AUGUST & SEPTEMBER 2025

SALES TAX REPORT

LEONVALLEY
DEEP ROOTS. BIG IDEAS.

Leon Valley August and September 2025 Sales Tax Report

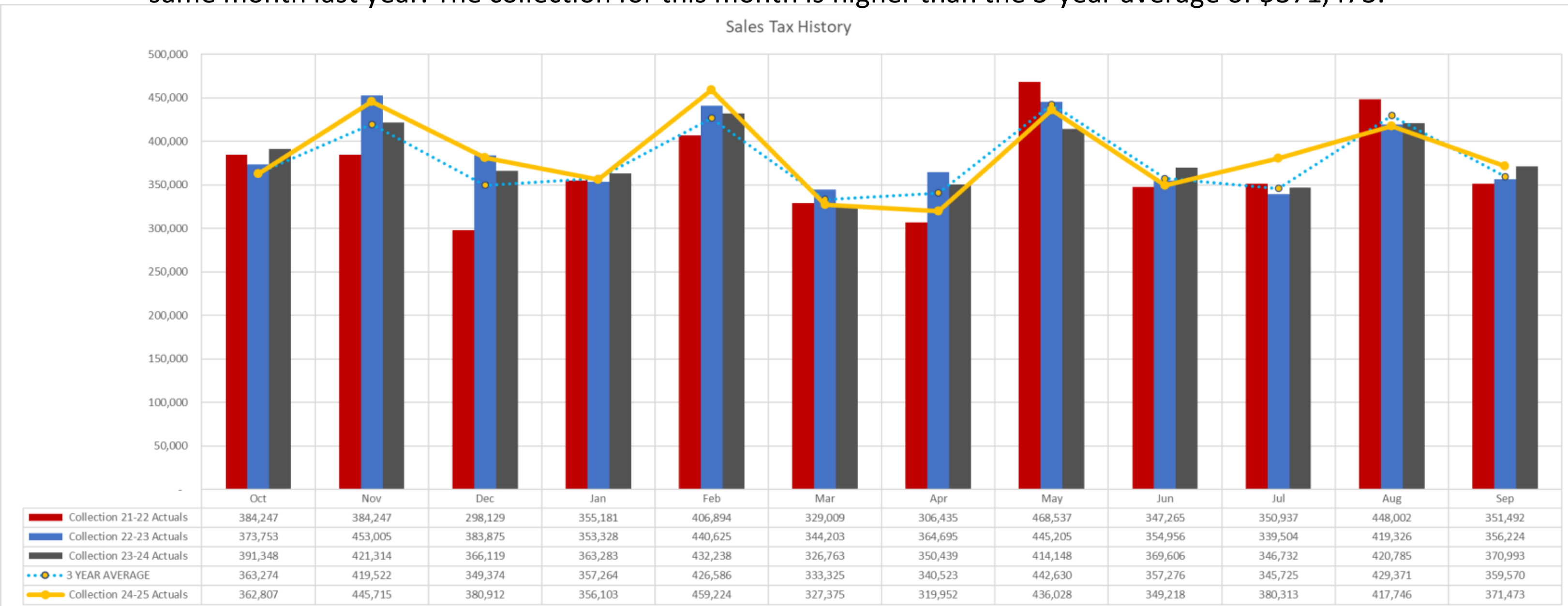
Background

The sales tax information is provided monthly by the Texas Comptroller. The sales tax information is reported 2 months in arrears; therefore, this report reflects June and July actual sales tax figures. This report is not an official finance or budget report. The amount shown is what was reported to the City on the current month. This report is to show economic trends that affect sales tax collections. An official finance or budget report that includes sales tax collections must be requested from the finance department.

The August reported total showed that the city collected $417,746. This amount is $3,039 or 0.75% lower compared to the same month last year. The collection for this month is also lower than the 3-year average of $429,371.

The September reported total showed that the city collected $371,473. This amount is $480 or 0.13% higher than compared to the same month last year. The collection for this month is higher than the 3-year average of $371,473.

	Collection 24-25 Actuals	Collection 23-24 Actuals	Collection 22-23 Actuals	Collection 21-22 Actuals	3 YEAR AVERAGE
Oct	362,807	391,348	373,753	324,722	363,274
Nov	445,715	421,314	453,005	384,247	419,522
Dec	380,912	366,119	383,875	298,129	349,374
Jan	356,103	363,283	353,328	355,181	357,264
Feb	459,224	432,238	440,625	406,894	426,586
Mar	327,375	326,763	344,203	329,009	333,325
Apr	319,952	350,439	364,695	306,435	340,523
May	436,028	414,148	445,205	468,537	442,630
Jun	349,218	369,606	354,956	347,265	357,276
Jul	380,313	346,732	339,504	350,937	345,725
Aug	417,746	420,785	419,326	448,002	429,371
Sep	371,473	370,993	356,224	351,492	359,570
Grand Total	**4,606,866**	**4,573,769**	**4,628,697**	**$ 4,370,851**	**$4,524,439**



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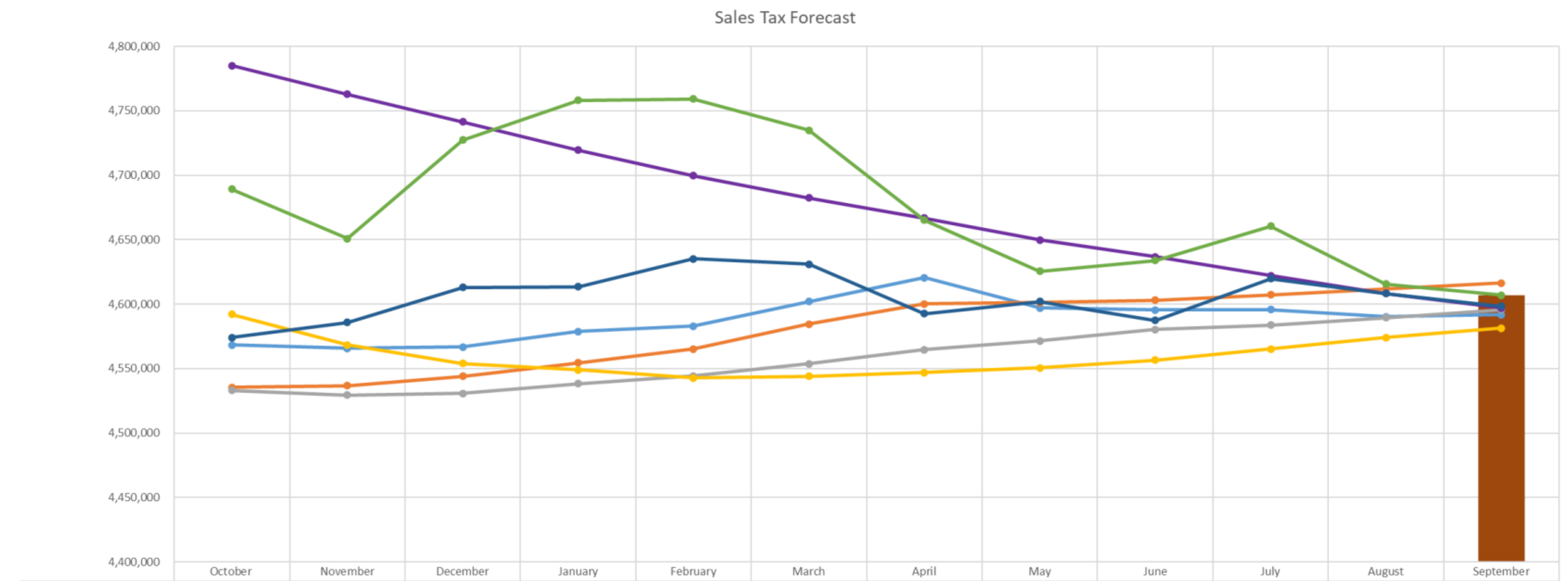
2024-2025 Forecast vs Actuals

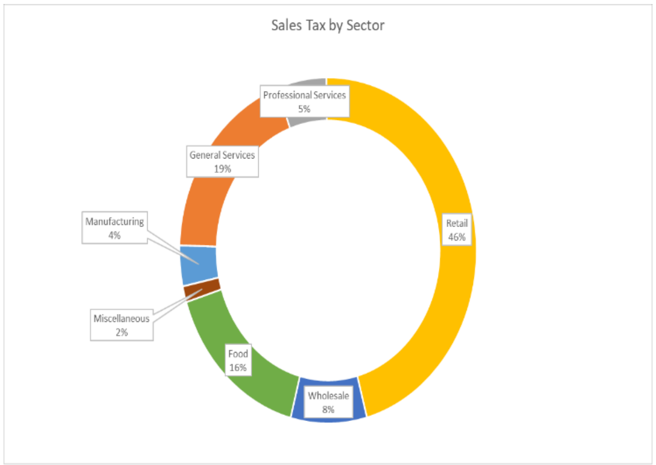
The Staff uses data dating back to 2016 to analyze trends and develop models that forecast sales tax collections. Based on these models, staff typically feel confident making predictions around the month of April. The average forecast from all models was $4,592,499, while the actual collections for the 12-month period totaled $4,606,866 — a variance of $14,367, or 0.31%.



	October	November	December	January	February	March	April	May	June	July	August	September
YTD Actuals	362,807	808,522	1,189,434	1,545,537	2,004,760	2,332,136	2,652,088	3,088,116	3,437,333	3,817,647	4,235,393	4,606,866
Aggregate Linear 6M	4,568,416	4,565,552	4,566,688	4,578,706	4,582,971	4,602,065	4,620,398	4,596,971	4,595,319	4,595,627	4,590,131	4,591,687
Aggregate Linear 12 M	4,535,465	4,536,713	4,543,965	4,554,426	4,565,170	4,584,474	4,600,019	4,601,292	4,602,924	4,607,141	4,611,906	4,616,313
Aggregate Linear 18M	4,532,916	4,529,353	4,530,799	4,538,239	4,544,151	4,553,790	4,564,570	4,571,343	4,580,246	4,583,636	4,589,406	4,595,816
Aggregate Linear 24M	4,592,009	4,568,352	4,553,877	4,549,064	4,542,771	4,544,102	4,546,988	4,550,462	4,556,530	4,565,092	4,573,944	4,581,384
Aggregate Linear 36M	4,785,074	4,762,877	4,741,390	4,719,502	4,699,531	4,682,500	4,666,726	4,649,765	4,636,694	4,621,960	4,608,287	4,597,099
Correlation (i)	4,689,150	4,650,784	4,727,325	4,758,074	4,759,171	4,734,937	4,665,088	4,625,412	4,633,943	4,660,434	4,615,541	4,606,866
Average	4,574,013	4,585,860	4,613,002	4,613,408	4,635,216	4,630,859	4,592,499	4,602,068	4,587,464	4,619,627	4,608,217	4,598,194

YTD Actuals Aggregate Linear 6M Aggregate Linear 12 M Aggregate Linear 18M Aggregate Linear 24M Aggregate Linear 36M Correlation (i) Average

The City's core sectors are retail, general services, and food represent about 80% of collections in any given month. The graph shows the average distribution for the City of Leon Valley. Monthly, staff review the confidential report from the state to ensure there are no major variances in the City's core sales tax sectors and taxpayers.



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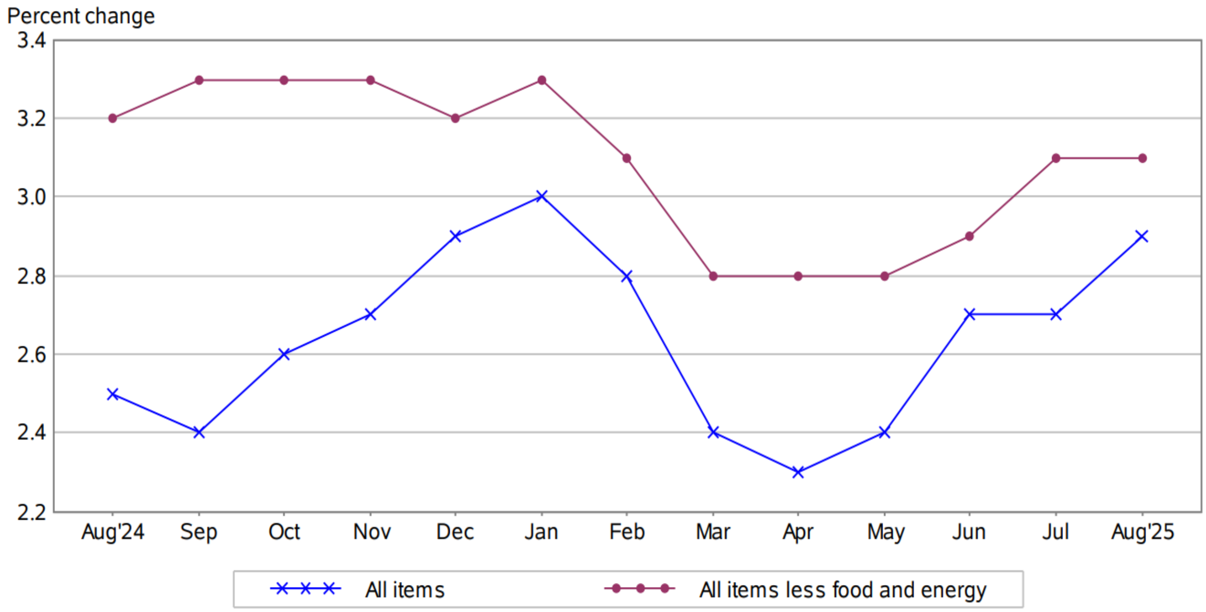
Major Economic Factors

US INFLATION

The all items index rose 2.9 percent for the 12 months ending August, after rising 2.7 percent over the 12 months ending July. The all items less food and energy index rose 3.1 percent over the last 12 months. The energy index increased 0.2 percent for the 12 months ending August. The food index increased 3.2 percent over the last year. [1]

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Aug. 2024 - Aug. 2025



US Montney Policy

At the start of the pandemic, the Federal Reserve lowered the federal funds rate — the interest rate banks pay to borrow money — to between 0.0% and 0.25%. This action was intended to make borrowing cheaper, encourage lending, and prevent an economic recession or depression.

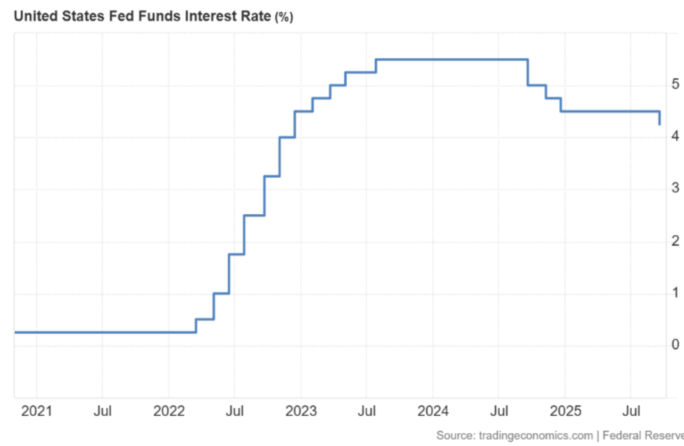
As the country returned to pre-pandemic levels of activity, however, the Federal Reserve began raising interest rates throughout 2022 and 2023 to combat record-high inflation. Higher rates

Item	2022	2024	Variance
Home Price	$ 350,000	$ 350,000	$ -
Interest rate	2.75%	6.75%	4.0%
Down Payment 20%	$ 70,000	$ 70,000	$ -
Loan Amount	$ 280,000	$ 280,000	$ -
Mortgage Payment	$ 1,143	$ 1,816	$ 673
Property Tax	$ 350	$ 350	$ -
Home Insurance	$ 125	$ 125	$ -
Total Monthly Payment	**$ 1,618**	**$ 2,291**	**$ 673**
Home Price	$ 350,000	$ 350,000	$ -
Interest rate	2.75%	6.75%	4.0%
Down Payment 20%	$ 70,000	$ 70,000	$ -
Loan Amount	$ 280,000	$ 280,000	$ -
Total Interest paid	$ 131,507	$ 373,787	$ 242,280
Total 360 Payments	**$ 411,507**	**$ 653,787**	**$ 242,280**

[1] https://www.bls.gov/news.release/pdf/cpi.pdf

directly influence how much money can circulate in the economy, affecting credit card rates, business loans, car loans, mortgage rates, and more.

The impact was especially pronounced in the housing market, where the average mortgage rate rose sharply. In October 2020, the average rate was just under 3%, compared to 6.75% in December 2024. For a home priced at $350,000, that increase translates to an additional $673 per month and about $242,280 more in interest payments over a 30-year mortgage.



On December 18, 2024, the Federal Reserve cut interest rates by a quarter point, bringing the target range down to 4.25%–4.5%. Mortgage borrowers received more good news in September 2025, when the Fed implemented its first rate cut of the year. Even before the official announcement, markets anticipated the move, pushing the average 30-year fixed-rate mortgage down to 6.13%. Although rates have ticked up slightly since then, they remain near their lowest levels since late 2022.[2] [3]

Leon Valley, the San Antonio Metro Area, and the State of Texas

Leon Valley ranked 10th in the San Antonio Metro for collections reported in September. The overall metro area also saw an increase of almost $3.1M or 6.41% from $48,036,516 to $51,115,589.

City	Collection reported Spet 2025	Collection reported Spet 2024	$ change	% Change
San Antonio, Texas	$41,360,133	$40,522,768	$837,365	2.07%
Schertz, Texas	$3,646,949	$1,771,868	$1,875,081	105.83%
Live Oak, Texas	$1,025,917	$957,371	$68,546	7.16%
Helotes, Texas	$782,162	$784,523	($2,361)	-0.30%
Selma, Texas	$749,845	$754,702	($4,857)	-0.64%
Universal City, Texas	$709,937	$588,697	$121,240	20.59%
Cibolo, Texas	$658,261	$623,604	$34,657	5.56%
Windcrest, Texas	$600,549	$526,102	$74,447	14.15%
Converse, Texas	$546,862	$494,368	$52,494	10.62%
Leon Valley, Texas	$371,473	$370,993	$480	0.13%
Alamo Heights, Texas	$203,925	$201,779	$2,146	1.06%
Castle Hills, Texas	$173,095	$161,849	$11,246	6.95%
Balcones Heights, Texas	$160,158	$162,046	($1,888)	-1.17%
Shavano Park, Texas	$64,942	$62,140	$2,802	4.51%
Kirby, Texas	$61,381	$53,706	$7,675	14.29%
Total	**$51,115,589**	**$48,036,516**	**$3,079,073**	**6.41%**

[2] https://www.cbsnews.com/news/which-impacts-mortgage-rates-more-the-fed-or-10-year-treasury-yield-experts-weigh-in/
[3] https://www.cnbc.com/2025/07/30/fed-leaves-interest-rates-unchanged-as-expected.html