

CITY OF LEON VALLEY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021



OFFICIALS ISSUING REPORT

Crystal Caldera
City Manager

Vickie Wallace
Director of Finance



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INTRODUCTORY SECTION



February 7, 2022

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, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work 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, 2021. 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.



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, 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 current year 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 is stricter than is required by law. The appropriated budget is prepared by fund, 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, 2020, the Committed Fund Balance was \$1,000,000.

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 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, 2020 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,



Crystal Caldera
City Manager



Vickie Wallace
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, 2020

Christopher P. Morrill

Executive Director/CEO

CITY OF LEON VALLEY, TEXAS
PRINCIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2021

ELECTED OFFICIALS

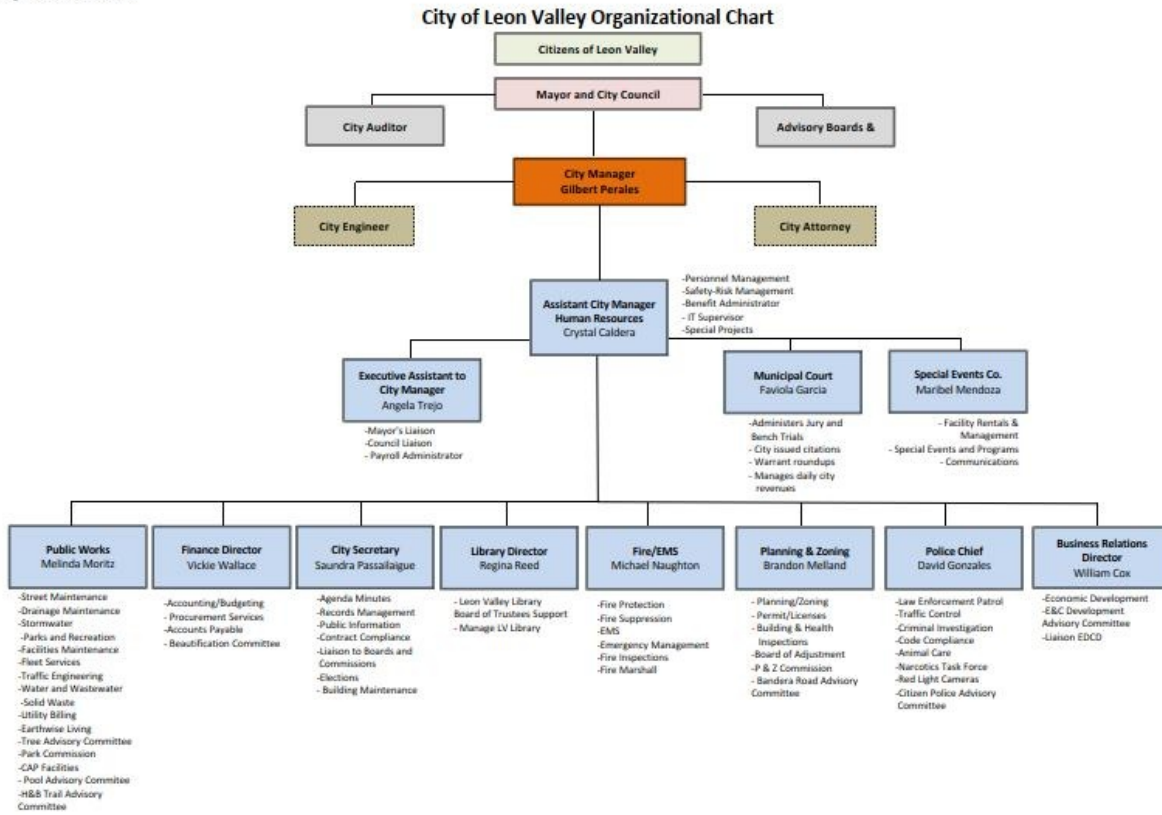
MAYOR	CHRIS RILEY
CITY COUNCIL, PLACE 1	BENNY MARTINEZ
CITY COUNCIL, PLACE 2	JOSH STEVENS
CITY COUNCIL, PLACE 3	JED HEFNER
CITY COUNCIL, PLACE 4	REY OROZCO
CITY COUNCIL, PLACE 5, MAYOR PRO-TEM	WILL BRADSHAW

CITY OFFICIALS

CITY MANAGER	GILBERT PERALES
DIRECTOR OF FINANCE	VICKIE WALLACE
CITY SECRETARY	SAUNDRA PASSAILAIGUE
PLANNING AND ZONING DIRECTOR	BRANDON MELLAND
POLICE CHIEF	DAVID GONZALEZ
FIRE CHIEF	MICHAEL MCNAUGHTON
LIBRARIAN	REGINA REED
PUBLIC WORKS DIRECTOR	MELINDA MORITZ
HUMAN RESOURCES DIRECTOR/ACM	CRYSTAL CALDERA
CITY ATTORNEY	ROXANA I. STEVENS, DENTON, NAVARRO, ROCHA, BERNAL, HYDE & ZECH

CITY OF LEON VALLEY ORGANIZATIONAL CHART

Organizational Chart FY 2021





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 the Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, 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.

Other Matters

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Leon Valley's basic financial statements. The comparative financial statements, combining and individual nonmajor fund financial statements, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements, and combining and individual nonmajor fund financial statements 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 and individual nonmajor fund statements is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2022 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 7, 2022

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, 2021. 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 \$27.8 million (net position) at the close of the most recent fiscal year. Of this amount, \$3.2 million (unrestricted net position) may be used to meet the City's operational needs.
- The City's total net position increased by \$1.1 million mainly due to increased sales tax revenue and reduction of expenditures in public safety as a result of the COVID related expenses funded by the CARES Act grant.
- The City's OPEB and pension related deferred outflows totaled \$1.7 million at year end, an increase of \$13 thousand 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 \$1.2 million at year end, a decrease of \$.1 million in comparison with the prior year due partly to a decrease in the investment earnings. The Pension Liability increased by \$2.4 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 \$8.3 million, a decrease of \$164 thousand in comparison with the prior year. The City budgeted a deficiency of revenues under expenditures of \$217 thousand. However, revenues were \$469 thousand greater than budget in Sales Tax although a negative variance occurred in the fines and forfeiture revenue of \$152 thousand. The expenses were less than budgeted overall, but the public works department exceeded the budget by \$21 thousand.
- At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$4.4 million which is 38% of the general fund expenditures not including capital outlay.
- During the fiscal year, the City issued \$5.8 million, City of Leon Valley, Texas General Obligation Refunding Bonds. The City refunded the Series 2009 Public Property Finance Contractual Obligations in the amount of \$530 thousand as well as the General Obligation Bonds, Series 2012 in the amount of \$5.7 million. The refunding resulted in a gross debt service savings of \$580,326 and present value of \$536,799.

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, which is adopted on an annual basis. A budgetary comparison statement has been provided for this fund in order to demonstrate budgetary compliance with this budget.

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, which is adopted on an annual basis. A budgetary comparison statement has been provided for this fund in order to demonstrate budgetary compliance with this budget.

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	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	\$ 11,262,689	\$ 9,971,662	\$ 5,435,505	\$ 5,216,230	\$ 16,698,194	\$ 15,187,892
Capital and Other Assets	19,920,039	20,044,454	7,745,352	7,324,896	27,665,391	27,369,350
Total Assets	<u>31,182,728</u>	<u>30,016,116</u>	<u>13,180,857</u>	<u>12,541,126</u>	<u>44,363,585</u>	<u>42,557,242</u>
Deferred Outflows of Resources	<u>1,553,868</u>	<u>1,434,507</u>	<u>145,164</u>	<u>251,483</u>	<u>1,699,032</u>	<u>1,685,990</u>
Liabilities						
Current Liabilities	1,905,429	1,967,993	362,989	323,627	2,268,418	2,291,620
Noncurrent Liabilities	12,120,146	11,215,246	2,710,144	2,795,777	14,830,290	14,011,023
Total Liabilities	<u>14,025,575</u>	<u>13,183,239</u>	<u>3,073,133</u>	<u>3,119,404</u>	<u>17,098,708</u>	<u>16,302,643</u>
Deferred Inflows of Resources	<u>1,111,733</u>	<u>1,090,623</u>	<u>97,096</u>	<u>218,994</u>	<u>1,208,829</u>	<u>1,309,617</u>
Net Position						
Net Investment in Capital Assets	13,953,956	13,667,111	5,862,213	5,392,876	19,816,169	19,059,987
Restricted	2,891,629	2,950,408	1,888,685	1,784,772	4,780,314	4,735,180
Unrestricted	753,703	559,242	2,404,894	2,276,563	3,158,597	2,835,805
Total Net Position	<u>\$ 17,599,288</u>	<u>\$ 17,176,761</u>	<u>\$ 10,155,792</u>	<u>\$ 9,454,211</u>	<u>\$ 27,755,080</u>	<u>\$ 26,630,972</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, \$19.8 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, \$4.8 million represents resources that are subject to external restrictions on how they may be used. \$3.2 million (unrestricted net position) may be used to meet the City’s operational needs.

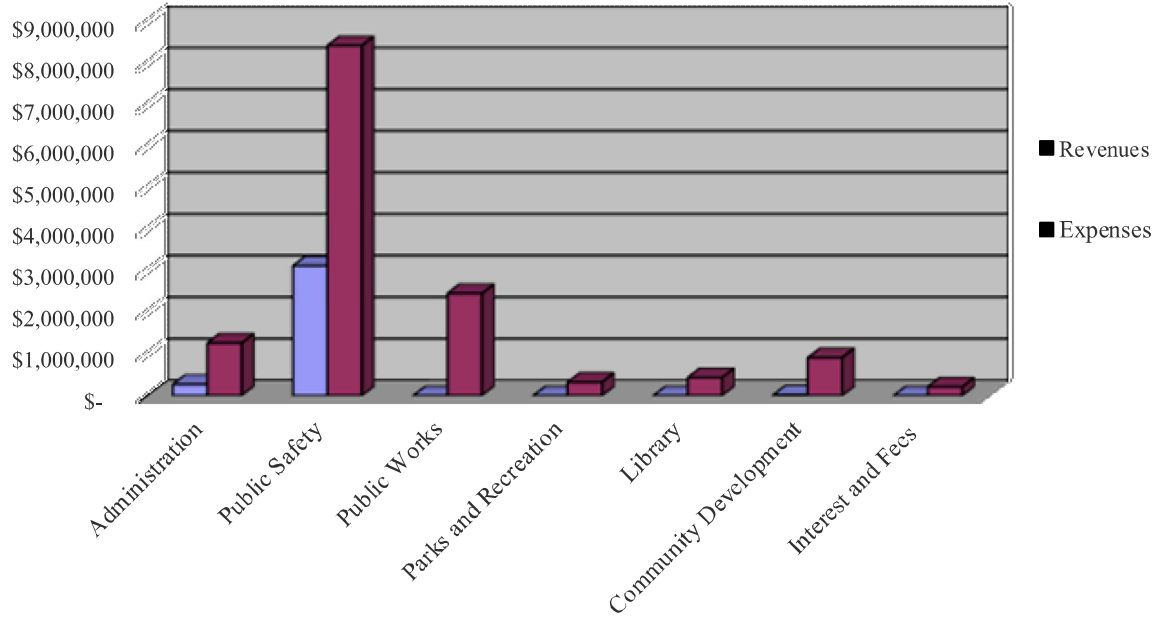
Governmental activities increased net position by \$423 thousand, which is attributable to fluctuations in program revenues and expenses. Key elements of this decrease are as follows:

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

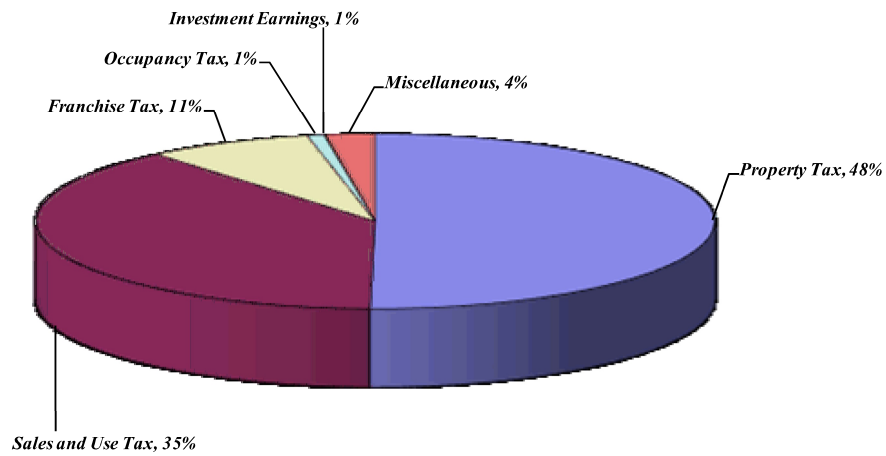
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,359,096	\$ 3,717,731	\$ 5,095,369	\$ 4,995,934	\$ 8,454,465	\$ 8,713,665
Operating Grants and Contributions	67,282	604,876	-	-	67,282	604,876
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	5,558,254	5,447,139	-	-	5,558,254	5,447,139
Sales Taxes	4,270,709	3,738,177	-	-	4,270,709	3,738,177
Franchise Taxes	876,389	809,636	-	-	876,389	809,636
Occupancy Taxes	89,993	50,523	-	-	89,993	50,523
Investment Earnings	3,074	94,530	2,131	35,341	5,205	129,871
Miscellaneous	262,578	361,884	51,774	50	314,352	361,934
Total Revenues	<u>14,487,375</u>	<u>14,824,496</u>	<u>5,149,274</u>	<u>5,031,325</u>	<u>19,636,649</u>	<u>19,855,821</u>
Expenses:						
Administration	1,272,072	1,668,621	-	-	1,272,072	1,668,621
Public Safety	8,427,384	9,182,852	-	-	8,427,384	9,182,852
Public Works	2,464,829	2,128,939	-	-	2,464,829	2,128,939
Parks and Recreation	326,685	328,675	-	-	326,685	328,675
Library	438,436	413,953	-	-	438,436	413,953
Community Development	919,311	939,644	-	-	919,311	939,644
Utility	-	-	4,447,693	4,476,212	4,447,693	4,476,212
Interest and Fiscal Agent Fees	216,131	177,398	-	-	216,131	177,398
Total Expenses	<u>14,064,848</u>	<u>14,840,082</u>	<u>4,447,693</u>	<u>4,476,212</u>	<u>18,512,541</u>	<u>19,316,294</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	422,527	(15,586)	701,581	555,113	1,124,108	539,527
Transfers In (Out)	-	(313,482)	-	313,482	-	-
CHANGE IN NET POSITION	422,527	(329,068)	701,581	868,595	1,124,108	539,527
BEGINNING NET POSITION	17,176,761	17,505,829	9,454,211	8,585,616	26,630,972	26,091,445
ENDING NET POSITION	<u>\$ 17,599,288</u>	<u>\$ 17,176,761</u>	<u>\$ 10,155,792</u>	<u>\$ 9,454,211</u>	<u>\$ 27,755,080</u>	<u>\$ 26,630,972</u>

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES
 TOTAL EXPENSES 2021 AND 2020-GOVERNMENT-WIDE

Revenues-Governmental Activities (Continued)

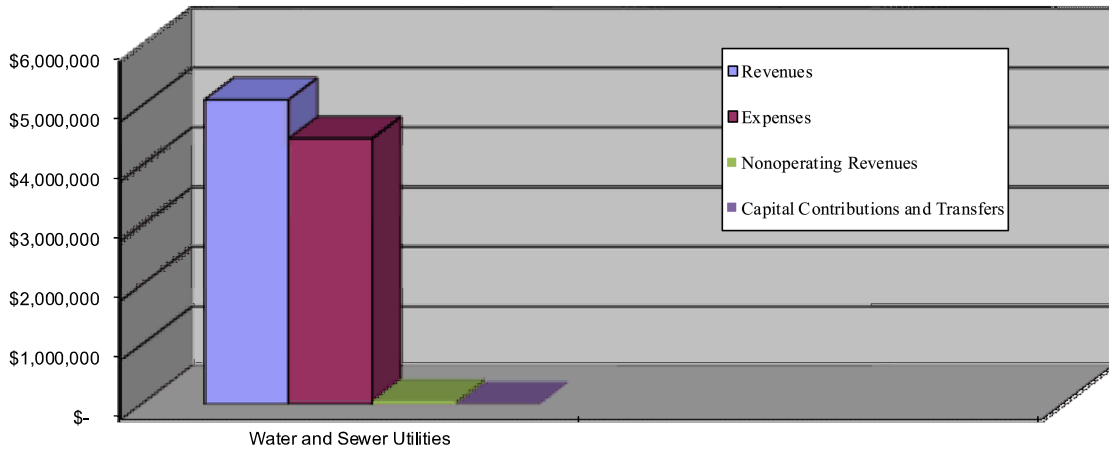
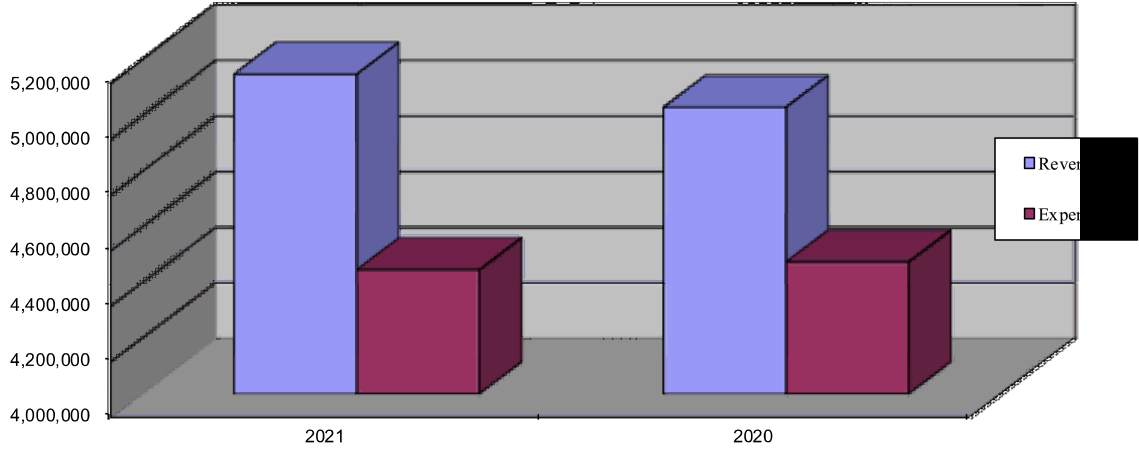


General Revenue by Source - Governmental Activities



Business-Type Activities

Business-Type activities increased net position by 7.0%. For the most part, decreases in expenses were much due to COVID-19.



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, 2021, the City's governmental funds reported combined ending fund balances of \$8.3 million, a decrease of \$165 thousand in comparison with fiscal year 2020. 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, 2021, the fund balance of the City's general fund decreased by \$80 thousand. Key factors in the decrease are as follows:

- The decrease is mostly attributed to a budgeted loss of \$1.3 million in which they had an positive variance in the sales tax revenue of \$469 thousand, property tax revenue positive variance of \$125 thousand; There were negative variances of \$152 thousand in fines and forfeitures and \$98 thousand in investment earnings;
- The city decreased the tax rate for the 2020-2021 budget year by 0.040491 per hundred, but increased tax revenue by \$136 thousand from the prior year.
- Contracted services (legal) in the Council and Manager expenditures, although within the budget, remained at \$330 thousand;
- \$251 thousand increase in Public Works with a negative variance of \$21 thousand.

For the fiscal year ended September 30, 2021, the fund balance of the City's Street Maintenance Tax Fund decreased by \$57 thousand. The key factors in the increase are as follows:

- Public works repairs and maintenance expenditures were only \$768 thousand compared to the \$1.5 expected to spend. Projects were delayed to COVID.
- The sales tax revenue was \$100 thousand more than budgeted.

The debt service fund has a total fund balance of \$419 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 \$32 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 \$2.4 million. The total increase in net position for the water and sewer fund was \$701 thousand. Most of this increase is due to an increase in the water rates and a reduction in expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised its budget for a total increase of \$1.1 million. The following are the main components of the increase:

- \$20,000 for City Manager contract
- \$69,354 to purchase police ballistic vests
- \$150,000 for police vehicles
- \$245,622 to purchase an ambulance
- \$322,440 for Community Center upgrades
- \$187,300 for Hike and Bike engineering fees

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, 2021 amounted to \$27.7 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 \$296 thousand from fiscal year 2020.

**TABLE A-3
CAPITAL ASSETS
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,497,118	\$ 1,497,118	\$ 203,227	\$ 203,227	\$ 1,700,345	\$ 1,700,345
Water Rights	-	-	2,153,232	2,041,390	2,153,232	2,041,390
Buildings	10,981,760	10,981,760	25,403	25,403	11,007,163	11,007,163
Water/Wastewater System - Plant	-	-	9,704,648	9,825,014	9,704,648	9,825,014
Transportation and Equipment	7,258,890	6,971,955	-	-	7,258,890	6,971,955
Infrastructure	16,449,425	15,806,015	1,259,681	1,266,617	17,709,106	17,072,632
Construction in Progress	213,082	213,082	743,544	-	956,626	213,082
Accumulated Depreciation	(16,480,236)	(15,425,476)	(6,344,383)	(6,036,755)	(22,824,619)	(21,462,231)
TOTALS	\$ 19,920,039	\$ 20,044,454	\$ 7,745,352	\$ 7,324,896	\$ 27,665,391	\$ 27,369,350

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, 2021, the City had a total bonded debt outstanding of \$7.8 million.

**TABLE A-4
LONG-TERM DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 5,966,083	\$ 5,792,343	\$ 1,883,139	\$ 1,932,020	\$ 7,849,222	\$ 7,724,363
Public Property Finance Contracts	-	585,000	-	-	-	585,000
TOTALS	\$ 5,966,083	\$ 6,377,343	\$ 1,883,139	\$ 1,932,020	\$ 7,849,222	\$ 8,309,363

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 2022, the City took a very conservative approach to budgeting due to COVID-19. An increase of \$374 thousand in property tax was budgeted, which is due to an increase in property values. Sales tax was budgeted with an increase of \$97 thousand and licenses, permits, fees and fines with a decrease of \$247 thousand. Overall revenues were budgeted with a decrease of \$146 thousand due to the uncertainty of the continued effect of COVID-19 on the economy. The city adopted a tax rate of \$0.534099 which is a decrease from the fiscal year 2020 tax rate. The tax components are as follows: The tax components are as follows: \$0.481577 for Maintenance and Operations and \$0.052522 for the Interest and Sinking.

Expenditures for the general fund are budgeted at \$12.7 million and capital outlay at \$360 thousand. 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ 1,981,117	\$ 167,829	\$ 2,148,946
Restricted for Customer Deposits	-	178,303	178,303
Investments			
Unrestricted	8,142,521	-	8,142,521
Restricted Investments - Water/Wastewater	-	4,540,047	4,540,047
Receivables (net of allowances):			
Property Taxes	178,433	-	178,433
Special Assessment	13,278	-	13,278
Other	169,572	549,326	718,898
Due from Other Governments	772,914	-	772,914
Inventories	4,854	-	4,854
<i>Total Current Assets</i>	<u>11,262,689</u>	<u>5,435,505</u>	<u>16,698,194</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	1,497,118	203,227	1,700,345
Water Rights	-	2,153,232	2,153,232
Buildings	10,981,760	25,403	11,007,163
Water/Wastewater System-Plant	-	9,704,648	9,704,648
Other Machinery and Equipment	2,133,139	-	2,133,139
Office Equipment	56,134	-	56,134
Infrastructure	16,449,425	-	16,449,425
Transportation and Equipment	5,069,617	1,259,681	6,329,298
Construction in Progress	213,082	743,544	956,626
Less: Accumulated Depreciation	<u>(16,480,236)</u>	<u>(6,344,383)</u>	<u>(22,824,619)</u>
<i>Total Noncurrent Assets:</i>	<u>19,920,039</u>	<u>7,745,352</u>	<u>50,592,009</u>
TOTAL ASSETS	<u>31,182,728</u>	<u>13,180,857</u>	<u>67,290,203</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Outflows	1,457,735	128,640	1,586,375
Deferred OPEB Related Outflows	<u>96,133</u>	<u>16,524</u>	<u>112,657</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,553,868</u>	<u>\$ 145,164</u>	<u>\$ 1,699,032</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 815,000	\$ 54,661	\$ 869,661
Accrued Expenses	390,591	46,377	436,968
Accrued Interest Payable	26,625	9,644	36,269
Current Portion of Compensated Absences	169,500	25,123	194,623
Current Portion of Long-Term Debt	478,280	48,881	527,161
Payable from Restricted Assets:			
Customer Deposits Payable	25,433	178,303	203,736
<i>Total Current Liabilities</i>	<u>1,905,429</u>	<u>362,989</u>	<u>2,268,418</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences	505,392	99,090	604,482
Net Pension Liability	4,090,715	685,562	4,776,277
OPEB Liability	511,609	91,234	602,843
Long-Term Debt	5,487,803	1,834,258	7,322,061
Deferred Revenue	1,524,627	-	1,524,627
<i>Total Noncurrent Liabilities</i>	<u>12,120,146</u>	<u>2,710,144</u>	<u>14,830,290</u>
TOTAL LIABILITIES	<u>14,025,575</u>	<u>3,073,133</u>	<u>17,098,708</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	1,106,273	96,198	1,202,471
Deferred OPEB Related Inflows	5,460	898	6,358
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,111,733</u>	<u>97,096</u>	<u>1,208,829</u>
NET POSITION			
Net Investment In Capital Assets	13,953,956	5,862,213	19,816,169
Restricted For:			
Public, Educational and Governmental	279,611	-	279,611
Debt Service	430,402	-	430,402
Street Maintenance	1,359,760	-	1,359,760
Crime Control and Prevention District	294,506	-	294,506
Federal Police Forfeitures	220,013	-	220,013
Other	307,337	-	307,337
Water Supply	-	441,807	441,807
Storm Water Fee	-	1,446,878	1,446,878
Unrestricted	753,703	2,404,894	3,158,597
TOTAL NET POSITION	<u>\$ 17,599,288</u>	<u>\$ 10,155,792</u>	<u>\$ 27,755,080</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
Administration	\$ 1,272,072	\$ 276,482	\$ -	\$ -
Public Safety	8,427,384	3,062,361	67,282	-
Public Works	2,464,829	-	-	-
Parks and Recreation	326,685	-	-	-
Library	438,436	-	-	-
Community Development	919,311	20,253	-	-
Interest and Fiscal Agent Fees	216,131	-	-	-
<i>Total Governmental Activities</i>	<u>14,064,848</u>	<u>3,359,096</u>	<u>67,282</u>	<u>-</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	4,447,693	5,095,369	-	-
<i>Total Business-Type Activities</i>	<u>4,447,693</u>	<u>5,095,369</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 18,512,541</u>	<u>\$ 8,454,465</u>	<u>\$ 67,282</u>	<u>\$ -</u>
General Revenues:				
Taxes:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Occupancy Taxes				
Investment Earnings				
Miscellaneous				
Total General Revenues				
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
\$ (995,590)	\$ -	\$ (995,590)
(5,297,741)	-	(5,297,741)
(2,464,829)	-	(2,464,829)
(326,685)	-	(326,685)
(438,436)	-	(438,436)
(899,058)	-	(899,058)
(216,131)	-	(216,131)
<u>(10,638,470)</u>	<u>-</u>	<u>(10,638,470)</u>
-	647,676	647,676
-	647,676	647,676
<u>(10,638,470)</u>	<u>647,676</u>	<u>(9,990,794)</u>
5,558,254	-	5,558,254
4,270,709	-	4,270,709
876,389	-	876,389
89,993	-	89,993
3,074	2,131	5,205
262,578	51,774	314,352
<u>11,060,997</u>	<u>53,905</u>	<u>11,114,902</u>
422,527	701,581	1,124,108
<u>17,176,761</u>	<u>9,454,211</u>	<u>26,630,972</u>
<u>\$ 17,599,288</u>	<u>\$ 10,155,792</u>	<u>\$ 27,755,080</u>

CITY OF LEON VALLEY
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Debt Service	Street Maintenance Tax Fund
ASSETS			
Cash and Cash Equivalents	\$ 544,788	\$ 418,394	\$ 565,149
Investments	7,143,960	-	666,146
Accounts Receivables (net of allowances):			
Taxes	154,088	24,345	-
Special Assessment	-	13,278	-
Other	158,365	1,010	-
Due from Other Governments	580,071	-	128,898
Inventories	4,854	-	-
TOTAL ASSETS	<u>\$ 8,586,126</u>	<u>\$ 457,027</u>	<u>\$ 1,360,193</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 810,259	\$ -	\$ 433
Accrued Expenditures	377,913	-	-
Deposits Payable	600	-	-
Unearned Revenues	1,524,627	-	-
<i>Total Liabilities</i>	<u>2,713,399</u>	<u>-</u>	<u>433</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenues - Taxes	153,847	37,601	-
<i>Total Deferred Inflows of Resources</i>	<u>153,847</u>	<u>37,601</u>	<u>-</u>
<i>Fund Balances:</i>			
Nonspendable:			
Inventory	4,854	-	-
Restricted for:			
Public, Educational and Governmental	279,611	-	-
Parks	100	-	-
Debt Service	-	419,426	-
Street Maintenance	-	-	1,359,760
Crime Control and Prevention District	-	-	-
Federal Police Forfeitures	-	-	-
Other	4,229	-	-
Committed for Disaster Emergencies	1,000,000	-	-
Assigned for:			
Red Light Camera Traffic Safety	600,453	-	-
Tree Mitigation and Replacement	25,875	-	-
Economic Development	442,614	-	-
Unassigned	3,361,144	-	-
<i>Total Fund Balances</i>	<u>5,718,880</u>	<u>419,426</u>	<u>1,359,760</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 8,586,126</u>	<u>\$ 457,027</u>	<u>\$ 1,360,193</u>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 452,788	\$ 1,981,119
332,415	8,142,521
-	178,433
-	13,278
10,198	169,573
63,945	772,914
-	4,854
<u>\$ 859,346</u>	<u>\$ 11,262,692</u>
\$ 4,308	\$ 815,000
12,678	390,591
24,833	25,433
-	1,524,627
<u>41,819</u>	<u>2,755,651</u>
-	191,448
<u>-</u>	<u>191,448</u>
-	4,854
-	279,611
-	100
-	419,426
-	1,359,760
294,506	294,506
220,013	220,013
303,008	307,237
-	1,000,000
-	600,453
-	25,875
-	442,614
-	3,361,144
<u>817,527</u>	<u>8,315,593</u>
<u>\$ 859,346</u>	<u>\$ 11,262,692</u>



CITY OF LEON VALLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 8,315,593
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.		19,920,039
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		191,445
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(674,892)
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	(5,966,083)	
Accrued Interest Payable	<u>(26,625)</u>	(5,992,708)
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	(4,090,715)	
Pension Related Deferred Inflows	(1,106,273)	
Pension Related Deferred Outflows	<u>1,457,735</u>	(3,739,253)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liability	(511,609)	
OPEB Related Deferred Inflows	(5,460)	
OPEB Related Deferred Outflows	<u>96,133</u>	<u>(420,936)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 17,599,288</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, 2021

	General Fund	Debt Service	Street Maintenance Tax
REVENUES			
Property Taxes	\$ 4,894,622	\$ 661,381	\$ -
Sales Taxes	3,210,482	-	708,471
Franchise Taxes	876,389	-	-
Occupancy Taxes	-	-	-
Licenses and Permits	258,744	-	-
EMS	348,278	-	-
Fines and Forfeitures	2,756,169	-	-
Grants	64,425	-	-
Rent	-	-	-
Investment Earnings	2,451	-	394
Miscellaneous	177,103	-	-
TOTAL REVENUES	12,588,663	661,381	708,865
EXPENDITURES			
<i>Current:</i>			
Administration	1,073,148	-	-
Public Safety	7,714,545	-	-
Public Works	1,395,110	-	765,872
Parks and Recreation	299,170	-	-
Library	401,639	-	-
Community Development	728,899	-	-
<i>Capital Outlay</i>	1,056,582	-	-
<i>Debt Service:</i>			
Principal	-	449,934	-
Bond Issue Costs	-	121,016	-
Interest and Fiscal Charges	-	179,948	-
TOTAL EXPENDITURES	12,669,093	750,898	765,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,430)	(89,517)	(57,007)
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	-	5,775,000	-
Premiums on Issuance of Debt	-	641,083	-
Payments to Refunding Agent	-	(6,295,066)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	121,017	-
Net Change in Fund Balance	(80,430)	31,500	(57,007)
Fund Balances at Beginning of Year	5,799,310	387,926	1,416,767
Fund Balances at End of Year	\$ 5,718,880	\$ 419,426	\$ 1,359,760

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 5,556,003
351,757	4,270,710
-	876,389
89,993	89,993
-	258,744
-	348,278
61,124	2,817,293
2,857	67,282
20,254	20,254
231	3,076
-	177,103
<u>526,216</u>	<u>14,485,125</u>
17,548	1,090,696
456,291	8,170,836
-	2,160,982
-	299,170
-	401,639
110,895	839,794
-	1,056,582
-	449,934
-	121,016
-	179,948
<u>584,734</u>	<u>14,770,597</u>
<u>(58,518)</u>	<u>(285,472)</u>
-	5,775,000
-	641,083
-	<u>(6,295,066)</u>
-	121,017
(58,518)	(164,455)
<u>876,045</u>	<u>8,480,048</u>
<u>\$ 817,527</u>	<u>\$ 8,315,593</u>



CITY OF LEON VALLEY
RECONCILIATION OF THE STATEMENT OF REVENUES,
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (164,455)

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	1,035,754	
Depreciation Expense	<u>(1,160,169)</u>	(124,415)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 2,250

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	449,934	
Payments to Refunding Bond Escrow Agent	6,295,066	
Proceeds of New Debt	(5,775,000)	
Premiums on Debt Issues	(641,083)	
Amortization of Premiums, Discounts, Losses	<u>82,343</u>	411,260

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. 190,317

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. (48,809)

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	153,889	
Accrued Interest	<u>2,490</u>	<u>156,379</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 422,527

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activity <u>Water and Wastewater</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents:	
Unrestricted	\$ 167,829
Restricted for Customer Deposits	178,303
Restricted Investments - Water/Wastewater	4,540,047
Accounts Receivable, Net of Allowance:	
Customer Accounts	<u>549,326</u>
<i>Total Current Assets</i>	<u>5,435,505</u>
 <i>Noncurrent Assets:</i>	
Capital Assets:	
Land	203,227
Water Rights	2,153,232
Buildings and Improvements	25,403
Water/Wastewater System-Plant	9,704,648
Transportation and Equipment	1,259,681
Construction in Progress	743,544
Less: Accumulated Depreciation	<u>(6,344,383)</u>
<i>Total Noncurrent Assets</i>	<u>7,745,352</u>
 TOTAL ASSETS	 <u>13,180,857</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	128,640
Deferred OPEB Related Outflows	<u>16,524</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 145,164</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	Business-Type Activity <u>Water and Wastewater</u>
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 54,661
Accrued Expenses	46,377
Accrued Interest Payable	9,644
Current Portion of Compensated Absences	25,123
Current Portion of Long-Term Debt	48,881
Payable from Restricted Assets:	
Customer Deposits Payable	178,303
<i>Total Current Liabilities</i>	<u>362,989</u>
 <i>Noncurrent Liabilities:</i>	
Compensated Absences	99,090
Net Pension Liability	685,562
OPEB Liability	91,234
Long-Term Debt	1,834,258
<i>Total Noncurrent Liabilities</i>	<u>2,710,144</u>
TOTAL LIABILITIES	<u>3,073,133</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	96,198
Deferred OPEB Related Inflows	898
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>97,096</u>
 NET POSITION	
Net Investment in Capital Assets	5,862,213
Restricted for:	
Water Supply Fee	441,807
Storm Water Fee	1,446,878
Unrestricted	
Unrestricted	2,404,894
TOTAL NET POSITION	<u>\$ 10,155,792</u>

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, 2021

	Business-Type Activities
	Water and Sewer System
OPERATING REVENUES	
Metered Water Sales	\$ 1,693,947
Wastewater Sales Charges	2,559,463
Storm Water Fees	463,363
Connection and Platting	301,041
Customer Penalties	63,329
Customer Disconnect Fees	8,040
Tap Fees	6,186
TOTAL OPERATING REVENUES	5,095,369
OPERATING EXPENSES	
General and Administrative	862,868
Water System	1,159,803
Wastewater System	1,853,308
Stormwater System	198,667
Depreciation	314,564
TOTAL OPERATING EXPENSES	4,389,210
OPERATING INCOME (LOSS)	706,159
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	2,131
Interest Expense	(58,483)
Miscellaneous	51,774
TOTAL NONOPERATING REVENUES (EXPENSES)	(4,578)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	701,581
CHANGE IN NET POSITION	701,581
NET POSITION AT BEGINNING OF YEAR	9,454,211
NET POSITION AT END OF YEAR	\$ 10,155,792

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities
	Water and Sewer System
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 5,096,621
Cash Paid to Supplier for Goods & Services	(2,410,742)
Cash Paid for Employee Salaries and Benefits	(1,700,924)
Net Cash Provided (Used) by Operating Activities	984,955
Cash Flows From Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	(735,020)
Impact, Capital Contributions and Misc. Fees	51,774
Interest Paid on Long-Term Debt	(58,483)
Principal Paid on Long-Term Debt	(48,881)
Net Cash Provided (Used) by Capital and Related Financing Activities	(790,610)
Cash Flows From Investing Activities:	
Purchase of Investments	(402,130)
Interest and Investment Earnings	2,131
Net Cash Provided (Used) by Investing Activities	(399,999)
Net Increase (Decrease) in Cash and Cash Equivalents	(205,654)
Cash and Cash Equivalents at Beginning of Year:	
Cash and Cash Equivalents	397,534
Restricted Cash and Cash Equivalents	154,252
	551,786
Cash and Cash Equivalents at End of Year:	
Cash and Cash Equivalents	167,829
Restricted Cash and Cash Equivalents	178,303
	\$ 346,132

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activity <u>Water and Wastewater</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 706,159
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	314,564
Decrease (Increase) in Assets:	
Accounts Receivable (net)	(22,799)
Deferred Pension Related Outflows	113,051
Deferred OPEB Related Outflows	(6,732)
Increase (Decrease) in Liabilities:	
Accounts Payable	30,493
Accrued Expenditures	3,568
Accrued Interest Payable	(750)
Customer Deposits	24,051
Compensated Absences	(47,878)
Net Pension Liability	(20,891)
OPEB Liability	14,017
Deferred Pension Related Inflows	(122,351)
Deferred OPEB Related Inflows	453
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 984,955</u></u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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, 2020, and became due October 1, 2020 have been assessed to finance the budget of the fiscal year beginning October 1, 2020 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2021.

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, 2021

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.

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/wastewater 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 wastewater 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, 2021

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, 2020 and past due after January 31, 2021. 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, 2021

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, 2021

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, 2021 of \$124,213 and \$674,892 have been recorded in accrued liabilities of the enterprise fund and government-wide statements, 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 position 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 position 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, 2021

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, 2021

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, 2021

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2021, 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, 2021 are as shown below:

Investment Type	Fair Value	Weighted Average Maturity in Days	Ratings	
			MOODY'S	S&P
TexPool	\$ 12,682,568	34	Aaa	AAAM
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Investment Type	(Level 1)	(Level 2)	(Level 3)	Fair Value
Texpool	\$ 12,682,568	\$ -	\$ -	\$ 12,682,568

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).

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:

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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

C. Analysis of Specific Deposit and Investment Risks

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, 2021, 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.

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.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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

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.

B. Receivables

Receivables consist of the following as of September 30, 2021:

	Governmental Funds				Proprietary Fund
	General	Debt Service	Street Maintenance Tax	Nonmajor Funds	Water and Sewer Fund
<i>Receivables:</i>					
Property Taxes	\$ 181,247	\$ 28,637	\$ -	\$ -	\$ -
Special Assessment	-	13,278	-	-	-
EMS	209,384	-	-	-	-
Sales Taxes	580,071	-	128,898	63,945	-
Franchise Taxes	29,258	-	-	-	-
Occupancy Taxes	-	-	-	10,198	-
Customers	-	-	-	-	559,473
Grants	23,318	-	-	-	-
Other	105,789	1,010	-	-	-
Gross Receivables	<u>1,129,067</u>	<u>42,925</u>	<u>128,898</u>	<u>74,143</u>	<u>559,473</u>
Less: Allowance for Uncollectibles	<u>(236,543)</u>	<u>(4,292)</u>	<u>-</u>	<u>-</u>	<u>(10,147)</u>
Net Total Receivables	<u>\$ 892,524</u>	<u>\$ 38,633</u>	<u>\$ 128,898</u>	<u>\$ 74,143</u>	<u>\$ 549,326</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2020, upon which the fiscal 2021 levy was based, was \$1,116,994,425 (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, 2021 was \$0.53590 per \$100 of assessed value, which means that the City has a tax margin of \$ 1.9641 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, 2021

NOTE 5 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 1,497,118	\$ -	\$ -	\$ 1,497,118
Construction in Progress	213,082	-	-	213,082
Total Capital Assets Not Being Depreciated	1,710,200	-	-	1,710,200
<i>Capital Assets, Being Depreciated:</i>				
Buildings	10,981,760	-	-	10,981,760
Other Machinery and Equipment	2,095,425	37,714	-	2,133,139
Office Equipment	56,134	-	-	56,134
Vehicles	4,820,396	341,554	(92,333)	5,069,617
Infrastructure	15,806,015	656,486	(13,076)	16,449,425
Total Capital Assets Being Depreciated	33,972,812	1,035,754	(105,409)	34,690,075
<i>Accumulated Depreciation:</i>				
Buildings	(2,602,920)	(219,435)	-	(2,822,355)
Other Machinery and Equipment	(1,605,079)	(173,362)	-	(1,778,441)
Office Equipment	(19,443)	(5,961)	-	(25,404)
Vehicles	(3,110,291)	(404,134)	92,333	(3,422,092)
Infrastructure	(8,087,743)	(357,277)	13,076	(8,431,944)
Total Accumulated Depreciation	(15,425,476)	(1,160,169)	105,409	(16,480,236)
Total Capital Assets Being Depreciated, Net	18,547,336	(124,415)	-	18,209,839
Governmental Activities Capital Assets, Net	\$ 20,044,454	\$ (124,415)	\$ -	\$ 19,920,039
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 203,227	\$ -	\$ -	\$ 203,227
Water Rights	2,041,390	111,842	-	2,153,232
Construction in Progress	-	623,178	120,366	743,544
Total Assets Not Being Depreciated	2,244,617	735,020	120,366	3,100,003
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	25,403	-	-	25,403
Water/Wastewater System - Plant	9,825,014	-	(120,366)	9,704,648
Transportation and Equipment	1,266,617	-	(6,936)	1,259,681
Total Capital Assets Being Depreciated	11,117,034	-	(127,302)	10,989,732
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(21,575)	(410)	-	(21,985)
Water/Wastewater System - Plant	(5,163,872)	(207,056)	-	(5,370,928)
Transportation and Equipment	(851,308)	(107,098)	6,936	(951,470)
Total Accumulated Depreciation	(6,036,755)	(314,564)	6,936	(6,344,383)
Total Capital Assets Being Depreciated, Net	5,080,279	(314,564)	(120,366)	4,645,349
Business-Type Activities Capital Assets, Net	\$ 7,324,896	\$ 420,456	\$ -	\$ 7,745,352

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 5 -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

<i>Governmental Activities:</i>	
Administration	\$ 210,699
Public Safety	469,677
Public Works	344,770
Parks and Recreation	42,144
Community Development	76,793
Library	16,085
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$ 1,160,168</u>
 <i>Business-Type Activities:</i>	
Water and Sewer System	\$ 314,564
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$ 314,564</u>

NOTE 6 -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2021 were comprised of the following individual issues:

	Issue Amount	Maturity	Rate	Balance
<i>Primary Government</i>				
Governmental Activities:				
General Obligation Refunding Bonds				
2021 Series	\$ 5,775,000	2032	1.25-3.25%	\$ 5,325,000
Total Governmental Long-Term Obligations				<u>\$ 5,325,000</u>
	Issue Amount	Maturity	Rate	Balance
Business Type:				
Certificates of Obligation				
2016 Series	\$ 1,970,000	2046	4.01%	\$ 1,790,000
Total Business-Type Long-Term Obligations				<u>\$ 1,790,000</u>

General Obligation Refunding Bond Series 2021 were issued May 2021 in the amount of \$5,775,000 refund General Obligation Bonds, Series 2012 in the amount of \$5,710,000 and the Public Property Finance Contract in the amount of \$530,000. Proceeds from the bonds were placed with an escrow agent solely to repay the debt service related to the refunded obligations. The refunded obligations are considered defeased and are not shown as outstanding on the financial statements. The refunding resulted in a gross debt service savings of \$580,326 and a present value gain of \$536,799.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 6 -- LONG-TERM DEBT (Continued)

	Balance 9/30/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 5,710,000	\$ 5,775,000	\$ (6,160,000)	\$ 5,325,000	\$ 420,000
Unamortized Premium	82,343	641,083	(82,343)	641,083	58,280
	<u>5,792,343</u>	<u>6,416,083</u>	<u>(6,242,343)</u>	<u>5,966,083</u>	<u>478,280</u>
Notes from Direct Borrowing and Direct Placements:					
Public Property Finance Contract	585,000	-	(585,000)	-	-
Compensated Absences	828,781	76,360	(230,249)	674,892	169,500
<i>Total Governmental Activities</i>	<u>\$ 7,052,235</u>	<u>\$ 6,492,443</u>	<u>\$ (7,057,592)</u>	<u>\$ 6,640,975</u>	<u>\$ 647,780</u>
<i>Business-Type Activities:</i>					
Certificates of Obligation	\$ 1,835,000	\$ -	\$ (45,000)	\$ 1,790,000	\$ 45,000
Unamortized Premium	97,020	-	(3,881)	93,139	3,881
Compensated Absences	172,091	26,096	(73,974)	124,213	25,123
<i>Total Business-Type Activities</i>	<u>\$ 2,056,233</u>	<u>\$ 26,096</u>	<u>\$ (122,855)</u>	<u>\$ 2,007,352</u>	<u>\$ 74,004</u>

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

The Public Property Finance Contract does not have any terms specified in the agreement related to events of default, termination events or subjective acceleration clauses. This contract was refunded May 2021.

The annual requirements to amortize all long-term debt and obligations outstanding, excluding compensated absences and bond premium, as of September 30, 2021, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2022	\$ 420,000	\$ 159,750	\$ 579,750
2023	430,000	147,150	577,150
2024	445,000	134,250	579,250
2025	460,000	120,900	580,900
2026	470,000	107,100	577,100
2027-2031	2,555,000	315,300	2,870,300
2032-2036	545,000	16,350	561,350
Total	<u>\$ 5,325,000</u>	<u>\$ 1,000,800</u>	<u>\$ 6,325,800</u>

CITY OF LEON VALLEY
 BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021

NOTE 6 -- LONG-TERM DEBT (Continued)

Year Ending September 30,	Business-Type Activities		
	Certificates of Obligation		Total
	Principal	Interest	
2022	\$ 45,000	\$ 60,112	\$ 105,112
2023	50,000	57,863	107,863
2024	50,000	55,362	105,362
2025	55,000	52,862	107,862
2026	55,000	49,288	104,288
2027-2031	300,000	277,587	577,587
2032-2036	350,000	175,587	525,587
2037-2041	405,000	115,300	520,300
2042-2046	480,000	45,782	525,782
Total	\$ 1,790,000	\$ 889,743	\$ 2,679,743

NOTE 7 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates as one of 895 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.

CITY OF LEON VALLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

B. Benefits Provided (Continued)

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit:	113
Inactive Employees Entitled to but Not Yet Receiving Benefits	73
Active Employees	112
	298

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 6% of their annual gross earnings during calendar year 2019. The City changed the employee contribution rate to 7% for calendar year 2019. The contribution rates for the City were 17.12% and 17.65% for calendar years 2020 and 2021 respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$1,298,721, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF LEON VALLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

E. Actuarial Assumptions (Continued)

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.

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, 2109 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	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	<u>100.00%</u>	

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

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.

G. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 47,387,084	\$ 42,458,250	\$ 4,928,834
Changes for the year:			
Service Cost	1,322,663	-	1,322,663
Interest	3,156,487	-	3,156,487
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	334,550	-	334,550
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,254,515	(1,254,515)
Contributions - Employee	-	512,944	(512,944)
Net Investment Income	-	3,220,466	(3,220,466)
Benefit Payments, Including Refunds of Employee Contributions	(2,571,291)	(2,571,291)	-
Administrative Expense	-	(20,854)	20,854
Other Changes	-	(814)	814
Net Changes	<u>2,242,409</u>	<u>2,394,966</u>	<u>(152,557)</u>
Balance at December 31, 2020	<u>\$ 49,629,493</u>	<u>\$ 44,853,216</u>	<u>\$ 4,776,277</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

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	\$ 11,520,205	\$ 4,776,277	\$ (764,616)

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.tmrs.com.

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

For the year ended September 30, 2021, the City recognized pension expense of \$1,060,728.

At September 30, 2021, 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	\$ 574,534	\$ -
Changes in Actuarial Assumptions	42,287	-
Differences Between Projected and Actual Investment Earnings	-	(1,202,471)
Contributions Subsequent to the Measurement Date	969,554	-
	\$ 1,586,375	\$ (1,202,471)

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

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

The City reported \$969,554 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2020) will be recognized as a reduction of the net pension liability for the year ending December 31, 2021. 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,		
2021	\$	(115,308)
2022		251,274
2023		(650,710)
2024		(70,906)
Thereafter		-
	<u>\$</u>	<u>(585,650)</u>

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 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, 2020, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	87
Inactive Employees Entitled to but Not Yet Receiving Benefits	8
Active Employees	112
	<u>207</u>

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

<u>For the Calendar Year Ended December 31,</u>	<u>Total SDBF Contribution Rate</u>	<u>Retiree Portion to SDBF Contribution Rate</u>
2020	0.18%	0.05%
2021	0.02%	0.06%

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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	2.75%
Administrative Expenses	All administrative expenses are paid thro 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, 2020 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2019	\$ 500,417
Changes for the year:	
Service Cost	19,052
Interest	13,963
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(5,014)
Changes of Assumptions or Other Inputs	78,822
Benefit Payments	(4,397)
Net Changes	102,426
Balance at December 31, 2020	\$ 602,843

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, 2021

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

The following presents the TOL of the City, calculated using the discount rate of 2.75% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) and 1-percentage point higher (3.75%) than the current rate:

	Discount Rate 1.75%	Discount Rate 2.75%	Discount Rate 3.75%
Total OPEB Liability	\$ 734,983	\$ 602,843	\$ 500,902

For the year ended September 30, 2021, the City recognized OPEB expense of \$28,255. Also as of September 30, 2021, 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	\$ -	\$ 6,358
Changes in Actuarial Assumptions	108,536	-
Contributions Subsequent to the Measurement Date	4,121	-
	<u>\$ 112,657</u>	<u>\$ 6,358</u>

Deferred outflows of resources in the amount of \$4,121 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, 2021 (fiscal year ended September 30, 2022). 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,	
2021	\$ 28,991
2022	26,148
2023	25,693
2024	16,258
2025	5,088
	<u>\$ 102,178</u>

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 9 -- FUND BALANCE

As of September 30, 2021, fund balances consist of the following:

	General Fund	Debt Service	Street Maintenance Tax Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<i>Fund Balances:</i>					
Nonspendable:					
Inventory	\$ 4,854	\$ -	\$ -	\$ -	\$ 4,854
Restricted for:					
Public, Education and Governmental	279,611	-	-	-	279,611
Debt Service	-	419,426	-	-	419,426
Parks	100	-	-	-	100
Economic Development Corporation	-	-	-	-	-
Street Maintenance	-	-	1,359,760	-	1,359,760
Crime Control and Prevention District	-	-	-	294,506	294,506
Federal Police Forfeitures	-	-	-	220,013	220,013
Other:					
Park Bucks	4,229	-	-	-	4,229
Community Center	-	-	-	188,873	188,873
Grants	-	-	-	6,165	6,165
Child Safety	-	-	-	41,467	41,467
State Police Forfeiture	-	-	-	10,582	10,582
Building Security	-	-	-	32,357	32,357
Court Technology	-	-	-	23,564	23,564
Committed for Disaster Emergencies	1,000,000	-	-	-	1,000,000
Assigned for:					
Red Light Camera Traffic Safety	600,453	-	-	-	600,453
Tree Mitigation and Replacement	25,875	-	-	-	25,875
Economic Development	442,614	-	-	-	442,614
Unassigned	3,361,144	-	-	-	3,361,144
<i>Total Fund Balances</i>	<u>\$ 5,718,880</u>	<u>\$ 419,426</u>	<u>\$ 1,359,760</u>	<u>\$ 817,527</u>	<u>\$ 8,315,593</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.

CITY OF LEON VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2021 were \$304,997.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule - General 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
 YEAR ENDED SEPTEMBER 30, 2021 WITH COMPARATIVE 2020

	Budgeted Amounts		2021	Variance With	2020
	Original	Final	Actual	Final Budget - Positive (Negative)	
REVENUES			Amounts		Actual
Property Taxes	\$ 4,769,660	\$ 4,769,660	\$ 4,894,622	\$ 124,962	\$ 4,758,639
Sales Taxes	2,741,057	2,741,057	3,210,482	469,425	2,815,953
Franchise Taxes	882,717	882,717	876,389	(6,328)	809,636
Licenses and Permits	301,390	301,390	258,744	(42,646)	439,663
Charges for Service	330,000	330,000	348,278	18,278	344,500
Fines and Forfeitures	2,908,158	2,908,158	2,756,169	(151,989)	2,648,061
Grants	26,448	26,448	64,425	37,977	599,715
Investment Earnings	100,000	100,000	2,451	(97,549)	80,258
Miscellaneous	193,627	193,627	177,103	(16,524)	251,586
TOTAL REVENUES	12,253,057	12,253,057	12,588,663	335,606	12,748,011
EXPENDITURES					
Administration:					
<i>Business Office:</i>					
Personnel Services	36,885	36,885	36,447	438	44,896
Supplies	15,200	15,200	8,928	6,272	16,043
Contracted Services	131,810	131,810	134,643	(2,833)	83,623
<i>Total Business Office</i>	<u>183,895</u>	<u>183,895</u>	<u>180,018</u>	<u>3,877</u>	<u>144,562</u>
<i>Finance and Accounting:</i>					
Personnel Services	96,306	96,306	75,212	21,094	109,311
Supplies	2,000	2,000	2,850	(850)	3,814
Contracted Services	77,207	77,207	74,452	2,755	63,360
<i>Total Finance and Accounting</i>	<u>175,513</u>	<u>175,513</u>	<u>152,514</u>	<u>22,999</u>	<u>176,485</u>
<i>Council and Manager:</i>					
Personnel Services	404,465	423,878	390,810	33,068	347,686
Supplies	35,230	(79,770)	20,064	(99,834)	361,734
Contracted Services	339,231	359,231	329,742	29,489	397,762
Capital Outlay	-	115,000	-	115,000	311,526
<i>Total Council and Manager</i>	<u>778,926</u>	<u>818,339</u>	<u>740,616</u>	<u>77,723</u>	<u>1,418,708</u>
Total Administration	\$ 1,138,334	\$ 1,177,747	\$ 1,073,148	\$ 104,599	\$ 1,739,755

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 GENERAL FUND (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2021 WITH COMPARATIVE 2020

	Budgeted Amounts		2021 Actual Amounts	Variance With Final Budget - Positive (Negative)	2020 Actual
	Original	Final			
Public Safety					
<i>Law Enforcement Administration:</i>					
Personnel Services	\$ 2,606,604	\$ 2,606,604	\$ 2,371,762	\$ 234,842	\$ 2,374,920
Supplies	83,460	156,823	113,861	42,962	122,025
Contracted Services	102,922	102,922	113,172	(10,250)	118,203
<i>Total Law Enforcement Administration</i>	<u>2,792,986</u>	<u>2,866,349</u>	<u>2,598,795</u>	<u>267,554</u>	<u>2,615,148</u>
<i>Law Enforcement Traffic Safety:</i>					
Personnel Services	522,194	522,194	434,658	87,536	419,268
Supplies	9,800	9,800	29,304	(19,504)	62,632
Contracted Services	20,000	20,000	16,452	3,548	8,859
Capital Outlay	-	150,000	139,464	10,536	230,564
<i>Total Law Enforcement Traffic Safety</i>	<u>551,994</u>	<u>701,994</u>	<u>619,878</u>	<u>82,116</u>	<u>721,323</u>
<i>Law Enforcement Red Light Camera:</i>					
Personnel Services	549,031	549,031	473,953	75,078	515,732
Supplies	2,100	2,100	9,002	(6,902)	5,110
Contracted Services	864,783	864,783	879,282	(14,499)	846,140
<i>Total Law Enforcement Red Light Cameras</i>	<u>1,415,914</u>	<u>1,415,914</u>	<u>1,362,237</u>	<u>53,677</u>	<u>1,366,982</u>
<i>Impound Lot:</i>					
Personnel Services	147,337	147,337	147,710	(373)	149,923
Supplies	1,900	1,900	1,729	171	5,472
Contracted Services	9,500	9,500	7,426	2,074	8,960
<i>Total Impound Lot</i>	<u>158,737</u>	<u>158,737</u>	<u>156,865</u>	<u>1,872</u>	<u>164,355</u>
<i>Fire Protection Operations:</i>					
Personnel Services	2,827,052	2,827,052	2,772,987	54,065	2,689,677
Supplies	113,000	134,104	138,390	(4,286)	275,180
Contracted Services	192,780	192,780	204,857	(12,077)	214,224
Capital Outlay	152,000	397,612	265,047	132,565	262,277
<i>Total Fire Protection Operations</i>	<u>3,284,832</u>	<u>3,551,548</u>	<u>3,381,281</u>	<u>170,267</u>	<u>3,441,358</u>
Total Public Safety	<u>\$ 8,204,463</u>	<u>\$ 8,694,542</u>	<u>\$ 8,119,056</u>	<u>\$ 575,486</u>	<u>\$ 8,309,166</u>

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 GENERAL FUND (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		2021	Variance With	2020
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	Actual
Public Works:					
Personnel Services	\$ 858,718	\$ 858,718	\$ 846,118	\$ 12,600	\$ 827,249
Supplies	301,000	301,000	270,901	30,099	189,654
Contracted Services	230,654	230,654	278,091	(47,437)	220,924
Capital Outlay	80,000	402,440	418,319	(15,879)	324,098
Total Public Works	<u>1,470,372</u>	<u>1,792,812</u>	<u>1,813,429</u>	<u>(20,617)</u>	<u>1,561,925</u>
Parks and Recreation:					
Personnel Services	79,471	79,471	41,032	38,439	75,694
Supplies	56,500	56,500	52,730	3,770	56,033
Contracted Services	193,900	220,343	205,408	14,935	156,508
Capital Outlay	-	187,300	213,082	(25,782)	194,738
Total Parks and Recreation	<u>329,871</u>	<u>543,614</u>	<u>512,252</u>	<u>31,362</u>	<u>482,973</u>
Library:					
Personnel Services	363,234	363,234	342,872	20,362	330,058
Supplies	31,400	31,400	28,509	2,891	32,117
Contracted Services	36,326	36,326	30,258	6,068	35,694
Capital Outlay	-	45,000	20,670	24,330	-
Total Library	<u>430,960</u>	<u>475,960</u>	<u>422,309</u>	<u>53,651</u>	<u>397,869</u>
Development Activities:					
<i>Community Development/ Events:</i>					
Personnel Services	283,978	283,978	248,360	35,618	311,670
Supplies	4,500	4,500	4,492	8	9,946
Contracted Services	194,140	194,140	204,723	(10,583)	165,779
Capital Outlay	-	-	-	-	-
<i>Total Community Development/ Events</i>	<u>\$ 482,618</u>	<u>\$ 482,618</u>	<u>\$ 457,575</u>	<u>\$ 25,043</u>	<u>\$ 487,395</u>

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 GENERAL FUND (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		2021 Actual Amounts	Variance With Final Budget - Positive (Negative)	2020 Actual
	Original	Final			
<i>Special Events:</i>					
Personnel Services	\$ 24,030	\$ 24,030	\$ 39,194	\$ (15,164)	\$ 5,525
Supplies	90,350	90,350	31,645	58,705	27,781
<i>Total Special Events</i>	<u>114,380</u>	<u>114,380</u>	<u>70,839</u>	<u>43,541</u>	<u>33,306</u>
<i>Economic Development:</i>					
Personnel Services	133,860	133,860	136,797	(2,937)	129,227
Supplies	9,200	9,200	7,918	1,282	5,846
Contracted Services	155,854	155,854	55,770	100,084	75,069
<i>Total Economic Development</i>	<u>298,914</u>	<u>298,914</u>	<u>200,485</u>	<u>98,429</u>	<u>210,142</u>
Total Development Activities	<u>895,912</u>	<u>895,912</u>	<u>728,899</u>	<u>167,013</u>	<u>730,843</u>
Total Expenditures	<u>12,469,912</u>	<u>13,580,587</u>	<u>12,669,093</u>	<u>911,494</u>	<u>13,222,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(216,855)</u>	<u>(1,327,530)</u>	<u>(80,430)</u>	<u>1,247,100</u>	<u>(474,520)</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(492,722)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(492,722)</u>
Net Change in Fund Balance	<u>(216,855)</u>	<u>(1,327,530)</u>	<u>(80,430)</u>	<u>1,247,100</u>	<u>(967,242)</u>
Fund Balances, Beginning	<u>5,799,310</u>	<u>5,799,310</u>	<u>5,799,310</u>	<u>-</u>	<u>6,766,552</u>
Fund Balances, Ending	<u>\$ 5,582,455</u>	<u>\$ 4,471,780</u>	<u>\$ 5,718,880</u>	<u>\$ 1,247,100</u>	<u>\$ 5,799,310</u>

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 STREET MAINTENANCE TAX FUND
 YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		2021 Actual Amounts	Variance With	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Sales Taxes	\$ 595,298	\$ 595,298	\$ 708,471	\$ 113,173	\$ 619,628
Investment Earnings	13,400	13,400	394	(13,006)	9,918
TOTAL REVENUES	608,698	608,698	708,865	100,167	629,546
EXPENDITURES					
<i>Current:</i>					
Public Works	608,698	1,504,238	765,872	738,366	455,191
TOTAL EXPENDITURES	608,698	1,504,238	765,872	738,366	455,191
Net Change in Fund Balance	-	(895,540)	(57,007)	(838,533)	174,355
FUND BALANCE - BEGINNING	1,416,767	1,416,767	1,416,767	-	1,242,412
FUND BALANCE - ENDING	\$ 1,416,767	\$ 521,227	\$ 1,359,760	\$ (838,533)	\$ 1,416,767

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, 2021

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, water and wastewater 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, 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 TEN 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 seventh year implementation of GASB68. The City will develop the schedule prospectively as data becomes available.

Total Pension Liability		
2018	2019	2020
\$ 1,107,270	\$ 1,260,851	\$ 1,322,663
2,833,754	2,974,542	3,156,487
1,757,255	-	-
121,392	696,928	334,550
-	97,929	-
(1,946,832)	(2,160,070)	(2,571,291)
3,872,839	2,870,180	2,242,409
40,644,065	44,516,904	47,387,084
<u>\$ 44,516,904</u>	<u>\$ 47,387,084</u>	<u>\$ 49,629,493</u>

Plan Fiduciary Net Position		
2018	2019	2020
\$ 821,094	\$ 1,193,707	\$ 1,254,515
372,609	494,728	512,944
(1,172,483)	5,749,089	3,220,466
(1,946,832)	(2,160,070)	(2,571,291)
(22,673)	(32,509)	(20,854)
(1,185)	(977)	(814)
(1,949,470)	5,243,968	2,394,966
39,163,751	37,214,281	42,458,249
<u>\$ 37,214,281</u>	<u>\$ 42,458,249</u>	<u>\$ 44,853,215</u>

\$ 7,302,623	\$ 4,928,835	\$ 4,776,278
83.60%	89.60%	90.38%
\$ 6,210,153	\$ 7,067,549	\$ 7,327,773
117.59%	69.74%	65.18%

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

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

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the seventh 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 TEN CALENDAR YEARS*

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	\$ 11,383	\$ 14,283	\$ 15,549	\$ 19,052
Interest on Total OPEB Liability	13,335	13,517	14,951	13,963
Changes of Benefit Terms	-	-		
Difference between Expected and Actual Experience	-	(1,286)	(2,759)	(1,701)
Change of Assumptions or Other Inputs	32,701	(28,902)	79,233	30,692
Benefit Payments	<u>(2,846)</u>	<u>(3,726)</u>	<u>(3,534)</u>	
Net Change in Total OPEB Liability	54,573	(6,114)	103,440	62,006
Total OPEB Liability - Beginning	<u>348,518</u>	<u>403,091</u>	<u>396,977</u>	<u>500,417</u>
Total OPEB Liability - Ending	<u>\$ 403,091</u>	<u>\$ 396,977</u>	<u>\$ 500,417</u>	<u>\$ 562,423</u>
 Covered Payroll	 \$ 5,691,256	 \$ 6,210,153	 \$ 7,067,549	 \$ 7,327,773
 Total OPEB Liability as a Percentage of Covered Payroll	 7.08%	 6.39%	 7.08%	 7.68%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. This is the fourth year 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.

CITY OF LEON VALLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
ASSETS				
Cash and Cash Equivalents	\$ 208,529	\$ 6,165	\$ 77,319	\$ 40,390
Investments	71	-	158,467	-
Accounts Receivable, Net of Allowance:				
Other	9,121	-	-	1,077
Due from Other Governments	-	-	63,945	-
TOTAL ASSETS	\$ 217,721	\$ 6,165	\$ 299,731	\$ 41,467
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts Payable	\$ 1,783	\$ -	\$ 5	\$ -
Accrued Expenditures	2,232	-	5,220	-
Deposits Payable	24,833	-	-	-
<i>Total Liabilities</i>	<u>28,848</u>	<u>-</u>	<u>5,225</u>	<u>-</u>
<i>Fund Balance:</i>				
Restricted	188,873	6,165	294,506	41,467
<i>Total Fund Balances</i>	<u>188,873</u>	<u>6,165</u>	<u>294,506</u>	<u>41,467</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 217,721	\$ 6,165	\$ 299,731	\$ 41,467

Special Revenue Funds				
State Police Forefiture	Federal Police Forfeitures	Building Security	Court Technology	Total Nonmajor Governmental Funds
\$ 10,582	\$ 51,175	\$ 32,549	\$ 26,079	\$ 452,788
-	173,877	-	-	332,415
-	-	-	-	10,198
-	-	-	-	63,945
<u>\$ 10,582</u>	<u>\$ 225,052</u>	<u>\$ 32,549</u>	<u>\$ 26,079</u>	<u>\$ 859,346</u>
\$ -	\$ 5	\$ -	\$ 2,515	\$ 4,308
-	5,034	192	-	12,678
-	-	-	-	24,833
-	5,039	192	2,515	41,819
10,582	220,013	32,357	23,564	817,527
<u>10,582</u>	<u>220,013</u>	<u>32,357</u>	<u>23,564</u>	<u>817,527</u>
<u>\$ 10,582</u>	<u>\$ 225,052</u>	<u>\$ 32,549</u>	<u>\$ 26,079</u>	<u>\$ 859,346</u>

CITY OF LEON VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
REVENUES				
Sales Taxes	\$ -	\$ -	\$ 351,757	\$ -
Occupancy Taxes	89,993	-	-	-
Fines and Forfeitures	-	-	-	16,551
Grants	-	2,857	-	-
Rent	20,254	-	-	-
Investment Earnings	-	-	80	-
TOTAL REVENUES	<u>110,247</u>	<u>2,857</u>	<u>351,837</u>	<u>16,551</u>
EXPENDITURES				
Current:				
Administration	-	-	-	-
Public Safety	-	2,567	282,416	6,476
Community Development	110,895	-	-	-
TOTAL EXPENDITURES	<u>110,895</u>	<u>2,567</u>	<u>282,416</u>	<u>6,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(648)</u>	<u>290</u>	<u>69,421</u>	<u>10,075</u>
Net Change in Fund Balance	(648)	290	69,421	10,075
Fund Balances, Beginning	<u>189,521</u>	<u>5,875</u>	<u>225,085</u>	<u>31,392</u>
Fund Balances, Ending	<u>\$ 188,873</u>	<u>\$ 6,165</u>	<u>\$ 294,506</u>	<u>\$ 41,467</u>

Special Revenue Funds				
State Police Forfeiture	Federal Police Forfeiture	Building Security	Court Technology	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 351,757
-	-	-	-	89,993
-	9,003	16,810	18,760	61,124
-	-	-	-	2,857
-	-	-	-	20,254
-	151	-	-	231
-	9,154	16,810	18,760	526,216
-	-	-	17,548	17,548
-	158,765	6,067	-	456,291
-	-	-	-	110,895
-	158,765	6,067	17,548	584,734
-	(149,611)	10,743	1,212	(58,518)
-	(149,611)	10,743	1,212	(58,518)
10,582	369,624	21,614	22,352	876,045
\$ 10,582	\$ 220,013	\$ 32,357	\$ 23,564	\$ 817,527

CITY OF LEON VALLEY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY CENTER FUND
YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Occupancy Taxes	\$ 75,000	\$ 75,000	\$ 89,993	\$ 14,993	\$ 50,523
Rent	14,966	14,966	20,254	5,288	11,290
Miscellaneous	-	-	-	-	28,651
TOTAL REVENUES	<u>89,966</u>	<u>89,966</u>	<u>110,247</u>	<u>20,281</u>	<u>90,464</u>
EXPENDITURES					
Current:					
Community Development	144,162	144,162	110,895	33,267	128,605
Capital Outlay	-	-	-	-	77,505
TOTAL EXPENDITURES	<u>144,162</u>	<u>144,162</u>	<u>110,895</u>	<u>33,267</u>	<u>206,110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,196)</u>	<u>(54,196)</u>	<u>(648)</u>	<u>53,548</u>	<u>(115,646)</u>
OTHER SOURCES (USES)					
Transfers In(Out)	-	-	-	-	179,240
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,240</u>
Net Change in Fund Balance	<u>(54,196)</u>	<u>(54,196)</u>	<u>(648)</u>	<u>53,548</u>	<u>63,594</u>
FUND BALANCE, BEGINNING	<u>189,521</u>	<u>189,521</u>	<u>189,521</u>	<u>-</u>	<u>125,927</u>
FUND BALANCE, ENDING	<u>\$ 135,325</u>	<u>\$ 135,325</u>	<u>\$ 188,873</u>	<u>\$ 53,548</u>	<u>\$ 189,521</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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Grants	\$ 3,479	\$ 3,479	\$ 2,857	\$ (622)	\$ 5,161
TOTAL REVENUES	<u>3,479</u>	<u>3,479</u>	<u>2,857</u>	<u>(622)</u>	<u>5,161</u>
EXPENDITURES					
Current:					
Public Safety	3,479	3,479	2,567	912	2,062
TOTAL EXPENDITURES	<u>3,479</u>	<u>3,479</u>	<u>2,567</u>	<u>912</u>	<u>2,062</u>
Net Change in Fund Balance	-	-	290	290	3,099
FUND BALANCE, BEGINNING	<u>5,875</u>	<u>5,875</u>	<u>5,875</u>	-	<u>2,776</u>
FUND BALANCE, ENDING	<u>\$ 5,875</u>	<u>\$ 5,875</u>	<u>\$ 6,165</u>	<u>\$ 290</u>	<u>\$ 5,875</u>

7CITY 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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Sales Tax	\$ 272,100	\$ 272,100	\$ 351,757	\$ 79,657	\$ 302,595
Investment Earnings	1,000	1,000	78	(922)	1,430
TOTAL REVENUES	<u>273,100</u>	<u>273,100</u>	<u>351,835</u>	<u>78,735</u>	<u>304,025</u>
EXPENDITURES					
Current:					
Public Safety	368,071	368,071	282,416	85,655	335,421
TOTAL EXPENDITURES	<u>368,071</u>	<u>368,071</u>	<u>282,416</u>	<u>85,655</u>	<u>335,421</u>
Net Change in Fund Balance	(94,971)	(94,971)	69,419	164,390	(31,396)
FUND BALANCE, BEGINNING	<u>225,085</u>	<u>225,085</u>	<u>225,085</u>	-	<u>256,481</u>
FUND BALANCE, ENDING	<u>\$ 130,114</u>	<u>\$ 130,114</u>	<u>\$ 294,506</u>	<u>\$ 164,390</u>	<u>\$ 225,085</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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021	Variance with	2020
	Original	Final	Actual Amounts	Final Budget- Positive (Negative)	Actual Amounts
REVENUES					
Fines and Forfeitures	\$ 11,771	\$ 11,771	\$ 16,551	\$ 4,780	\$ 14,915
TOTAL REVENUES	<u>11,771</u>	<u>11,771</u>	<u>16,551</u>	<u>4,780</u>	<u>14,915</u>
EXPENDITURES					
Current:					
Public Safety	17,323	17,323	6,476	10,847	8,117
TOTAL EXPENDITURES	<u>17,323</u>	<u>17,323</u>	<u>6,476</u>	<u>10,847</u>	<u>8,117</u>
Net Change in Fund Balance	(5,552)	(5,552)	10,075	15,627	6,798
FUND BALANCE, BEGINNING	<u>31,392</u>	<u>31,392</u>	<u>31,392</u>	-	<u>24,594</u>
FUND BALANCE, ENDING	<u>\$ 25,840</u>	<u>\$ 25,840</u>	<u>\$ 41,467</u>	<u>\$ 15,627</u>	<u>\$ 31,392</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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, BEGINNING	<u>10,582</u>	<u>10,582</u>	<u>10,582</u>	<u>-</u>	<u>10,582</u>
FUND BALANCE, ENDING	<u>\$ 10,582</u>	<u>\$ 10,582</u>	<u>\$ 10,582</u>	<u>\$ -</u>	<u>\$ 10,582</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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ -	\$ -	\$ 9,003	\$ 9,003	\$ 311,503
Interest	-	-	151	151	2,923
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	-	-	9,154	9,154	314,426
EXPENDITURES					
Current:					
Public Safety	260,378	260,378	158,765	101,613	201,225
Capital Outlay	-	-	-	-	168,248
TOTAL EXPENDITURES	260,378	260,378	158,765	101,613	369,473
Net Change in Fund Balance	(260,378)	(260,378)	(149,611)	110,767	(55,047)
FUND BALANCE, BEGINNING	369,624	369,624	369,624	-	424,671
FUND BALANCE, ENDING	\$ 109,246	\$ 109,246	\$ 220,013	\$ 110,767	\$ 369,624

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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 11,000	\$ 11,000	\$ 16,810	\$ 5,810	\$ 13,493
TOTAL REVENUES	<u>11,000</u>	<u>11,000</u>	<u>16,810</u>	<u>5,810</u>	<u>13,493</u>
EXPENDITURES					
Current:					
Public Safety	8,245	8,245	6,067	2,178	7,757
TOTAL EXPENDITURES	<u>8,245</u>	<u>8,245</u>	<u>6,067</u>	<u>2,178</u>	<u>7,757</u>
Net Change in Fund Balance	2,755	2,755	10,743	7,988	5,736
FUND BALANCE, BEGINNING	<u>21,614</u>	<u>21,614</u>	<u>21,614</u>	-	<u>15,878</u>
FUND BALANCE, ENDING	<u>\$ 24,369</u>	<u>\$ 24,369</u>	<u>\$ 32,357</u>	<u>\$ 7,988</u>	<u>\$ 21,614</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, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 14,500	\$ 14,500	\$ 18,760	\$ 4,260	\$ 15,959
TOTAL REVENUES	<u>14,500</u>	<u>14,500</u>	<u>18,760</u>	<u>4,260</u>	<u>15,959</u>
EXPENDITURES					
Current:					
Administration	10,904	10,904	17,548	(6,644)	12,073
TOTAL EXPENDITURES	<u>10,904</u>	<u>10,904</u>	<u>17,548</u>	<u>(6,644)</u>	<u>12,073</u>
Net Change in Fund Balance	3,596	3,596	1,212	10,904	3,886
FUND BALANCE, BEGINNING	<u>22,352</u>	<u>22,352</u>	<u>22,352</u>	-	<u>18,466</u>
FUND BALANCE, ENDING	<u>\$ 25,948</u>	<u>\$ 25,948</u>	<u>\$ 23,564</u>	<u>\$ 10,904</u>	<u>\$ 22,352</u>

CITY OF LEON VALLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 DEBT SERVICE
 YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		2021 Actual Amounts	Variance With Final Budget - Positive (Negative)	2020 Actual
	Original	Final			
REVENUES					
Property Taxes	\$ 636,335	\$ 636,335	\$ 661,381	\$ 25,046	\$ 682,520
TOTAL REVENUES	636,335	636,335	661,381	25,046	682,520
EXPENDITURES					
<i>Debt Service:</i>					
Principal	460,000	460,000	449,934	10,066	450,000
Bond Issue Costs	-	-	121,016	(121,016)	-
Interest and Fiscal Charges	283,903	283,903	179,948	103,955	186,041
TOTAL EXPENDITURES	743,903	743,903	750,898	(6,995)	636,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,568)	(107,568)	(89,517)	18,051	46,479
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	5,775,000	5,775,000	-	-
Premiums on Issance of Debt	-	641,083	641,083	-	-
Payments to Refunding Agent	-	(5,180,000)	(6,295,066)	1,115,066	-
Transfers In	108,114	108,114	-	(108,114)	-
TOTAL OTHER FINANCING SOURCES (USES)	108,114	1,344,197	121,017	(108,114)	-
Net Change in Fund Balance	546	1,236,629	31,500	(90,063)	46,479
FUND BALANCE- BEGINNING	387,926	387,926	387,926	-	341,447
FUND BALANCE- ENDING	\$ 388,472	\$ 1,624,555	\$ 419,426	\$ (90,063)	\$ 387,926

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			
	2012	2013	2014	2015
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 5,934,633	\$ 6,374,117	\$ 7,414,439	\$ 7,696,092
Restricted	101,677	157,074	90,494	1,657,517
Unrestricted	4,708,814	6,496,088	6,167,021	2,656,933
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 10,745,124</u>	<u>\$ 13,027,279</u>	<u>\$ 13,671,954</u>	<u>\$ 12,010,542</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 3,998,041	\$ 3,867,460	\$ 4,057,126	\$ 4,113,942
Restricted	762,316	1,066,500	993,268	908,705
Unrestricted	1,966,216	1,829,758	1,873,123	1,533,589
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 6,726,573</u>	<u>\$ 6,763,718</u>	<u>\$ 6,923,517</u>	<u>\$ 6,556,236</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 9,932,674	\$ 10,241,577	\$ 11,471,565	\$ 11,810,034
Restricted	863,993	1,223,574	1,083,762	2,566,222
Unrestricted	6,675,030	8,325,846	8,040,144	4,190,522
<i>Total Primary Government Net Position</i>	<u>\$ 17,471,697</u>	<u>\$ 19,790,997</u>	<u>\$ 20,595,471</u>	<u>\$ 18,566,778</u>

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2012 – 2017 have not been restated for adoption of GASB Statement No. 75.

TABLE 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 8,324,593	\$ 9,534,380	\$ 12,241,969	\$ 12,752,432	\$ 13,667,111	\$ 13,953,956
2,186,825	2,999,981	4,027,347	2,704,990	2,950,408	2,891,629
2,696,144	2,342,091	2,432,332	2,048,407	559,242	753,703
<u>\$ 13,207,562</u>	<u>\$ 14,876,452</u>	<u>\$ 18,701,648</u>	<u>\$ 17,505,829</u>	<u>\$ 17,176,761</u>	<u>\$ 17,599,288</u>
\$ 4,367,353	\$ 4,049,170	\$ 4,162,165	\$ 4,872,274	\$ 5,392,876	\$ 5,862,213
1,042,946	1,279,204	1,225,716	1,595,199	1,784,772	1,888,685
1,205,378	2,179,050	2,562,095	2,118,143	2,276,563	2,404,894
<u>\$ 6,615,677</u>	<u>\$ 7,507,424</u>	<u>\$ 7,949,976</u>	<u>\$ 8,585,616</u>	<u>\$ 9,454,211</u>	<u>\$ 10,155,792</u>
\$ 12,691,946	\$ 13,583,550	\$ 16,404,134	\$ 17,624,706	\$ 19,059,987	\$ 19,816,169
3,229,771	4,279,185	5,253,063	4,300,189	4,735,180	4,780,314
3,901,522	4,521,141	4,994,427	4,166,550	2,835,805	3,158,597
<u>\$ 19,823,239</u>	<u>\$ 22,383,876</u>	<u>\$ 26,651,624</u>	<u>\$ 26,091,445</u>	<u>\$ 26,630,972</u>	<u>\$ 27,755,080</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
<i>Governmental Activities</i>				
Administration	\$ 764,140	\$ 910,636	\$ 828,573	\$ 983,952
Public Safety	4,344,695	4,335,920	4,536,351	4,701,582
Public Works	1,714,581	1,140,612	1,650,987	2,363,083
Parks and Recreation	117,840	113,792	186,386	169,947
Library	322,688	322,587	302,721	320,572
Communications	-	-	-	-
Community Development	610,394	566,113	641,724	676,880
Interest and Fiscal Agent Fees	107,645	275,120	248,324	239,237
<i>Total Governmental Activities Expenses</i>	<u>7,981,983</u>	<u>7,664,780</u>	<u>8,395,066</u>	<u>9,455,253</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	3,218,973	3,282,774	3,365,772	3,481,521
<i>Total Business-Type Activities</i>	<u>3,218,973</u>	<u>3,282,774</u>	<u>3,365,772</u>	<u>3,481,521</u>
Total Primary Government Expenses	<u>\$ 11,200,956</u>	<u>\$ 10,947,554</u>	<u>\$ 11,760,838</u>	<u>\$ 12,936,774</u>
Program Revenues				
<i>Governmental Activities</i>				
Charges for Service:				
Administration	\$ 595,568	\$ 298,947	\$ 284,034	\$ 258,388
Public Safety	849,832	833,662	803,036	694,303
Parks and Recreation	16,186	15,544	15,586	13,850
Library	2,329	1,972	3,490	3,521
Community Development	119,382	97,193	168,648	166,775
Operating Grants and Contributions	117,275	82,626	95,028	240,763
Capital Grants and Contributions	-	372,585	-	170,747
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>1,700,572</u>	<u>1,702,529</u>	<u>1,369,822</u>	<u>1,548,347</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water/Wastewater Utilities	3,039,389	3,291,009	3,275,292	3,481,570
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>3,039,389</u>	<u>3,291,009</u>	<u>3,275,292</u>	<u>3,481,570</u>
Total Primary Government Program Revenues	<u>\$ 4,739,961</u>	<u>\$ 4,993,538</u>	<u>\$ 4,645,114</u>	<u>\$ 5,029,917</u>

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2012 – 2017 have not been restated for adoption of GASB Statement No. 75.

TABLE 2

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	1,125,550	\$	1,052,772	\$	1,163,357	\$	1,134,888	\$	1,668,621	\$	1,272,072
	4,598,579		5,731,890		6,825,574		10,029,264		9,182,852		8,427,384
	1,492,449		1,960,573		1,366,183		3,110,746		2,128,939		2,464,829
	228,169		357,055		372,372		306,749		328,675		326,685
	367,252		375,764		421,642		413,677		413,953		438,436
	355,508		322,727		-		-		-		-
	880,111		753,029		828,978		932,724		939,644		919,311
	205,890		228,101		201,460		186,603		177,398		216,131
	<u>9,253,508</u>		<u>10,781,911</u>		<u>11,179,566</u>		<u>16,114,651</u>		<u>14,840,082</u>		<u>14,064,848</u>
	<u>3,752,522</u>		<u>3,901,345</u>		<u>4,720,880</u>		<u>4,978,650</u>		<u>4,476,212</u>		<u>4,447,693</u>
	<u>3,752,522</u>		<u>3,901,345</u>		<u>4,720,880</u>		<u>4,978,650</u>		<u>4,476,212</u>		<u>4,447,693</u>
\$	<u>13,006,030</u>	\$	<u>14,683,256</u>	\$	<u>15,900,446</u>	\$	<u>21,093,301</u>	\$	<u>19,316,294</u>	\$	<u>18,512,541</u>
\$	537,825	\$	319,498	\$	319,498	\$	661,149	\$	409,905	\$	276,482
	724,018		1,620,197		1,620,197		3,441,827		3,296,536		3,062,361
	15,632		-		-		-		-		-
	4,249		-		-		-		-		-
	167,074		76,357		76,357		77,660		11,290		20,253
	160,001		476,415		476,415		130,103		604,876		67,282
	<u>37,766</u>		<u>-</u>		<u>-</u>		<u>105,767</u>		<u>-</u>		<u>-</u>
	<u>1,646,565</u>		<u>2,492,467</u>		<u>2,492,467</u>		<u>4,416,506</u>		<u>4,322,607</u>		<u>3,426,378</u>
	3,683,776		4,589,550		4,623,442		5,218,441		4,995,934		5,095,369
	-		120,165		-		-		-		-
	<u>-</u>		<u>-</u>		<u>485,976</u>		<u>302,632</u>		<u>-</u>		<u>-</u>
	<u>3,683,776</u>		<u>4,709,715</u>		<u>5,109,418</u>		<u>5,521,073</u>		<u>4,995,934</u>		<u>5,095,369</u>
\$	<u>5,330,341</u>	\$	<u>7,202,182</u>	\$	<u>7,601,885</u>	\$	<u>9,937,579</u>	\$	<u>9,318,541</u>	\$	<u>8,521,747</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Net (Expenses)/Revenue				
Governmental Activities	\$ (6,281,411)	\$ (5,962,251)	\$ (7,025,244)	\$ (7,906,906)
Business-Type Activities	(179,584)	8,235	(90,480)	49
Total Primary Government Net Expenses	<u>\$ (6,460,995)</u>	<u>\$ (5,954,016)</u>	<u>\$ (7,115,724)</u>	<u>\$ (7,906,857)</u>
Governmental Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 3,550,430	\$ 3,834,233	\$ 4,021,701	\$ 4,122,721
Sales Taxes	2,245,560	3,592,293	2,918,244	3,058,953
Franchise Taxes	708,434	701,468	895,174	974,361
Occupancy Taxes	82,409	83,470	91,125	86,661
Interest and Investment Earnings	6,795	12,804	4,277	4,678
Miscellaneous	6,007	20,138	26,879	21,896
Transfers	-	-	20,000	70,000
<i>Total Governmental Activities</i>	<u>6,599,635</u>	<u>8,244,406</u>	<u>7,977,400</u>	<u>8,339,270</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	3,827	3,374	2,579	889
Miscellaneous	56,453	35,609	5,914	144,390
Impact Fees	81,254	22,593	20,417	-
Transfers	-	-	-	(20,000)
<i>Total Business-Type Activities</i>	<u>141,534</u>	<u>61,576</u>	<u>28,910</u>	<u>125,279</u>
Total Primary Government	<u>\$ 6,741,169</u>	<u>\$ 8,305,982</u>	<u>\$ 8,006,310</u>	<u>\$ 8,464,549</u>
Changes In Net Position				
Government Activities	\$ 318,224	\$ 2,282,155	\$ 952,156	\$ 432,364
Business-Type Activities	(38,050)	69,811	(61,570)	125,328
Total Primary Government	<u>\$ 280,174</u>	<u>\$ 2,351,966</u>	<u>\$ 890,586</u>	<u>\$ 557,692</u>

TABLE 2 (Continued)

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	(7,606,943)	\$	(8,289,444)	\$	(8,687,099)	\$	(11,698,145)	\$	(10,517,475)	\$	(10,638,470)
	(68,746)		808,370		388,538		542,423		519,722		647,676
\$	<u>(7,675,689)</u>	\$	<u>(7,481,074)</u>	\$	<u>(8,298,561)</u>	\$	<u>(11,155,722)</u>	\$	<u>(9,997,753)</u>	\$	<u>(9,990,794)</u>
\$	4,440,697	\$	4,752,901	\$	4,944,531	\$	5,113,648	\$	5,447,139	\$	5,558,254
	3,177,019		3,517,289		3,687,415		3,746,775		3,738,177		4,270,709
	1,072,898		1,104,166		961,149		919,205		809,636		876,389
	67,691		80,600		94,639		89,936		50,523		89,993
	17,663		55,460		134,411		233,900		94,530		3,074
	27,995		447,168		371,832		399,343		361,884		262,578
	-		750		(47,650)		(481)		(313,482)		-
	<u>8,803,963</u>		<u>9,958,334</u>		<u>10,146,327</u>		<u>10,502,326</u>		<u>10,188,407</u>		<u>11,060,997</u>
	1,270		11,987		60,337		92,436		35,341		2,131
	84,682		116,200		-		300		50		51,774
	-		-		-		-		-		-
	(70,000)		-		47,650		481		313,482		-
	<u>15,952</u>		<u>128,187</u>		<u>107,987</u>		<u>93,217</u>		<u>348,873</u>		<u>53,905</u>
\$	<u>8,819,915</u>	\$	<u>10,086,521</u>	\$	<u>10,254,314</u>	\$	<u>10,595,543</u>	\$	<u>10,537,280</u>	\$	<u>11,114,902</u>
\$	1,197,020	\$	1,668,890	\$	1,459,228	\$	(1,195,819)	\$	(329,068)	\$	422,527
	(52,794)		936,557		496,525		635,640		868,595		701,581
\$	<u>1,144,226</u>	\$	<u>2,605,447</u>	\$	<u>1,955,753</u>	\$	<u>(560,179)</u>	\$	<u>539,527</u>	\$	<u>1,124,108</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<i>General Fund:</i>				
Nonspendable	\$ 51,278	\$ 54,278	\$ 54,631	\$ 56,442
Restricted	49,642	101,977	90,494	114,962
Committed	800,000	900,000	900,000	900,000
Assigned	14,135	139,135	25,275	25,275
Unassigned	2,400,386	2,456,717	2,756,058	2,779,498
<i>Total General Fund</i>	<u>\$ 3,315,441</u>	<u>\$ 3,652,107</u>	<u>\$ 3,826,458</u>	<u>\$ 3,876,177</u>
<i>All Other Governmental Funds:</i>				
Nonspendable	\$ 757	\$ 819	\$ 1,310	\$ 1,990
Restricted	8,136,892	8,419,977	5,862,738	2,874,942
Committed	-	-	795,672	664,842
Assigned	-	-	105,373	111,139
Unassigned	486,730	1,413,694	-	-
<i>Total All Other Governmental Funds</i>	<u>\$ 8,624,379</u>	<u>\$ 9,834,490</u>	<u>\$ 6,765,093</u>	<u>\$ 3,652,913</u>

TABLE 3

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 14,201	\$ 52,650	\$ 11,163	\$ 5,824	\$ 4,434	\$ 4,854
154,393	497,329	23,868	235,416	261,124	283,940
900,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
25,275	80,700	459,127	1,154,763	749,556	1,068,942
3,567,496	3,508,662	3,359,401	4,370,549	3,784,196	3,361,144
<u>\$ 4,661,365</u>	<u>\$ 5,139,341</u>	<u>\$ 4,853,559</u>	<u>\$ 6,766,552</u>	<u>\$ 5,799,310</u>	<u>\$ 5,718,880</u>
\$ -	\$ 2,095	\$ -	\$ -	\$ -	\$ -
2,032,432	2,502,591	3,499,337	2,463,234	2,680,737	2,596,713
-	-	-	-	-	-
93,679	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,126,111</u>	<u>\$ 2,504,686</u>	<u>\$ 3,499,337</u>	<u>\$ 2,463,234</u>	<u>\$ 2,680,737</u>	<u>\$ 2,596,713</u>

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

	Fiscal Year			
	2012	2013	2014	2015
REVENUES				
Property Taxes	\$ 3,544,081	\$ 3,809,355	\$ 4,012,433	\$ 4,143,068
Nonproperty Taxes	2,327,969	2,503,411	3,009,369	3,145,614
Grants/Intergovernmental	6,122	4,523	8,104	8,852
Charges for Services	1,860,659	1,858,150	1,988,654	2,123,854
CIED	379,918	1,172,352	-	-
Other	175,109	456,679	299,392	416,576
TOTAL REVENUES	8,293,858	9,804,470	9,317,952	9,837,964
EXPENDITURES				
Current:				
Administrative	713,738	870,697	769,842	951,121
Public Safety	4,177,616	4,116,594	4,258,045	4,609,076
Public Works	1,552,725	972,484	1,462,747	2,238,664
Parks and Recreation	91,824	86,802	157,643	142,794
Library	310,725	267,588	288,871	317,049
Communications	-	-	-	-
Community Development	566,914	554,087	583,068	624,724
Capital Outlay	155,265	772,922	3,909,161	3,408,801
Debt Service:				
Principal	310,000	345,000	420,000	430,000
Interest	242,502	270,019	257,121	245,946
Fiscal Agent Fees and Bond Issue Costs	1,000	1,500	1,500	2,250
TOTAL EXPENDITURES	8,122,309	8,257,693	12,107,998	12,970,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	171,549	1,546,777	(2,790,046)	(3,132,461)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	-	-	-	-
Transfers In	18,000	237,216	220,770	590,803
Transfers Out	(18,000)	(237,216)	(200,770)	(520,803)
Bond Premium	139,174	-	-	-
Issuance of Debt	7,000,000	-	-	-
Payments to Refunding Agent	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,139,174	-	20,000	70,000
NET CHANGE IN FUND BALANCE	\$ 7,310,723	\$ 1,546,777	\$ (2,770,046)	\$ (3,062,461)
Debt Service as a Percentage of Noncapital Expenditures	6.9%	8.2%	8.3%	7.1%

TABLE 4

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	4,432,407	\$	4,755,462	\$	4,940,751	\$	5,104,964	\$	5,441,159	\$	5,556,003
	3,333,880		4,702,056		4,743,203		4,755,916		4,598,336		5,237,092
	7,394		233,473		2,184,103		235,870		604,876		67,282
	2,132,647		1,939,695		3,014,022		4,177,392		3,788,092		3,424,315
	-		-		-		-		-		-
	535,910		821,919		457,535		636,484		386,056		200,433
	10,442,238		12,452,605		15,339,614		14,910,626		14,818,519		14,485,125
	1,035,474		878,060		937,870		933,682		1,440,302		1,090,696
	4,320,120		5,179,406		6,663,001		7,886,368		8,370,905		8,170,836
	1,319,658		1,809,169		1,135,180		2,562,290		1,693,018		2,160,982
	198,429		324,379		358,460		281,387		288,235		299,170
	346,782		360,023		402,110		407,886		397,869		401,639
	348,793		322,727		-		-		-		-
	823,889		699,342		768,403		857,365		859,448		839,794
	2,110,337		1,341,443		3,137,262		968,781		1,568,953		1,056,582
	445,000		460,000		475,000		440,000		450,000		449,934
	233,370		222,255		205,809		195,495		186,043		179,948
	2,000		-		-		-		-		121,016
	11,183,852		11,596,804		14,083,095		14,533,254		15,254,773		14,770,597
	(741,614)		855,801		1,256,519		377,372		(436,254)		(285,472)
	-		-		-		-		-		-
	707,203		750		750		-		179,240		-
	(707,203)		-		(48,400)		(481)		(492,722)		-
	-		-		-		-		-		641,083
	-		-		-		-		-		5,775,000
	-		-		-		-		-		(6,295,066)
	-		750		(47,650)		(481)		(313,482)		121,017
\$	(741,614)	\$	856,551	\$	1,208,869	\$	376,891	\$	(749,736)	\$	(164,455)
	7.5%		6.7%		6.2%		4.7%		4.6%		5.5%

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
2012	\$ 3,544,081	\$ 2,327,969	\$ 82,409	\$ 708,434	\$ 6,662,893
2013	3,809,355	2,503,411	83,470	701,468	7,097,704
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

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
2012	\$ 675,661,811	0.527400
2013	692,616,036	0.535510
2014	675,836,102	0.574282
2015	677,076,160	0.582915
2016	681,878,582	0.575507
2017	707,418,512	0.561615
2018	740,061,497	0.556599
2019	997,287,526	0.556599
2020	1,075,859,763	0.545877
2021	1,116,994,425	0.535904

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
2012	0.4727	0.0628	0.5355	1.3755	0.3269
2013	0.4768	0.0975	0.5743	1.3755	0.3269
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

	Overlapping Rates		
	University Health System	San Antonio River Authority	Alamo Community College
2012	0.27624	0.01737	0.14162
2013	0.27624	0.01737	0.14915
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	0.18580	0.14915
2020	0.27624	0.18580	0.14915
2021	0.27624	0.18580	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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ancira-Winton Chevrolet	\$ 32,564,100	1	2.92%	\$ 13,231,455	3	1.96%
San Antonio Vista Del Rey LLC	28,500,000	2	2.55%	13,500,000	2	2.00%
TRT HEB Marketplace LP	23,150,000	3	2.07%	22,000,000	1	3.25%
Grissom Owners LP	18,500,100	4	1.66%	9,000,100	7	1.33%
Valencia Lofts	17,775,000	5	1.59%	-	-	-
Leors Holdings LLC	15,575,000	6	1.39%	11,475,930	6	1.70%
Barcelona Lofts LLC	14,250,000	7	1.28%	12,188,175	5	1.80%
Omninet Tower LP	13,563,000	8	1.21%	-	-	-
Forest Oaks Living LLC	12,000,000	9	1.07%	-	-	-
Leon SA Income Parterns LP	9,100,000	10	0.81%	-	-	-
Stonewater Tower West	-	-	-	13,192,000	4	1.95%
Southwestern Bell	-	-	-	8,195,780	8	1.21%
SA West Loop II Investors LTD	-	-	-	5,500,000	9	1.23%
Leon Valley Axxociates	-	-	-	5,000,000	10	1.23%
TOTALS	\$ 184,977,200		16.56%	\$ 113,283,440		16.75%
TOTAL TAXABLE ASSESSED VALUE	\$ 1,116,994,425			\$ 692,616,036		

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		Collections In Subsequent Years	Total Collections	
		Fiscal Year of Levy			To Date	
		Amount	% of Levy		Amount	% of Levy
2012	\$ 3,553,034	\$ 3,485,684	98.10%	\$ 61,042	\$ 3,546,726	99.82%
2013	3,817,953	3,755,784	98.37%	53,803	3,809,587	99.78%
2014	4,023,348	3,940,694	97.95%	71,159	4,011,853	99.71%
2015	4,130,740	4,050,446	98.06%	69,010	4,119,456	99.73%
2016	4,432,631	4,369,996	98.59%	48,778	4,418,774	99.69%
2017	4,738,086	4,685,787	98.90%	38,227	4,724,014	99.70%
2018	5,019,786	4,966,303	98.93%	35,469	5,001,772	99.64%
2019	5,137,625	5,080,976	98.90%	36,796	5,117,772	99.61%
2020	5,446,779	5,388,962	98.94%	31,035	5,357,927	98.37%
2021	5,599,495	5,545,111	99.03%	-	5,545,111	99.03%

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				
	2012	2013	2014	2015	2016
Residential	\$ 201,840,600	\$ 189,931,000	\$ 184,014,000	\$ 176,710,000	\$ 177,355,000
Commerical	122,936,377	123,088,895	120,423,155	131,218,294	142,359,865
Total	<u>\$ 324,776,977</u>	<u>\$ 313,019,895</u>	<u>\$ 304,437,155</u>	<u>\$ 307,928,294</u>	<u>\$ 319,714,865</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 1.02</u>	<u>\$ 1.05</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>

Type of Customer	Fiscal Year				
	2017	2018	2019	2020	2021
Residential	\$ 160,769,000	\$ 155,524,000	\$ 142,601,000	\$ 160,304,400	\$ 146,792,100
Commerical	132,729,922	128,377,775	128,044,700	129,810,102	128,201,713
Total	<u>\$ 293,498,922</u>	<u>\$ 283,901,775</u>	<u>\$ 270,645,700</u>	<u>\$ 290,114,502</u>	<u>\$ 274,993,813</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 3.18</u>	<u>\$ 3.37</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
2012	9.09	1.05	13.16	4.70
2013	9.36	1.08	13.55	5.27
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

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
2012	\$ 468,647,503	\$ 281,076,061	\$ 5,246,600	\$ 62,354,128	\$ 692,616,036	0.527400
2013	456,646,017	280,720,343	5,025,705	66,555,963	675,836,102	0.535510
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

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

TABLE 13

Fiscal Year	General Bonded Debt Outstanding				Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Private Property Finance Contracts	Certificates of Obligation				
2012	\$ 8,810,000	\$ 950,000	-		\$ 9,760,000	1.41%	898
2013	8,505,000	910,000	-		9,415,000	1.39%	866
2014	8,125,000	870,000	-		8,995,000	1.33%	828
2015	7,857,138	725,000	-		8,582,138	1.26%	790
2016	7,450,179	825,000	-		8,275,179	1.17%	762
2017	7,028,220	735,000	2,062,543		9,825,763	1.33%	904
2018	6,596,261	685,000	2,023,662		9,304,923	0.93%	856
2019	6,199,302	635,000	1,975,901		8,810,203	0.82%	811
2019	5,792,343	585,000	1,932,020		8,309,363	0.74%	765
2020	5,966,083	-	1,883,139		7,849,222	0.70%	722

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 17.

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	Tax Notes	Capital Lease	Revenue Bonds	Certificates of Obligation			
2012	\$ 8,810,000	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,760,000	3.60%	898
2013	8,505,000	910,000	-	-	-	-	-	9,415,000	3.47%	866
2014	8,125,000	870,000	-	-	-	-	-	8,995,000	3.32%	828
2015	7,857,138	725,000	-	-	-	-	-	8,582,138	3.17%	790
2016	7,450,179	780,000	-	-	-	-	2,086,424	10,316,603	3.81%	949
2017	7,028,220	735,000	-	-	-	-	2,062,543	9,825,763	3.63%	904
2018	6,596,261	685,000	-	-	-	-	2,023,662	9,304,923	3.43%	856
2019	6,199,302	635,000	-	-	-	-	1,975,901	8,810,203	3.25%	811
2020	5,792,343	585,000	-	-	-	-	1,932,020	8,309,363	3.07%	765
2021	5,966,083	-	-	-	-	-	1,883,139	7,849,222	2.90%	722

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 17.

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	\$ 437,330,000	0.61%	\$ 2,667,713
Bexar County	1,860,590,000	0.61%	11,349,599
Bexar County Hospital District	840,300,000	0.61%	5,125,830
Northside Independent School District	2,201,695,000	1.72%	<u>37,869,154</u>
Subtotal, Overlapping Debt			57,012,296
City Governmental Activities Direct Debt			<u>5,966,083</u>
TOTAL NET OVERLAPPING DEBT			<u><u>\$ 62,978,379</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, 2018 Tax Roll		\$ 1,116,994,425
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.		\$ 111,699,443
Amount of Applicable Debt:		
General Bonded Debt	\$ 5,966,083	
Less Debt Service Net Position	<u>(430,402)</u>	<u>5,535,681</u>
DEBT MARGIN		<u>\$ 106,163,762</u>
Total Net Debt as a Percentage of Debt Margin		5.21%

	Fiscal Year		
	2018	2019	2020
Assessed Value	\$ 949,714,257	\$ 997,287,526	\$ 1,075,859,763
Debt Limit	\$ 94,971,426	\$ 99,728,753	\$ 107,585,976
Total Net Debt Applicable to Limit	<u>8,950,605</u>	<u>8,462,414</u>	<u>5,980,870</u>
Total Debt Margin	<u>\$ 86,020,821</u>	<u>\$ 91,266,339</u>	<u>\$ 101,605,106</u>
	2015	2016	2017
Assessed Value	\$ 740,061,500	\$ 817,913,900	\$ 887,140,474
Debt Limit	\$ 74,006,150	\$ 81,791,390	\$ 88,714,047
Total Net Debt Applicable to Limit	<u>8,774,392</u>	<u>10,376,736</u>	<u>8,098,078</u>
Total Debt Margin	<u>\$ 65,231,758</u>	<u>\$ 71,414,654</u>	<u>\$ 80,615,969</u>
	2012	2013	2014
Assessed Value	\$ 677,076,160	\$ 681,878,580	\$ 707,418,510
Debt Limit	\$ 67,707,616	\$ 68,187,858	\$ 70,741,851
Total Net Debt Applicable to Limit	<u>9,579,375</u>	<u>9,624,392</u>	<u>9,204,392</u>
Total Debt Margin	<u>\$ 58,128,241</u>	<u>\$ 58,563,466</u>	<u>\$ 61,537,459</u>

CITY OF LEON VALLEY
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

TABLE 17

Fiscal Year	Water Revenue Bonds						Coverage
	Utility	Less:	Net	Debt Service			
	Service	Operating	Available	Principal	Interest		
	Charges	Expenses	Revenue				
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	
2013	3,291,009	3,282,744	8,265	-	-	100.00	
2012	3,039,389	3,218,973	(179,584)	-	-	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
2012	10,866	\$ 270,954,576	\$ 24,936	40.0	3,752	7.3%
2013	10,866	270,954,576	24,936	40.0	4,130	6.0%
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%

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>	2021			2012		
	<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*	73,707	1	6.56%	100,578	1	7.38%
H-E-B Food Stores	22,000	2	1.96%	14,588	3	1.07%
USA A	19,400	3	1.73%	15,000	2	1.10%
Northside ISD	13,498	4	1.20%	12,751	4	0.93%
City of San Antonio	11,185	5	0.99%	9,145	6	0.67%
Methodist Healthcare System	9,620	6	0.86%	7,747	7	0.56%
North East ISD	8,386	7	0.75%	10,522	5	0.77%
San Antonio ISD	7,338	8	0.65%	7,000	8	0.51%
Baptist Health Systems	6,383	9	0.57%			
JP Morgan Chase	5,152	10	0.46%			
Bill Miller Bar-B-Q				4,190	9	0.30%
Frost Bank				3,982	10	0.29%
Total	<u>176,669</u>		<u>15.73%</u>	<u>185,503</u>		<u>13.58%</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

<u>Function</u>	<u>Full-Time Equivalent Employees as of September 30,</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>General Government</u>										
Business Office	1.8	1.8	1.6	1.6	1.6	1.6	1.1	1.1	0.5	0.5
Finance	2.4	2.2	2.0	2.0	2.0	2.0	2.0	1.5	0.7	0.7
Manager and Council	2.4	2.3	2.0	3.0	3.0	3.9	2.5	3.3	2.1	3.6
<u>Public Safety</u>										
Police										
Officers	24.0	24.0	23.0	23.0	24.0	25.0	28.5	37.0	39.0	41.0
Civilians	8.0	8.0	8.0	9.9	3.9	1.0	1.0	2.5	1.0	4.3
Fire										
Firefighters and Officers	0.5	27.0	26.0	0.5	26.0	26.0	27.0	27.0	27.0	28.0
Civilians	27.0	0.5	0.5	26.0	0.5	0.5	1.0	1.0	1.0	0.0
<u>Public Works</u>	14.8	13.1	12.6	12.6	12.6	13.2	13.3	13.3	11.8	11.8
<u>Development Activities</u>	4.0	3.5	3.4	1.6	1.6	1.6	2.6	3.3	3.1	3.1
<u>Economic Development</u>	1.2	2.0	2.0	2.0	2.0	2.0	1.0	0.6	0.9	0.9
<u>Parks</u>	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<u>Library</u>	3.5	3.5	3.5	3.5	4.5	4.5	4.5	4.5	5.5	5.5
<u>Communications</u>	-	-	-	-	6.0	2.0	2.0	-	-	-
<u>Community Center</u>	2.1	0.6	1.6	1.6	1.6	1.6	1.1	1.6	1.0	1.0
<u>Water and Sewer</u>	12.85	16.04	18.35	18.7	18.2	17.6	17.4	17.4	17.4	17.4
TOTAL	<u>106.0</u>	<u>106.0</u>	<u>106.0</u>	<u>107.5</u>	<u>109.0</u>	<u>104.0</u>	<u>106.5</u>	<u>115.5</u>	<u>112.4</u>	<u>119.1</u>

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Police</u>					
Arrests	837.0	635.0	629.0	722.0	915.0
Traffic Violations	9279.0	5218.0	5010.0	3915.0	4963.0
<u>Fire</u>					
Fire Calls	765.0	712.0	890.0	1183.0	942.0
EMS Calls	1038.0	1174.0	1151.0	1136.0	1472.0
Number of Inspections	1256.0	1022.0	1009.0	480.0	310.0
<u>Public Works</u>					
Streets resurfacing (Miles)	0.0	7.7	8.0	5.0	1.0
Sidewalk Construction (Feet)	1621.0	682.0	687.0	1304.0	2060.0
<u>Library</u>					
Reference Questions	5,868.0	5,287.0	7,000.0	6,485.0	7,681.0
Internet Sessions	18,242.0	16,882.0	6,266.0	6,497.0	8,055.0
Library Acquisitions	2,953.0	2,912.0	2,176.0	1,823.0	2,011.0
<u>Water</u>					
Daily Average Consumption (thousands of gallons)	889,800.0	857,588.0	962,846.0	843,639.0	869,649.0
Total Customers	2,523.00	2,526.00	2,544.00	2,561.00	2,574.00
Average Use Per Connection	352.68	339.50	378.48	329.42	337.86
<u>Sewer</u>					
Total Customers	2551.0	2457.0	2457.0	2456.0	2479.0
Daily Average Treatment (Gallons)	705,557.0	687,267.0	700,672.0	703,607.0	681,173.0

Source: Various City Departments.

TABLE 21

Fiscal Year				
2017	2018	2019	2020	2021
535.0	789.0	1221.0	473.0	333.0
3643.0	7616.0	10156.0	4277.0	2601.0
505.0	598.0	441.0	680.0	795.0
2081.0	1704.0	1561.0	1521.0	1922.0
730.0	724.0	392.0	614.0	679.0
2.3	1.2	4.1	4.1	2.0
1957.0	350.0	1020.0	1020.0	679.0
7,149.0	7,384.0	10,393.0	5,123.0	4,572.0
8,346.0	17,456.0	17,857.0	4,061.0	8,834.0
2,352.0	2,269.0	1,760.0	1,519.0	1,618.0
804,105.0	777,813.0	741,495.0	769,308.0	753,407.0
2,583.00	2,601.00	2,613.00	2,634.00	2,637.00
311.31	299.04	283.77	292.07	285.71
2489.0	2505.0	2613.0	2546.0	2549.0
703,502.0	697,762.0	679,844.0	635,655.0	648,440.0

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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Police</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Patrol Units	24.0	24.0	24.0	24.0	25.0
<u>Fire</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Fire Fighters	26.0	26.0	26.0	26.0	26.0
<u>Streets</u>					
Streets, paved (miles)	39.5	39.5	39.5	39.5	39.5
<u>Parks and Recreation</u>					
Parks - Developed	1.0	1.0	1.0	1.0	1.0
Parks - Acreage	24.0	24.0	24.0	24.0	24.0
Swimming Pools	1.0	1.0	1.0	1.0	1.0
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				
2017	2018	2019	2020	2021
1.0	1.0	1.0	1.0	1.0
28.5	37.0	37.0	37.0	37.0
1.0	1.0	1.0	1.0	1.0
27.0	27.0	27.0	27.0	28.0
43.0	43.0	43.0	43.0	43.0
1.0	5.0	5.0	5.0	5.0
69.5	69.5	69.5	69.5	69.5
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	39.5	39.5
47.5	47.5	47.5	47.5	47.5
4,000.0	4,000.0	4,000.0	4,000.0	4,000.0



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, 2021, 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 7, 2022.

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.

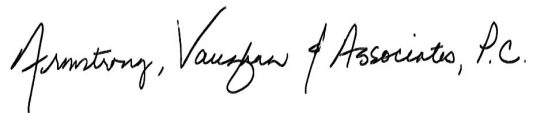
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

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*.

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 7, 2022

