u>	<u>255,252</u>
Net position - ending				<u>\$ 454,521</u>	<u>\$ 1,442,897</u>	<u>\$ 1,897,418</u>	<u>\$ 155,060</u>

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

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Fund Financial Statements

**CITY OF MURCHISON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	MAJOR FUND	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	FUNDS
ASSETS		
Cash	\$ 260,533	\$ 260,533
Receivables (net of allowances):		
Sales taxes	37,887	37,887
Total assets	\$ 298,420	\$ 298,420
LIABILITIES		
Accounts payable	\$ 2,913	\$ 2,913
Due to other funds	9,335	9,335
Total liabilities	12,248	12,248
FUND BALANCES		
Unassigned fund balance	286,172	286,172
Total fund balances	286,172	286,172
Total liabilities and fund balances	\$ 298,420	\$ 298,420

**CITY OF MURCHISON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances - governmental funds	\$ 286,172
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the governmental funds balance sheet.	<u>168,349</u>
Net position of governmental activities	<u>\$ 454,521</u>

CITY OF MURCHISON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	MAJOR FUND	TOTAL
	GENERAL FUND	GOVERNMENTAL FUNDS
REVENUES		
Taxes:		
Sales	\$ 164,178	\$ 164,178
Franchise	18,118	18,118
Interest income	288	288
	<u>182,584</u>	<u>182,584</u>
Total revenues		
EXPENDITURES		
Administration	172,769	172,769
Parks and recreation	22,033	22,033
Highways and streets	2,263	2,263
Capital outlay	130,513	130,513
	<u>327,578</u>	<u>327,578</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	<u>(144,994)</u>	<u>(144,994)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers from other funds	<u>100,763</u>	<u>100,763</u>
Total other financing sources (uses)	<u>100,763</u>	<u>100,763</u>
Net change in fund balances	(44,231)	(44,231)
Fund balances - beginning of year	<u>330,403</u>	<u>330,403</u>
Fund balances - end of year	<u>\$ 286,172</u>	<u>\$ 286,172</u>

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

CITY OF MURCHISON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Net change in fund balances - total governmental funds	\$ (44,231)
The depreciation of capital assets used in governmental activities is not reported in the funds.	(11,244)
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide statement of activities.	<u>130,513</u>
Change in net position of governmental activities	<u>\$ 75,038</u>

CITY OF MURCHISON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
ASSETS	WATERWORKS
Current assets:	
Cash	\$ 212,632
Investments	27,460
Accounts receivable (net)	44,027
Total current assets	284,119
Restricted assets:	
Cash	16,720
Total restricted assets	16,720
Noncurrent assets:	
Capital assets:	
Water and sewer system	2,607,998
Equipment	109,031
Right-to-use software arrangements	3,757
Land	25,340
Less: accumulated depreciation	(1,581,487)
Total noncurrent assets	1,164,639
Total assets	1,465,478
LIABILITIES	
Current liabilities:	
Accounts payable	3,712
Customer deposits	17,525
Right-to-use software arrangements	1,344
Total liabilities	22,581
NET POSITION	
Investment in capital assets, net of related debt	1,163,295
Unrestricted	279,602
Total net position	\$ 1,442,897

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

**CITY OF MURCHISON, TEXAS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
	<u>WATERWORKS</u>
OPERATING REVENUES	
Service charges	\$ 217,028
Garbage charges	38,221
Contributions and other	<u>968</u>
Total operating revenues	<u>256,217</u>
OPERATING EXPENSES	
Contract labor	189,878
Depreciation	77,365
Maintenance and repairs	44,043
Utilities	21,908
Payroll costs	5,310
Chemicals and supplies	10,508
Licenses and subscriptions	3,119
Travel and training	2,604
Other	<u>349</u>
Total operating expenses	355,084
Operating loss	<u>(98,867)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	2,119
Interest expense	<u>(919)</u>
Total nonoperating expenses	<u>1,200</u>
Loss before operating transfers	<u>(97,667)</u>
TRANSFERS	
Transfers in	<u>29,750</u>
Total transfers	<u>29,750</u>
Change in net position	(67,917)
Net position - beginning	<u>1,510,814</u>
Net position - end of year	<u>\$ 1,442,897</u>

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

**CITY OF MURCHISON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND <u>WATERWORKS</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 261,230
Other cash receipts	968
Payments to suppliers	(90,867)
Payments to employees and contractors for service	<u>(197,792)</u>
Net cash used in operating activities	<u>(26,461)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers-in from other funds	<u>29,750</u>
Net cash provided by non-capital financing activities	<u>29,750</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(169,164)
Interest on debt	<u>(919)</u>
Net cash used in capital and related financing activities	<u>(170,083)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>2,119</u>
Net cash provided by investing activities	<u>2,119</u>
Net decrease in cash and cash equivalents	(164,675)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>394,027</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 229,352</u></u>
Reconciliation of Operating loss to Net Cash used in Operating Activities	
Operating loss	\$ (98,867)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	77,365
Changes in assets and liabilities:	
Increase (decrease) in accounts payable	(10,940)
Increase (decrease) in customer meter deposits	472
Increase (decrease) in Right-to-use software arrangements	(1,250)
Decrease (increase) in accounts receivable	7,471
Decrease (increase) in investments	<u>(712)</u>
Total adjustments	<u>72,406</u>
Net cash provided by operating activities	<u><u>\$ (26,461)</u></u>

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

Notes to the Financial Statements

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of Murchison (City) operates as a General Law Type A city pursuant to the laws of the State of Texas under a Mayor-Council form of government. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and reporting framework and the more significant accounting principles and practices of the City are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended December 31, 2024.

Discretely Presented Component Unit

The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City.

The financial statements of a city normally include those of separately administered organizations that are controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. Based on these criteria, the financial activities of the Murchison Economic Development Corporation (MEDCO) is included in the financial statements as a discretely presented component unit of the City.

MEDCO was established to collect sales tax pursuant to the Development Corporation Act of 1979 with the purpose to promote economic development within the City in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City. The governing body of MEDCO is selected and approved by the City Council.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. Governmental activities include programs supported primarily by taxes and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Government-Wide and Fund Financial Statements - continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Interfund activities between governmental funds appear as due to/due froms on the governmental fund balance sheet and as other resources and other uses on the governmental fund statement of revenues, expenditures and changes in fund balance. All interfund transactions between governmental funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories - governmental and proprietary. The City considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. All other expenses are non-operating.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The City considers all revenues available if they are collectible within 60 days after year-end.

Revenues from local sources consist primarily of taxes. Tax revenue and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The City considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

The proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

The City reports the following major governmental funds:

General Fund – The general fund is the City's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

The City reports the following major proprietary fund:

Waterworks Fund – This fund is utilized for the operations of the water distribution system and the wastewater system provided by the City for the community.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The City’s cash and cash equivalents includes amounts on hand and in demand deposits.

Investments

State statutes and the City’s investment policy authorize the City to invest in obligations of the U.S. Treasury, State of Texas obligations, certificates of deposit, commercial paper, corporate bonds, repurchase agreements, and mutual funds.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either “Due to/from Other Funds” (i.e., the current portion of the interfund loan) or “Advances to/from Other Funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “Due to/from Other Funds.”

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types report the face amount of the debt issued as Other Financing Sources and debt payments as Expenditures.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance-continued

Capital Assets

Capital assets, which include land, buildings, equipment, and infrastructure (roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three (3) years. Such assets are recorded at historical cost where records are available or at an estimated fair market value at the date of acquisition where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide statements regardless of their amount.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Waterworks system	5 – 60
Infrastructure	15
Equipment	5
Building and improvements	10 – 30

In the case of initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), public domain property including roads, bridges, curbs and gutters, streets and sidewalks and similar assets prior to December 31, 2003 have not been capitalized by the City. Additional capital assets, constructed or acquired each period subsequent to December 31, 2003, are capitalized and reported at historical cost.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Assets, Liabilities, and Net Position or Equity - continued

Fund Balance Classification

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental 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. The following classifications describe the relative strength of the spending constraints:

Nonspendable 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 the City Council, using its 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 Council intends to use for a specific purpose. Intent can be expressed by the Mayor or the City Secretary, through which the City Council has delegated the authority.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). When it is appropriate for fund balance to be assigned, the City Council designated the authority to the Mayor and the City Secretary (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Assets, Liabilities, and Net Position or Equity - continued

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has zero (0) items which arises only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the items are unavailable revenue, and are reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary fund considers all cash on hand and demand deposits to be cash equivalents.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Stewardship, Compliance, and Accountability

Budgetary Data

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the general and proprietary funds. The City holds a public hearing on proposed budget prior to its adoption. All appropriations lapse at fiscal year-end.

The budget is legally enacted and once approved, can only be amended by approval of a majority of the Council members. Amendments are presented to the Council at its regular meetings.

Expenditures in Excess of Budgeted Amounts

The following is a summary of expenditures in excess of appropriations for the General Fund:

<u>Department</u>	<u>Expenditures</u>	<u>Budget</u>	<u>Variance</u>
Administration	\$ 172,769	\$ 135,936	\$ (36,833)
Parks and recreation	\$ 22,033	\$ 4,900	\$ (17,133)
Capital outlay	\$ 130,513	\$ -	\$ (130,513)

Use of Estimates

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

**CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2: DETAILED NOTES ON ALL FUNDS

Deposits

The City’s balances were completely covered by federal deposit insurance or collateralized at December 31, 2024. The City’s deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the City or by its agent in the City’s name.

Category 2 - Collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3 - Uncollateralized.

Deposits categorized by level of risk for cash and cash equivalents are as follows:

<u>Primary Government</u>	<u>Bank Balance</u>	<u>Category</u>			<u>Carrying Amount</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
<i>Governmental activities:</i>					
General fund	\$ 260,533	\$ 250,000	\$ 10,533	\$ -	\$ 260,533
<i>Business-type activities:</i>					
Waterworks fund	229,352	-	229,352	-	229,352
Total	489,885	250,000	239,885	-	489,885
<u>Component Unit</u>					
MEDCO	133,096	133,096	-	-	133,096
Total	<u>\$ 622,981</u>	<u>\$ 383,096</u>	<u>\$ 239,885</u>	<u>\$ -</u>	<u>\$ 622,981</u>

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Investments

The City is required by The Public Funds Investment Act (“Act”) to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable state maturity of portfolio investments, (7) maximum average dollar weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City did not adhere to the requirements of the Act.

The Act determines the type of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City’s certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the State. The FDIC currently insures the first \$250,000 of the City’s deposits at each financial institution. Deposit balances over \$250,000 are insured by the collateral pool. As of December 31, 2024, the carrying amount of the City’s certificates of deposit was \$27,460.

Economic Dependence

The City’s operations are funded by taxes and revenues collected from the residents of the City of Murchison, Texas. Accordingly, the City is economically dependent on the local economy of the City and surrounding area.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Receivables

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

<u>Receivables</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Component</u>
	<u>General</u> <u>Fund</u>	<u>Waterworks</u> <u>Fund</u>		<u>Unit</u> <u>MEDCO</u>
Accounts	\$ -	\$ 70,474	\$ 70,474	\$ -
Taxes	37,887	-	37,887	12,629
Gross receivables	37,887	70,474	108,361	12,629
Less: Allowance for uncollectibles	-	(26,447)	(26,447)	-
Total	<u>\$ 37,887</u>	<u>\$ 44,027</u>	<u>\$ 81,914</u>	<u>\$ 12,629</u>

Interfund Transfers

Transfers are indicative of funding for capital projects, debt service, and subsidies of various City operations. The composition of inter-fund transfers from/to other funds during the fiscal year, is as follows:

<u>Funds</u>	<u>Transfers in</u>	<u>Transfers out</u>
General	\$ 100,763	\$ -
Waterworks	29,750	-
MEDCO	-	(130,513)
Total	<u>\$ 130,513</u>	<u>\$ (130,513)</u>

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Capital Assets

The following is a summary of the changes in the capital assets during the fiscal year:

<u>Primary Government</u>	<u>Balance 12/31/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2024</u>
<i>Governmental activities</i>				
<u>Non-depreciable assets:</u>				
Land	\$ 1,680	\$ -	\$ -	\$ 1,680
<u>Depreciable assets:</u>				
Buildings and improvements	32,628	-	-	32,628
Equipment	5,300	-	-	5,300
Infrastructure	321,414	-	-	321,414
Park improvements	20,262	130,513	-	150,775
Accumulated depreciation	<u>(332,204)</u>	<u>(11,244)</u>	-	<u>(343,448)</u>
Governmental activities, net	<u>49,080</u>	<u>119,269</u>	-	<u>168,349</u>
<i>Business-type activities</i>				
<u>Non-depreciable assets:</u>				
Land	25,340	-	-	25,340
<u>Depreciable assets:</u>				
Waterworks system	2,482,161	125,836	-	2,607,997
Equipment	65,703	43,328	-	109,031
Right-to-use software arrangements	3,757	-	-	3,757
Accumulated depreciation	<u>(1,504,121)</u>	<u>(77,365)</u>	-	<u>(1,581,486)</u>
Business-type activities, net	<u>1,072,840</u>	<u>91,799</u>	-	<u>1,164,639</u>
Capital assets, net	<u>\$ 1,121,920</u>	<u>\$ 211,068</u>	<u>\$ -</u>	<u>\$ 1,332,988</u>

Depreciation expense for governmental activities was charged to Functions/Programs as follows:

Administration	\$ 1,547
Highways and streets	1,426
Parks and recreation	<u>8,271</u>
Total depreciation expense	<u>\$ 11,244</u>

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage during the year ending December 31, 2024.

The City is a member of the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool, participating in workers' compensation, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, real and personal property coverage, and employee health insurance.

Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. No reportable litigation was pending against the City as of December 31, 2024.

Related Parties

In the ordinary course of business, the City has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms, including interest rates and collateral, as those prevailing at the time of comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the City.

Subscription-Based Information Technology Arrangements

The City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The City has two (2) software arrangements that require recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the City's intangible asset of five software systems, which is included in the capital assets table as Intangible Right-to-Use Software Arrangements.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Subscription-Based Information Technology Arrangements – continued

The City recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use assets for software as follows:

The QuickBooks accounting software arrangement is a one-year agreement, initiated in fiscal year 2023 with an annual payment of \$519. At the inception, the City has used a 7.50% interest rate for this arrangement based on the prime rate as published by the *Wall Street Journal*. The City has an option to extend this arrangement for 12 additional months and is likely to exercise that option for two (2) additional years. There is no option to purchase the software.

The RVS utility billing/tracking software arrangement is a one-year agreement, initiated in fiscal year 2023 with an annual payment of \$926. At the inception, the City has used a 7.50% interest rate for this arrangement based on the prime rate as published by the *Wall Street Journal*. The City has an option to extend this arrangement for 12 additional months and is likely to exercise that option for two (2) additional years. There is no option to purchase the software.

These assets will be amortized over the lease terms of three years with \$3,757 recorded as intangible right-to-use software arrangements in the General Fund and Water Sewer Fund capital assets.

SBITA agreements are summarized as follows:

<u>Business-Type Activities</u>	<u>SBITA Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Total SBITA Liability</u>	<u>Yearend Balance</u>
<u>Right-to-use software arrangements</u>						
QuickBooks	1/1/2023	36 months	\$ 519	7.50%	\$ 1,348	\$ 482
RVS	1/1/2023	36 months	\$ 926	7.50%	2,408	862
				Total	<u>\$ 3,757</u>	<u>\$ 1,344</u>

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

<u>Year Ending</u> <u>December 31</u>	<u>SBITA Payment Schedule</u>		<u>Total</u>
	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	
2025	<u>\$ 1,344</u>	<u>\$ 100</u>	<u>\$ 1,444</u>
Total	<u>\$ 1,344</u>	<u>\$ 100</u>	<u>\$ 1,444</u>

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Accounting Standards

The GASB has issued the following Statement(s) which were implemented during the current fiscal year as shown below:

GASB Statement No. 100 – *“Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.”* The objectives of this Statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement will become effective for fiscal years beginning after June 15, 2023. All applicable provisions have been included in the City’s financial statements as of December 31, 2024.

GASB Statement No. 101 – *“Compensated Absences.”* The objectives of this Statement are to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement will become effective for fiscal years beginning after December 15, 2023. All applicable provisions have been included in the City’s financial statements as of December 31, 2024.

The GASB has issued the following Statements which will become effective in future years as shown below:

GASB Statement No. 102 – *“Certain Risk Disclosures.”* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 103 – *“Financial Reporting Model Improvements.”* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 104 – *“Disclosure of Certain Capital Assets.”* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement will become effective for fiscal years beginning after June 15, 2025. Management has not yet determined the impact of this Statement on its financial statements.

CITY OF MURCHISON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: DETAILED NOTES ON ALL FUNDS - continued

Accounting Standards – continued

OMB Circular A-133 – State of Texas Single Audit Circular

The City did not expend \$750,000 or more in federal or state awards during 2024. As a result, a Single Audit in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular was not required for the year ended December 31, 2024.

Subsequent Events

Management has evaluated subsequent events through February 10, 2026, which is the date the financial statements were made available to management.

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Required Supplementary Information

**CITY OF MURCHISON, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		(UNFAVORABLE)
REVENUES				
Taxes:				
Sales	\$ 145,000	\$ 145,000	\$ 164,178	\$ 19,178
Franchise	9,500	9,500	18,118	8,618
Licenses and permits	200	200	-	(200)
Interest income	-	-	288	288
Miscellaneous	100	100	-	(100)
Total revenues	<u>154,800</u>	<u>154,800</u>	<u>182,584</u>	<u>27,784</u>
EXPENDITURES				
Administration	135,936	135,936	172,769	(36,833)
Highways and streets	10,000	10,000	2,263	7,737
Parks and recreation	4,900	4,900	22,033	(17,133)
Capital outlay	-	-	130,513	(130,513)
Total expenditures	<u>150,836</u>	<u>150,836</u>	<u>327,578</u>	<u>(176,742)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,964</u>	<u>3,964</u>	<u>(144,994)</u>	<u>(148,958)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers from other funds	-	-	100,763	100,763
Total other financing sources	<u>-</u>	<u>-</u>	<u>100,763</u>	<u>100,763</u>
Excess (deficiency) of revenues & other sources over expenditures & other (uses)	<u>\$ 3,964</u>	<u>\$ 3,964</u>	<u>(44,231)</u>	<u>\$ (48,195)</u>
Fund balance - beginning of year			<u>330,403</u>	
Fund balance - end of year			<u>\$ 286,172</u>	

Supplementary Information

CITY OF MURCHISON, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET AMOUNTS		WATERWORKS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
OPERATING REVENUES				
Service charges	\$ 282,007	\$ 282,007	\$ 217,028	\$ (64,979)
Sanitation services	69,552	69,552	38,221	(31,331)
Contributions and other	5,000	5,000	968	(4,032)
Total operating revenues	356,559	356,559	256,217	(100,342)
OPERATING EXPENSES				
Contract labor	158,014	158,014	189,878	(31,864)
Depreciation	-	-	77,365	(77,365)
Maintenance and repairs	74,500	74,500	44,043	30,457
Utilities	25,670	25,670	21,908	3,762
Payroll costs	25,580	25,580	5,310	20,270
Chemicals and supplies	13,350	13,350	10,508	2,842
Licenses and subscriptions	5,000	5,000	3,119	1,881
Travel and training	-	-	2,604	(2,604)
Other	6,140	6,140	349	5,791
Total operating expenses	308,254	308,254	355,084	(46,830)
Operating income	48,305	48,305	(98,867)	(147,172)
NONOPERATING REVENUES (EXPENSES)				
Interest income	9,000	9,000	2,119	(6,881)
Interest expense	-	-	(919)	(919)
Total nonoperating expenses	9,000	9,000	1,200	(7,800)
Income before operating transfers	57,305	57,305	(97,667)	(154,972)
TRANSFERS				
Transfers in	-	-	29,750	29,750
Total transfers	-	-	29,750	29,750
Change in net position	\$ 57,305	\$ 57,305	(67,917)	\$ (125,222)
Net position - beginning, as restated			1,510,814	
Net position - end of year			\$ 1,442,897	

Compliance and Internal Control



DAVID K. GODWIN

CERTIFIED PUBLIC ACCOUNTANT, PLLC

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

To the Honorable Mayor and Members of City Council
City of Murchison, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Murchison, Texas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's 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 first paragraph of this section 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-002 and 2024-003.

City of Murchison, Texas's Response to Prior Findings

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

City of Murchison, Texas's Response to Findings

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

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.



David K. Godwin, CPA, PLLC

Tyler, Texas

February 10, 2026

**CITY OF MURCHISON, TEXAS
SCHEDULE OF PRIOR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

2022-004 Compliance

Recommendation 2022-004

The City should train key personnel and establish a process to monitor its compliance with statutory requirements of the Internal Revenue Service.

Corrective Action Plan

The City is actively facilitating training of its key personnel and City Council to maintain compliance with Federal regulations.

Remediation Status

IN-PROGRESS

2022-006 Material Weakness

Recommendation 2022-006

In order to maintain integrity of the City's financial infrastructure, a succession plan should be developed to ensure common daily processes and procedures for routine public services can be performed by the City in the event key personnel become unavailable to perform regular duties.

General effective succession planning activities often include cross training key personnel and/or identifying key responsibilities and essential processes to establish a formal listing of these activities (i.e., monthly – bank reconciliations, quarterly – 941's filed, annually – 1099's filed).

Corrective Action Plan

The City will work with key personnel to outline their daily routines and develop a formal catalogue of essential processes.

Remediation Status

IN-PROGRESS

**CITY OF MURCHISON, TEXAS
SCHEDULE OF PRIOR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

2022-008 Material Weakness

Recommendation 2022-008

Mitigating controls over the lack of segregation of duties should be established to require an individual, independent of the check preparation and bank reconciliation processes, to substantiate supporting documentation provided for cash handling and disbursement activities.

Typical mitigating controls and oversight activities include documenting detailed review of invoices, bank drafts and bank reconciliations to ensure effective controls are maintained over the cash handling and disbursement activities, in addition to safeguarding the individual responsible for these functions.

Corrective Action Plan

City Council has begun reviewing invoices and documenting this review through initials of the reviewer on invoices.

Additionally, the City will design, implement, and document a monthly review of bank reconciliations and electronic bank drafts to enhance oversight of future disbursement activities.

Remediation Status

IN-PROGRESS

2022-009 Material Weakness

Recommendation 2022-009

A formal financial review should be established by the City to include reconciled financial statements. At a minimum, the financial statement review should include a QuickBooks Balance Sheet, Profit and Loss, Budget vs Actual for all funds, along with the previous months bank statements and bank reconciliations for all accounts held by the City.

Other items often included with the consent agenda may include a check register, utility adjustments, and regulatory reports filed by the City Secretary (i.e. 941's, W3, quarterly sales tax, unemployment taxes, etc.).

Corrective Action Plan

The City is working to establish a formal review of the City's financial statements at monthly Council meetings as part of the consent agenda items.

Remediation Status

IN-PROGRESS

**CITY OF MURCHISON, TEXAS
SCHEDULE OF PRIOR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

2023-001 Compliance

Recommendation 2023-001

The City should file the adopted budget with the county clerk and train key personnel to ensure its compliance with the Chapter 102.011 of the Texas Local Government Code.

Corrective Action Plan

The City is developing internal controls to assist with correcting and maintaining statutory compliance as well as actively working on a continuing education plan for all City personnel.

Remediation Status

IN-PROGRESS

**CITY OF MURCHISON, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

2024-001 Material Weakness

Condition:

Total daily cash receipts did not agree with the corresponding bank deposits. In addition, related revenues were not always recorded in the financial system on a timely basis, with posting delays of up to up one month after collection.

Criteria:

Government auditing standards require that internal controls be designed and implemented to provide reasonable assurance that financial transactions are properly authorized, promptly recorded, and adequately safeguarded. Daily cash collections should be:

- Counted and reconciled to system-generated receipt reports,
- Deposited intact so that bank deposits equal daily receipt totals, and
- Recorded in the accounting records in a timely manner to ensure accurate and current financial information.

Cause of Condition:

Due to limited staffing, the City has not created a consistent process requiring daily water utility collections to be recorded, deposited and reconciled in a prompt manner.

Potential Effect of Condition:

Without a consistent reconciliation and review of water utility collections, there is a risk that financial misstatements and/or misappropriation of assets could occur and go undetected.

Recommendation 2024-001

The City should implement a consistent process for validating all utility receipts are reconciled to daily system reports along with being deposited intact into the utility bank account. Additionally, validated bank deposits should be posted to the City’s financial system on a timely basis and reconciled monthly.

Management Response x **Agree** Disagree

Corrective Action Plan:

Individual Responsible	Skylier Murrell City Secretary	Estimated Implementation Date	December 31, 2025
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The City will develop and implement a process to validate that utility collections are deposited and reconciled in a timely manner.

**CITY OF MURCHISON, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

2024-002 Compliance

Condition:

The City does not meet statutory requirements for its website.

Criteria:

Texas Government Code and Local Government Code have specific requirements for municipality's that maintain a website.

Cause of Condition:

The City's key personnel have not had sufficient training to comply with statutory requirements for its website.

Potential Effect of Condition:

Noncompliance with statutory requirements could lead to fines and penalties under Texas Government Code and Local Government Code.

Recommendation 2024-002

Establish a process to monitor the content and communication of the City's website to ensure compliance with statutory requirements of Texas Government Code and Local Government Code.

Management Response

Agree Disagree

Corrective Action Plan:

Individual Responsible	Skylier Murrell City Secretary	Estimated Implementation Date	December 31, 2025
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The City is actively facilitating training of its key personnel to help maintain its website and meet statutory requirements.

**CITY OF MURCHISON, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

2024-003 Compliance

Condition:

The City did not properly file unemployment taxes with the Texas Workforce Commission (TWC).

Criteria:

Quarterly wage reports and taxes are due to TWC by the last day of the month following the end of the calendar quarter.

Cause of Condition:

The City’s key personnel have not had sufficient training to comply with statutory requirements.

Potential Effect of Condition:

Noncompliance with statutory requirements could lead to fines and penalties under Texas labor laws and regulations.

Recommendation 2024-001

The City should train key personnel and establish a process to monitor its compliance with statutory requirements of the Texas Labor Code and Unemployment Compensation Act.

Management Response



Agree



Disagree

Corrective Action Plan:

Individual Responsible	Skylier Murrell City Secretary	Estimated Implementation Date	February 28, 2026
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The City is actively facilitating training of its key personnel and City Council to maintain compliance with Texas statutes.