

CITY OF LEON VALLEY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023



OFFICIALS ISSUING REPORT

Dr. Crystal Caldera
City Manager

Carol Goering
Director of Finance



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INTRODUCTORY SECTION



February 16, 2024

The Honorable Mayor, Members of City Council
and Citizens of the City of Leon Valley:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Leon Valley financial statements have been audited by Armstrong, Vaughan and Associates, P.C., a firm of licensed certified public accountants. They have issued an unmodified “clean” opinion on the City of Leon Valley’s financial statements for the year ended September 30, 2023. The independent report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City, incorporated in 1952, is a residential community located in south central Texas in the northwest portion of the San Antonio Metropolitan Statistical Area. The City is located in Bexar County, Texas. Bexar County’s economy is based on military, tourism, agriculture, limestone mining, medical facilities, and manufacturing. The City has a land area of 3.5 square miles and is surrounded on all sides by the City of San Antonio. Most City residents are employed within the greater San Antonio Metropolitan Statistical Area. A full range of services is provided to residents and businesses, including police and fire protection, construction and maintenance of streets and infrastructure, recreational activities, and water and sewer utilities. The City population based upon the 2010 census is 10,866. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City’s property tax rate is average compared to the rest of Bexar County.

6400 El Verde Road
Leon Valley, Texas 78238
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www.leonvalleytexas.gov

The city is operated under the council-manager form of government. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and a five-member Council. The Council is elected on a non-partisan basis at large. Council members are elected to two-year staggered terms. The Mayor is elected at large to a two-year term. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and the hiring of a City Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing Council, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

The City maintains extensive budgetary controls. The objective of these controls is to ensure the proper safeguarding of City assets, compliance with State budgetary statutes and compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, Red Light Camera Fund, ARP Fund, Debt Service Fund, Water and Sewer (Enterprise) Fund, Community Center Fund, Building Security Fund, Child Safety Fund, Municipal Court Technology Fund, Street Maintenance Tax Fund, Police Forfeiture Fund, Grant Fund, and Crime Control and Prevention District are included in the City's annual budget.

The annual budget serves as the foundation for the City of Leon Valley's financial planning and control. Generally, the City has a policy of funding the current year's operating expenditures with current operating revenues. Capital purchases are funded from the Unassigned Fund Balance. All agencies of the City of Leon Valley are required to submit requests for appropriation to the City Manager on or before the first week in May each year. The City Manager then presents this proposed budget to the Council for review in August. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than September 30, the close of Leon Valley's fiscal year.

The City has adopted financial policies for budgetary control that are stricter than is required by law. The appropriated budget is prepared by funds, department (e.g. police), and function (e.g. patrol). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

LOCAL ECONOMY

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Leon Valley operates.

The City of Leon Valley's property values have demonstrated an increase over the last few years. The region's leading industries, in terms of gross sales for the City, are auto dealers/gasoline service stations and food stores. A significant portion of sales for these businesses is not subject to local sales taxes.

LONG-TERM FINANCIAL PLANNING

In FY 2011 the City implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions and formally adopted a Fund Balance Policy. The Fund Balance Policy adopted by the City is the framework upon which consistent operations may be built and sustained. For man-made or natural disaster emergencies the City will strive to have a Committed Fund Balance that is equal to three months operating expenses based on the current operating budget. For the fiscal year that ended September 30, 2023, the Committed Fund Balance was \$1,000,00

The City also maintains a ten-year Capital Acquisition Plan (CAP) to provide for capital outlay expenditures. Each fiscal year, the CAP is reviewed and analyzed by the City Manager and City staff to determine needs for office and other machinery and equipment, vehicles, buildings and building improvements, land, and other improvements. The ten-year CAP is authorized by the City Council during the City's annual budget adoption process. As items are funded only when deemed necessary, capital outlay details and amounts vary between budget years. The plan is funded from the Unassigned Fund Balance.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leon Valley for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2022, with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

We would like to extend our sincere thanks and appreciation to the Finance Department, and all City staff and department heads who helped in the preparation of this report. A special thanks goes to our Mayor and City Council for their strong leadership and support, their sense of civic duty and responsibility, and their diligence in conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,



Dr. Crystal Caldera
City Manager



Carol Goering
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Leon Valley
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF LEON VALLEY, TEXAS
PRINCIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2023

ELECTED OFFICIALS

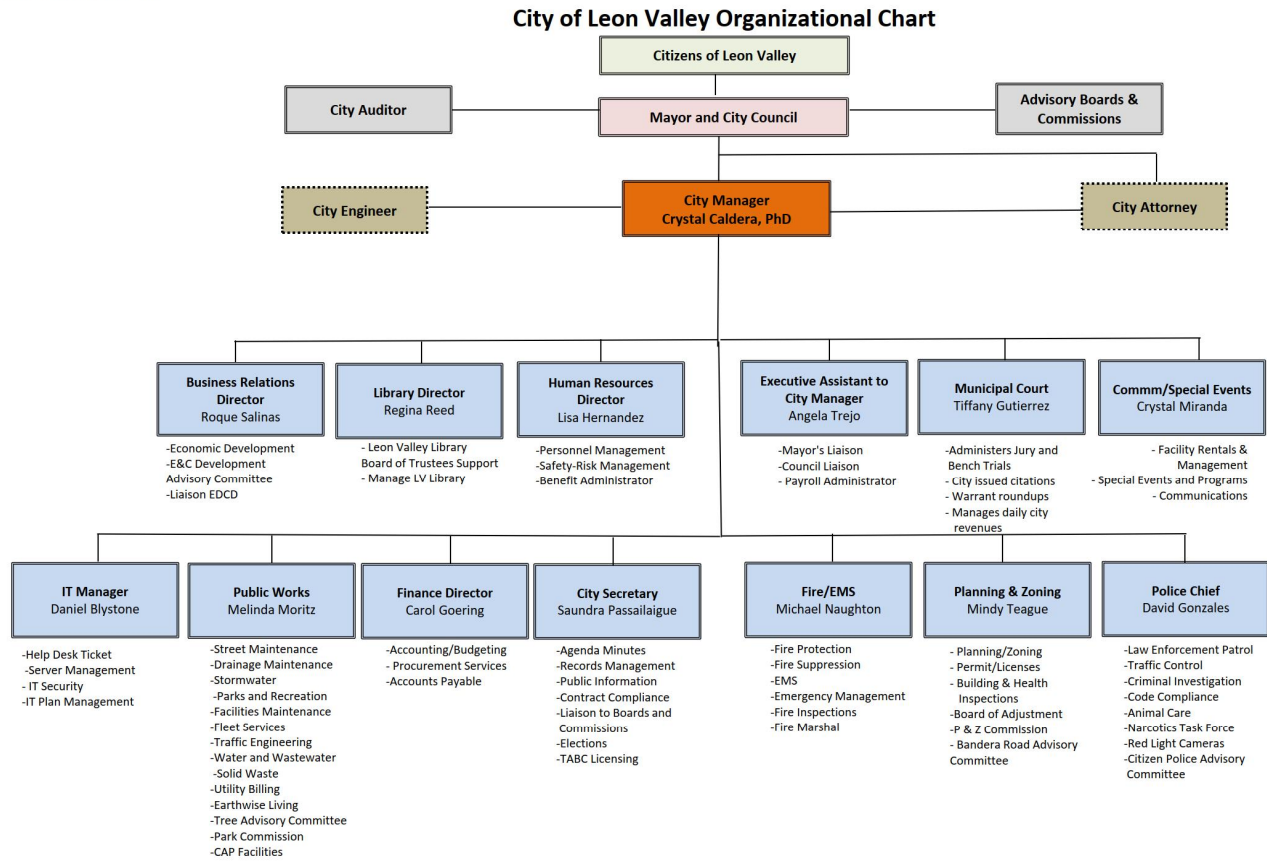
MAYOR	CHRIS RILEY
CITY COUNCIL, PLACE 1	BENNY MARTINEZ
CITY COUNCIL, PLACE 2	JOSH STEVENS
CITY COUNCIL, PLACE 3	PHILIP CAMPOS, CPA
CITY COUNCIL, PLACE 4	REY OROZCO
CITY COUNCIL, PLACE 5, MAYOR PRO-TEM	WILL BRADSHAW

CITY OFFICIALS

CITY MANAGER	DR. CRYSTAL CALDERA
DIRECTOR OF FINANCE	CAROL GOERING
CITY SECRETARY	SAUNDRA PASSAILAIGUE
PLANNING AND ZONING DIRECTOR	MELINDA TEAGUE
POLICE CHIEF	DAVID GONZALEZ
FIRE CHIEF	MICHAEL NAUGHTON
LIBRARIAN	REGINA REED
PUBLIC WORKS DIRECTOR	MELINDA MORITZ
HUMAN RESOURCES DIRECTOR	LISA HERNANDEZ
CITY ATTORNEY	NICOLE WARREN MESSER FORT

CITY OF LEON VALLEY ORGANIZATIONAL CHART

Organizational Chart FY 2023





FINANCIAL SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Leon Valley, Texas

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Leon Valley'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, each major fund, and the aggregate remaining fund information of City of Leon Valley, as of September 30, 2023, 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 (GAAS) 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 City of Leon Valley 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 obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City of Leon Valley's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 City of Leon Valley's ability to continue as a going concern for one year after the date that the financial statements are issued, 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 City of Leon Valley'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Leon Valley'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, budgetary comparison information, and schedules related to the City's net pension and total other postemployment benefit liabilities – TMRS, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Leon Valley' basic financial statements as a whole. The comparative statements, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards (SEFA) as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements, combining and individual nonmajor fund financial statements, and SEFA are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual nonmajor fund financial statements, and SEFA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of City of Leon Valley'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Leon Valley's internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.

February 16, 2024

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Leon Valley, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Leon Valley for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Leon Valley exceeded its liabilities and deferred inflows of resources by \$37.1 million (net position) at the close of the most recent fiscal year. Of this amount, \$6.0 million (unrestricted net position) may be used to meet the City's operational needs.
- The City's total net position increased by \$7.7 million mainly due to increased governmental revenues and decreased utility expenses.
- The City's OPEB and pension related deferred outflows totaled \$4.6 million at year end, an increase of \$2.8 million in comparison with the prior year due to increases in the contribution rates and experience rates.
- The City's OPEB and pension related deferred inflows totaled \$110 thousand at year end, a decrease of \$2.9 million in comparison with the prior year due to a sharp decrease in the investment earnings. The Pension Liability increased by \$6.7 million primarily as a result of decreased net investment income.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13.2 million, an increase of \$3.1 million in comparison with the prior year. In the General Fund, the City budgeted a deficiency of revenues under expenditures of \$2.5 million. However, revenues were \$2.9 million greater than budget mainly due to the recognition of \$2.4 million in American Rescue Plan Act grant revenue. The expenses were less than budgeted overall, but Public Safety contracted services exceeded the budget by \$96 thousand.
- At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$6.9 million which is 55% or 6.6 months of the general fund expenditures not including capital outlay.
- During the fiscal year, the City made payments on bonds, decreasing outstanding debt by \$480 thousand, as of the end of the current year, the City had \$6.2 million in bonds outstanding.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as the introduction of the City of Leon Valley, Texas' basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business financial presentation.

The statement of net position is a presentation of the City’s assets and liabilities, including capital and infrastructure assets, and long-term liabilities. This statement reports the difference between assets and liabilities as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information regarding increases and decreases to the government’s net position for the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of cash flows.

Therefore, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave). Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, parks and recreation, library, and community development. The business-type activities of the City are water and sewer.

Fund Financial Statements – The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. The focus of the fund financial statements is on the City’s major funds, although non-major funds are also presented in aggregate and further detailed in the supplementary statements. The City uses fund accounting to ensure and demonstrate compliance with requirements placed on resources. Funds are divided into three types: governmental, proprietary, and fiduciary. However, the City does not have any fiduciary funds.

Governmental Funds – Governmental funds are used for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available for current spending, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

As the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds – The City maintains one type of proprietary fund. Enterprise funds are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for the provision of water and sewer services to residents.

Proprietary fund financial statements provide separate and more detailed information for the water and sewer fund. The water and sewer fund is considered a major fund of the City.

Notes to the Basic Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the City’s general fund budget, red light camera fund, and the street maintenance fund budget, which are adopted on an annual basis. A budgetary comparison statement has been provided for these funds in order to demonstrate budgetary compliance with this budget.

In addition, this report also contains certain required supplementary information concerning the City of Leon Valley’s progress in funding its obligation to provide pension benefits and other post employment benefits.

The combining statements referred to earlier in connections with non-major governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Below is a comparative summary of the governmental activities and business-type activities as required by GASB Statement No. 34.

TABLE A-1
NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$ 15,590,790	\$ 14,898,591	\$ 5,185,023	\$ 4,752,314	\$ 20,775,813	\$ 19,650,905
Capital and Other Assets	21,524,429	18,985,187	10,299,777	8,166,667	31,824,206	27,151,854
Total Assets	<u>37,115,219</u>	<u>33,883,778</u>	<u>15,484,800</u>	<u>12,918,981</u>	<u>52,600,019</u>	<u>46,802,759</u>
Deferred Outflows of Resources						
	<u>4,592,195</u>	<u>1,566,798</u>	<u>37,827</u>	<u>272,765</u>	<u>4,630,022</u>	<u>1,839,563</u>
Liabilities						
Current Liabilities	2,980,855	5,240,132	514,133	351,178	3,494,988	5,591,310
Noncurrent Liabilities	14,175,676	8,361,423	2,410,346	2,283,161	16,586,022	10,644,584
Total Liabilities	<u>17,156,531</u>	<u>13,601,555</u>	<u>2,924,479</u>	<u>2,634,339</u>	<u>20,081,010</u>	<u>16,235,894</u>
Deferred Inflows of Resources						
	<u>105,286</u>	<u>2,544,022</u>	<u>4,312</u>	<u>452,688</u>	<u>109,598</u>	<u>2,996,710</u>
Net Position						
Net Investment in						
Capital Assets	16,514,310	13,497,385	8,519,400	6,332,409	25,033,710	19,829,794
Restricted	5,151,887	3,144,548	2,011,865	1,986,395	7,163,752	5,130,943
Unrestricted	2,779,400	2,663,066	2,062,571	1,785,915	4,841,971	4,448,981
Total Net Position	<u>\$ 24,445,597</u>	<u>\$ 19,304,999</u>	<u>\$ 12,593,836</u>	<u>\$ 10,104,719</u>	<u>\$ 37,039,433</u>	<u>\$ 29,409,718</u>

Deferred outflows of resources are related pensions and other post-employment benefits and represent a consumption of net position that applies to future period(s) and will not be recognized as an expenditure until then. Deferred inflows of resources are related to other post-employment benefits and represent an acquisition of net position that applies to a future period and will not be recognized as revenue until that time. Additional information regarding the City’s deferred outflows and deferred inflows of resources can be found in Notes 7 and 8 of this report.

The largest portion of the City’s net position, \$25 million, represents its investment in capital assets (e.g., land, construction in progress, buildings, machinery, and equipment, net of accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. The City of Leon Valley, Texas uses these 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 used to liquidate these liabilities.

Of the other net position, \$6.1 million represents resources that are subject to external restrictions on how they may be used. \$6.1 million (unrestricted net position) may be used to meet the City’s operational needs.

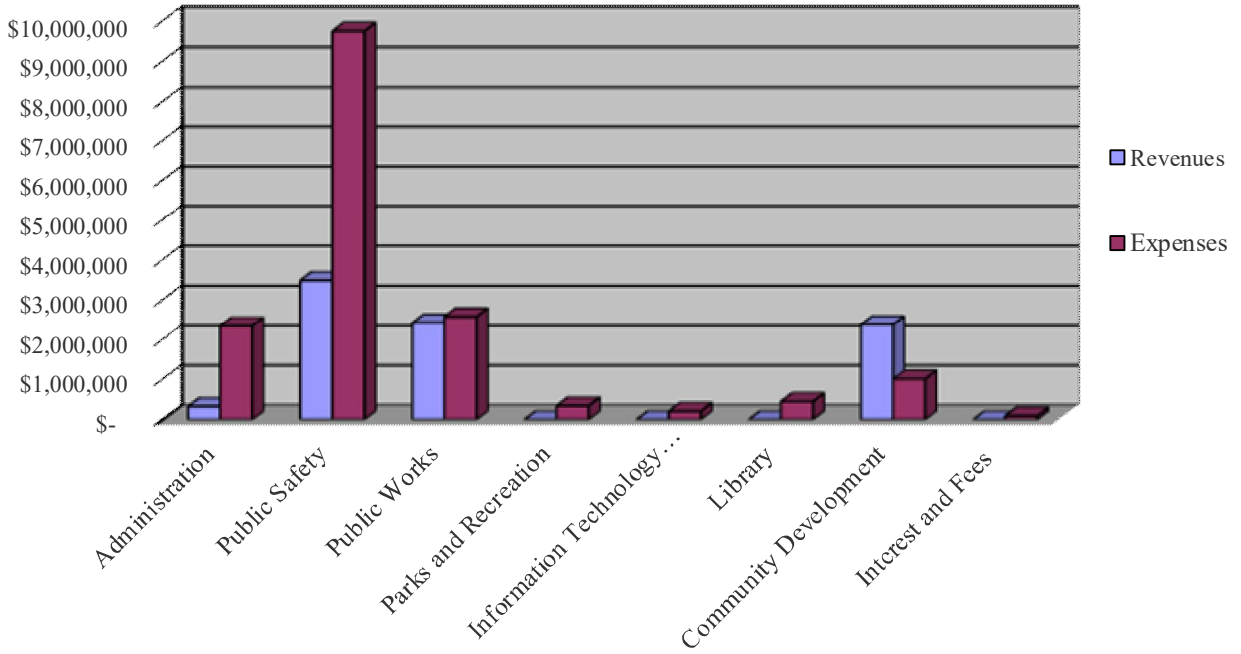
Governmental activities increased net position by \$5.2 million, which is attributable to fluctuations in program revenues and expenses. Key elements of this increase are as follows:

TABLE A-2
CHANGES IN NET POSITION FOR GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

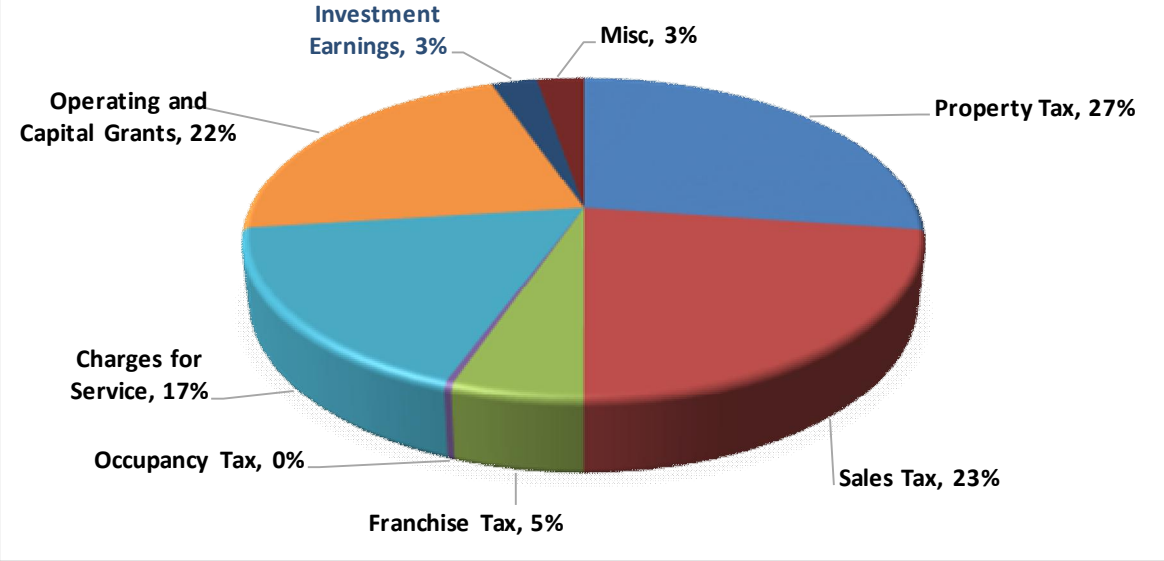
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,853,515	\$ 3,453,888	\$ 5,231,485	\$ 5,381,349	\$ 9,085,000	\$ 8,835,237
Operating Grants and Contributions	53,503	57,184	-	-	53,503	57,184
Capital Grants and Contributions	4,764,275	159,946	-	365,395	4,764,275	525,341
General Revenues						
Property Taxes	6,038,893	5,863,936	-	-	6,038,893	5,863,936
Sales Taxes	5,061,764	4,922,322	-	-	5,061,764	4,922,322
Franchise Taxes	1,172,251	928,847	-	-	1,172,251	928,847
Occupancy Taxes	67,842	84,186	-	-	67,842	84,186
Investment Earnings	579,759	76,035	145,607	28,490	725,366	104,525
Miscellaneous	599,325	351,727	70,816	181,383	670,141	533,110
Total Revenues	<u>22,191,127</u>	<u>15,898,071</u>	<u>5,447,908</u>	<u>5,956,617</u>	<u>27,639,035</u>	<u>21,854,688</u>
Expenses:						
Administration	2,361,242	1,490,181	-	-	2,361,242	1,490,181
Public Safety	9,760,863	8,192,664	-	-	9,760,863	8,192,664
Public Works	2,593,652	2,908,030	-	-	2,593,652	2,908,030
Parks and Recreation	349,505	327,054	-	-	349,505	327,054
Library	460,126	514,467	-	-	460,126	514,467
Information Technology Office	211,958	-	-	-	211,958	-
Community Development	1,024,951	1,054,053	-	-	1,024,951	1,054,053
Utility	-	-	3,148,657	5,613,181	3,148,657	5,613,181
Interest and Fiscal Agent Fees	98,366	100,420	-	-	98,366	100,420
Total Expenses	<u>16,860,663</u>	<u>14,586,869</u>	<u>3,148,657</u>	<u>5,613,181</u>	<u>20,009,320</u>	<u>20,200,050</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	5,330,464	1,311,202	2,299,251	343,436	7,629,715	1,654,638
Transfers In (Out)	(189,866)	394,509	189,866	(394,509)	-	-
CHANGE IN NET POSITION	5,140,598	1,705,711	2,489,117	(51,073)	7,629,715	1,654,638
BEGINNING NET POSITION	19,304,999	17,599,288	10,104,719	10,155,792	29,409,718	27,755,080
ENDING NET POSITION	<u>\$ 24,445,597</u>	<u>\$ 19,304,999</u>	<u>\$ 12,593,836</u>	<u>\$ 10,104,719</u>	<u>\$ 37,039,433</u>	<u>\$ 29,409,718</u>

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES
 TOTAL EXPENSES 2023 AND 2022-GOVERNMENT-WIDE

Revenues-Governmental Activities

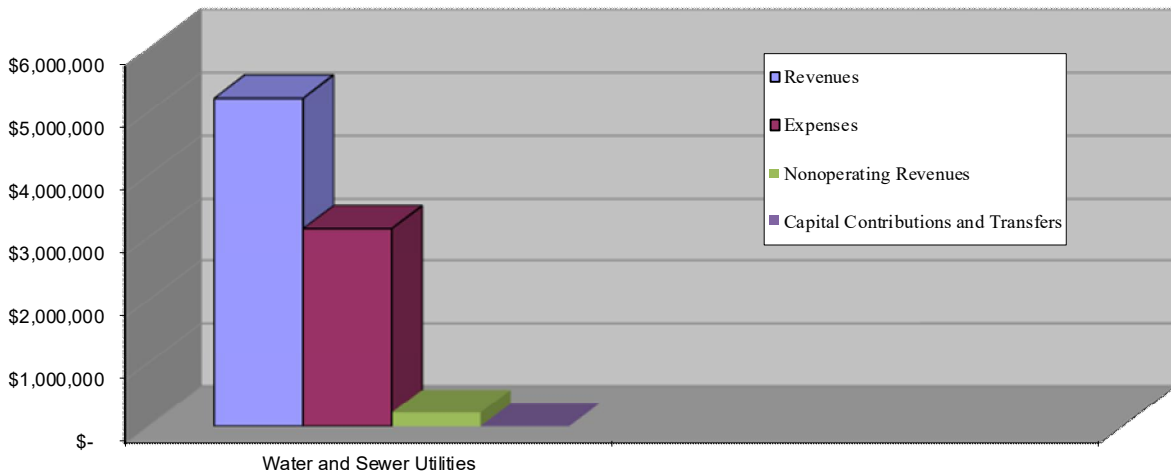
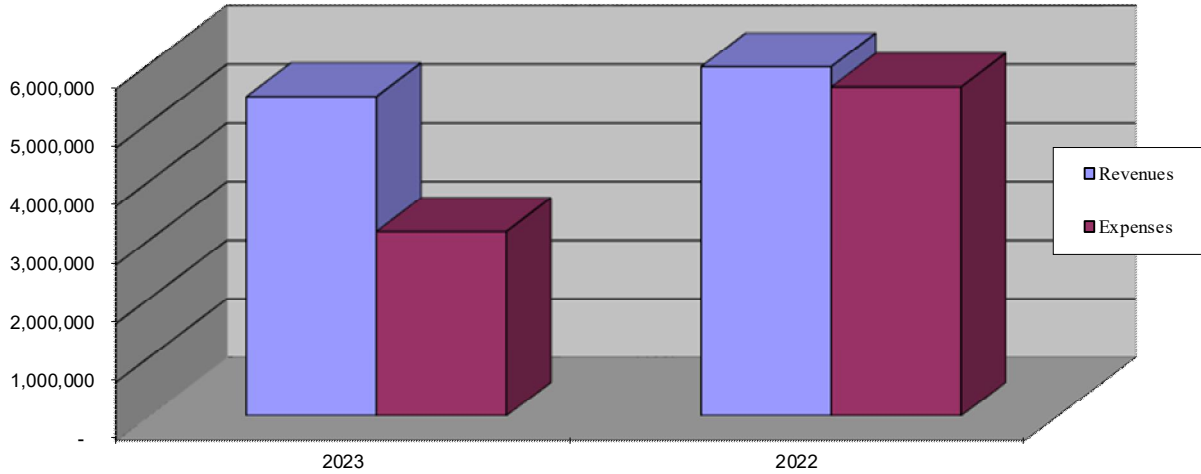


GENERAL REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES



Business-Type Activities

Business-Type activities increased net position by \$2.5 million for the most part, decreases in repairs and maintenance expenses, were the cause of this. In the prior year we saw high expenditures on maintenance for a water and sewer mains located under an intersection. Without these expenditures in the current year, we see a large decrease in expenses.



Financial Analysis of the Government's Funds

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

Governmental Funds - Activities of the primary government's general fund, capital projects fund, special revenue funds and debt service funds are considered general government functions. The general fund is the City's general operating fund. The capital projects fund is used to account for financial activity related to the acquisition and construction of major capital facilities. Special revenue funds are used to account for proceeds of specific sources that are legally restricted as to expenditures. The debt service funds are used to account for financial activity related to the City's general bonded indebtedness, as well as long-term obligations.

As September 30, 2023, the City's governmental funds reported combined ending fund balances of \$13.2 million, an increase of \$3.1 million in comparison with fiscal year 2022. The general fund which is the chief operating fund of the City, at the end of the current fiscal year, had a committed fund balance of \$1 million for man-made or natural disaster emergencies.

For the fiscal year ended September 30, 2023, the fund balance of the City's general fund increased by \$900 thousand. Key factors in the increase are as follows:

- The increase is mostly attributed to unbudgeted grant revenues related to multiple projects funded by the American Rescue Plan Act, TxDOT and Bexar County;
- The city decreased the tax rate for the 2022-2023 budget year by 0.04936 per hundred, but increased tax revenue by \$170 thousand from the prior year.
- Contracted services (legal) in the Council and Manager expenditures, although within the budget, increased to \$659 thousand; an increase of \$288 thousand from prior year.
- \$585 thousand increase in Law Enforcement Administration was substantial but was mainly attributable to the allocation of these expenditures to the red light camera fund. In total Law Enforcement expenditures only increased \$156 thousand. Overall, Law Enforcement was within budget.

For the fiscal year ended September 30, 2023, the fund balance of the City's Street Maintenance Tax Fund increased by \$575 thousand. The key factors in the increase are as follows:

- Public works repairs and maintenance expenditures were only \$231 thousand compared to the \$1.5 million expected to spend. Projects were delayed due to contracting and other miscellaneous issues.
- The sales tax revenue was \$37 thousand less than budgeted.

For the fiscal year ended September 30, 2023, the fund balance of the City's Red Light Camera Fund increased by \$1.1 million. The key factors in the increase are interfund transfers of \$919 thousand to establish this fund and increase in revenues over expenditures and transfers out of \$467 thousand.

The debt service fund has a total fund balance of \$428 thousand, all of which is restricted for the payment of debt service. The net increase in the fund balance during the current year in the debt service fund was \$14 thousand.

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

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$2.1 million. The total increase in net position for the water and sewer fund was \$2.5 million. Most of this increase is due to a decrease in Water System and Sewer System repairs, maintenance and administrative expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised its budget for a total increase in expenditures of \$5.7 million. The following are the main components of the increase:

- \$2.2 million for the purchase of fire trucks.
- \$1.3 million for the continued work on the Hike & Bike Trail project.
- \$1.5 million for the continued work on the Seneca West Drainage project.
- \$375 thousand to rehabilitate an elevated storage tank.
- \$204 thousand to continue work on the well generator project.
- \$175 thousand for the purchase of public works vehicles.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounted to \$31.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and roads. The City's investment in capital assets for the current fiscal year increased by \$4.6 million from fiscal year 2022, as they continued to work on major construction projects.

TABLE A-3
CAPITAL ASSETS
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,497,118	\$ 1,497,118	\$ 203,227	\$ 203,227	\$ 1,700,345	\$ 1,700,345
Water Rights	-	-	2,276,080	2,276,080	2,276,080	2,276,080
Buildings	10,981,760	10,981,760	25,403	25,403	11,007,163	11,007,163
Water/Wastewater System - Plant	-	-	11,011,786	10,578,970	11,011,786	10,578,970
Transportation and Equipment	9,327,677	7,365,763	-	-	9,327,677	7,365,763
Infrastructure	17,758,301	16,449,425	1,673,639	1,389,790	19,431,940	17,839,215
Construction in Progress	-	239,370	2,157,225	345,813	2,157,225	585,183
Accumulated Depreciation	(18,040,427)	(17,548,249)	(7,047,583)	(6,652,616)	(25,088,010)	(24,200,865)
TOTALS	\$ 21,524,429	\$ 18,985,187	\$ 10,299,777	\$ 8,166,667	\$ 31,824,206	\$ 27,151,854

Additional information of the City of Leon Valley's capital assets can be found in Note 5 of this report.

Long-Term Debt - For the fiscal year ended September 30, 2023, the City had a total bonded debt outstanding of \$6.8 million.

TABLE A-4
LONG-TERM DEBT

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Refunding Bonds	\$ 5,010,116	\$ 5,487,803	-	-	\$ 5,010,116	\$ 5,487,803
Certificates of Obligation	-	-	1,780,377	1,834,258	1,780,377	1,834,258
TOTALS	\$ 5,010,116	\$ 5,487,803	\$ 1,780,377	\$ 1,834,258	\$ 5,010,116	\$ 5,487,803

Additional information of the City of Leon Valley's long-term debt can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For fiscal year end 2024, the City took a very conservative approach to budgeting as they believe it best serves the citizens of the City during times of inflation and rising interest rates. An increase of \$51 thousand in property tax was budgeted, which is due to an increase in property value. Sales tax was budgeted with an increase of \$94 thousand and licenses, permits, fees and fines with a decrease of \$1.6 million. Overall revenues were budgeted with an increase of \$228 thousand with the tempering of inflation and the stagnation of interest rates. The city adopted a tax rate of \$0.484739 which is the same as the fiscal year 2023 tax rate. The tax components are as follows: \$0.438304 for Maintenance and Operations and \$0.046435 for the Interest and Sinking.

Expenditures for the general fund are budgeted at \$16.9 million which includes, capital outlay of \$4.4 million. The funding for the capital expenditures will come from the capital reserve funds and not the current year operating revenue.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 6400 El Verde Road, Leon Valley, Texas 78238.



BASIC FINANCIAL STATEMENTS

CITY OF LEON VALLEY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ 3,593,294	\$ 793,989	\$ 4,387,283
Restricted for Customer Deposits	-	117,144	117,144
Investments			
Unrestricted	10,079,170	-	10,079,170
Restricted Investments - Water/Wastewater	-	3,714,145	3,714,145
Receivables (net of allowances):			
Property Taxes	202,775	-	202,775
Special Assessment	13,278	-	13,278
Other	244,171	559,745	803,916
Due from Other Governments	1,452,631	-	1,452,631
Inventories	5,471	-	5,471
<i>Total Current Assets</i>	<u>15,590,790</u>	<u>5,185,023</u>	<u>20,775,813</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	1,497,118	203,227	1,700,345
Water Rights	-	2,276,080	2,276,080
Buildings	10,981,760	25,403	11,007,163
Water/Wastewater System-Plant	-	11,011,786	11,011,786
Other Machinery and Equipment	2,468,523	-	2,468,523
Office Equipment	69,118	-	69,118
Infrastructure	17,758,301	-	17,758,301
Transportation and Equipment	6,790,036	1,673,639	8,463,675
Construction in Progress	-	2,157,225	2,157,225
Less: Accumulated Depreciation	<u>(18,040,427)</u>	<u>(7,047,583)</u>	<u>(25,088,010)</u>
<i>Total Noncurrent Assets:</i>	<u>21,524,429</u>	<u>10,299,777</u>	<u>31,824,206</u>
TOTAL ASSETS	<u>37,115,219</u>	<u>15,484,800</u>	<u>52,600,019</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Outflows	4,576,290	37,173	4,613,463
Deferred OPEB Related Outflows	<u>15,905</u>	<u>654</u>	<u>16,559</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,592,195</u>	<u>\$ 37,827</u>	<u>\$ 4,630,022</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 1,226,754	\$ 318,914	\$ 1,545,668
Accrued Expenses	316,083	4,807	320,890
Accrued Interest Payable	22,375	9,227	31,602
Current Portion of Compensated Absences	295,981	10,160	306,141
Current Portion of Long-Term Debt	498,512	53,881	552,393
Unearned Revenue	565,765	-	565,765
Payable from Restricted Assets:			
Customer Deposits Payable	55,385	117,144	172,529
<i>Total Current Liabilities</i>	<u>2,980,855</u>	<u>514,133</u>	<u>3,494,988</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences	591,961	20,319	612,280
Net Pension Liability	8,628,478	645,288	9,273,766
OPEB Liability	443,630	18,243	461,873
Long-Term Debt	4,511,607	1,726,496	6,238,103
<i>Total Noncurrent Liabilities</i>	<u>14,175,676</u>	<u>2,410,346</u>	<u>16,586,022</u>
TOTAL LIABILITIES	<u>17,156,531</u>	<u>2,924,479</u>	<u>20,081,010</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred OPEB Related Inflows	105,286	4,312	109,598
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>105,286</u>	<u>4,312</u>	<u>109,598</u>
NET POSITION			
Net Investment In Capital Assets	16,514,310	8,519,400	25,033,710
Restricted For:			
Public, Educational and Governmental	298,380	-	298,380
Red Light Camera Traffic Safety	1,077,147	-	1,077,147
Debt Service	438,662	-	438,662
Street Maintenance	1,820,388	-	1,820,388
Crime Control and Prevention District	624,621	-	624,621
Public Safety	389,638	-	389,638
Community Center/Parks	503,051	-	503,051
Water Supply	-	593,467	593,467
Storm Water Fee	-	1,418,398	1,418,398
Unrestricted	2,779,400	2,062,571	4,841,971
TOTAL NET POSITION	<u>\$ 24,445,597</u>	<u>\$ 12,593,836</u>	<u>\$ 37,039,433</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
Administration	\$ 2,361,242	\$ 330,494	\$ 6,756	\$ -
Public Safety	9,760,863	3,455,638	46,747	-
Public Works	2,593,652	-	-	2,437,899
Information Technology Office	211,958	-	-	-
Parks and Recreation	349,505	-	-	-
Library	460,126	-	-	-
Community Development	1,024,951	67,383	-	2,326,376
Interest and Fiscal Agent Fees	98,366	-	-	-
<i>Total Governmental Activities</i>	<u>16,860,663</u>	<u>3,853,515</u>	<u>53,503</u>	<u>4,764,275</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	3,148,657	5,231,485	-	-
<i>Total Business-Type Activities</i>	<u>3,148,657</u>	<u>5,231,485</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 20,009,320</u>	<u>\$ 9,085,000</u>	<u>\$ 53,503</u>	<u>\$ 4,764,275</u>
General Revenues:				
Taxes:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Occupancy Taxes				
Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers In (Out)				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,023,992)	\$ -	\$ (2,023,992)
(6,258,478)	-	(6,258,478)
(155,753)	-	(155,753)
(211,958)	-	(211,958)
(349,505)	-	(349,505)
(460,126)	-	(460,126)
1,368,808	-	1,368,808
(98,366)	-	(98,366)
<u>(8,189,370)</u>	<u>-</u>	<u>(8,189,370)</u>
-	2,082,828	2,082,828
<u>-</u>	<u>2,082,828</u>	<u>2,082,828</u>
(8,189,370)	2,082,828	(6,106,542)
6,038,893	-	6,038,893
5,061,764	-	5,061,764
1,172,251	-	1,172,251
67,842	-	67,842
579,759	145,607	725,366
599,325	70,816	670,141
<u>13,519,834</u>	<u>216,423</u>	<u>13,736,257</u>
<u>(189,866)</u>	<u>189,866</u>	<u>-</u>
5,140,598	2,489,117	7,629,715
<u>19,304,999</u>	<u>10,104,719</u>	<u>29,409,718</u>
<u>\$ 24,445,597</u>	<u>\$ 12,593,836</u>	<u>\$ 37,039,433</u>

CITY OF LEON VALLEY
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Red Light Camera Fund	Capital Projects Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,209,877	\$ 689,012	\$ 210,604
Investments	7,390,778	464,453	-
Accounts Receivables (net of allowances):			
Taxes	183,350	-	-
Special Assessment	-	-	-
Other	226,633	-	-
Due from Other Governments	746,130	-	561,923
Inventories	5,472	-	-
TOTAL ASSETS	\$ 9,762,240	\$ 1,153,465	\$ 772,527
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 462,725	\$ 72,232	\$ 634,299
Accrued Expenditures	310,934	4,086	-
Deposits Payable	3,580	-	-
Unearned Revenues	565,765	-	-
<i>Total Liabilities</i>	<u>1,343,004</u>	<u>76,318</u>	<u>634,299</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenues - Taxes	183,350	-	-
<i>Total Deferred Inflows of Resources</i>	<u>183,350</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>			
Nonspendable:			
Inventory	5,472	-	-
Restricted for:			
Public, Educational and Governmental	298,380	-	-
Red Light Camera Traffic Safety	-	1,077,147	-
Debt Service	-	-	-
Street Maintenance	-	-	-
Crime Control and Prevention District	-	-	-
Federal Police Forfeitures	-	-	-
Other	6,543	-	-
Committed for Disaster Emergencies	1,000,000	-	-
Assigned for:			
Tree Mitigation and Replacement	231,325	-	-
Economic Development	775,069	-	-
Unassigned	5,919,097	-	138,228
<i>Total Fund Balances</i>	<u>8,235,886</u>	<u>1,077,147</u>	<u>138,228</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,762,240	\$ 1,153,465	\$ 772,527

See accompanying notes to basic financial statements.

Debt Service	Street Maintenance Tax Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 124,617	\$ 804,636	\$ 554,548	\$ 3,593,294
303,559	997,028	923,352	10,079,170
19,425	-	-	202,775
13,278	-	-	13,278
158	-	17,379	244,170
-	71,154	73,424	1,452,631
-	-	-	5,472
<u>\$ 461,037</u>	<u>\$ 1,872,818</u>	<u>\$ 1,568,703</u>	<u>\$ 15,590,790</u>
\$ -	\$ 52,430	\$ 5,068	\$ 1,226,754
-	-	1,063	316,083
-	-	51,805	55,385
-	-	-	565,765
<u>-</u>	<u>52,430</u>	<u>57,936</u>	<u>2,163,987</u>
32,703	-	-	216,053
<u>32,703</u>	<u>-</u>	<u>-</u>	<u>216,053</u>
-	-	-	5,472
-	-	-	298,380
-	-	-	1,077,147
428,334	-	-	428,334
-	1,820,388	-	1,820,388
-	-	624,621	624,621
-	-	389,638	389,638
-	-	496,508	503,051
-	-	-	1,000,000
-	-	-	231,325
-	-	-	775,069
-	-	-	6,057,325
<u>428,334</u>	<u>1,820,388</u>	<u>1,510,767</u>	<u>13,210,750</u>
<u>\$ 461,037</u>	<u>\$ 1,872,818</u>	<u>\$ 1,568,703</u>	<u>\$ 15,590,790</u>



CITY OF LEON VALLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 13,210,750
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		21,524,429
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		216,053
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(887,942)
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:		
Bonds Payable	(5,010,119)	
Accrued Interest Payable	<u>(22,375)</u>	(5,032,494)
Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
Net Pension Liability	(8,628,478)	
Pension Related Deferred Outflows	<u>4,576,290</u>	(4,052,188)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liability	(443,630)	
OPEB Related Deferred Inflows	(105,286)	
OPEB Related Deferred Outflows	<u>15,905</u>	<u>(533,011)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 24,445,597</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Red Light Camera Fund	Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 5,450,281	\$ -	\$ -
Sales Taxes	3,883,503	-	-
Franchise Taxes	1,172,251	-	-
Occupancy Taxes	-	-	-
Licenses and Permits	349,265	-	-
EMS	340,305	-	-
Fines and Forfeitures	660,240	2,263,827	-
Grants	2,381,035	-	2,437,898
Rent	-	-	-
Investment Earnings	436,562	44,695	-
Miscellaneous	540,410	4,289	-
TOTAL REVENUES	<u>15,213,852</u>	<u>2,312,811</u>	<u>2,437,898</u>
EXPENDITURES			
<i>Current:</i>			
Administration	2,107,633	-	-
Public Safety	6,694,678	1,702,849	-
Public Works	1,938,943	-	-
Parks and Recreation	233,811	-	-
Library	442,502	-	-
Information Technology Office	251,956	-	-
Community Development	807,043	-	-
<i>Capital Outlay</i>	12,984	-	3,660,309
<i>Debt Service:</i>			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>12,489,550</u>	<u>1,702,849</u>	<u>3,660,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,724,302</u>	<u>609,962</u>	<u>(1,222,411)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,730,006	919,759	3,538,437
Transfers Out	<u>(3,554,548)</u>	<u>(452,574)</u>	<u>(2,177,798)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,824,542)</u>	<u>467,185</u>	<u>1,360,639</u>
Net Change in Fund Balance	899,760	1,077,147	138,228
Fund Balances at Beginning of Year	<u>7,336,126</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 8,235,886</u>	<u>\$ 1,077,147</u>	<u>\$ 138,228</u>

See accompanying notes to basic financial statements.

Debt Service	Street Maintenance Tax	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 578,989	\$ -	\$ -	\$ 6,029,270
-	762,347	415,913	5,061,763
-	-	-	1,172,251
-	-	67,842	67,842
-	-	-	349,265
-	-	-	340,305
-	-	278,791	3,202,858
-	-	2,462	4,821,395
-	-	63,766	63,766
13,445	44,160	40,896	579,758
-	-	45,934	590,633
<u>592,434</u>	<u>806,507</u>	<u>915,604</u>	<u>22,279,106</u>
-	-	15,000	2,122,633
-	-	253,857	8,651,384
-	231,641	-	2,170,584
-	-	-	233,811
-	-	-	442,502
-	-	-	251,956
-	-	115,822	922,865
-	-	-	3,673,293
430,000	-	-	430,000
148,200	-	-	148,200
<u>578,200</u>	<u>231,641</u>	<u>384,679</u>	<u>19,047,228</u>
<u>14,234</u>	<u>574,866</u>	<u>530,925</u>	<u>3,231,878</u>
-	-	-	6,188,202
-	-	(193,147)	(6,378,067)
-	-	(193,147)	(189,865)
14,234	574,866	337,778	3,042,013
<u>414,100</u>	<u>1,245,522</u>	<u>1,172,989</u>	<u>10,168,737</u>
<u>\$ 428,334</u>	<u>\$ 1,820,388</u>	<u>\$ 1,510,767</u>	<u>\$ 13,210,750</u>



CITY OF LEON VALLEY
RECONCILIATION OF THE STATEMENT OF REVENUES,
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 3,042,013

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	3,673,293	
Depreciation Expense	<u>(1,134,051)</u>	2,539,242

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 9,623

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments	430,000	
Amortization of Premiums, Discounts, Losses	<u>47,687</u>	477,687

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined pension expense exceeded contributions. (796,997)

Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined OPEB expense exceeded contributions. (60,784)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences	(72,333)	
Accrued Interest	<u>2,147</u>	<u>(70,186)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 5,140,598

CITY OF LEON VALLEY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activity
	Water and Sewer
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents:	
Unrestricted	\$ 793,989
Restricted for Customer Deposits	117,144
Restricted Investments - Water/Sewer	3,714,145
Accounts Receivable, Net of Allowance:	
Customer Accounts	559,745
<i>Total Current Assets</i>	5,185,023
 <i>Noncurrent Assets:</i>	
Capital Assets:	
Land	203,227
Water Rights	2,276,080
Buildings and Improvements	25,403
Water/Wastewater System-Plant	11,011,786
Transportation and Equipment	1,673,639
Construction in Progress	2,157,225
Less: Accumulated Depreciation	(7,047,583)
<i>Total Noncurrent Assets</i>	10,299,777
TOTAL ASSETS	15,484,800
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	37,173
Deferred OPEB Related Outflows	654
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 37,827

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2023

	Business-Type Activity
	Water and Sewer
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 318,914
Accrued Expenses	4,807
Accrued Interest Payable	9,227
Current Portion of Compensated Absences	10,160
Current Portion of Long-Term Debt	53,881
Payable from Restricted Assets:	
Customer Deposits Payable	117,144
<i>Total Current Liabilities</i>	514,133
 <i>Noncurrent Liabilities:</i>	
Compensated Absences	20,319
Net Pension Liability	645,288
OPEB Liability	18,243
Long-Term Debt	1,726,496
<i>Total Noncurrent Liabilities</i>	2,410,346
TOTAL LIABILITIES	2,924,479
 DEFERRED INFLOWS OF RESOURCES	
Deferred OPEB Related Inflows	4,312
TOTAL DEFERRED INFLOWS OF RESOURCES	4,312
 NET POSITION	
Net Investment in Capital Assets	8,519,400
Restricted for:	
Water Supply Fee	593,467
Storm Water Fee	1,418,398
Unrestricted	2,062,571
TOTAL NET POSITION	\$ 12,593,836

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities
	Water and Sewer
OPERATING REVENUES	
Metered Water Sales	\$ 1,672,495
Wastewater Sales Charges	2,563,039
Storm Water Fees	561,977
Connection and Platting	342,316
Customer Penalties	55,130
Customer Disconnect Fees	13,932
Tap Fees	7,145
Impact Fees	15,451
TOTAL OPERATING REVENUES	5,231,485
OPERATING EXPENSES	
Water System	808,765
Wastewater System	1,793,876
Stormwater System	89,097
Depreciation	402,937
TOTAL OPERATING EXPENSES	3,094,675
OPERATING INCOME (LOSS)	2,136,810
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	145,607
Interest Expense	(53,982)
Miscellaneous	70,816
TOTAL NONOPERATING REVENUES (EXPENSES)	162,441
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,299,251
TRANSFERS AND CONTRIBUTIONS	
Transfers In	2,177,798
Transfers Out	(1,987,932)
TOTAL TRANSFERS AND CONTRIBUTIONS	189,866
CHANGE IN NET POSITION	2,489,117
NET POSITION AT BEGINNING OF YEAR	10,104,719
NET POSITION AT END OF YEAR	\$ 12,593,836

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities
	Water and Sewer
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 5,122,473
Cash Paid to Supplier for Goods & Services	(1,318,808)
Cash Paid for Employee Salaries and Benefits	(1,225,749)
Net Cash Provided (Used) by Operating Activities	2,577,916
 Cash Flows From Non Capital and Related Financing Activities:	
Miscellaneous Non Capital	70,816
Net Cash Provided (Used) by Non Capital Financing Activities	70,816
 Cash Flows From Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	(2,536,047)
Interest Paid on Long-Term Debt	(53,982)
Transfers from Other Funds for Projects	2,177,798
Transfers to Other Funds for Projects	(1,987,932)
Principal Paid on Long-Term Debt	(53,881)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,454,044)
 Cash Flows From Investing Activities:	
Redemption of Investments	354,393
Interest and Investment Earnings	145,607
Net Cash Provided (Used) by Investing Activities	500,000
 Net Increase (Decrease) in Cash and Cash Equivalents	 694,688
 Cash and Cash Equivalents at Beginning of Year:	
Cash and Cash Equivalents	82,703
Restricted Cash and Cash Equivalents	133,742
	216,445
 Cash and Cash Equivalents at End of Year:	
Cash and Cash Equivalents	793,989
Restricted Cash and Cash Equivalents	117,144
	\$ 911,133

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activity
	Water and Sewer
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 2,136,810
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	402,937
Decrease (Increase) in Assets:	
Accounts Receivable (net)	(92,414)
Deferred Pension Related Outflows	220,827
Deferred OPEB Related Outflows	14,111
Increase (Decrease) in Liabilities:	
Accounts Payable	188,342
Accrued Expenses	(11,087)
Customer Deposits	(16,598)
Compensated Absences	(968)
Net Pension Liability	264,634
OPEB Liability	(80,302)
Deferred Pension Related Inflows	(452,688)
Deferred OPEB Related Inflows	4,312
Net Cash Provided (Used) by Operating Activities	\$ 2,577,916

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Leon Valley, Texas, was incorporated in 1952. The City operates under a council- manager form of government and provides the following services as authorized by its charter: police and fire protection, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

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. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations and APB Opinions. The more significant of the City's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include a potential component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 39 *Determining Whether Certain Organizations are Component Units*. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based upon the application of these criteria, the City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

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

B. Government-Wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund and capital projects fund meet the criteria as major governmental funds. The combined amounts for all nonmajor funds are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Detailed statements for nonmajor funds are presented within combining and individual fund statements and schedules.

C. 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. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred inflow of resources. Property taxes which are levied prior to September 30, 2022, and became due October 1, 2022 have been assessed to finance the budget of the fiscal year beginning October 1, 2022 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2023.

Sales taxes, franchise taxes, hotel/motel taxes, and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government reports the following major governmental funds:

General Fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

Red Light Camera Fund accounts for financial resources garnered through red light camera traffic enforcement.

Capital Projects Fund accounts for financial resources used and expended for the procurement and construction of long lived assets.

Debt Service Fund accounts for financial resources to be used for the payment of long term debt.

Street Maintenance Tax Fund accounts for sales tax collection for street maintenance. This special tax was approved by voters starting in November 2007.

Nonmajor funds include special revenue funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary fund is the water/sewer fund (used to account for the provisions of water and sewer services to residents).

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise fund (water and sewer fund) considers all highly liquid investments including cash in banks, cash on hand, and money market accounts to be cash equivalents.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

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

E. Investments

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost.

F. Receivables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2022 and past due after January 31, 2023. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

G. Short-Term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF LEON VALLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

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

H. Inventories and Prepaid Items

The City accounts for inventories using the consumption method. Inventories consist primarily of supplies and are valued at cost determined by the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Budget

An operating budget is adopted each fiscal year for all City governmental funds. The budget is adopted on the GAAP basis of accounting.

J. Restricted Assets

Certain enterprise fund revenues are collected for a specific purpose by state law and city ordinances such as impact fees for infrastructure improvements and the purchase of future water rights. These funds are classified as restricted assets on the statement of net position and balance sheet because their use is limited by law.

Deposits of water/sewer customers and performance bond deposits pending refund to the customer are considered restricted assets.

K. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Useful Lives (Years)
Buildings	60
Water/Wastewater System - Plant	15 - 60
Other Machinery & Equipment	3 - 60
Office Equipment	6 - 12
Vehicles	3 - 24
Infrastructure	12 - 60

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

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

L. Compensated Absences

Vested or accumulated vacation leave and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. The City is responsible for payment of vested or accumulated vacation leave and compensatory time. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave and compensatory time of the enterprise fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay and compensatory time at September 30, 2023 of \$887,942 and \$30,479 have been recorded in accrued liabilities of the government-wide statements and enterprise fund, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

M. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension and OPEB related deferred outflows of resources.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has OPEB related deferred inflows.

N. Pensions

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

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

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

O. OPEB Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Total OPEB Liability have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. The general fund has typically been used in the prior year to liquidate OPEB liabilities.

P. Long-Term Obligations

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For this purpose, debt does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable. In the current year, the City adopted a new GASB standard that establishes new note disclosure requirements for long-term debt, including direct borrowings and placement. See additional detail in Note 6.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City has elected to appropriate net position of its business type activity. Such appropriations reflect the intended use of the net position.

R. Fund Balance Classification Policies

The City adopted Governmental Accounting Standards Board Statement Number 54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement provides guidance for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at fund balances, specifically reporting what fund balances, by major governmental fund type, are or are not available for public purposes.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

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

R. Fund Balance Classification Policies (Continued)

Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- **Committed** - Fund balances in this category are limited by the government’s highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the Council, such as a City Manager or Finance Director. Assigned fund balance is delegated by the City Council to the City Manager.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

S. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water and sewer services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

U. Use of Estimates

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

CITY OF LEON VALLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2023, the City's cash was fully collateralized.

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment 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 stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits.

The Act determines the types 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) investments pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's investments at September 30, 2023 are as shown below:

Investment Type	Fair Value	Weighted Average Maturity in Days	Ratings	
			MOODY'S	S&P
TexPool	\$ 13,793,315	34	Aaa	AAAM
Investment Type	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Texpool	\$ 13,793,315	\$ -	\$ -	\$ 13,793,315

Fair Value Measurement is measured by the City using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments carried at fair value are valued using quoted markets prices (Level 1 inputs).

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. City investment policy follows state guidelines. The City policy allows investments in certificates of deposit with banks in Texas, investments in U.S. Treasuries and Agencies, and investment pools that invest in obligations of the United States or its agencies and instrumentalities to name a few.

At September 30, 2023, the City's investments were in TexPool, a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service.

Custodial Credit Risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

At year end and per City policy all funds were in the City's name and collateralized with securities that maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service. The City was not exposed to custodial credit risk.

Concentration of Credit Risk. This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All City funds are in the external investment pool as allowed by the City's investment policy, and the investment pool invests in hundreds of authorized securities that minimize concentrations of credit risk. At year end, the City was not exposed to concentration of credit risk.

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk due to investment in an external investment pool as authorized by the City's investment policy.

Foreign Currency Risk. This is the risk that exchange rates will adversely affect the fair value of an investment. The City's policy does not allow investment in foreign currency. At year end the City was not exposed to foreign currency risk.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Investment Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts as amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools

Public funds investment pools in Texas are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

NOTE 3 -- RECEIVABLES

A. Special Assessments

The City levied special assessments in 1986 against various property owners benefiting from public improvements completed in 1987. In accordance with the provisions of the assessment certificates issued for the property owners, assessments are due and payable at the time of completion. All assessments receivable as of September 30, 2012, are considered delinquent. These public improvements were funded through a note payable at the City's depository bank. Collections from assessment accounts were insufficient to cover the required note payments and therefore, the City's general fund paid the note in full through a transfer. Accordingly, current and future principal and interest collections on these delinquent accounts will be used to reimburse the City's general fund. The related assessments receivable, revenues, deferred revenue, and debt payments are reported in the debt service fund.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 3 -- RECEIVABLES (Continued)

B. Receivables

Receivables consist of the following as of September 30, 2023:

	Governmental Funds					Proprietary Fund
	General	Debt Service	Capital Projects Fund	Street Maintenance Tax	Nonmajor Funds	Water and Sewer Fund
<i>Receivables:</i>						
Property Taxes	\$ 215,706	\$ 22,852	\$ -	\$ -	\$ -	\$ -
Special Assessment	-	13,278	-	-	-	-
EMS	209,384	-	-	-	-	-
Sales Taxes	746,130	-	-	71,154	73,424	-
Franchise Taxes	200,838	-	-	-	-	-
Occupancy Taxes	-	-	-	-	17,379	-
Customers	-	-	-	-	-	572,405
Grants	6,238	-	561,923	-	-	-
Other	19,557	158	-	-	-	-
Gross Receivables	1,397,853	36,288	561,923	71,154	90,803	572,405
Less: Allowance for Uncollectibles	(241,740)	(3,427)	-	-	-	(12,660)
Net Total Receivables	<u>\$ 1,156,113</u>	<u>\$ 32,861</u>	<u>\$ 561,923</u>	<u>\$ 71,154</u>	<u>\$ 90,803</u>	<u>\$ 559,745</u>

NOTE 4 -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2022, upon which the fiscal 2023 levy was based, was \$1,107,838,334 (market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2023 was \$0.484739 per \$100 of assessed value, which means that the City has a tax margin of \$2.015261 for each \$100 value.

Property taxes are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 5 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
Governmental Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 1,497,118	\$ -	\$ -	\$ 1,497,118
Construction in Progress	239,370	1,042,888	(1,282,258)	-
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,736,488</u>	<u>1,042,888</u>	<u>(1,282,258)</u>	<u>1,497,118</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	10,981,760	-	-	10,981,760
Other Machinery and Equipment	2,260,934	207,589	-	2,468,523
Office Equipment	56,134	12,984	-	69,118
Vehicles	5,048,695	2,383,214	(641,873)	6,790,036
Infrastructure	16,449,425	26,618	1,282,258	17,758,301
<i>Total Capital Assets Being Depreciated</i>	<u>34,796,948</u>	<u>2,630,405</u>	<u>640,385</u>	<u>38,067,738</u>
<i>Accumulated Depreciation:</i>				
Buildings	(3,040,008)	(198,054)	-	(3,238,062)
Other Machinery and Equipment	(1,946,529)	(186,280)	-	(2,132,809)
Office Equipment	(29,835)	(1,473)	-	(31,308)
Vehicles	(3,711,121)	(358,523)	641,873	(3,427,771)
Infrastructure	(8,820,756)	(389,721)	-	(9,210,477)
<i>Total Accumulated Depreciation</i>	<u>(17,548,249)</u>	<u>(1,134,051)</u>	<u>641,873</u>	<u>(18,040,427)</u>
Total Capital Assets Being Depreciated, Net	<u>17,248,699</u>	<u>1,496,354</u>	<u>1,282,258</u>	<u>20,027,311</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,985,187</u>	<u>\$ 2,539,242</u>	<u>\$ -</u>	<u>\$ 21,524,429</u>
	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
Business-Type Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 203,227	\$ -	\$ -	\$ 203,227
Water Rights	2,276,080	-	-	2,276,080
Construction in Progress	345,813	2,403,212	(591,800)	2,157,225
<i>Total Assets Not Being Depreciated</i>	<u>2,825,120</u>	<u>2,403,212</u>	<u>(591,800)</u>	<u>4,636,532</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	25,403	-	-	25,403
Water/Wastewater System - Plant	10,578,970	46,716	386,100	11,011,786
Transportation and Equipment	1,389,790	86,119	197,730	1,673,639
<i>Total Capital Assets Being Depreciated</i>	<u>11,994,163</u>	<u>132,835</u>	<u>583,830</u>	<u>12,710,828</u>
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(22,395)	(410)	-	(22,805)
Water/Wastewater System - Plant	(5,582,810)	(223,650)	-	(5,806,460)
Transportation and Equipment	(1,047,411)	(178,877)	7,970	(1,218,318)
<i>Total Accumulated Depreciation</i>	<u>(6,652,616)</u>	<u>(402,937)</u>	<u>7,970</u>	<u>(7,047,583)</u>
Total Capital Assets Being Depreciated, Net	<u>5,341,547</u>	<u>(270,102)</u>	<u>591,800</u>	<u>5,663,245</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,166,667</u>	<u>\$ 2,133,110</u>	<u>\$ -</u>	<u>\$ 10,299,777</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 5 -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

<i>Governmental Activities:</i>	
Administration	\$ 184,939
Public Safety	451,353
Public Works	279,456
Parks and Recreation	111,296
Community Development	89,384
Library	17,623
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$ 1,134,051</u>
 <i>Business-Type Activities:</i>	
Water and Sewer System	\$ 402,937
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$ 402,937</u>

NOTE 6 -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2023 were comprised of the following individual issues:

	Issue Amount	Maturity	Rate	Balance
<u>Primary Government</u>				
Governmental Activities:				
General Obligation Refunding Bonds				
2021 Series	\$ 5,775,000	2032	1.25-3.25%	\$ 4,475,000
Total Governmental Long-Term Obligations				<u>\$ 4,475,000</u>
	Issue Amount	Maturity	Rate	Balance
Business Type:				
Certificates of Obligation				
2016 Series	\$ 1,970,000	2046	4.01%	\$ 1,695,000
Total Business-Type Long-Term Obligations				<u>\$ 1,695,000</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 6 -- LONG-TERM DEBT (Continued)

	Balance 9/30/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 4,905,000	\$ -	\$ (430,000)	\$ 4,475,000	\$ 445,000
Unamortized Premium	582,803	-	(47,687)	535,116	53,512
Compensated Absences	815,610	427,509	(355,177)	887,942	295,981
<i>Total Governmental Activities</i>	<u>\$ 6,303,413</u>	<u>\$ 427,509</u>	<u>\$ (832,864)</u>	<u>\$ 5,898,058</u>	<u>\$ 794,493</u>
<i>Business-Type Activities:</i>					
Certificates of Obligation	\$ 1,745,000	\$ -	\$ (50,000)	\$ 1,695,000	\$ 50,000
Unamortized Premium	89,258	-	(3,881)	85,377	3,881
Compensated Absences	31,447	30,479	(31,447)	30,479	10,160
<i>Total Business-Type Activities</i>	<u>\$ 1,865,705</u>	<u>\$ 30,479</u>	<u>\$ (85,328)</u>	<u>\$ 1,810,856</u>	<u>\$ 64,041</u>

Compensated absences, net pension liability and other postemployment benefit obligations for governmental activities are generally liquidated by the general fund.

The annual requirements to amortize all long-term debt and obligations outstanding, excluding compensated absences and bond premium, as of September 30, 2023, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2024	\$ 445,000	\$ 134,250	\$ 579,250
2025	460,000	120,900	580,900
2026	470,000	107,100	577,100
2027	485,000	93,000	578,000
2028	500,000	78,450	578,450
2029-2032	2,115,000	160,200	2,275,200
Total	<u>\$ 4,475,000</u>	<u>\$ 693,900</u>	<u>\$ 5,168,900</u>

Year Ending September 30,	Business-Type Activities		
	Certificates of Obligation		
	Principal	Interest	Total
2024	\$ 50,000	\$ 57,863	\$ 107,863
2025	55,000	55,362	110,362
2026	55,000	52,862	107,862
2027	55,000	51,075	106,075
2028	60,000	47,500	107,500
2029-2033	320,000	207,763	527,763
2034-2038	370,000	152,512	522,512
2039-2043	435,000	88,600	523,600
2044-2047	295,000	18,594	313,594
Total	<u>\$ 1,695,000</u>	<u>\$ 732,131</u>	<u>\$ 2,427,131</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 7 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates as one of 928 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.tmr.com.

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

B. Benefits Provided

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

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

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit:	127
Inactive Employees Entitled to but Not Yet Receiving Benefits	89
Active Employees	108
	<hr/>
	<u>324</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

C. Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during calendar year 2022. The contribution rates for the City were 17.63% and 18.54% for calendar years 2022 and 2023 respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$1,412,576 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF LEON VALLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

E. Actuarial Assumptions (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
	100.00%	

F. Discount Rate

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

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

G. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 52,116,563	\$ 49,542,823	\$ 2,573,740
Changes for the year:			
Service Cost	1,295,550	-	1,295,550
Interest	3,466,522	-	3,466,522
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	57,983	-	57,983
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,235,379	(1,235,379)
Contributions - Employee	-	490,473	(490,473)
Net Investment Income	-	(3,611,872)	3,611,872
Benefit Payments, Including Refunds of Employee Contributions	(2,816,922)	(2,816,922)	-
Administrative Expense	-	(31,295)	31,295
Other Changes	-	37,344	(37,344)
Net Changes	2,003,133	(4,696,893)	6,700,026
Balance at December 31, 2022	\$ 54,119,696	\$ 44,845,930	\$ 9,273,766

G. Changes in Net Pension Liability (Asset) (Continued)

Sensitivity of the net pension liability to changes in the discount rate.

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 16,386,523	\$ 9,273,766	\$ 3,419,775

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

H. Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2023, the City recognized pension expense of \$2,242,373.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 471,715	\$ -
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	3,086,310	-
Contributions Subsequent to the Measurement Date	1,055,438	-
	\$ 4,613,463	\$ -

The City reported \$1,055,438 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2022) will be recognized as a reduction of the net pension liability for the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2023	\$ 418,980
2024	916,104
2025	831,741
2026	1,391,200
Thereafter	-
	\$ 3,558,025

CITY OF LEON VALLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE 8 -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

The plan is part of the Annual Comprehensive Financial Report (ACFR) issued by TMRS and available at www.tmrs.com.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other post-employment benefit,” or OPEB. Membership in the plan at December 31, 2022, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	94
Inactive Employees Entitled to but Not Yet Receiving Benefits	13
Active Employees	108
	215
	215

The SDBF required contribution rates, based on these assumptions, are as follows:

For the Calendar Year Ended December 31,	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2022	0.26%	0.16%
2023	0.44%	0.21%

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 8 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method. These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	4.05%
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In additional, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2022 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2021	\$ 655,653
Changes for the year:	
Service Cost	23,823
Interest	12,180
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(706)
Changes of Assumptions or Other Inputs	(217,866)
Benefit Payments	(11,211)
Net Changes	(193,780)
Balance at December 31, 2022	\$ 461,873

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 8 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The following presents the TOL of the City, calculated using the discount rate of 4.05% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (3.05%) and 1-percentage point higher (5.05%) than the current rate:

	Discount Rate 3.05%	Discount Rate 4.05%	Discount Rate 5.05%
Total OPEB Liability	\$ 545,707	\$ 461,873	\$ 395,661

For the year ended September 30, 2023, the City recognized OPEB expense of \$21,278. Also as of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,531	\$ -
Changes in Actuarial Assumptions	-	109,616
Contributions Subsequent to the Measurement Date	15,046	-
	\$ 16,577	\$ 109,616

Deferred outflows of resources in the amount of \$15,046 is related to OPEB benefits resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability for the subsequent plan year ended December 31, 2023 (fiscal year ended September 30, 2024). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,	
2023	\$ (15,180)
2024	(24,615)
2025	(35,785)
2026	(32,505)
2027	-
	\$ (108,085)

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE 9 -- INTERFUND TRANSFERS

Interfund transfer are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Projects	\$ 2,634,789	To Fund Capital Assets
General Fund	Red Light Camera Fund	919,759	To Establish Fund
Red Light Cameras Fund	Capital Projects	452,574	To Fund Capital Assets
Capital Projects	Water Fund	2,177,798	To Fund Capital Assets
Non-Major Funds	Capital Projects	120,000	To Fund Capital Assets
Water Fund	General Fund	1,656,859	Payment in Lieu of Taxes
Water Fund	Capital Projects	331,073	To Fund Capital Assets
Non-Major Funds	General Fund	73,147	To reimburse for Admin Expenditures
		<u>\$ 8,365,999</u>	

NOTE 10 -- CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. 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.

NOTE 11 -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2023 were \$400,328.



REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedule - Red Light Cameras Fund
- Budgetary Comparison Schedule - Street Maintenance Tax Fund
- Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios



CITY OF LEON VALLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023 WITH COMPARATIVE 2022

	Budgeted Amounts		2023	Variance With	2022
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	
REVENUES					
Property Taxes	\$ 5,491,000	\$ 5,491,000	\$ 5,450,281	\$ (40,719)	\$ 5,280,062
Sales Taxes	3,305,631	3,704,631	3,883,503	178,872	3,702,436
Franchise Taxes	894,798	904,798	1,172,251	267,453	928,847
Licenses and Permits	542,000	542,000	349,265	(192,735)	360,547
Charges for Service	450,000	450,000	340,305	(109,695)	349,353
Fines and Forfeitures	650,000	581,080	660,240	79,160	2,566,664
Grants	300,000	300,000	2,381,035	2,081,035	214,947
Investment Earnings	50,000	55,900	436,562	380,662	61,660
Miscellaneous	303,872	304,616	540,410	235,794	352,909
TOTAL REVENUES	11,987,301	12,334,025	15,213,852	2,879,827	13,817,425
EXPENDITURES					
Administration:					
<i>Business Office:</i>					
Personnel Services	282,075	282,075	273,891	8,184	44,339
Supplies	13,700	13,700	6,518	7,182	15,090
Contracted Services	123,275	123,275	104,340	18,935	118,579
<i>Total Business Office</i>	<u>419,050</u>	<u>419,050</u>	<u>384,749</u>	<u>34,301</u>	<u>178,008</u>
<i>Finance and Accounting:</i>					
Personnel Services	329,443	354,443	367,270	(12,827)	73,057
Supplies	2,500	2,500	3,416	(916)	4,693
Contracted Services	55,750	55,750	54,626	1,124	90,235
<i>Total Finance and Accounting</i>	<u>387,693</u>	<u>412,693</u>	<u>425,312</u>	<u>(12,619)</u>	<u>167,985</u>
<i>Council and Manager:</i>					
Personnel Services	585,663	585,663	607,316	(21,653)	426,063
Supplies	38,440	38,440	30,942	7,498	49,337
Contracted Services	705,716	705,716	659,314	46,402	371,640
<i>Total Council and Manager</i>	<u>1,329,819</u>	<u>1,329,819</u>	<u>1,297,572</u>	<u>32,247</u>	<u>847,040</u>
Total Administration	\$ 2,136,562	\$ 2,161,562	\$ 2,107,633	\$ 53,929	\$ 1,193,033

CITY OF LEON VALLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023 WITH COMPARATIVE 2022

	Budgeted Amounts		2023 Actual Amounts	Variance With Final Budget - Positive (Negative)	2022* Actual
	Original	Final			
Public Safety					
<i>Law Enforcement Administration:</i>					
Personnel Services	\$ 3,063,363	\$ 3,066,613	\$ 2,828,551	\$ 238,062	\$ 2,321,237
Supplies	139,700	139,700	171,024	(31,324)	152,757
Contracted Services	108,000	108,000	204,742	(96,742)	144,929
<i>Total Law Enforcement Administration</i>	<u>3,311,063</u>	<u>3,314,313</u>	<u>3,204,317</u>	<u>109,996</u>	<u>2,618,923</u>
<i>Law Enforcement Traffic Safety:</i>					
Personnel Services	275,892	-	-	-	404,990
Supplies	-	-	74	(74)	8,688
Contracted Services	-	-	-	-	15,466
<i>Total Law Enforcement Traffic Safety</i>	<u>275,892</u>	<u>-</u>	<u>74</u>	<u>(74)</u>	<u>429,144</u>
<i>Law Enforcement Red Light Camera:</i>					
Personnel Services	-	-	-	-	531,510
Supplies	-	-	-	-	1,165
Contracted Services	-	-	-	-	875,563
<i>Total Law Enforcement Red Light Cameras</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,408,238</u>
<i>Impound Lot:</i>					
Personnel Services	27,409	126,353	110,924	15,429	119,776
Supplies	0	1,900	2,590	(690)	2,210
Contracted Services	0	9,500	9,817	(317)	6,158
<i>Total Impound Lot</i>	<u>27,409</u>	<u>137,753</u>	<u>123,331</u>	<u>14,422</u>	<u>128,144</u>
<i>Fire Protection Operations:</i>					
Personnel Services	3,046,319	3,046,319	3,054,732	(8,413)	2,776,347
Supplies	217,000	217,000	158,562	58,438	324,505
Contracted Services	273,025	273,025	153,662	119,363	308,707
Capital Outlay	-	-	-	-	127,795
<i>Total Fire Protection Operations</i>	<u>3,536,344</u>	<u>3,536,344</u>	<u>3,366,956</u>	<u>169,388</u>	<u>3,537,354</u>
Total Public Safety	<u>\$ 7,150,708</u>	<u>\$ 6,988,410</u>	<u>\$ 6,694,678</u>	<u>\$ 293,732</u>	<u>\$ 8,121,803</u>

**Note that the Red Light Camera Expenses, which include Traffic Safety, are now accounted for in a separate fund, (Red Light Camera Fund) that schedule can be found subsequent to the General Fund's – budget to actual with prior year comparative totals for 2022..*

CITY OF LEON VALLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023 WITH COMPARATIVE 2022

	Budgeted Amounts		2023	Variance With	2022
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	Actual
Public Works:					
Personnel Services	\$ 1,719,291	\$ 1,719,291	\$ 1,472,772	\$ 246,519	\$ 845,196
Supplies	198,315	198,315	131,036	67,279	174,214
Contracted Services	310,587	310,587	335,135	(24,548)	383,205
Total Public Works	<u>2,228,193</u>	<u>2,228,193</u>	<u>1,938,943</u>	<u>289,250</u>	<u>1,402,615</u>
Parks and Recreation:					
Personnel Services	3,045	3,045	3,749	(704)	32,765
Supplies	104,100	104,100	43,342	60,758	37,704
Contracted Services	178,755	178,755	186,720	(7,965)	209,578
Capital Outlay	-	-	-	-	26,288
Total Parks and Recreation	<u>285,900</u>	<u>285,900</u>	<u>233,811</u>	<u>52,089</u>	<u>306,335</u>
Library:					
Personnel Services	501,948	501,948	375,825	126,123	354,461
Supplies	40,250	40,250	40,135	115	43,452
Contracted Services	30,450	30,450	26,542	3,908	99,544
Capital Outlay	-	-	12,984	(12,984)	-
Total Library	<u>572,648</u>	<u>572,648</u>	<u>455,486</u>	<u>117,162</u>	<u>497,457</u>
Information Technology Office					
Personnel Services	120,701	120,701	54,458	66,243	-
Supplies	187,225	187,225	184,924	2,301	-
Contracted Services	-	-	12,574	(12,574)	-
Total Information Technology Office	<u>307,926</u>	<u>307,926</u>	<u>251,956</u>	<u>55,970</u>	<u>-</u>
Community Development Activities:					
<i>Community Development/ Events:</i>					
Personnel Services	276,903	276,903	247,099	29,804	180,891
Supplies	5,280	5,280	3,092	2,188	6,468
Contracted Services	233,350	233,350	134,151	99,199	191,106
<i>Total Community Development/ Events</i>	<u>\$ 515,533</u>	<u>\$ 515,533</u>	<u>\$ 384,342</u>	<u>\$ 131,191</u>	<u>\$ 378,465</u>

CITY OF LEON VALLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023 WITH COMPARATIVE 2022

	Budgeted Amounts		2023 Actual Amounts	Variance With Final Budget - Positive (Negative)	2022 Actual
	Original	Final			
<i>Special Events:</i>					
Personnel Services	\$ 20,000	\$ 20,000	\$ 38,584	\$ (18,584)	\$ 33,634
Supplies	120,350	120,350	95,478	24,872	91,859
<i>Total Special Events</i>	<u>140,350</u>	<u>140,350</u>	<u>134,062</u>	<u>6,288</u>	<u>125,493</u>
<i>Economic Development:</i>					
Personnel Services	-	182,617	149,919	32,698	183,856
Supplies	-	13,275	9,888	3,387	4,866
Contracted Services	-	246,657	128,832	117,825	105,367
<i>Total Economic Development</i>	<u>-</u>	<u>442,549</u>	<u>288,639</u>	<u>153,910</u>	<u>294,089</u>
Total Community Development Activities	<u>655,883</u>	<u>1,098,432</u>	<u>807,043</u>	<u>291,389</u>	<u>798,047</u>
Total Expenditures	<u>13,337,820</u>	<u>13,643,071</u>	<u>12,489,550</u>	<u>1,153,521</u>	<u>12,319,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,350,519)</u>	<u>(1,309,046)</u>	<u>2,724,302</u>	<u>4,033,348</u>	<u>1,498,135</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	2,763,578	2,793,408	1,730,006	(1,063,402)	147,790
Transfers Out	(1,326,134)	(3,948,025)	(3,554,548)	393,477	(28,680)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,437,444</u>	<u>(1,154,617)</u>	<u>(1,824,542)</u>	<u>(669,925)</u>	<u>119,110</u>
Net Change in Fund Balance	<u>86,925</u>	<u>(2,463,663)</u>	<u>899,760</u>	<u>3,363,423</u>	<u>1,617,245</u>
Fund Balances, Beginning	<u>7,336,126</u>	<u>7,336,126</u>	<u>7,336,126</u>	<u>-</u>	<u>5,718,880</u>
Fund Balances, Ending	<u>\$ 7,423,051</u>	<u>\$ 4,872,463</u>	<u>\$ 8,235,886</u>	<u>\$ 3,363,423</u>	<u>\$ 7,336,125</u>

CITY OF LEON VALLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
RED LIGHT CAMERA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023 WITH COMPARATIVE 2022

	Budgeted Amounts		2023 Actual Amounts	Variance With Final Budget - Positive (Negative)	2022* Actual
	Original	Final			
REVENUES					
Fines & Forfeitures	2,234,341	\$ 2,434,341	\$ 2,263,827	\$ (170,514)	\$ -
Interest Income	3,000	3,000	44,695	41,695	-
Miscellaneous Income	3,000	-	4,289	\$ 4,289	-
TOTAL REVENUES	2,240,341	2,437,341	2,312,811	(124,530)	-
EXPENDITURES					
<i>Law Enforcement Traffic Safety:</i>					
Personnel Services	-	275,892	214,645	61,247	-
Supplies	-	86,830	5,805	81,025	-
Contracted Services	-	-	1,462	(1,462)	-
<i>Total Law Enforcement Traffic Safety</i>	<i>-</i>	<i>362,722</i>	<i>221,912</i>	<i>140,810</i>	<i>-</i>
<i>Law Enforcement Red Light Camera:</i>					
Personnel Services	611,108	611,108	601,327	9,781	-
Supplies	4,000	4,000	3,472	528	-
Contracted Services	901,000	901,000	876,138	24,862	-
<i>Total Law Enforcement Red Light Cameras</i>	<i>1,516,108</i>	<i>1,516,108</i>	<i>1,480,937</i>	<i>35,171</i>	<i>-</i>
TOTAL EXPENDITURES	1,516,108	1,878,830	1,702,849	175,981	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	724,233	558,511	609,962	51,451	-
OTHER FINANCING SOURCES (USES)					
Transfers In	3,007	3,007	919,759	916,752	-
Transfers Out	(200,574)	(452,574)	(452,574)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(200,574)	(449,567)	467,185	916,752	-
Net Change in Fund Balance	523,659	108,944	1,077,147	968,203	-
FUND BALANCE - BEGINNING	-	-	-	-	-
FUND BALANCE - ENDING	\$ 523,659	\$ 108,944	\$ 1,077,147	\$ 968,203	\$ -

**Note that the 2022 Red Light Camera Expenses, which include Traffic Safety, were accounted for in the General Fund for the year ended 2022.*

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 STREET MAINTENANCE TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023 WITH COMPARATIVE 2022

	Budgeted Amounts		2023 Actual Amounts	Variance With Final Budget - Positive (Negative)	2022 Actual
	Original	Final			
REVENUES					
Sales Taxes	\$ 799,000	\$ 799,000	\$ 762,347	\$ (36,653)	\$ 816,052
Investment Earnings	4,000	4,000	44,160	40,160	6,722
TOTAL REVENUES	803,000	803,000	806,507	3,507	822,774
EXPENDITURES					
<i>Current:</i>					
Public Works	966,052	1,517,152	231,641	1,285,511	1,209,409
TOTAL EXPENDITURES	966,052	1,517,152	231,641	1,285,511	1,209,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	(163,052)	(714,152)	574,866	1,289,018	(386,635)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	163,052	-	(163,052)	272,399
TOTAL OTHER FINANCING SOURCES (USES)	-	163,052	-	(163,052)	272,399
Net Change in Fund Balance	(163,052)	(551,100)	574,866	1,125,966	(114,236)
FUND BALANCE - BEGINNING	1,245,522	1,245,522	1,245,522	-	1,359,760
FUND BALANCE - ENDING	\$ 1,082,470	\$ 694,422	\$ 1,820,388	\$ 1,125,966	\$ 1,245,524

CITY OF LEON VALLEY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for the general fund, red light camera fund, water and sewer fund, grant fund, building security fund, child safety fund, municipal court technology fund, debt service fund, police forfeiture fund, crime control and prevention district fund, community center fund and street maintenance tax fund. Project-length financial plans are adopted for capital project funds. Of these budgets, the general fund, red light camera fund, street maintenance tax fund, community center fund, grants fund, crime control preventions fund, child safety fund, state forfeiture fund, federal forfeiture fund, building security fund, court technology fund, and debt service fund are legally adopted.

Budgetary preparation and control is exercised at the fund level. The city manager is authorized to transfer budget amounts between accounts within a department. These transfers cannot increase the overall budgeted expenditures.

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
 LAST NINE PLAN YEARS*

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 645,011	\$ 761,483	\$ 747,641	\$ 842,875
Interest (on the Total Pension Liability)	2,491,971	2,548,566	2,513,302	2,599,775
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(806,336)	(863,803)	109,583	194,960
Change of Assumptions	-	149,794	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,734,074)	(1,426,682)	(2,099,537)	(2,174,580)
Net Change in Total Pension Liability	596,572	1,169,358	1,270,989	1,463,030
Total Pension Liability - Beginning	36,144,116	36,740,688	37,910,046	39,181,035
Total Pension Liability - Ending	<u>\$ 36,740,688</u>	<u>\$ 37,910,046</u>	<u>\$ 39,181,035</u>	<u>\$ 40,644,065</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 769,208	\$ 813,946	\$ 702,892	\$ 735,312
Contributions - Employee	282,279	311,658	301,671	341,475
Net Investment Income	1,903,667	50,874	2,310,877	4,903,405
Benefit Payments, Including Refunds of Employee Contributions	(1,734,074)	(1,426,682)	(2,099,537)	(2,174,580)
Administrative Expense	(19,877)	(30,989)	(26,101)	(25,416)
Other	(1,634)	(1,531)	(1,406)	(1,286)
Net Change in Plan Fiduciary Net Position	1,199,569	(282,724)	1,188,396	3,778,910
Plan Fiduciary Net Position - Beginning	33,279,600	34,479,169	34,196,445	35,384,841
Plan Fiduciary Net Position - Ending	<u>\$ 34,479,169</u>	<u>\$ 34,196,445</u>	<u>\$ 35,384,841</u>	<u>\$ 39,163,751</u>
Net Pension Liability - Ending	\$ 2,261,519	\$ 3,713,601	\$ 3,796,194	\$ 1,480,314
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.84%	90.20%	90.31%	96.36%
Covered Payroll	\$ 4,704,649	\$ 5,194,294	\$ 5,027,846	\$ 5,691,256
Net Pension Liability as a Percentage of Covered Payroll	48.07%	71.49%	75.50%	26.01%

*GASB 68 requires 10 years of data to be provided in this schedule. This is the ninth year implementation of GASB68. The City will develop the schedule prospectively as data becomes available.

Total Pension Liability

2018	2019	2020	2021	2022
\$ 1,107,270	\$ 1,260,851	\$ 1,322,663	\$ 1,350,668	\$ 1,295,550
2,833,754	2,974,542	3,156,487	3,295,336	3,466,522
1,757,255	-	-	-	-
121,392	696,928	334,550	811,140	57,983
-	97,929	-	-	-
<u>(1,946,832)</u>	<u>(2,160,070)</u>	<u>(2,571,291)</u>	<u>(2,970,074)</u>	<u>(2,816,922)</u>
3,872,839	2,870,180	2,242,409	2,487,070	2,003,133
40,644,065	44,516,904	47,387,084	49,629,493	52,116,563
<u>\$ 44,516,904</u>	<u>\$ 47,387,084</u>	<u>\$ 49,629,493</u>	<u>\$ 52,116,563</u>	<u>\$ 54,119,696</u>

Plan Fiduciary Net Position

2018	2019	2020	2021	2022
\$ 821,094	\$ 1,193,707	\$ 1,254,515	\$ 1,320,007	\$ 1,235,379
372,609	494,728	512,944	523,515	490,473
(1,172,483)	5,749,089	3,220,466	5,843,029	(3,611,872)
(1,946,832)	(2,160,070)	(2,571,291)	(2,970,074)	(2,816,922)
(22,673)	(32,509)	(20,854)	(27,055)	(31,295)
(1,185)	(977)	(813)	185	37,344
<u>(1,949,470)</u>	<u>5,243,968</u>	<u>2,394,967</u>	<u>4,689,607</u>	<u>(4,696,893)</u>
39,163,751	37,214,281	42,458,249	44,853,216	49,542,823
<u>\$ 37,214,281</u>	<u>\$ 42,458,249</u>	<u>\$ 44,853,216</u>	<u>\$ 49,542,823</u>	<u>\$ 44,845,930</u>

\$ 7,302,623	\$ 4,928,835	\$ 4,776,277	\$ 2,573,740	\$ 9,273,766
83.60%	89.60%	90.38%	95.06%	82.86%
\$ 6,210,153	\$ 7,067,549	\$ 7,327,773	\$ 7,478,782	\$ 7,006,761
117.59%	69.74%	65.18%	34.41%	132.35%

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY CONTRIBUTIONS
 LAST NINE FISCAL YEARS*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 1,412,576	\$ 1,412,576	-	\$7,718,509	18.30%
2022	1,246,582	1,246,582	-	7,075,062	17.62%
2021	1,298,721	1,298,721	-	7,291,513	17.81%
2020	1,243,211	1,243,211	-	7,285,644	17.06%
2019	1,108,962	1,108,962	-	6,920,380	16.02%
2018	830,183	830,183	-	6,231,160	13.32%
2017	735,472	735,472	-	5,492,470	13.39%
2016	738,640	738,640	-	5,036,278	14.67%
2015	779,557	779,557	-	4,923,162	15.83%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the ninth year implementation of GASB 68. The City will develop the schedule prospectively as data becomes available.

CITY OF LEON VALLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
LAST SIX CALENDAR YEARS*

	Total OPEB Liability					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 11,383	\$ 14,283	\$ 15,549	\$ 19,052	\$ 23,932	\$ 23,823
Interest on Total OPEB Liability	13,335	13,517	14,951	13,963	12,184	12,180
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(1,286)	(2,759)	(5,014)	8,166	(706)
Change of Assumptions or Other Inputs	32,701	(28,902)	79,233	78,822	19,746	(217,866)
Benefit Payments	(2,846)	(3,726)	(3,534)	(4,397)	(11,218)	(11,211)
Net Change in Total OPEB Liability	54,573	(6,114)	103,440	102,426	52,810	(193,780)
Total OPEB Liability - Beginning	348,518	403,091	396,977	500,417	602,843	655,653
Total OPEB Liability - Ending	<u>\$ 403,091</u>	<u>\$ 396,977</u>	<u>\$ 500,417</u>	<u>\$ 602,843</u>	<u>\$ 655,653</u>	<u>\$ 461,873</u>
Covered Employee Payroll	\$ 5,691,256	\$ 6,210,153	\$ 7,067,549	\$ 7,327,773	\$ 7,478,782	\$ 7,006,761
Total OPEB Liability as a Percentage of Covered Employee Payroll	7.08%	6.39%	7.08%	8.23%	8.77%	6.59%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. This is the sixth year of implementation of GASB75. The City will develop the schedule prospectively as data becomes available.

NOTES TO SCHEDULE OF CHANGES

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

SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Community Center** - Accounts for hotel occupancy tax revenues and expenditures, funding mainly the community and conference centers.
- **Grants Fund** - Accounts for grant revenues received from other governments and the related expenditures.
- **Crime Control and Prevention District** - Accounts for sales tax collection for public safety operations. This special district tax was approved by voters in May 2014.
- **Child Safety Fund** - Accounts for the drug awareness and prevention program, school crossing guards, and other child safety programs.
- **State Police Forfeiture Fund** - Accounts for revenues from seized assets and the allowed expenditure of that revenue.
- **Federal Police Forfeiture Fund** - Accounts for revenues from seized assets in federal cases and the allowed expenditure of that revenue.
- **Building Security Fund** - Accounts for a portion of municipal fines that are allocated to building security and the allowed expenditures.
- **Court Technology** - Accounts for a portion of municipal fines that are allocated to court technology and the allowed expenditures.

OTHER MAJOR FUNDS

- **Debt Service Fund** – Accounts for the accumulation of resources and the related disbursement for the retirement of long term debt.

CITY OF LEON VALLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
ASSETS				
Cash and Cash Equivalents	\$ 98,121	\$ 6,925	\$ 197,112	\$ 16,009
Investments	231,809	-	356,298	48,277
Accounts Receivable, Net of Allowance:				
Other	16,229	-	-	1,150
Due from Other Governments	-	-	73,424	-
TOTAL ASSETS	<u>\$ 346,159</u>	<u>\$ 6,925</u>	<u>\$ 626,834</u>	<u>\$ 65,436</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts Payable	\$ 3,075	\$ 481	\$ 1,512	\$ -
Accrued Expenditures	340	-	701	22
Deposits Payable	51,805	-	-	-
<i>Total Liabilities</i>	<u>55,220</u>	<u>481</u>	<u>2,213</u>	<u>22</u>
<i>Fund Balance:</i>				
Restricted	290,939	6,444	624,621	65,414
<i>Total Fund Balances</i>	<u>290,939</u>	<u>6,444</u>	<u>624,621</u>	<u>65,414</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 346,159</u>	<u>\$ 6,925</u>	<u>\$ 626,834</u>	<u>\$ 65,436</u>

Special Revenue Funds				Total Nonmajor Governmental Funds
State Police Forefiture	Federal Police Forfeitures	Building Security	Court Technology	
\$ -	\$ 195,226	\$ 28,264	\$ 12,891	\$ 554,548
11,148	194,412	46,173	35,235	923,352
-	-	-	-	17,379
-	-	-	-	73,424
<u>\$ 11,148</u>	<u>\$ 389,638</u>	<u>\$ 74,437</u>	<u>\$ 48,126</u>	<u>\$ 1,568,703</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,068
-	-	-	-	1,063
-	-	-	-	51,805
-	-	-	-	57,936
11,148	389,638	74,437	48,126	1,510,767
<u>11,148</u>	<u>389,638</u>	<u>74,437</u>	<u>48,126</u>	<u>1,510,767</u>
<u>\$ 11,148</u>	<u>\$ 389,638</u>	<u>\$ 74,437</u>	<u>\$ 48,126</u>	<u>\$ 1,568,703</u>

CITY OF LEON VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
REVENUES				
Sales Taxes	\$ -	\$ -	\$ 415,913	\$ -
Occupancy Taxes	67,842	-	-	-
Fines and Forfeitures	-	-	-	17,780
Grants	-	2,462	-	-
Rent	63,766	-	-	-
Investment Earnings	10,268	-	15,780	2,139
Miscellaneous	36,275	-	3,201	-
TOTAL REVENUES	<u>178,151</u>	<u>2,462</u>	<u>434,894</u>	<u>19,919</u>
EXPENDITURES				
Current:				
Administration	-	-	-	-
Public Safety	-	3,160	245,354	5,343
Community Development	115,822	-	-	-
TOTAL EXPENDITURES	<u>115,822</u>	<u>3,160</u>	<u>245,354</u>	<u>5,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>62,329</u>	<u>(698)</u>	<u>189,540</u>	<u>14,576</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(73,147)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(73,147)</u>	<u>-</u>
Net Change in Fund Balance	62,329	(698)	116,393	14,576
Fund Balances, Beginning	<u>228,610</u>	<u>7,142</u>	<u>508,228</u>	<u>50,838</u>
Fund Balances, Ending	<u>\$ 290,939</u>	<u>\$ 6,444</u>	<u>\$ 624,621</u>	<u>\$ 65,414</u>

Special Revenue Funds				
State Police Forfeiture	Federal Police Forfeiture	Building Security	Court Technology	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 415,913
-	-	-	-	67,842
-	215,159	22,495	23,357	278,791
-	-	-	-	2,462
-	-	-	-	63,766
494	8,609	2,045	1,561	40,896
-	6,458	-	-	45,934
<u>494</u>	<u>230,226</u>	<u>24,540</u>	<u>24,918</u>	<u>915,604</u>
-	-	-	15,000	15,000
-	-	-	-	253,857
-	-	-	-	115,822
-	-	-	15,000	384,679
<u>494</u>	<u>230,226</u>	<u>24,540</u>	<u>9,918</u>	<u>530,925</u>
-	(120,000)	-	-	(193,147)
-	(120,000)	-	-	(193,147)
494	110,226	24,540	9,918	337,778
10,654	279,412	49,897	38,208	1,172,989
<u>\$ 11,148</u>	<u>\$ 389,638</u>	<u>\$ 74,437</u>	<u>\$ 48,126</u>	<u>\$ 1,510,767</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY CENTER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Occupancy Taxes	\$ 70,000	\$ 70,000	\$ 67,842	\$ (2,158)	\$ 84,186
Rent	50,000	50,000	63,766	13,766	64,292
Investment Earnings	100	100	10,268	10,168	1,470
Miscellaneous	-	-	36,275	36,275	-
TOTAL REVENUES	<u>120,100</u>	<u>120,100</u>	<u>178,151</u>	<u>58,051</u>	<u>149,948</u>
EXPENDITURES					
Current:					
Community Development	132,667	132,667	115,822	16,845	110,211
Capital Outlay	12,000	12,000	-	12,000	-
TOTAL EXPENDITURES	<u>144,667</u>	<u>144,667</u>	<u>115,822</u>	<u>28,845</u>	<u>110,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,567)</u>	<u>(24,567)</u>	<u>62,329</u>	<u>86,896</u>	<u>39,737</u>
FUND BALANCE, BEGINNING	<u>228,610</u>	<u>228,610</u>	<u>228,610</u>	<u>-</u>	<u>188,873</u>
FUND BALANCE, ENDING	<u>\$ 204,043</u>	<u>\$ 204,043</u>	<u>\$ 290,939</u>	<u>\$ 86,896</u>	<u>\$ 228,610</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Grants	\$ (2,856)	\$ (2,856)	\$ 2,462	\$ 5,318	\$ 2,477
TOTAL REVENUES	<u>(2,856)</u>	<u>(2,856)</u>	<u>2,462</u>	<u>5,318</u>	<u>2,477</u>
EXPENDITURES					
Current:					
Public Safety	2,856	2,856	3,160	(304)	1,500
TOTAL EXPENDITURES	<u>2,856</u>	<u>2,856</u>	<u>3,160</u>	<u>(304)</u>	<u>1,500</u>
Net Change in Fund Balance	(5,712)	(5,712)	(698)	5,014	977
FUND BALANCE, BEGINNING	<u>7,142</u>	<u>7,142</u>	<u>7,142</u>	<u>-</u>	<u>6,165</u>
FUND BALANCE, ENDING	<u>\$ 1,430</u>	<u>\$ 1,430</u>	<u>\$ 6,444</u>	<u>\$ 5,014</u>	<u>\$ 7,142</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CRIME CONTROL PREVENTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Sales Tax	\$ 308,648	\$ 363,000	\$ 415,913	\$ 52,913	\$ 403,835
Investment Earnings	300	500	15,781	15,281	2,050
TOTAL REVENUES	<u>308,948</u>	<u>363,500</u>	<u>431,694</u>	<u>68,194</u>	<u>405,885</u>
EXPENDITURES					
Current:					
Public Safety	263,329	263,329	245,354	17,975	192,163
TOTAL EXPENDITURES	<u>263,329</u>	<u>263,329</u>	<u>245,354</u>	<u>17,975</u>	<u>192,163</u>
Net Change in Fund Balance	45,619	100,171	113,193	159,316	213,722
FUND BALANCE, BEGINNING	<u>508,228</u>	<u>508,228</u>	<u>508,228</u>	<u>-</u>	<u>294,506</u>
FUND BALANCE, ENDING	<u>\$ 553,847</u>	<u>\$ 608,399</u>	<u>\$ 624,621</u>	<u>\$ 159,316</u>	<u>\$ 508,228</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CHILD SAFETY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 17,780	\$ 2,780	\$ 15,000
Investment Earnings	100	100	2,139	2,039	237
TOTAL REVENUES	<u>15,100</u>	<u>15,100</u>	<u>19,919</u>	<u>4,819</u>	<u>15,237</u>
EXPENDITURES					
Current:					
Public Safety	12,474	12,474	5,343	7,131	5,866
TOTAL EXPENDITURES	<u>12,474</u>	<u>12,474</u>	<u>5,343</u>	<u>7,131</u>	<u>5,866</u>
Net Change in Fund Balance	2,626	2,626	14,576	11,950	9,371
FUND BALANCE, BEGINNING	<u>50,838</u>	<u>50,838</u>	<u>50,838</u>	<u>-</u>	<u>41,467</u>
FUND BALANCE, ENDING	<u>\$ 53,464</u>	<u>\$ 53,464</u>	<u>\$ 65,414</u>	<u>\$ 11,950</u>	<u>\$ 50,838</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
STATE POLICE FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ -	\$ -	\$ 494	\$ 494	\$ 72
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>494</u>	<u>494</u>	<u>72</u>
Net Change in Fund Balance	-	-	494	494	72
FUND BALANCE, BEGINNING	<u>10,654</u>	<u>10,654</u>	<u>10,654</u>	<u>-</u>	<u>10,582</u>
FUND BALANCE, ENDING	<u>\$ 10,654</u>	<u>\$ 10,654</u>	<u>\$ 11,148</u>	<u>\$ 494</u>	<u>\$ 10,654</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
FEDERAL POLICE FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ 215,159	\$ 165,159	\$ 129,758
Interest	100	-	8,609	8,609	1,308
TOTAL REVENUES	<u>50,100</u>	<u>50,100</u>	<u>230,226</u>	<u>180,126</u>	<u>131,066</u>
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	74,667
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,100</u>	<u>50,100</u>	<u>230,226</u>	<u>180,126</u>	<u>56,399</u>
OTHER SOURCES (USES)					
Transfers In (Out)	-	-	(120,000)	(120,000)	3,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>3,000</u>
Net Change in Fund Balance	50,100	50,100	110,226	60,126	59,399
FUND BALANCE, BEGINNING	<u>279,412</u>	<u>279,412</u>	<u>279,412</u>	<u>-</u>	<u>220,013</u>
FUND BALANCE, ENDING	<u>\$ 329,512</u>	<u>\$ 329,512</u>	<u>\$ 389,638</u>	<u>\$ 60,126</u>	<u>\$ 279,412</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
BUILDING SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 15,500	\$ 15,500	\$ 22,495	\$ 6,995	\$ 17,120
Investment Earnings	-	14,288	2,045	(12,243)	\$ 420
TOTAL REVENUES	<u>15,500</u>	<u>29,788</u>	<u>24,540</u>	<u>(5,248)</u>	<u>17,540</u>
EXPENDITURES					
Current:					
Public Safety	14,288	14,288	-	14,288	-
TOTAL EXPENDITURES	<u>14,288</u>	<u>14,288</u>	<u>-</u>	<u>14,288</u>	<u>-</u>
Net Change in Fund Balance	1,212	15,500	24,540	9,040	17,540
FUND BALANCE, BEGINNING	<u>49,897</u>	<u>49,897</u>	<u>49,897</u>	<u>-</u>	<u>32,357</u>
FUND BALANCE, ENDING	<u>\$ 51,109</u>	<u>\$ 65,397</u>	<u>\$ 74,437</u>	<u>\$ 9,040</u>	<u>\$ 49,897</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget- Positive (Negative)	2022 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 15,000	\$ 16,000	\$ 23,357	\$ 7,357	\$ 18,172
Investment Earnings	-	-	1,561	1,561	175
TOTAL REVENUES	<u>15,000</u>	<u>16,000</u>	<u>24,918</u>	<u>8,918</u>	<u>18,347</u>
EXPENDITURES					
Current:					
Administration	37,000	15,000	15,000	-	3,703
TOTAL EXPENDITURES	<u>37,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>3,703</u>
Net Change in Fund Balance	(22,000)	1,000	9,918	8,918	14,644
FUND BALANCE, BEGINNING	<u>38,208</u>	<u>38,208</u>	<u>38,208</u>	<u>-</u>	<u>23,564</u>
FUND BALANCE, ENDING	<u>\$ 16,208</u>	<u>\$ 39,208</u>	<u>\$ 48,126</u>	<u>\$ 8,918</u>	<u>\$ 38,208</u>

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DEBT SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance With	2022 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Property Taxes	\$ 586,262	\$ 580,150	\$ 578,989	\$ (1,161)	\$ 568,892
Investment Earnings	-	-	13,445	-	2,113
Miscellaneous Income	-	-	-	-	4,469
TOTAL REVENUES	<u>586,262</u>	<u>580,150</u>	<u>592,434</u>	<u>(1,161)</u>	<u>575,474</u>
EXPENDITURES					
<i>Debt Service:</i>					
Principal	465,000	480,000	430,000	50,000	420,000
Interest and Fiscal Charges	208,013	208,013	148,200	59,813	160,800
TOTAL EXPENDITURES	<u>673,013</u>	<u>688,013</u>	<u>578,200</u>	<u>109,813</u>	<u>580,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(86,751)</u>	<u>(107,863)</u>	<u>14,234</u>	<u>122,097</u>	<u>(5,326)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	107,863	107,863	-	(107,863)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>107,863</u>	<u>107,863</u>	<u>-</u>	<u>(107,863)</u>	<u>-</u>
Net Change in Fund Balance	21,112	-	14,234	14,234	(5,326)
FUND BALANCE- BEGINNING	<u>414,100</u>	<u>414,100</u>	<u>414,100</u>	<u>-</u>	<u>419,426</u>
FUND BALANCE- ENDING	<u>\$ 435,212</u>	<u>\$ 414,100</u>	<u>\$ 428,334</u>	<u>\$ 14,234</u>	<u>\$ 414,100</u>

STATISTICAL SECTION

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

Financial Trends (Tables 1 through 4)

Net Position by Component
Change in Net Position
Fund Balances, Governmental Funds
Changes in Fund Balances, Governmental Funds

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

Revenue Capacity (Tables 5 through 12)

Tax Revenues by Source, Governmental Funds
Assessed Value and Estimated Actual Value of Taxable Property
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections
Total Water Sold by Type of Customer
Water and Sewer Rates
Taxable Assessed Value

These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.

Debt Capacity (Tables 13 through 17)

Ratios of Outstanding Debt by Type
Ratios of General Bonded Debt Outstanding
Direct and Overlapping Governmental Activities Debt
Debt Margin Information
Pledged Revenue Coverage

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

Demographic and Economic Information (Tables 18 through 19)

Demographic and Economic Statistics
Principal Employers

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information (Tables 20 through 22)

Full-time Equivalent City Government Employees by Function
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF LEON VALLEY
NET POSITION, BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 7,414,439	\$ 7,696,092	\$ 8,324,593	\$ 9,534,380
Restricted	90,494	1,657,517	2,186,825	2,999,981
Unrestricted	6,167,021	2,656,933	2,696,144	2,342,091
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 13,671,954</u>	<u>\$ 12,010,542</u>	<u>\$ 13,207,562</u>	<u>\$ 14,876,452</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 4,057,126	\$ 4,113,942	\$ 4,367,353	\$ 4,049,170
Restricted	993,268	908,705	1,042,946	1,279,204
Unrestricted	1,873,123	1,533,589	1,205,378	2,179,050
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 6,923,517</u>	<u>\$ 6,556,236</u>	<u>\$ 6,615,677</u>	<u>\$ 7,507,424</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 11,471,565	\$ 11,810,034	\$ 12,691,946	\$ 13,583,550
Restricted	1,083,762	2,566,222	3,229,771	4,279,185
Unrestricted	8,040,144	4,190,522	3,901,522	4,521,141
<i>Total Primary Government Net Position</i>	<u>\$ 20,595,471</u>	<u>\$ 18,566,778</u>	<u>\$ 19,823,239</u>	<u>\$ 22,383,876</u>

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2014 – 2017 have not been restated for adoption of GASB Statement No. 75.

TABLE 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 12,241,969	\$ 12,752,432	\$ 13,667,111	\$ 13,953,956	\$ 13,497,385	\$ 16,514,310
4,027,347	2,704,990	2,950,408	2,891,629	3,144,548	5,151,887
2,432,332	2,048,407	559,242	753,703	2,663,066	2,779,400
<u>\$ 18,701,648</u>	<u>\$ 17,505,829</u>	<u>\$ 17,176,761</u>	<u>\$ 17,599,288</u>	<u>\$ 19,304,999</u>	<u>\$ 24,445,597</u>
\$ 4,162,165	\$ 4,872,274	\$ 5,392,876	\$ 5,862,213	\$ 6,332,409	\$ 8,519,400
1,225,716	1,595,199	1,784,772	1,888,685	1,888,685	2,011,865
2,562,095	2,118,143	2,276,563	2,404,894	1,883,625	2,062,571
<u>\$ 7,949,976</u>	<u>\$ 8,585,616</u>	<u>\$ 9,454,211</u>	<u>\$ 10,155,792</u>	<u>\$ 10,104,719</u>	<u>\$ 12,593,836</u>
\$ 16,404,134	\$ 17,624,706	\$ 19,059,987	\$ 19,816,169	\$ 19,829,794	\$ 25,033,710
5,253,063	4,300,189	4,735,180	4,780,314	5,033,233	7,163,752
4,994,427	4,166,550	2,835,805	3,158,597	4,546,691	4,841,971
<u>\$ 26,651,624</u>	<u>\$ 26,091,445</u>	<u>\$ 26,630,972</u>	<u>\$ 27,755,080</u>	<u>\$ 29,409,718</u>	<u>\$ 37,039,433</u>

CITY OF LEON VALLEY
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
<i>Governmental Activities</i>				
Administration	\$ 828,573	\$ 983,952	\$ 1,125,550	\$ 1,052,772
Public Safety	4,536,351	4,701,582	4,598,579	5,731,890
Public Works	1,650,987	2,363,083	1,492,449	1,960,573
Information Technology Office	-	-	-	-
Parks and Recreation	186,386	169,947	228,169	357,055
Library	302,721	320,572	367,252	375,764
Communications	-	-	355,508	322,727
Community Development	641,724	676,880	880,111	753,029
Interest and Fiscal Agent Fees	248,324	239,237	205,890	228,101
<i>Total Governmental Activities Expenses</i>	<u>8,395,066</u>	<u>9,455,253</u>	<u>9,253,508</u>	<u>10,781,911</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	3,365,772	3,481,521	3,752,522	3,901,345
<i>Total Business-Type Activities</i>	<u>3,365,772</u>	<u>3,481,521</u>	<u>3,752,522</u>	<u>3,901,345</u>
Total Primary Government Expenses	<u>\$ 11,760,838</u>	<u>\$ 12,936,774</u>	<u>\$ 13,006,030</u>	<u>\$ 14,683,256</u>
Program Revenues				
<i>Governmental Activities</i>				
Charges for Service:				
Administration	\$ 284,034	\$ 258,388	\$ 537,825	\$ 319,498
Public Safety	803,036	694,303	724,018	1,620,197
Parks and Recreation	15,586	13,850	15,632	-
Library	3,490	3,521	4,249	-
Community Development	168,648	166,775	167,074	76,357
Operating Grants and Contributions	95,028	240,763	160,001	476,415
Capital Grants and Contributions	-	170,747	37,766	-
<i>Total Governmental Activities Program Revenues</i>	<u>1,369,822</u>	<u>1,548,347</u>	<u>1,646,565</u>	<u>2,492,467</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water/Wastewater Utilities	3,275,292	3,481,570	3,683,776	4,589,550
Operating Grants and Contributions	-	-	-	120,165
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>3,275,292</u>	<u>3,481,570</u>	<u>3,683,776</u>	<u>4,709,715</u>
Total Primary Government Program Revenues	<u>\$ 4,645,114</u>	<u>\$ 5,029,917</u>	<u>\$ 5,330,341</u>	<u>\$ 7,202,182</u>

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2014 – 2017 have not been restated for adoption of GASB Statement No. 75.

TABLE 2

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	1,163,357	\$	1,134,888	\$	1,668,621	\$	1,272,072	\$	1,490,181	\$	2,361,242
	6,825,574		10,029,264		9,182,852		8,427,384		8,192,664		9,760,863
	1,366,183		3,110,746		2,128,939		2,464,829		2,908,030		2,593,652
	-		-		-		-		-		211,958
	372,372		306,749		328,675		326,685		327,054		349,505
	421,642		413,677		413,953		438,436		514,467		460,126
	-		-		-		-		-		-
	828,978		932,724		939,644		919,311		1,054,053		1,024,951
	201,460		186,603		177,398		216,131		100,420		98,366
	<u>11,179,566</u>		<u>16,114,651</u>		<u>14,840,082</u>		<u>14,064,848</u>		<u>14,586,869</u>		<u>16,860,663</u>
	<u>4,720,880</u>		<u>4,978,650</u>		<u>4,476,212</u>		<u>4,447,693</u>		<u>5,613,181</u>		<u>3,148,657</u>
	<u>4,720,880</u>		<u>4,978,650</u>		<u>4,476,212</u>		<u>4,447,693</u>		<u>5,613,181</u>		<u>3,148,657</u>
\$	<u>15,900,446</u>	\$	<u>21,093,301</u>	\$	<u>19,316,294</u>	\$	<u>18,512,541</u>	\$	<u>20,200,050</u>	\$	<u>20,009,320</u>
\$	319,498	\$	661,149	\$	409,905	\$	276,482	\$	330,496	\$	330,494
	1,620,197		3,441,827		3,296,536		3,062,361		3,058,806		3,455,638
	-		-		-		-		-		-
	-		-		-		-		-		-
	76,357		77,660		11,290		20,253		64,586		67,383
	476,415		130,103		604,876		67,282		57,184		53,503
	-		105,767		-		-		159,946		4,764,275
	<u>2,492,467</u>		<u>4,416,506</u>		<u>4,322,607</u>		<u>3,426,378</u>		<u>3,671,018</u>		<u>8,671,293</u>
	4,623,442		5,218,441		4,995,934		5,095,369		5,381,349		5,231,485
	-		-		-		-		-		-
	485,976		302,632		-		-		365,395		-
	<u>5,109,418</u>		<u>5,521,073</u>		<u>4,995,934</u>		<u>5,095,369</u>		<u>5,746,744</u>		<u>5,231,485</u>
\$	<u>7,601,885</u>	\$	<u>9,937,579</u>	\$	<u>9,318,541</u>	\$	<u>8,521,747</u>	\$	<u>9,417,762</u>	\$	<u>13,902,778</u>

CITY OF LEON VALLEY
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
Net (Expenses)/Revenue				
Governmental Activities	\$ (7,025,244)	\$ (7,906,906)	\$ (7,606,943)	\$ (8,289,444)
Business-Type Activities	(90,480)	49	(68,746)	808,370
Total Primary Government Net Expenses	<u>\$ (7,115,724)</u>	<u>\$ (7,906,857)</u>	<u>\$ (7,675,689)</u>	<u>\$ (7,481,074)</u>
Governmental Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 4,021,701	\$ 4,122,721	\$ 4,440,697	\$ 4,752,901
Sales Taxes	2,918,244	3,058,953	3,177,019	3,517,289
Franchise Taxes	895,174	974,361	1,072,898	1,104,166
Occupancy Taxes	91,125	86,661	67,691	80,600
Interest and Investment Earnings	4,277	4,678	17,663	55,460
Miscellaneous	26,879	21,896	27,995	447,168
Transfers	20,000	70,000	-	750
<i>Total Governmental Activities</i>	<u>7,977,400</u>	<u>8,339,270</u>	<u>8,803,963</u>	<u>9,958,334</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	2,579	889	1,270	11,987
Miscellaneous	5,914	144,390	84,682	116,200
Impact Fees	20,417	-	-	-
Transfers	-	(20,000)	(70,000)	-
<i>Total Business-Type Activities</i>	<u>28,910</u>	<u>125,279</u>	<u>15,952</u>	<u>128,187</u>
Total Primary Government	<u>\$ 8,006,310</u>	<u>\$ 8,464,549</u>	<u>\$ 8,819,915</u>	<u>\$ 10,086,521</u>
Changes In Net Position				
Government Activities	\$ 952,156	\$ 432,364	\$ 1,197,020	\$ 1,668,890
Business-Type Activities	(61,570)	125,328	(52,794)	936,557
Total Primary Government	<u>\$ 890,586</u>	<u>\$ 557,692</u>	<u>\$ 1,144,226</u>	<u>\$ 2,605,447</u>

TABLE 2 (Continued)

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	(8,687,099)	\$	(11,698,145)	\$	(10,517,475)	\$	(10,638,470)	\$	(10,915,851)	\$	(8,189,370)
	388,538		542,423		519,722		647,676		133,563		2,082,828
\$	<u>(8,298,561)</u>	\$	<u>(11,155,722)</u>	\$	<u>(9,997,753)</u>	\$	<u>(9,990,794)</u>	\$	<u>(10,782,288)</u>	\$	<u>(6,106,542)</u>
\$	4,944,531	\$	5,113,648	\$	5,447,139	\$	5,558,254	\$	5,863,936	\$	6,038,893
	3,687,415		3,746,775		3,738,177		4,270,709		4,922,322		5,061,764
	961,149		919,205		809,636		876,389		928,847		1,172,251
	94,639		89,936		50,523		89,993		84,186		67,842
	134,411		233,900		94,530		3,074		76,035		579,759
	371,832		399,343		361,884		262,578		351,727		599,325
	(47,650)		(481)		(313,482)		-		394,509		(189,866)
	<u>10,146,327</u>		<u>10,502,326</u>		<u>10,188,407</u>		<u>11,060,997</u>		<u>12,621,562</u>		<u>13,329,968</u>
	60,337		92,436		35,341		2,131		28,490		145,607
	-		300		50		51,774		181,383		70,816
	-		-		-		-		-		-
	47,650		481		313,482		-		(394,509)		189,866
	<u>107,987</u>		<u>93,217</u>		<u>348,873</u>		<u>53,905</u>		<u>(184,636)</u>		<u>406,289</u>
\$	<u>10,254,314</u>	\$	<u>10,595,543</u>	\$	<u>10,537,280</u>	\$	<u>11,114,902</u>	\$	<u>12,436,926</u>	\$	<u>13,736,257</u>
\$	1,459,228	\$	(1,195,819)	\$	(329,068)	\$	422,527	\$	1,705,711	\$	5,140,598
	496,525		635,640		868,595		701,581		(51,073)		2,489,117
\$	<u>1,955,753</u>	\$	<u>(560,179)</u>	\$	<u>539,527</u>	\$	<u>1,124,108</u>	\$	<u>1,654,638</u>	\$	<u>7,629,715</u>

CITY OF LEON VALLEY
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
<i>General Fund:</i>				
Nonspendable	\$ 54,631	\$ 56,442	\$ 14,201	\$ 52,650
Restricted	90,494	114,962	154,393	497,329
Committed	900,000	900,000	900,000	1,000,000
Assigned	25,275	25,275	25,275	80,700
Unassigned	2,756,058	2,779,498	3,567,496	3,508,662
<i>Total General Fund</i>	<u>\$ 3,826,458</u>	<u>\$ 3,876,177</u>	<u>\$ 4,661,365</u>	<u>\$ 5,139,341</u>
<i>All Other Governmental Funds:</i>				
Nonspendable	\$ 1,310	\$ 1,990	\$ -	\$ 2,095
Restricted	5,862,738	2,874,942	2,032,432	2,502,591
Committed	795,672	664,842	-	-
Assigned	105,373	111,139	93,679	-
Unassigned	-	-	-	-
<i>Total All Other Governmental Funds</i>	<u>\$ 6,765,093</u>	<u>\$ 3,652,913</u>	<u>\$ 2,126,111</u>	<u>\$ 2,504,686</u>

TABLE 3

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,163	\$ 5,824	\$ 4,434	\$ 4,854	\$ 4,568	\$ 5,472
23,868	235,416	261,124	283,940	304,190	304,923
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
459,127	1,154,763	749,556	1,068,942	1,501,435	1,006,394
3,359,401	4,370,549	3,784,196	3,361,144	4,525,932	5,919,097
<u>\$ 4,853,559</u>	<u>\$ 6,766,552</u>	<u>\$ 5,799,310</u>	<u>\$ 5,718,880</u>	<u>\$ 7,336,125</u>	<u>\$ 8,235,886</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,499,337	2,463,234	2,680,737	2,596,713	2,832,611	3,759,489
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,499,337</u>	<u>\$ 2,463,234</u>	<u>\$ 2,680,737</u>	<u>\$ 2,596,713</u>	<u>\$ 2,832,611</u>	<u>\$ 3,759,489</u>

CITY OF LEON VALLEY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
REVENUES				
Property Taxes	\$ 4,012,433	\$ 4,143,068	\$ 4,432,407	\$ 4,755,462
Nonproperty Taxes	3,009,369	3,145,614	3,333,880	4,702,056
Grants/Intergovernmental	8,104	8,852	7,394	233,473
Charges for Services	1,988,654	2,123,854	2,132,647	1,939,695
Other	299,392	416,576	535,910	821,919
TOTAL REVENUES	9,317,952	9,837,964	10,442,238	12,452,605
EXPENDITURES				
Current:				
Administrative	769,842	951,121	1,035,474	878,060
Public Safety	4,258,045	4,609,076	4,320,120	5,179,406
Public Works	1,462,747	2,238,664	1,319,658	1,809,169
Parks and Recreation	157,643	142,794	198,429	324,379
Information Technology Office	-	-	-	-
Library	288,871	317,049	346,782	360,023
Communications	-	-	348,793	322,727
Community Development	583,068	624,724	823,889	699,342
Capital Outlay	3,909,161	3,408,801	2,110,337	1,341,443
Debt Service:				
Principal	420,000	430,000	445,000	460,000
Interest	257,121	245,946	233,370	222,255
Fiscal Agent Fees and Bond Issue Costs	1,500	2,250	2,000	-
TOTAL EXPENDITURES	12,107,998	12,970,425	11,183,852	11,596,804
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,790,046)</u>	<u>(3,132,461)</u>	<u>(741,614)</u>	<u>855,801</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	220,770	590,803	707,203	750
Transfers Out	(200,770)	(520,803)	(707,203)	-
Bond Premium	-	-	-	-
Issuance of Debt	-	-	-	-
Payments to Refunding Agent	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,000	70,000	-	750
NET CHANGE IN FUND BALANCE	\$ (2,770,046)	\$ (3,062,461)	\$ (741,614)	\$ 856,551
Debt Service as a Percentage of Noncapital Expenditures	8.3%	7.1%	7.5%	6.7%

TABLE 4

	Fiscal Year					
	2018	2019	2020	2021	2022	2023
\$	4,940,751	\$ 5,104,964	\$ 5,441,159	\$ 5,556,003	\$ 5,848,954	\$ 6,029,270
	4,743,203	4,755,916	4,598,336	5,237,092	5,935,354	6,301,856
	2,184,103	235,870	604,876	67,282	217,424	4,821,395
	3,014,022	4,177,392	3,788,092	3,424,315	3,456,614	3,892,428
	457,535	636,484	386,056	200,433	497,897	1,234,157
	<u>15,339,614</u>	<u>14,910,626</u>	<u>14,818,519</u>	<u>14,485,125</u>	<u>15,956,243</u>	<u>22,279,106</u>
	937,870	933,682	1,440,302	1,090,696	1,196,736	2,122,633
	6,663,001	7,886,368	8,370,905	8,170,836	8,268,204	8,651,384
	1,135,180	2,562,290	1,693,018	2,160,982	2,612,024	2,170,584
	358,460	281,387	288,235	299,170	280,047	233,811
	-	-	-	-	-	251,956
	402,110	407,886	397,869	401,639	497,457	442,502
	-	-	-	-	-	-
	768,403	857,365	859,448	839,794	908,258	922,865
	3,137,262	968,781	1,568,953	1,056,582	154,083	3,673,293
	475,000	440,000	450,000	449,934	420,000	430,000
	205,809	195,495	186,043	179,948	160,800	148,200
	-	-	-	121,016	-	-
	<u>14,083,095</u>	<u>14,533,254</u>	<u>15,254,773</u>	<u>14,770,597</u>	<u>14,497,609</u>	<u>19,047,228</u>
	1,256,519	377,372	(436,254)	(285,472)	1,458,634	3,231,878
	750	-	179,240	-	423,189	6,188,202
	(48,400)	(481)	(492,722)	-	(28,680)	(6,378,067)
	-	-	-	641,083	-	-
	-	-	-	5,775,000	-	-
	-	-	-	(6,295,066)	-	-
	<u>(47,650)</u>	<u>(481)</u>	<u>(313,482)</u>	<u>121,017</u>	<u>394,509</u>	<u>(189,865)</u>
\$	<u>1,208,869</u>	<u>\$ 376,891</u>	<u>\$ (749,736)</u>	<u>\$ (164,455)</u>	<u>\$ 1,853,143</u>	<u>\$ 3,042,013</u>
	6.2%	4.7%	4.6%	4.6%	4.0%	3.5%

CITY OF LEON VALLEY
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use	Occupancy	Franchise	Total Revenue
2014	\$ 4,012,433	\$ 3,009,369	\$ 91,125	\$ 895,174	\$ 8,008,101
2015	4,143,068	3,145,614	86,661	974,361	8,349,704
2016	4,432,407	3,333,880	67,691	983,728	8,817,706
2017	4,755,462	3,517,290	80,600	1,104,166	9,457,518
2018	4,940,751	3,687,415	94,639	961,149	9,683,954
2019	5,104,964	3,746,775	89,936	919,205	9,860,880
2020	5,441,159	3,738,177	50,523	809,636	10,039,495
2021	5,556,003	4,270,710	89,993	876,389	10,793,095
2022	5,848,954	4,922,321	84,186	928,847	11,784,308
2023	6,029,270	5,061,763	67,842	1,172,251	12,331,126

CITY OF LEON VALLEY
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year	Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 677,076,160	0.574282
2015	681,878,582	0.582915
2016	707,418,512	0.575507
2017	740,061,497	0.561615
2018	817,913,902	0.556599
2019	887,140,474	0.556599
2020	997,287,526	0.545877
2021	1,116,994,425	0.535904
2022	1,184,330,358	0.534099
2023	1,334,257,065	0.484739

Source: Bexar, Comal and Guadalupe County Appraisal Districts

NOTES: Property in the City of Leon Valley is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per \$100 of assessed value. Total taxable assessed value is before any applicable freeze adjustments.

CITY OF LEON VALLEY
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (UNAUDITED)

TABLE 7

Fiscal Year	City Direct Rates			Overlapping Rates	
	General Fund	Debt Service	Total Direct	School District	Bexar County
2014	0.4768	0.1062	0.5829	1.3755	0.3269
2015	0.4768	0.0988	0.5755	1.3755	0.3145
2016	0.4712	0.0904	0.5616	1.3755	0.3145
2017	0.4746	0.0820	0.5566	1.3755	0.3090
2018	0.4788	0.0778	0.5566	1.3755	0.3041
2019	0.4783	0.0676	0.5459	1.3755	0.3011
2020	0.4754	0.0682	0.5436	1.3055	0.3011
2021	0.4722	0.0637	0.5359	1.2857	0.3011
2022	0.4816	0.0525	0.5341	1.2631	0.3000
2023	0.4383	0.0464	0.4847	1.1901	0.3000

	Overlapping Rates		
	University Health System	San Antonio River Authority	Alamo Community College
2014	0.27624	0.01780	0.14915
2015	0.27624	0.01750	0.14915
2016	0.27624	0.01729	0.14915
2017	0.27624	0.01729	0.14915
2018	0.27624	0.01729	0.14915
2019	0.27624	0.01858	0.14915
2020	0.27624	0.01858	0.14915
2021	0.27624	0.01858	0.14915
2022	0.27624	0.01836	0.14915
2023	0.27624	0.01836	0.14915

Source: Bexar County Tax Offices

NOTE: Overlapping rates are those of local and county governments that apply within the City of Leon Valley. Not all overlapping rates apply to all City of Leon Valley property owners.

CITY OF LEON VALLEY
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

TABLE 8

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Timberhill Commons LTD	\$ 58,541,310	1	4.39%	-	-	-
5622 Equity De LLC	41,000,000	2	3.07%	-	-	-
Ancira-Winton Chevrolet	40,285,220	3	3.02%	\$ 17,282,400	2	2.53%
PF Bandera LLC	23,541,500	4	1.76%	-	-	-
Valencia Lofts	22,500,000	5	1.69%	-	-	-
5650 Grissom Owner LP	21,500,100	6	1.61%	-	-	-
Leors Holdings LLC	16,552,763	7	1.24%	11,714,950	5	1.72%
Barcelona Lofts LLC	15,700,000	8	1.18%	11,500,000	6	1.69%
Omninet Tower LP	12,400,000	9	0.93%	10,150,000	7	1.49%
6300 Rue Marielyne PO LLC	10,750,000	10	0.81%	-	-	-
H.E.B. Grocery	-	-	-	20,050,000	1	2.94%
Vista Del Rey	-	-	-	14,213,750	3	2.08%
VR Shadow Valley Holdings	-	-	-	12,600,100	4	1.84%
Forest Green Association	-	-	-	6,410,000	8	0.94%
SA West Loop II Investors	-	-	-	5,600,000	9	0.82%
Southwestern Bell	-	-	-	5,285,851	10	0.78%
TOTALS	\$ 262,770,893		19.69%	\$ 114,807,051		16.83%
TOTAL TAXABLE ASSESSED VALUE	\$ 1,334,257,065			\$ 677,076,160		

Source: Bexar County Appraisal District

CITY OF LEON VALLEY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2014	\$ 4,023,348	\$ 3,940,694	97.95%	\$ 72,856	\$ 4,013,550	99.76%
2015	4,130,740	4,050,446	98.06%	70,736	4,121,182	99.77%
2016	4,432,631	4,369,996	98.59%	50,949	4,420,945	99.74%
2017	4,738,086	4,685,787	98.90%	41,320	4,727,107	99.77%
2018	5,019,786	4,966,303	98.93%	39,141	5,005,444	99.71%
2019	5,137,625	5,080,976	98.90%	42,288	5,123,264	99.72%
2020	5,446,779	5,388,962	98.94%	37,622	5,426,584	99.63%
2021	5,599,495	5,545,111	99.03%	27,866	5,517,245	98.53%
2022	5,805,577	5,741,734	98.90%	29,939	5,741,734	98.90%
2023	5,925,028	5,856,964	98.85%	-	5,856,964	98.85%

Source: Bexar County Appraisal District

CITY OF LEON VALLEY
WATER SOLD BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 10

Type of Customer	Fiscal Year				
	2014	2015	2016	2017	2018
Residential	\$ 184,014,000	\$ 176,710,000	\$ 177,355,000	\$ 160,769,000	\$ 155,524,000
Commerical	120,423,155	131,218,294	142,359,865	132,729,922	128,377,775
Total	<u>\$ 304,437,155</u>	<u>\$ 307,928,294</u>	<u>\$ 319,714,865</u>	<u>\$ 293,498,922</u>	<u>\$ 283,901,775</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 1.05</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>	<u>\$ 3.18</u>

Type of Customer	Fiscal Year				
	2019	2020	2021	2022	2023
Residential	\$ 142,601,000	\$ 160,304,400	\$ 146,792,100	\$ 155,678,000	\$ 154,718,000
Commerical	128,044,700	129,810,102	128,201,713	135,567,000	155,661,000
Total	<u>\$ 270,645,700</u>	<u>\$ 290,114,502</u>	<u>\$ 274,993,813</u>	<u>\$ 291,245,000</u>	<u>\$ 310,379,000</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 3.37</u>	<u>\$ 3.56</u>	<u>\$ 3.56</u>	<u>\$ 3.56</u>	<u>\$ 3.56</u>

Source: Leon Valley Water Department.

CITY OF LEON VALLEY
WATER AND SEWER RATES
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2014	\$ 9.36	\$ 1.08	\$ 13.55	\$ 5.27
2015	9.36	1.08	14.36	5.59
2016	9.36	1.08	15.08	5.59
2017	11.20	3.18	15.08	5.83
2018	11.48	3.37	15.08	5.92
2019	11.76	3.56	15.08	6.24
2020	11.76	3.56	15.08	6.24
2021	11.76	3.56	15.08	6.24
2022	11.76	3.56	15.08	6.24
2023	11.76	3.56	15.08	6.24

NOTES: Rates are based on 5/8" meter, which is the standard household meter size.

CITY OF LEON VALLEY
TAXABLE ASSESSED VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 455,927,780	\$ 266,406,857	\$ 5,103,401	\$ 50,361,878	\$ 677,076,160	0.574282
2015	460,768,403	265,776,360	5,426,124	50,092,305	681,878,582	0.582915
2016	473,221,531	278,323,833	6,158,319	50,285,171	707,418,512	0.575507
2017	504,499,829	288,913,043	5,574,551	58,925,926	740,061,497	0.561615
2018	558,785,477	324,533,883	5,961,942	71,367,400	817,913,902	0.556599
2019	597,606,183	361,183,881	6,527,631	78,177,221	887,140,474	0.556599
2020	677,156,407	378,811,873	8,057,007	66,737,761	997,287,526	0.545877
2021	636,307,764	574,292,157	9,034,492	102,639,988	1,116,994,425	0.535904
2022	689,389,560	599,369,775	9,071,223	113,500,200	1,184,330,358	0.534099
2023	818,724,389	674,604,836	9,494,623	168,566,783	1,334,257,065	0.484739

CITY OF LEON VALLEY
RATIOS OF DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS

TABLE 13

Fiscal Year	General Bonded Debt Outstanding			Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property
	General Obligation Bonds	Private Property Finance Contracts	Certificates of Obligation			
2014	\$ 8,125,000	\$ 870,000	\$ -	\$ (256,246)	\$ 8,738,754	1.28%
2015	7,857,138	725,000	-	(286,735)	8,295,403	1.17%
2016	7,450,179	780,000	2,086,424	(320,527)	9,996,076	1.35%
2017	7,028,220	735,000	2,062,543	(339,874)	9,485,889	1.16%
2018	6,596,261	685,000	2,023,662	(350,176)	8,954,747	1.01%
2019	6,199,302	635,000	1,975,901	(341,448)	8,468,755	0.85%
2020	5,792,343	585,000	1,932,020	(387,927)	7,921,436	0.71%
2021	5,966,083	-	1,883,139	(419,426)	7,429,796	0.63%
2022	5,487,803	-	1,834,258	(414,099)	6,907,962	0.58%
2023	5,010,116	-	1,780,377	(428,334)	6,362,159	0.48%

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 18.

CITY OF LEON VALLEY
RATIOS OF GENERAL BONDED DEBT OUSTANDING
CURRENT YEAR

TABLE 14

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percent of Gross Income	Per Capita
	General Obligation Bonds	Private Property Finance Contracts	Certificates of Obligation	Revenue Bonds	Certificates of Obligation			
2014	\$ 8,125,000	\$ 870,000	\$ -	\$ -	\$ -	\$ 8,995,000	3.32%	804
2015	7,857,138	725,000	-	-	-	8,582,138	3.17%	763
2016	7,450,179	780,000	-	-	2,086,424	10,316,603	3.81%	920
2017	7,028,220	735,000	-	-	2,062,543	9,825,763	3.63%	873
2018	6,596,261	685,000	-	-	2,023,662	9,304,923	3.43%	824
2019	6,199,302	635,000	-	-	1,975,901	8,810,203	3.25%	779
2020	5,792,343	585,000	-	-	1,932,020	8,309,363	3.07%	729
2021	5,966,083	-	-	-	1,883,139	7,849,222	2.27%	644
2022	5,487,803	-	-	-	1,834,258	7,322,061	2.22%	601
2023	5,010,116	-	-	-	1,780,377	6,790,493	2.06%	557

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 18.

CITY OF LEON VALLEY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR

TABLE 15

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<i>Debt repaid with property taxes:</i>			
Alamo CCD	\$ 578,325,000	0.61%	\$ 3,527,783
Bexar County	1,896,160,000	0.61%	11,566,576
Bexar County Hospital District	902,130,000	0.61%	5,502,993
Northside Independent School District	2,265,280,000	1.72%	<u>38,962,816</u>
Subtotal, Overlapping Debt			59,560,168
City Governmental Activities Direct Debt			<u>5,010,116</u>
TOTAL NET OVERLAPPING DEBT			<u><u>\$ 64,570,284</u></u>

NOTES: The overlapping debt was received from the Municipal Advisory Council of Texas. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

**Overlapping debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of the City of Leon Valley. This schedule is intended to demonstrate the total debt that the City of Leon Valley property tax payers will be expected to repay. The amount of debt applicable to the City of Leon Valley is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.*

CITY OF LEON VALLEY
DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 16

Assessed Value, 2022 Tax Roll		\$ 1,334,257,065
Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.		\$ 133,425,707
Amount of Applicable Debt:		
General Bonded Debt	\$ 5,010,116	
Less Debt Service Net Position	<u>(438,662)</u>	<u>4,571,454</u>
DEBT MARGIN		<u>\$ 128,854,253</u>
Total Net Debt as a Percentage of Debt Margin		3.55%

	Fiscal Year		
	2020	2021	2022
Assessed Value	\$ 1,075,859,763	\$ 1,116,994,425	\$ 1,184,330,358
Debt Limit	\$ 107,585,976	\$ 111,699,443	\$ 118,433,036
Total Net Debt Applicable to Limit	<u>5,980,870</u>	<u>5,535,681</u>	<u>5,065,956</u>
Total Debt Margin	<u>\$ 101,605,106</u>	<u>\$ 106,163,762</u>	<u>\$ 113,367,080</u>
	2017	2018	2019
Assessed Value	\$ 887,140,474	\$ 949,714,257	\$ 997,287,526
Debt Limit	\$ 88,714,047	\$ 94,971,426	\$ 99,728,753
Total Net Debt Applicable to Limit	<u>8,098,078</u>	<u>8,950,605</u>	<u>8,462,414</u>
Total Debt Margin	<u>\$ 80,615,969</u>	<u>\$ 86,020,821</u>	<u>\$ 91,266,339</u>
	2014	2015	2016
Assessed Value	\$ 707,418,510	\$ 740,061,500	\$ 817,913,900
Debt Limit	\$ 70,741,851	\$ 74,006,150	\$ 81,791,390
Total Net Debt Applicable to Limit	<u>9,204,392</u>	<u>8,774,392</u>	<u>10,376,736</u>
Total Debt Margin	<u>\$ 61,537,459</u>	<u>\$ 65,231,758</u>	<u>\$ 71,414,654</u>

CITY OF LEON VALLEY
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

TABLE 17

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2023	\$ 5,231,485	\$ 3,094,675	\$ 2,136,810	\$ 50,000	\$ 53,982	20.55	
2022	5,381,349	5,557,366	(176,017)	45,000	55,815	(1.75)	
2021	5,095,369	4,389,210	706,159	45,000	58,483	6.82	
2020	4,987,020	4,416,064	570,956	40,000	60,148	5.70	
2019	4,990,678	4,920,092	70,586	40,000	66,363	0.66	
2018	4,586,249	4,657,233	(70,984)	35,000	68,113	(0.69)	
2017	4,456,994	3,833,400	623,594	20,000	82,510	6.08	
2016	3,683,776	3,752,522	(68,746)	-	-	100.00	
2015	3,481,570	3,481,521	49	-	-	100.00	
2014	3,275,292	3,365,772	(90,480)	-	-	100.00	

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include depreciation, interest, amortization or joint venture expenses.

CITY OF LEON VALLEY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

TABLE 18

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	10,866	270,954,576	\$ 24,936	40.0	4,130	6.0%
2015	10,866	270,954,576	24,936	40.0	4,130	5.9%
2016	10,866	270,954,576	24,936	40.0	4,130	5.1%
2017	10,866	270,954,576	24,936	40.0	4,198	5.0%
2018	10,866	270,954,576	24,936	40.0	3,809	4.2%
2019	10,866	270,954,576	24,936	40.0	3,809	3.7%
2020	10,866	270,954,576	24,936	40.0	4,050	3.2%
2021	11,542	345,436,686	29,953	39.2	3,514	6.7%
2022	11,503	329,756,501	28,667	38.5	3,414	3.2%
2023	11,429	390,791,797	34,193	38.5	3,623	3.6%

Sources: Population, personal income, median age and education level information are provided by the United States Census Bureau. School enrollment information is provided by the Northside Independent School District. Unemployment data is provided by the Texas Workforce Commission.

CITY OF LEON VALLEY
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 19

<u>SAN ANTONIO EMPLOYER</u>	2023			2014		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Joint Base San Antonio	82,639	1	7.63%	80,165	1, 2, 6	8.12%
H-E-B Food Stores	20,000	2	1.85%	20,000	3	2.03%
USAA	19,000	3	1.75%	16,000	4	1.62%
City of San Antonio	13,420	4	1.24%	9,145	8	0.93%
Northside ISD	12,206	5	1.13%	12,751	5	1.29%
Methodist Healthcare System	12,000	6	1.11%	8,118	9	0.82%
North East ISD	8,208	7	0.76%	10,052	7	1.02%
San Antonio ISD	7,500	8	0.69%			
University of Texas Health Science	7,200	9	0.66%			
Baptist Health Systems	6,490	10	0.60%	7,205	10	0.73%
Total	<u>188,663</u>		<u>17.42%</u>	<u>163,436</u>		<u>16.56%</u>

The City of Leon Valley is surrounded by the City of San Antonio and no data is available for the employers in Leon Valley. The above data is for San Antonio.

Source: San Antonio Economic Development Foundation.

CITY OF LEON VALLEY
 FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

TABLE 20

Function	Full-Time Equivalent Employees as of September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General Government</u>										
Business Office	1.6	1.6	1.6	1.6	1.1	1.1	0.5	0.5	0.5	0.6
Finance	2.0	2.0	2.0	2.0	2.0	1.5	0.7	0.7	0.7	0.9
Manager and Council	2.0	3.0	3.0	3.9	2.5	3.3	2.1	3.6	3.6	1.8
Information Technology	-	-	-	-	-	-	-	-	-	0.3
<u>Public Safety</u>										
Police										
Officers	23.0	23.0	24.0	25.0	28.5	37.0	39.0	41.0	41.0	41.0
Civilians	8.0	9.9	3.9	1.0	1.0	2.5	1.0	4.3	4.3	3.2
Fire										
Firefighters and Officers	26.0	0.5	26.0	26.0	27.0	27.0	27.0	28.0	28.0	27.0
Civilians	0.5	26.0	0.5	0.5	1.0	1.0	1.0	-	-	-
<u>Public Works</u>	12.6	12.6	12.6	13.2	13.3	13.3	11.8	11.8	11.8	13.8
<u>Development Activities</u>	3.4	1.6	1.6	1.6	2.6	3.3	3.1	3.1	3.1	2.5
<u>Economic Development</u>	2.0	2.0	2.0	2.0	1.0	0.6	0.9	0.9	0.9	1.5
<u>Parks</u>	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	0.0
<u>Library</u>	3.5	3.5	4.5	4.5	4.5	4.5	5.5	5.5	5.5	6.0
<u>Communications</u>	-	-	6.0	2.0	2.0	-	-	-	-	-
<u>Community Center</u>	1.6	1.6	1.6	1.6	1.1	1.6	1.0	1.0	1.0	0.8
<u>Water and Sewer</u>	18.35	18.7	18.2	17.6	17.4	17.4	17.4	17.4	17.35	17.7
TOTAL	106.0	107.5	109.0	104.0	106.5	115.5	112.4	119.1	119.1	117.0

Source: City Adopted Budgets

Note Full-time equivalent is based on the schedule hours of positions to a 40 hour work week.

CITY OF LEON VALLEY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Police</u>					
Arrests	629.0	722.0	915.0	535.0	789.0
Traffic Violations	5010.0	3915.0	4963.0	3643.0	7616.0
<u>Fire</u>					
Fire Calls	890.0	1183.0	942.0	505.0	598.0
EMS Calls	1151.0	1136.0	1472.0	2081.0	1704.0
Number of Inspections	1009.0	480.0	310.0	730.0	724.0
<u>Public Works</u>					
Streets resurfacing (Miles)	8.0	5.0	1.0	2.3	1.2
Sidewalk Construction (Feet)	687.0	1304.0	2060.0	1957.0	350.0
<u>Library</u>					
Reference Questions	7,000.0	6,485.0	7,681.0	7,149.0	7,384.0
Internet Sessions	6,266.0	6,497.0	8,055.0	8,346.0	17,456.0
Library Acquisitions	2,176.0	1,823.0	2,011.0	2,352.0	2,269.0
<u>Water</u>					
Daily Average Consumption (thousands of gallons)	962,846.0	843,639.0	869,649.0	804,105.0	777,813.0
Total Customers	2,544.00	2,561.00	2,574.00	2,583.00	2,601.00
Average Use Per Connection	378.48	329.42	337.86	311.31	299.04
<u>Sewer</u>					
Total Customers	2457.0	2456.0	2479.0	2489.0	2505.0
Daily Average Treatment (Gallons)	700,672.0	703,607.0	681,173.0	703,502.0	697,762.0

Source: Various City Departments.

TABLE 21

Fiscal Year				
2019	2020	2021	2022	2023
1221.0	473.0	333.0	673.0	1074.0
10156.0	4277.0	2601.0	5050.0	6003.0
441.0	680.0	795.0	729.0	627.0
1561.0	1521.0	1922.0	1758.0	1777.0
392.0	614.0	679.0	734.0	675.0
4.1	4.1	2.0	1.0	2.0
1020.0	1020.0	679.0	1187.0	926.0
10,393.0	5,123.0	4,572.0	6,646.0	12,952.0
17,857.0	4,061.0	8,834.0	3,801.0	8,087.0
1,760.0	1,519.0	1,618.0	2,660.0	2,044.0
741,495.0	769,308.0	753,407.0	973,521.0	862,163.0
2,613.00	2,634.00	2,637.00	2,646.00	2,631.00
283.77	292.07	285.71	367.92	327.69
2613.0	2546.0	2549.0	2560.0	2547.0
679,844.0	635,655.0	648,440.0	797,932.0	655,080.0

CITY OF LEON VALLEY
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Police</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Patrol Units	24.0	24.0	25.0	28.5	37.0
<u>Fire</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Fire Fighters	26.0	26.0	26.0	27.0	27.0
<u>Streets</u>					
Streets, paved (miles)	39.5	39.5	39.5	43.0	43.0
<u>Parks and Recreation</u>					
Parks - Developed	1.0	1.0	1.0	1.0	5.0
Parks - Acreage	24.0	24.0	24.0	69.5	69.5
Swimming Pools	1.0	1.0	1.0	2.0	2.0
Tennis Courts	1.0	1.0	1.0	1.0	1.0
Community Centers	2.0	2.0	2.0	2.0	2.0
<u>Library</u>					
Facility	1.0	1.0	1.0	1.0	1.0
<u>Water</u>					
Number of Hydrants	208.0	208.0	208.0	208.0	208.0
Water Mains (Miles)	39.5	39.5	39.5	39.5	39.5
<u>Sewer</u>					
Sanitary Sewers (Miles)	47.5	47.5	47.5	47.5	47.5
Storm Sewers (Feet)	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0

Source: Various City Departments

TABLE 22

Fiscal Year				
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1.0	1.0	1.0	1.0	1.0
37.0	37.0	37.0	37.0	37.0
1.0	1.0	1.0	1.0	1.0
27.0	27.0	28.0	28.0	28.0
43.0	43.0	43.0	43.0	43.0
5.0	5.0	5.0	5.0	5.0
69.5	69.5	69.5	69.5	84.6
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
208.0	208.0	208.0	208.0	208.0
39.5	39.5	39.5	39.05	39.05
47.5	47.5	47.5	47.5	47.5
4,000.0	4,000.0	4,000.0	5,000.0	5,000.0



COMPLIANCE SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and management
City of Leon Valley

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Leon Valley's basic financial statements, and have issued our report thereon dated February 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Leon Valley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Leon Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Leon Valley'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

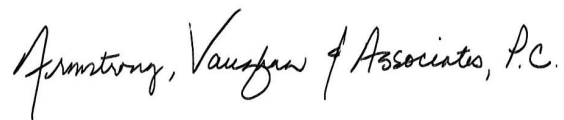
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Leon Valley'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that have been reported to management in a separate letter dated February 16, 2024.

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.



Armstrong, Vaughan & Associates, P.C.

February 16, 2024



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Leon Valley

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Leon Valley's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City of Leon Valley, Texas' major federal programs for the year ended September 30, 2023. City of Leon Valley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Leon Valley complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Leon Valley's compliance based on our audit. Reasonable assurance is a high level of

assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Leon Valley's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

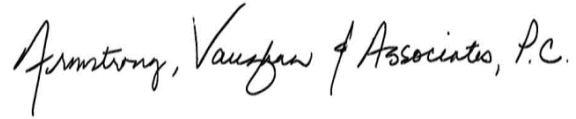
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 16, 2024

CITY OF LEON VALLEY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Any material weaknesses identified?	No
Any significant deficiencies identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Any material weaknesses identified?	No
Any significant deficiencies identified?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus Relief Fund (CRF)
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

B. Financial Statement Findings
 NONE

C. Federal Award Findings and Questioned Costs
 NONE

D. Prior Year Findings
 NONE

CITY OF LEON VALLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Coronavirus State Fiscal Relief Fund	21.027	N/A	\$2,245,463
Equitable Sharing Program	21.016	N/A	120,000
OFFICE OF JUSTICE PROGRAMS			
Patrick Leahy Bulletproof Vest Partnership	16.607	N/A	1,410
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Passed through Texas State Library and Archives Commission			
ILL Lending Program	45.310	LS-00-19-0044-19	5,963
FEDERAL HIGHWAY ADMINISTRATION			
Passed through Texas Department of Transportation			
Transportation Improvement Program	20.205	0915-12-514	<u>831,121</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$3,203,957</u></u>

CITY OF LEON VALLEY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 -- BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 -- INDIRECT COSTS

The City does not charge in-direct costs to federal grants and has elected not to draw the 10% de minimis indirect cost rate allowed in the Uniform Guidance, Section 414.

