

**City of La Vernia
Audit Highlights
September 30, 2025**

OVERVIEW

Clean Opinion (means we agree annual report is accurate)	YES
Material or Significant Findings	NO
Any Other Written Findings or Recommendations	YES

Other Finding: Improvement in bank reconciliations needed. Banking simplifications have been performed after year end that we expect to help to reduce errors in the books, but particular attention should be paid to bank reconciliations until they are working smoothly.

General Fund Trends	2023	2024	2025	Budget
Total Revenue	2,258,009	2,947,495	2,795,690	2,822,631
Total Expenditures	(2,329,758)	(2,312,142)	(3,163,553)	(3,177,349)
Other Sources (Uses)	64,082	68,000	65,000	51,769
Change in Fund Balance	(7,667)	703,353	(302,863)	(302,949)

Beginning Fund Balance	1,232,380	1,224,714	1,928,067
Ending Fund Balance	1,224,713	1,928,067	1,625,204

Capital Spending	248,662	28,311	362,350
% of On-going Expenditures	59%	84%	58%

Utility Fund Trends	2023	2024	2025
Operating Revenues	1,510,660	1,499,138	1,962,572
Total Expenses	(2,090,127)	(1,996,598)	(2,157,039)
Non-operating Revenue and Transfers	186,653	1,011	440
Change in Fund Balance	(392,814)	(496,449)	(194,027)

Beginning Net Position	2,037,639	1,644,825	1,148,377
Ending Net Position	1,644,825	1,148,376	954,350

Long-term Assets	4,645,125	4,250,238	3,891,288
Long-term Liabilities	(2,941,614)	(2,702,088)	(2,191,613)
Working Capital	(58,686)	(399,774)	(745,325)
% of On-going Expenditures	-3%	-20%	-35%

Combined % of On-going Expenditures	28%	36%	18%
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Other Significant Fund Balances	2023	2024	2025
MDD	2,238,500	2,417,560	1,993,152
Street Maintenance	797,606	524,913	693,368
Hotel Tax	143,073	211,322	277,247
2024 Drainage Bonds	-	1,239,430	1,234,424