

CITY OF LEON VALLEY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2020



**OFFICIALS ISSUING REPORT**

Henry U.B. Brummett  
Interim City Manager

Vickie Wallace  
Director of Finance



CITY OF LEON VALLEY, TEXAS  
TABLE OF CONTENTS  
SEPTEMBER 30, 2020

**INTRODUCTORY SECTION**

	<u>PAGE</u>
LETTER OF TRANSMITTAL.....	ii
GFOA CERTIFICATE OF ACHIEVEMENT .....	v
PRINCIPAL OFFICIALS.....	vi
ORGANIZATIONAL CHART .....	vii

**FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT .....	2
MANAGEMENTS DISCUSSION AND ANALYSIS .....	5
BASIC FINANCIAL STATEMENTS .....	14
STATEMENT OF NET POSITION .....	15
STATEMENT OF ACTIVITIES .....	17
BALANCE SHEET – GOVERNMENTAL FUNDS.....	19
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	21
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS .....	22
RECONCILIATION OF THE STATEMENT OF REVENUES, GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	24
STATEMENT OF NET POSITION - PROPRIETARY FUNDS .....	25
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS.....	27
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS .....	28
NOTES TO BASIC FINANCIAL STATEMENTS.....	30
REQUIRED SUPPLEMENTARY INFORMATION .....	57
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –BUDGET AND ACTUAL - GENERAL FUND .....	58
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - STREET MAINTENANCE TAX FUND.....	63
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL.....	64
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS .....	65
SCHEDULE OF CITY CONTRIBUTIONS .....	66
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY .....	68

CITY OF LEON VALLEY, TEXAS  
 TABLE OF CONTENTS  
 SEPTEMBER 30, 2020

**FINANCIAL SECTION (CONTINUED)**

	<u>PAGE</u>
SUPPLEMENTARY INFORMATION .....	69
COMBINING BALANCE SHEET.....	70
NONMAJOR GOVERNMENTAL FUNDS .....	70
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND	
BALANCES - NONMAJOR GOVERNMENTAL FUNDS .....	72
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -	
BUDGET AND ACTUAL:	
COMMUNITY CENTER FUND .....	74
GRANTS FUND.....	75
CRIME CONTROL PREVENTION FUND .....	76
CHILD SAFETY FUND .....	77
STATE POLICE FORFEITURE FUND.....	78
FEDERAL POLICE FORFEITURE FUND.....	79
BUILDING SECURITY FUND .....	80
COURT TECHNOLOGY FUND .....	81
DEBT SERVICE.....	82

**STATISTICAL SECTION**

NET POSITION, BY COMPONENT .....	84
CHANGE IN NET POSITION.....	86
FUND BALANCES - GOVERNMENTAL FUNDS.....	90
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS .....	92
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS .....	94
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY.....	95
DIRECT AND OVERLAPPING PROPERTY TAX RATES.....	96
PRINCIPAL PROPERTY TAX PAYERS .....	97
PROPERTY TAX LEVIES AND COLLECTIONS.....	98
WATER SOLD BY TYPE OF CUSTOMER.....	99
WATER AND SEWER RATES.....	100
TAXABLE ASSESSED VALUE .....	101
RATIOS OF DEBT OUTSTANDING BY TYPE.....	102
RATIOS OF GENERAL BONDED DEBT OUSTANDING .....	103
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT .....	104
DEBT MARGIN INFORMATION .....	105
PLEDGED REVENUE COVERAGE.....	106
DEMOGRAPHIC AND ECONOMIC STATISTICS.....	107
TOP TEN PRINCIPAL EMPLOYERS.....	108
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION .....	109
OPERATING INDICATORS BY FUNCTION/PROGRAM .....	110
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM .....	112

CITY OF LEON VALLEY, TEXAS  
TABLE OF CONTENTS  
SEPTEMBER 30, 2020

COMPLIANCE SECTION

	<u>PAGE</u>
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	115
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE .....	117
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	119
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	120



## INTRODUCTORY SECTION



February 16, 2021

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, 2020.

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 unqualified "clean" opinion on the City of Leon Valley's financial statements for the year ended September 30, 2020. 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 comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019 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 comprehensive annual financial report, whose contents conform to program standards. The CAFR 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,



Henry U.B. Brummett  
Interim 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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

CITY OF LEON VALLEY, TEXAS  
PRINCIPAL OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2020

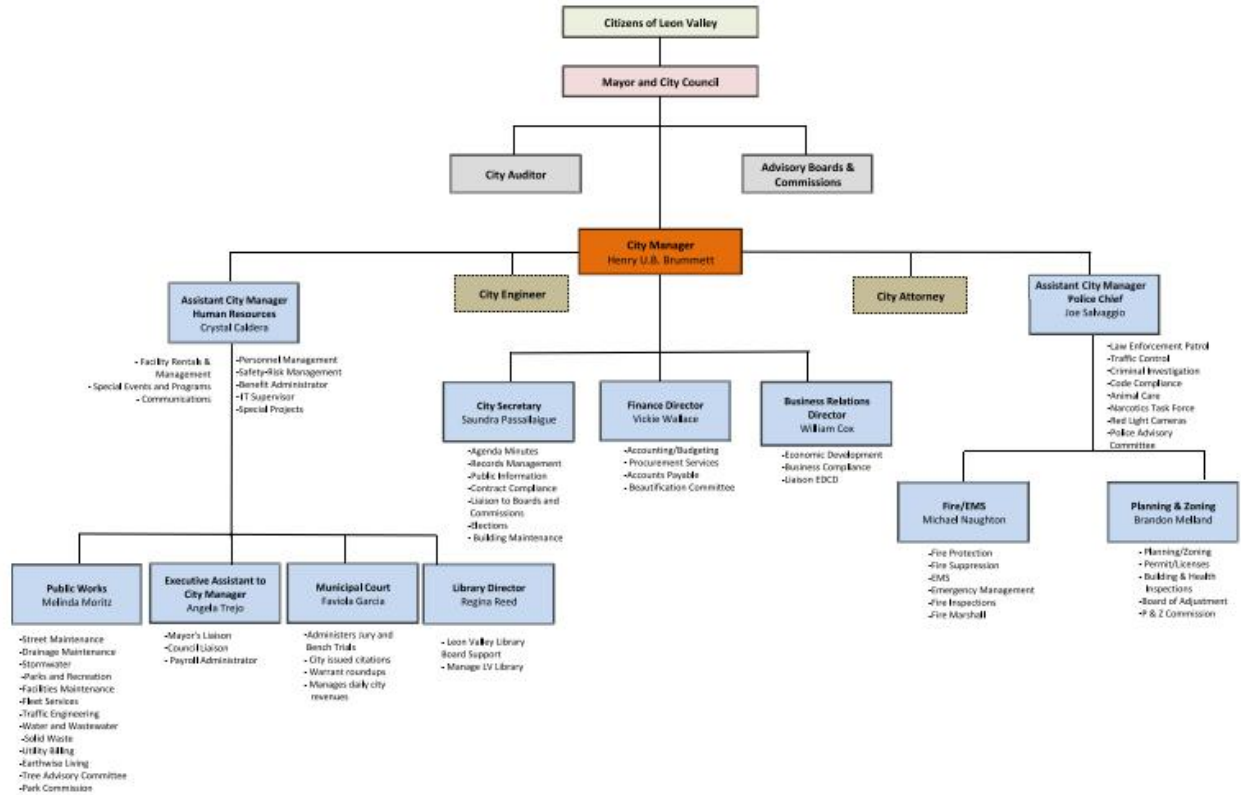
**ELECTED OFFICIALS**

MAYOR	CHRIS RILEY
CITY COUNCIL, PLACE 1	DONNA CHARLES
CITY COUNCIL, PLACE 2	CATHERINE RODRIGUEZ
CITY COUNCIL, PLACE 3	MONICA ALCO CER
CITY COUNCIL, PLACE 4	MATTHEW HODDE
CITY COUNCIL, PLACE 5	WILL BRADSHAW

**CITY OFFICIALS**

CITY MANAGER	KELLY KUENSTLER
DIRECTOR OF FINANCE	VICKIE WALLACE
CITY SECRETARY	SAUNDRA PASSAILAIGUE
PLANNING AND ZONING DIRECTOR	BRANDON MELLAND
POLICE CHIEF	JOSEPH SALVAGGIO
FIRE CHIEF	MICHAEL MCNAUGHTON
LIBRARIAN	REGINA REED
PUBLIC WORKS DIRECTOR	MELINDA MORITZ
HUMAN RESOURCES DIRECTOR/ACM	CRYSTAL CALDERA
CITY ATTORNEY	CHARLIE ZECH, DENTON, NAVARRO, ROCHA, BERNAL, HYDE & ZECH

# CITY OF LEON VALLEY ORGANIZATIONAL CHART



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, 2020, 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, 2020, 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, statistical section and the schedule of expenditures of federal awards required by the audit requirements of Title 2 U.S. Code of federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements, and combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards 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 16, 2021 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.

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

Armstrong, Vaughan & Associates, P.C.

February 16, 2021

## 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, 2020. 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 of the City of Leon Valley exceeded its liabilities at the close of the most recent fiscal year by \$26.6 million (net position). Of this amount, \$2.8 million (unrestricted net position) may be used to meet the City's operational needs.
- The City's total net position increased by \$540 thousand mainly due to increased operating and capital grants received during fiscal year 2020 from CARES Act grant funding for COVID related expenses.
- The City's OPEB and pension related deferred outflows totaled \$1.7 million at year end, a decrease of \$1.4 million in comparison with the prior year due to earnings on investments which were more than anticipated as well as increased contribution rates and experience rates.
- The City's OPEB and pension related deferred inflows totaled \$1.3 million at year end, a decrease of \$.3 million in comparison with the prior year due partly to an decrease in the investment earnings. The Pension Liability decreased by \$2.4 million as a result of increased net investment income.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8.5 million, a decrease of \$750 thousand in comparison with the prior year. The decrease is mostly attributed to a decrease in fines and forfeitures of \$392 thousand; \$139 thousand or 54% increase of contracted services (legal) in the Council and Manager expenditures and \$420 thousand increase in Law Enforcement (public safety) Expenditures.
- At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$4.5 million which is 38% of the general fund expenditures not including capital outlay.
- During the fiscal year, the City did not issue additional debt.

### 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.

## 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	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current Assets	\$ 9,971,662	\$ 10,985,691	\$ 5,216,230	\$ 4,930,043	\$ 15,187,892	\$ 15,915,734
Capital and Other Assets	20,044,454	19,586,734	7,324,896	6,848,175	27,369,350	26,434,909
Total Assets	<u>30,016,116</u>	<u>30,572,425</u>	<u>12,541,126</u>	<u>11,778,218</u>	<u>42,557,242</u>	<u>42,350,643</u>
<b>Deferred Outflows of Resources</b>						
	<u>1,434,507</u>	<u>2,661,966</u>	<u>251,483</u>	<u>434,333</u>	<u>1,685,990</u>	<u>3,096,299</u>
<b>Liabilities</b>						
Current Liabilities	1,967,993	2,198,457	323,627	463,965	2,291,620	2,662,422
Noncurrent Liabilities	11,215,246	13,526,420	2,795,777	3,162,789	14,011,023	16,689,209
Total Liabilities	<u>13,183,239</u>	<u>15,724,877</u>	<u>3,119,404</u>	<u>3,626,754</u>	<u>16,302,643</u>	<u>19,351,631</u>
<b>Deferred Inflows of Resources</b>						
	<u>1,090,623</u>	<u>3,685</u>	<u>218,994</u>	<u>181</u>	<u>1,309,617</u>	<u>3,866</u>
<b>Net Position</b>						
Net Investment in Capital Assets	13,667,111	12,752,432	5,392,876	4,872,274	19,059,987	17,624,706
Restricted	2,950,408	2,704,990	1,784,772	1,595,199	4,735,180	4,300,189
Unrestricted	559,242	2,048,407	2,276,563	2,118,143	2,835,805	4,166,550
Total Net Position	<u>\$ 17,176,761</u>	<u>\$ 17,505,829</u>	<u>\$ 9,454,211</u>	<u>\$ 8,585,616</u>	<u>\$ 26,630,972</u>	<u>\$ 26,091,445</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 8 and 9 of this report.

The largest portion of the City's net position, \$19.1 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, \$4.7 million represents resources that are subject to external restrictions on how they may be used. \$2.8 million (unrestricted net position) may be used to meet the City's operational needs.

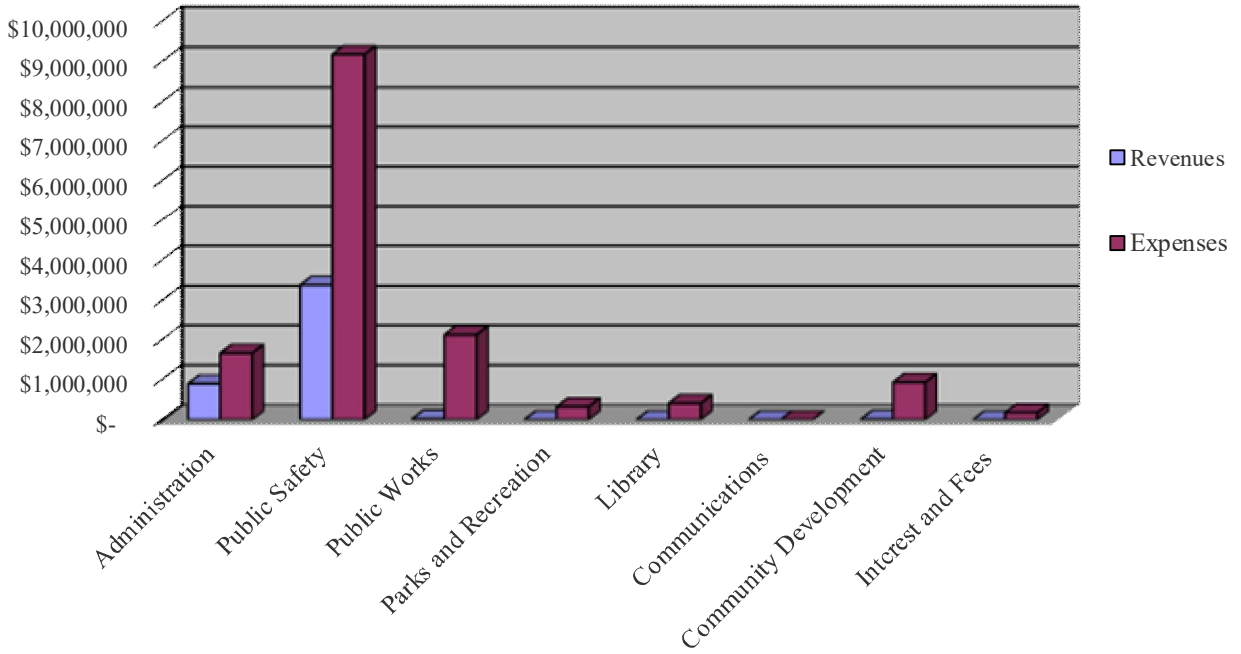
Governmental activities decreased net position by \$0.3 million, which is attributable to fluctuations in program revenues and expenses. Key elements of this decrease are as follows:

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

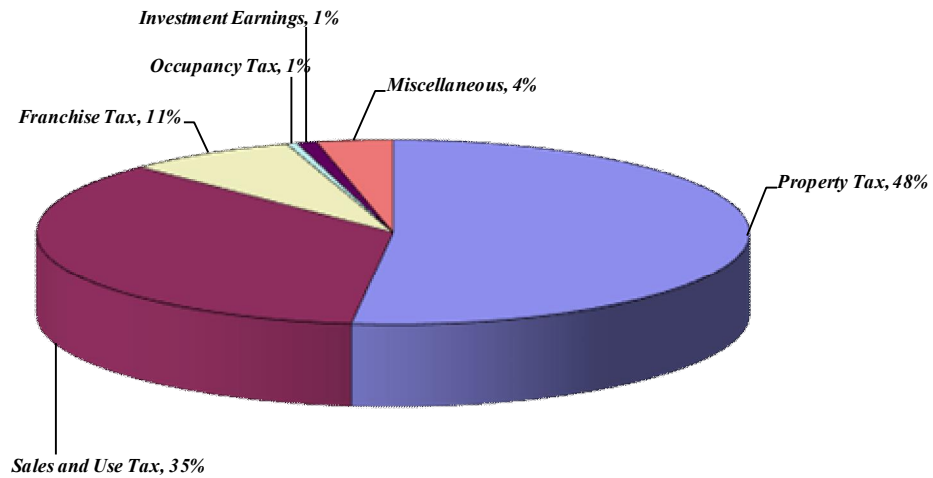
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 3,717,731	\$ 4,180,636	\$ 4,995,934	\$ 5,218,441	\$ 8,713,665	\$ 9,399,077
Operating Grants and Contributions	604,876	130,103	-	-	604,876	130,103
Capital Grants and Contributions	-	105,767	-	302,632	-	408,399
General Revenues						
Property Taxes	5,447,139	5,113,648	-	-	5,447,139	5,113,648
Sales Taxes	3,738,177	3,746,775	-	-	3,738,177	3,746,775
Franchise Taxes	809,636	919,205	-	-	809,636	919,205
Occupancy Taxes	50,523	89,936	-	-	50,523	89,936
Investment Earnings	94,530	233,900	35,341	92,436	129,871	326,336
Miscellaneous	361,884	399,343	50	300	361,934	399,643
Total Revenues	<u>14,824,496</u>	<u>14,919,313</u>	<u>5,031,325</u>	<u>5,613,809</u>	<u>19,855,821</u>	<u>20,533,122</u>
<b>Expenses:</b>						
Administration	1,668,621	1,134,888	-	-	1,668,621	1,134,888
Public Safety	9,182,852	10,029,264	-	-	9,182,852	10,029,264
Public Works	2,128,939	3,110,746	-	-	2,128,939	3,110,746
Parks and Recreation	328,675	306,749	-	-	328,675	306,749
Library	413,953	413,677	-	-	413,953	413,677
Community Development	939,644	932,724	-	-	939,644	932,724
Utility	-	-	4,476,212	4,978,650	4,476,212	4,978,650
Interest and Fiscal Agent Fees	177,398	186,603	-	-	177,398	186,603
Total Expenses	<u>14,840,082</u>	<u>16,114,651</u>	<u>4,476,212</u>	<u>4,978,650</u>	<u>19,316,294</u>	<u>21,093,301</u>
<b>INCREASE IN NET POSITION BEFORE TRANSFERS</b>	(15,586)	(1,195,338)	555,113	635,159	539,527	(560,179)
Transfers In (Out)	(313,482)	(481)	313,482	481	-	-
<b>CHANGE IN NET POSITION</b>	(329,068)	(1,195,819)	868,595	635,640	539,527	(560,179)
<b>BEGINNING NET POSITION</b>	17,505,829	18,701,648	8,585,616	7,949,976	26,091,445	26,651,624
<b>ENDING NET POSITION</b>	<u>\$ 17,176,761</u>	<u>\$ 17,505,829</u>	<u>\$ 9,454,211</u>	<u>\$ 8,585,616</u>	<u>\$ 26,630,972</u>	<u>\$ 26,091,445</u>

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES  
 TOTAL EXPENSES 2020 AND 2019-GOVERNMENT-WIDE

Revenues-Governmental Activities (Continued)

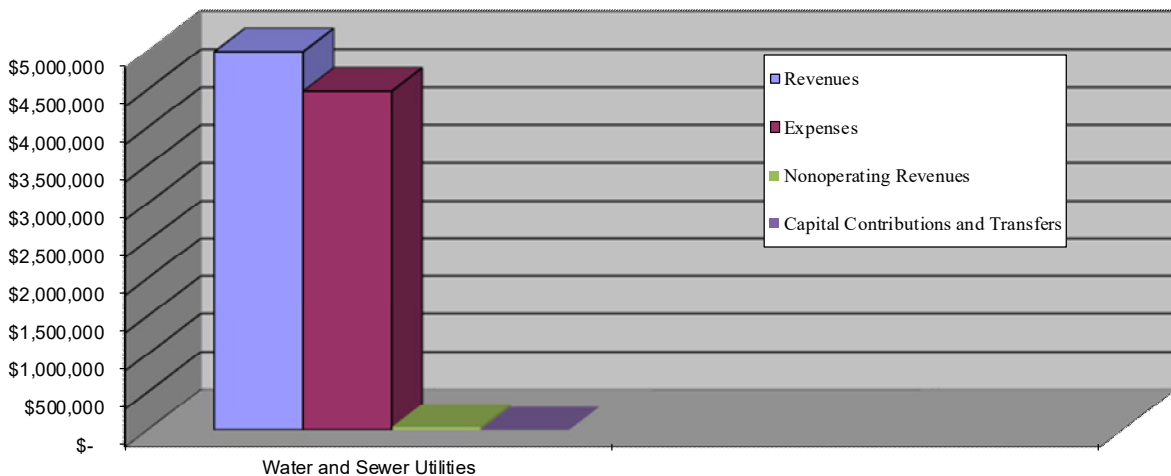
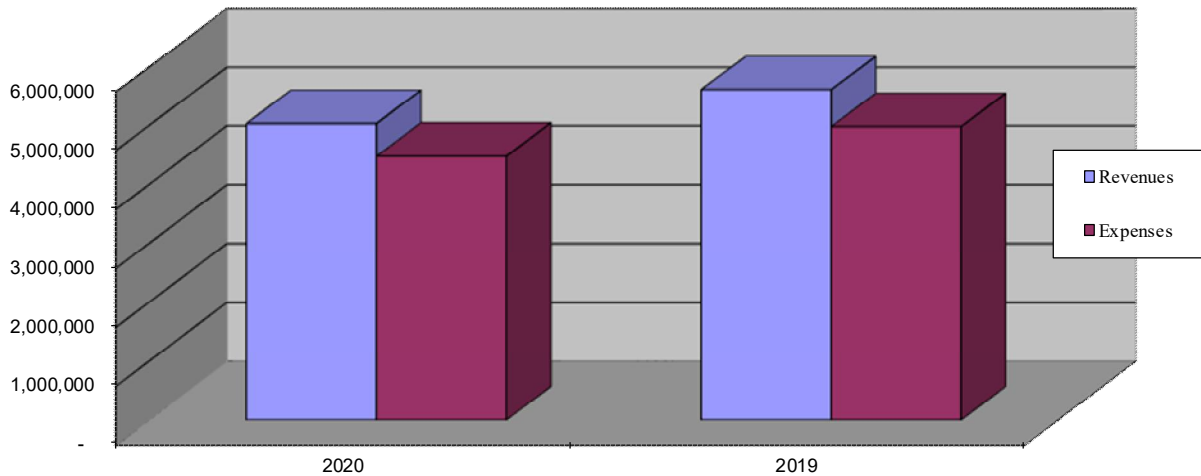


General Revenue by Source - Governmental Activities



## Business-Type Activities

Business-Type activities increased net position by 10.0%. 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, 2020, the City's governmental funds reported combined ending fund balances of \$8.5 million, a decrease of \$750 thousand in comparison with fiscal year 2019. 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, 2020, the fund balance of the City's general fund decreased by \$1 million. Key factors in the decrease are as follows:

- The decrease is mostly attributed to a decrease in fines and forfeitures of \$392 thousand;
- \$139 thousand or 54% increase or contracted services (legal) in the Council and Manager expenditures;
- \$420 thousand increase in Law Enforcement Expenditures (public safety).

For the fiscal year ended September 30, 2020, the fund balance of the City's Street Maintenance Tax Fund increased by \$174 thousand. The key factors in the increase are as follows:

- Public works repairs and maintenance expenditures were only \$455 thousand compared to the \$1.9 expected to spend. Projects were delayed to COVID.

The debt service fund has a total fund balance of \$388 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 \$46 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 \$1.9 million. The total increase in net position for the water and sewer fund was \$869 thousand. Most of this increase is due to an increase in the water rates and grant revenue.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City revised its budget for a total increase of \$2.5 million. The following are the main components of the increase:

- \$631 thousand from CARES ACT Funding
- \$180 thousand to purchase land
- \$207 thousand for attorney fees
- \$240 thousand to construct ADA compliant cross walks
- \$310 thousand to purchase an ambulance
- \$204 thousand to construct new sidewalks at Evers and Seneca Road
- \$505 thousand for Economic Development project funding

## 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, 2020 amounted to \$27.4 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 \$1.0 million from fiscal year 2019.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,497,118	\$ 1,317,346	\$ 203,227	\$ 203,227	\$ 1,700,345	\$ 1,520,573
Water Rights	-	-	2,041,390	1,908,999	2,041,390	1,908,999
Buildings	10,981,760	10,981,760	25,403	25,403	11,007,163	11,007,163
Water/Wastewater System - Plant	-	-	9,825,014	9,407,690	9,825,014	9,407,690
Transportation and Equipment	6,971,955	6,465,200	-	-	6,971,955	6,465,200
Infrastructure	16,019,097	15,299,222	1,266,617	1,054,586	17,285,714	16,353,808
Construction in Progress	-	-	-	-	-	-
Accumulated Depreciation	(15,425,476)	(14,476,794)	(6,036,755)	(5,751,730)	(21,462,231)	(20,228,524)
<b>TOTALS</b>	<b>\$ 20,044,454</b>	<b>\$ 19,586,734</b>	<b>\$ 7,324,896</b>	<b>\$ 6,848,175</b>	<b>\$ 27,369,350</b>	<b>\$ 26,434,909</b>

Additional information of the City of Leon Valley's capital assets can be found in Note 6 of this report.

**Long-Term Debt** - For the fiscal year ended September 30, 2020, the City had a total bonded debt outstanding of \$8.3 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 5,792,343	\$ 6,199,302	\$ 1,932,020	\$ 1,975,901	\$ 7,724,363	\$ 8,175,203
Public Property Finance Contracts	585,000	635,000	-	-	585,000	635,000
<b>TOTALS</b>	<b>\$ 6,377,343</b>	<b>\$ 6,834,302</b>	<b>\$ 1,932,020</b>	<b>\$ 1,975,901</b>	<b>\$ 8,309,363</b>	<b>\$ 8,810,203</b>

Additional information of the City of Leon Valley's long term debt can be found in Note 7 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

For fiscal year 2021, the City took a very conservative approach to budgeting due to COVID-19. An increase of \$90 thousand in property tax was budgeted, which is due to an increase in property values. Sales tax was budgeted with a decrease of \$106 thousand and licenses, permits, fees and fines with a decrease of \$173 thousand. Overall revenues were budgeted with a decrease of \$302 thousand due to the uncertainty of the continued effect of COVID-19 on the economy. The city adopted a tax rate of \$0.535904 which is a decrease from the fiscal year 2019 tax rate. The tax components are as follows: The tax components are as follows: \$0.472162 for Maintenance and Operations and \$0.0535904 for the Interest and Sinking.

Expenditures for the general fund are budgeted at \$12.2 million and capital outlay at \$232 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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ 1,441,858	\$ 397,534	\$ 1,839,392
Restricted for Customer Deposits	-	154,252	154,252
Investments			
Unrestricted	7,064,436	-	7,064,436
Restricted Investments - Water/Wastewater	-	4,137,917	4,137,917
Receivables (net of allowances):			
Property Taxes	175,918	-	175,918
Special Assessment	13,278	-	13,278
Other	572,666	526,527	1,099,193
Due from Other Governments	699,072	-	699,072
Inventories	4,434	-	4,434
<i>Total Current Assets</i>	<u>9,971,662</u>	<u>5,216,230</u>	<u>15,187,892</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	1,497,118	203,227	1,700,345
Water Rights	-	2,041,390	2,041,390
Buildings	10,981,760	25,403	11,007,163
Water/Wastewater System-Plant	-	9,825,014	9,825,014
Other Machinery and Equipment	2,095,425	-	2,095,425
Office Equipment	56,134	-	56,134
Infrastructure	16,019,097	-	16,019,097
Transportation and Equipment	4,820,396	1,266,617	6,087,013
Construction in Progress	-	-	-
Less: Accumulated Depreciation	<u>(15,425,476)</u>	<u>(6,036,755)</u>	<u>(21,462,231)</u>
<i>Total Noncurrent Assets:</i>	<u>20,044,454</u>	<u>7,324,896</u>	<u>48,687,054</u>
<b>TOTAL ASSETS</b>	<u>30,016,116</u>	<u>12,541,126</u>	<u>63,874,946</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Related Outflows	1,380,834	241,691	1,622,525
Deferred OPEB Related Outflows	<u>53,673</u>	<u>9,792</u>	<u>63,465</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,434,507</u>	<u>\$ 251,483</u>	<u>\$ 1,685,990</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 881,714	\$ 24,168	\$ 905,882
Accrued Expenses	413,556	42,809	456,365
Accrued Interest Payable	29,115	10,394	39,509
Current Portion of Compensated Absences	169,500	43,123	212,623
Current Portion of Long-Term Debt	466,959	48,881	515,840
<i>Payable from Restricted Assets:</i>			
Customer Deposits Payable	7,149	154,252	161,401
<i>Total Current Liabilities</i>	<u>1,967,993</u>	<u>323,627</u>	<u>2,291,620</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences	659,281	128,968	788,249
Net Pension Liability	4,222,381	706,453	4,928,834
OPEB Liability	423,200	77,217	500,417
Long-Term Debt	5,910,384	1,883,139	7,793,523
<i>Total Noncurrent Liabilities</i>	<u>11,215,246</u>	<u>2,795,777</u>	<u>14,011,023</u>
<b>TOTAL LIABILITIES</b>	<u>13,183,239</u>	<u>3,119,404</u>	<u>16,302,643</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Related Inflows	1,088,023	218,549	1,306,572
Deferred OPEB Related Inflows	2,600	445	3,045
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,090,623</u>	<u>218,994</u>	<u>1,309,617</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	13,667,111	5,392,876	19,059,987
<i>Restricted For:</i>			
Public, Educational and Governmental	256,795	-	256,795
Debt Service	396,473	-	396,473
Street Maintenance	1,416,767	-	1,416,767
Crime Control and Prevention District	225,086	-	225,086
Federal Police Forfeitures	369,624	-	369,624
Other	285,663	-	285,663
Water Supply	-	425,482	425,482
Storm Water Fee	-	1,359,290	1,359,290
Unrestricted	559,242	2,276,563	2,835,805
<b>TOTAL NET POSITION</b>	<u>\$ 17,176,761</u>	<u>\$ 9,454,211</u>	<u>\$ 26,630,972</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Functions and Programs</u>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<i>Governmental Activities:</i>				
Administration	\$ 1,668,621	\$ 409,905	\$ 494,156	\$ -
Public Safety	9,182,852	3,296,536	90,770	-
Public Works	2,128,939	-	19,950	-
Parks and Recreation	328,675	-	-	-
Library	413,953	-	-	-
Community Development	939,644	11,290	-	-
Interest and Fiscal Agent Fees	177,398	-	-	-
<i>Total Governmental Activities</i>	<u>14,840,082</u>	<u>3,717,731</u>	<u>604,876</u>	<u>-</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	4,476,212	4,995,934	-	-
<i>Total Business-Type Activities</i>	<u>4,476,212</u>	<u>4,995,934</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 19,316,294</u>	<u>\$ 8,713,665</u>	<u>\$ 604,876</u>	<u>\$ -</u>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Occupancy Taxes				
Investment Earnings				
Miscellaneous				
<b>Total General Revenues</b>				
Transfers In (Out)				
<b>Change in Net Position</b>				
<b>Net Position at Beginning of Year</b>				
<b>Net Position at End of Year</b>				

See accompanying notes to basic financial statements.



Net (Expense) Revenue and  
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (764,560)	\$ -	\$ (764,560)
(5,795,546)	-	(5,795,546)
(2,108,989)	-	(2,108,989)
(328,675)	-	(328,675)
(413,953)	-	(413,953)
(928,354)	-	(928,354)
(177,398)	-	(177,398)
<u>(10,517,475)</u>	<u>-</u>	<u>(10,517,475)</u>
-	519,722	519,722
-	519,722	519,722
<u>(10,517,475)</u>	<u>519,722</u>	<u>(9,997,753)</u>
5,447,139	-	5,447,139
3,738,177	-	3,738,177
809,636	-	809,636
50,523	-	50,523
94,530	35,341	129,871
361,884	50	361,934
<u>10,501,889</u>	<u>35,391</u>	<u>10,537,280</u>
<u>(313,482)</u>	<u>313,482</u>	<u>-</u>
(329,068)	868,595	539,527
<u>17,505,829</u>	<u>8,585,616</u>	<u>26,091,445</u>
<u>\$ 17,176,761</u>	<u>\$ 9,454,211</u>	<u>\$ 26,630,972</u>

CITY OF LEON VALLEY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020

	General Fund	Debt Service	Street Maintenance Tax Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 471,097	\$ 388,016	\$ 237,076
Investments	5,516,499	-	1,065,752
Accounts Receivables (net of allowances):			
Taxes	151,624	24,294	-
Special Assessment	-	13,278	-
Other	561,450	-	-
Due from Other Governments	526,048	-	115,461
Inventories	4,434	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,231,152</b>	<b>\$ 425,588</b>	<b>\$ 1,418,289</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 878,765	\$ -	\$ 1,522
Accrued Expenditures	401,293	-	-
Deposits Payable	250	-	-
<i>Total Liabilities</i>	<u>1,280,308</u>	<u>-</u>	<u>1,522</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenues - Taxes	151,534	37,662	-
<i>Total Deferred Inflows of Resources</i>	<u>151,534</u>	<u>37,662</u>	<u>-</u>
<i>Fund Balances:</i>			
<i>Nonspendable:</i>			
Inventory	4,434	-	-
<i>Restricted for:</i>			
Public, Educational and Governmental Parks	256,795	-	-
Debt Service	-	387,926	-
Street Maintenance	-	-	1,416,767
Crime Control and Prevention District	-	-	-
Federal Police Forfeitures	-	-	-
Park Bucks	4,229	-	-
Committed for Disaster Emergencies	1,000,000	-	-
<i>Assigned for:</i>			
Red Light Camera Traffic Safety	434,817	-	-
Tree Mitigation and Replacement	25,875	-	-
Economic Development	288,864	-	-
Unassigned	3,784,196	-	-
<i>Total Fund Balances</i>	<u>5,799,310</u>	<u>387,926</u>	<u>1,416,767</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,231,152</b>	<b>\$ 425,588</b>	<b>\$ 1,418,289</b>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 345,669	\$ 1,441,858
482,185	7,064,436
-	175,918
-	13,278
11,217	572,667
57,563	699,072
-	4,434
<u>\$ 896,634</u>	<u>\$ 9,971,663</u>

\$ 1,429	\$ 881,716
12,262	413,555
6,899	7,149
<u>20,590</u>	<u>1,302,420</u>

-	189,196
<u>-</u>	<u>189,196</u>

-	4,434
-	256,795
-	100
-	387,926
-	1,416,767
225,086	225,086
369,624	369,624
281,334	285,563
-	1,000,000
-	434,817
-	25,875
-	288,864
-	3,784,196
<u>876,044</u>	<u>8,480,047</u>

<u>\$ 896,634</u>	<u>\$ 9,971,663</u>
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CITY OF LEON VALLEY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 8,480,047
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.		20,044,454
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		189,196
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(828,781)
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	(6,377,343)	
Accrued Interest Payable	<u>(29,115)</u>	(6,406,458)
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	(4,222,381)	
Pension Related Deferred Inflows	(1,088,023)	
Pension Related Deferred Outflows	<u>1,380,834</u>	(3,929,570)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liability	(423,200)	
OPEB Related Deferred Inflows	(2,600)	
OPEB Related Deferred Outflows	<u>53,673</u>	<u>(372,127)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 17,176,761</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, 2020

	General Fund	Debt Service	Street Maintenance Tax
<b>REVENUES</b>			
Property Taxes	\$ 4,758,639	\$ 682,520	\$ -
Sales Taxes	2,815,953	-	619,628
Franchise Taxes	809,636	-	-
Occupancy Taxes	-	-	-
Licenses and Permits	439,663	-	-
EMS	344,500	-	-
Fines and Forfeitures	2,648,061	-	-
Grants	599,715	-	-
Rent	-	-	-
Investment Earnings	80,258	-	9,918
Miscellaneous	251,586	-	-
<b>TOTAL REVENUES</b>	<u>12,748,011</u>	<u>682,520</u>	<u>629,546</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
Administration	1,428,229	-	-
Public Safety	7,816,325	-	-
Public Works	1,237,827	-	455,191
Parks and Recreation	288,235	-	-
Library	397,869	-	-
Community Development	730,843	-	-
<i>Capital Outlay</i>	1,323,203	-	-
<i>Debt Service:</i>			
Principal	-	450,000	-
Interest and Fiscal Charges	-	186,043	-
<b>TOTAL EXPENDITURES</b>	<u>13,222,531</u>	<u>636,043</u>	<u>455,191</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(474,520)</u>	<u>46,477</u>	<u>174,355</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	(492,722)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(492,722)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(967,242)	46,477	174,355
<b>Fund Balances at Beginning of Year</b>	<u>6,766,552</u>	<u>341,449</u>	<u>1,242,412</u>
<b>Fund Balances at End of Year</b>	<u>\$ 5,799,310</u>	<u>\$ 387,926</u>	<u>\$ 1,416,767</u>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 5,441,159
302,596	3,738,177
-	809,636
50,523	50,523
-	439,663
-	344,500
355,868	3,003,929
5,161	604,876
11,290	11,290
4,353	94,529
<u>28,651</u>	<u>280,237</u>
<u>758,442</u>	<u>14,818,519</u>
12,073	1,440,302
554,580	8,370,905
-	1,693,018
-	288,235
-	397,869
128,605	859,448
245,753	1,568,956
-	450,000
-	186,043
<u>941,011</u>	<u>15,254,776</u>
<u>(182,569)</u>	<u>(436,257)</u>
179,240	179,240
<u>-</u>	<u>(492,722)</u>
<u>179,240</u>	<u>(313,482)</u>
(3,329)	(749,739)
<u>879,373</u>	<u>9,229,786</u>
<u>\$ 876,044</u>	<u>\$ 8,480,047</u>





CITY OF LEON VALLEY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (749,739)

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	1,568,956	
Depreciation Expense	(1,111,236)	457,720

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 5,980

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	450,000	
Amortization of Premiums, Discounts, Losses	6,959	456,959

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. (344,166)

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. (35,616)

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	(121,890)	
Accrued Interest	1,684	(120,206)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (329,068)

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2020

	Business-Type Activity
	Water and Wastewater
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents:	
Unrestricted	\$ 397,534
Restricted for Customer Deposits	154,252
Restricted Investments - Water/Wastewater	4,137,917
Accounts Receivable, Net of Allowance:	
Customer Accounts	526,527
<i>Total Current Assets</i>	5,216,230
 <i>Noncurrent Assets:</i>	
Capital Assets:	
Land	203,227
Water Rights	2,041,390
Buildings and Improvements	25,403
Water/Wastewater System-Plant	9,825,014
Transportation and Equipment	1,266,617
Less: Accumulated Depreciation	(6,036,755)
<i>Total Noncurrent Assets</i>	7,324,896
<b>TOTAL ASSETS</b>	12,541,126
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Related Outflows	241,691
Deferred OPEB Related Outflows	9,792
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 251,483

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)  
SEPTEMBER 30, 2020

	Business-Type Activity <u>Water and Wastewater</u>
<b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 24,168
Accrued Expenses	42,809
Accrued Interest Payable	10,394
Current Portion of Compensated Absences	43,123
Current Portion of Long-Term Debt	48,881
Payable from Restricted Assets:	
Customer Deposits Payable	154,252
<i>Total Current Liabilities</i>	<u>323,627</u>
 <i>Noncurrent Liabilities:</i>	
Compensated Absences	128,968
Net Pension Liability	706,453
OPEB Liability	77,217
Long-Term Debt	1,883,139
<i>Total Noncurrent Liabilities</i>	<u>2,795,777</u>
<b>TOTAL LIABILITIES</b>	<u>3,119,404</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Related Inflows	218,549
Deferred OPEB Related Inflows	445
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>218,994</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	5,392,876
Restricted for:	
Water Supply Fee Reserve	425,482
Storm Water Fee Reserve	1,359,290
Unrestricted	
Unrestricted Appropriated Net Assets	350,000
Unrestricted	1,926,563
<b>TOTAL NET POSITION</b>	<u>\$ 9,454,211</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, 2020

	Business-Type Activities <u>Water and Sewer System</u>
<b>OPERATING REVENUES</b>	
Metered Water Sales	\$ 1,786,931
Wastewater Sales Charges	2,412,438
Storm Water Fees	416,289
Connection and Platting	312,512
Customer Penalties	44,067
Customer Disconnect Fees	6,660
Tap Fees	<u>8,123</u>
<b>TOTAL OPERATING REVENUES</b>	<u>4,987,020</u>
<b>OPERATING EXPENSES</b>	
General and Administrative	962,310
Water System	1,088,717
Wastewater System	1,800,693
Stormwater System	242,491
Depreciation	<u>321,853</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>4,416,064</u>
<b>OPERATING INCOME (LOSS)</b>	<u>570,956</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	35,341
Interest Expense	(60,148)
Miscellaneous	50
Impact Fees	<u>8,914</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(15,843)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>555,113</u>
<b>TRANSFERS AND CONTRIBUTIONS</b>	
Transfers In	<u>313,482</u>
<b>TOTAL TRANSFERS AND CONTRIBUTIONS</b>	<u>313,482</u>
<b>CHANGE IN NET POSITION</b>	868,595
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>8,585,616</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 9,454,211</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities
	Water and Sewer System
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 5,307,537
Cash Paid to Supplier for Goods & Services	(2,465,893)
Cash Paid for Employee Salaries and Benefits	(1,700,924)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,140,720</b>
 <b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and Construction of Capital Assets	(798,574)
Impact, Capital Contributions and Misc. Fees	8,964
Interest Paid on Long-Term Debt	(60,148)
Transfers from Other Funds for Projects	313,482
Principal Paid on Long-Term Debt	(43,881)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(580,157)</b>
 <b>Cash Flows From Investing Activities:</b>	
Purchase of Investments	(335,342)
Interest and Investment Earnings	35,341
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(300,001)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>260,562</b>
 <b>Cash and Cash Equivalents at Beginning of Year:</b>	
Cash and Cash Equivalents	147,772
Restricted Cash and Cash Equivalents	143,452
	291,224
 <b>Cash and Cash Equivalents at End of Year:</b>	
Cash and Cash Equivalents	397,534
Restricted Cash and Cash Equivalents	154,252
	<b>\$ 551,786</b>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activity <u>Water and Wastewater</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income	\$ 570,956
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	321,853
Decrease (Increase) in Assets:	
Accounts Receivable (net)	309,717
Deferred Pension Related Outflows	192,229
Deferred OPEB Related Outflows	(9,379)
Increase (Decrease) in Liabilities:	
Accounts Payable	(181,218)
Accrued Expenditures	13,529
Accrued Interest Payable	(333)
Customer Deposits	10,800
Compensated Absences	29,487
Net Pension Liability	(351,031)
OPEB Liability	15,297
Deferred Pension Related Inflows	218,549
Deferred OPEB Related Inflows	264
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 1,140,720</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, 2020

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, 2020

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, 2019, and became due October 1, 2019 have been assessed to finance the budget of the fiscal year beginning October 1, 2019 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2020.

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, 2020

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, 2020

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, 2019 and past due after January 31, 2020. 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, 2020

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, 2020

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, 2020 of \$172,091 and \$828,781 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, 2020

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 7.

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, 2020

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, 2020

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

V. New Accounting Pronouncements

The Government Accounting Standards Board has issued the following statements:

- **Statement No. 84, Fiduciary Activities** – The requirements of this Statement will take effect for reporting periods ending after December 31, 2020. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting certain criteria will be reported in a fiduciary fund in the basic financial statements. The City has not early adopted this pronouncement.
- **Statement No. 87, Leases** – The requirements of this Statement will take effect for reporting periods ending after June 30, 2022. A lessee will be required to recognize the assets and liabilities for leases with lease terms of more than 12 months. The City has not early adopted this pronouncement.
- **Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period** – The requirements of this statement will take effect for financial statements starting with the fiscal year ended after December 31, 2020. This statement no longer requires interest cost to be capitalized.
- **Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 67** – This Statement provided guidance for reporting a component unit if a government acquires a 100 percent equity interest of another legally separate entity. The objectives of the Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and improve the relevance of financial information for certain component units. This Statement is effective for the City's financial period beginning after December 31, 2020.

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2020, the carrying amount of the City's cash on hand was \$1,875; deposits in the bank were \$2,529,727 and the book balance was \$1,991,769. The City's cash was fully collateralized.



CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

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

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, 2020 are as shown below:

Investment Type	Fair Value	Weighted Average Maturity in Days	Ratings	
			MOODY'S	S&P
TexPool	\$ 11,202,353	49	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	\$ 11,202,353	\$ -	\$ -	\$ 11,202,353
Texpool	\$ 11,202,353	\$ -	\$ -	\$ 11,202,353

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:

*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.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

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

C. Analysis of Specific Deposit and Investment Risks (Continued)

At September 30, 2020, 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.

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.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

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

E. Public Funds Investment Pools (Continued)

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, 2020:

	Governmental Funds				Proprietary Fund
	General	Debt Service	Street Maintenance Tax	Nonmajor Funds	Water and Sewer Fund
<i>Receivables:</i>					
Property Taxes	\$ 178,365	\$ 28,597	\$ -	\$ -	\$ -
Special Assessment	-	13,278	-	-	-
EMS	209,384	-	-	-	-
Sales Taxes	526,048	-	115,461	-	-
Franchise Taxes	189,054	-	-	-	-
Occupancy Taxes	-	-	-	11,217	-
Customers	-	-	-	-	537,195
Grants	23,318	-	-	-	-
Other	349,078	-	-	57,563	-
Gross Receivables	1,475,247	41,875	115,461	68,780	537,195
Less: Allowance for Uncollectibles	(236,125)	(4,303)	-	-	(10,668)
Net Total Receivables	<u>\$ 1,239,122</u>	<u>\$ 37,572</u>	<u>\$ 115,461</u>	<u>\$ 68,780</u>	<u>\$ 526,527</u>

CITY OF LEON VALLEY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2020

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, 2019, upon which the fiscal 2020 levy was based, was \$1,075,859,763 (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, 2020 was \$0.543590 per \$100 of assessed value, which means that the City has a tax margin of \$ 1.95641 for each \$100 value. The City may not, however, adopt a tax rate that exceeds the rollback rate or the effective rate, whichever is lower, without first having two public hearings. If the City adopts a tax rate that exceeds the rollback tax rate, registered voters may petition the City for an election on the tax increase. A successful election limits the City's current tax rate to the rollback rate.

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.

NOTE 5 -- INTERFUND TRANSACTIONS

Transfers consisted of the following:

Transfer From	Transfer To	Amount	Purpose
General Fund	Water & Sewer	\$ 313,482	Seneca West Drainage Project
General Fund	Non-Major Fund	<u>179,240</u>	Community Center Renovations
		<u>\$ 492,722</u>	

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 6 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 1,317,346	\$ 179,772	\$ -	\$ 1,497,118
Construction in Progress	-	-	-	-
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,317,346</u>	<u>179,772</u>	<u>-</u>	<u>1,497,118</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	10,981,760	-	-	10,981,760
Other Machinery and Equipment	1,793,161	366,905	(64,641)	2,095,425
Office Equipment	46,831	9,303	-	56,134
Vehicles	4,625,208	293,101	(97,913)	4,820,396
Infrastructure	15,299,222	719,875	-	16,019,097
<i>Total Capital Assets Being Depreciated</i>	<u>32,746,182</u>	<u>1,389,184</u>	<u>(162,554)</u>	<u>33,972,812</u>
<i>Accumulated Depreciation:</i>				
Buildings	(2,381,146)	(221,774)	-	(2,602,920)
Other Machinery and Equipment	(1,522,780)	(146,940)	64,641	(1,605,079)
Office Equipment	(13,740)	(5,703)	-	(19,443)
Vehicles	(2,801,217)	(406,987)	97,913	(3,110,291)
Infrastructure	(7,757,911)	(329,832)	-	(8,087,743)
<i>Total Accumulated Depreciation</i>	<u>(14,476,794)</u>	<u>(1,111,236)</u>	<u>162,554</u>	<u>(15,425,476)</u>
Total Capital Assets Being Depreciated, Net	<u>18,269,388</u>	<u>277,948</u>	<u>-</u>	<u>18,547,336</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,586,734</u>	<u>\$ 457,720</u>	<u>\$ -</u>	<u>\$ 20,044,454</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 203,227	\$ -	\$ -	\$ 203,227
Water Rights	1,908,999	132,391	-	2,041,390
<i>Total Assets Not Being Depreciated</i>	<u>2,112,226</u>	<u>132,391</u>	<u>-</u>	<u>2,244,617</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	25,403	-	-	25,403
Waster/Wastewater System - Plant	9,407,690	417,324	-	9,825,014
Transportation and Equipment	1,054,586	248,859	(36,828)	1,266,617
<i>Total Capital Assets Being Depreciated</i>	<u>10,487,679</u>	<u>666,183</u>	<u>(36,828)</u>	<u>11,117,034</u>
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(21,165)	(410)	-	(21,575)
Waster/Wastewater System - Plant	(4,944,322)	(219,550)	-	(5,163,872)
Transportation and Equipment	(786,243)	(101,893)	36,828	(851,308)
<i>Total Accumulated Depreciation</i>	<u>(5,751,730)</u>	<u>(321,853)</u>	<u>36,828</u>	<u>(6,036,755)</u>
Total Capital Assets Being Depreciated, Net	<u>4,735,949</u>	<u>344,330</u>	<u>-</u>	<u>5,080,279</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,848,175</u>	<u>\$ 476,721</u>	<u>\$ -</u>	<u>\$ 7,324,896</u>

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 6 -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

<i>Governmental Activities:</i>	
Administration	\$ 210,699
Public Safety	425,168
Public Works	359,370
Parks and Recreation	33,717
Community Development	66,541
Library	15,741
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$ 1,111,236</u>
 <i>Business-Type Activities:</i>	
Water and Sewer System	\$ 321,853
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$ 321,853</u>

NOTE 7 -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2020 were comprised of the following individual issues:

	Issue Amount	Maturity	Rate	Balance
<b><i>Primary Government</i></b>				
Governmental Activities:				
General Obligation Bonds				
2012 Series	\$ 7,000,000	2032	1.25-3.25%	\$ 5,710,000
Notes from Direct Borrowing and Direct Placements:				
Public Property Financing Contracts				
2009 Public Property Finance Contract	\$ 1,060,000	2029	3.125-5%	585,000
<b>Total Governmental Long-Term Obligations</b>				<u>\$ 6,295,000</u>
	Issue Amount	Maturity	Rate	Balance
Business Type:				
Certificates of Obligation				
2016 Series	\$ 1,970,000	2046	4.01%	\$ 1,835,000
<b>Total Business-Type Long-Term Obligations</b>				<u>\$ 1,835,000</u>

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 7 -- LONG-TERM DEBT (Continued)

	Balance 9/30/2019	Additions	Reductions	Balance 9/30/2020	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 6,110,000	\$ -	\$ (400,000)	\$ 5,710,000	\$ 405,000
Unamortized Premium	89,302	-	(6,959)	82,343	6,959
	<u>6,199,302</u>	<u>-</u>	<u>(406,959)</u>	<u>5,792,343</u>	<u>411,959</u>
Notes from Direct Borrowing and Direct Placements:					
Public Property Finance Contract	635,000	-	(50,000)	585,000	55,000
Compensated Absences	635,181	240,959	(169,249)	828,781	169,500
<i>Total Governmental Activities</i>	<u>\$ 7,469,483</u>	<u>\$ 240,959</u>	<u>\$ (626,208)</u>	<u>\$ 7,206,124</u>	<u>\$ 636,459</u>
<i>Business-Type Activities:</i>					
Certificates of Obligation	\$ 1,875,000	\$ -	\$ (40,000)	\$ 1,835,000	\$ 45,000
Unamortized Premium	100,901	-	(3,881)	97,020	3,881
Compensated Absences	117,747	56,096	(31,239)	172,091	43,123
<i>Total Business-Type Activities</i>	<u>\$ 2,093,648</u>	<u>\$ 56,096</u>	<u>\$ (75,120)</u>	<u>\$ 2,104,111</u>	<u>\$ 92,004</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.

The annual requirements to amortize all long-term debt and obligations outstanding, excluding compensated absences and bond premium, as of September 30, 2020, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities				
	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021	\$ 405,000	\$ 148,169	\$ 55,000	\$ 25,368	\$ 633,537
2022	415,000	140,069	55,000	23,057	633,126
2023	420,000	131,769	60,000	20,642	632,411
2024	430,000	122,844	60,000	18,122	630,966
2025	440,000	113,169	65,000	15,318	633,487
2026-2030	2,425,000	396,219	290,000	28,739	3,139,958
2031-2032	1,175,000	57,525	-	-	1,232,525
Total	<u>\$ 5,710,000</u>	<u>\$ 1,109,764</u>	<u>\$ 585,000</u>	<u>\$ 131,246</u>	<u>\$ 7,536,010</u>

Year Ending September 30,	Business-Type Activities		
	Certificates of Obligation		
	Principal	Interest	Total
2021	\$ 45,000	\$ 62,363	\$ 107,363
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
2026-2030	290,000	237,012	527,012
2031-2035	340,000	186,637	526,637
2036-2040	395,000	128,137	523,137
2041-2045	465,000	60,418	525,418
2046	100,000	3,126	103,126
Total	<u>\$ 1,835,000</u>	<u>\$ 903,892</u>	<u>\$ 2,738,892</u>

CITY OF LEON VALLEY  
BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 8 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates as one of 888 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 comprehensive annual financial report (CAFR) that can be obtained at [www.tMrs.com](http://www.tMrs.com).

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

B. Benefits Provided

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

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

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	107
Inactive Employees Entitled to but Not Yet Receiving Benefits	74
Active Employees	115
	<hr/>
	296
	<hr/> <hr/>



CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 8 -- PENION PLAN (Continued)

Texas Municipal Retirement System (Continued)

C. Contributions

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

Employees for the City were required to contribute 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 16.89% and 17.12% for calendar years 2019 and 2020 respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$1,243,211, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 8 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

E. Actuarial Assumptions (Continued)

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
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, 2020

NOTE 8 -- 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, 2018	\$ 44,516,904	\$ 37,214,281	\$ 7,302,623
Changes for the year:			
Service Cost	1,260,851	-	1,260,851
Interest	2,974,542	-	2,974,542
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	696,928	-	696,928
Changes of Assumptions	97,929	-	97,929
Contributions - Employer	-	1,193,708	(1,193,708)
Contributions - Employee	-	494,728	(494,728)
Net Investment Income	-	5,749,089	(5,749,089)
Benefit Payments, Including Refunds of Employee Contributions	(2,160,070)	(2,160,070)	-
Administrative Expense	-	(32,509)	32,509
Other Changes	-	(977)	977
Net Changes	2,870,180	5,243,969	(2,373,789)
Balance at December 31, 2019	\$ 47,387,084	\$ 42,458,250	\$ 4,928,834

	2018	2019
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.60%	89.60%
Covered Payroll	\$ 6,210,153	\$ 7,067,549
Net Pension Liability as a Percentage of Covered Payroll	117.59%	69.74%

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 8 -- 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	\$ 11,387,862	\$ 4,928,834	\$ (382,503)

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](http://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, 2020, the City recognized pension expense of \$1,647,126.

At September 30, 2020, 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	\$ 609,685	\$ -
Changes in Actuarial Assumptions	70,108	-
Differences Between Projected and Actual Investment Earnings	-	1,306,572
Contributions Subsequent to the Measurement Date	942,732	-
	\$ 1,622,525	\$ 1,306,572

CITY OF LEON VALLEY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2020

NOTE 8 -- 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 \$942,732 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2019) will be recognized as a reduction of the net pension liability for the year ending December 31, 2020. 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,		
2020	\$	(79,183)
2021		(133,377)
2022		233,205
2023		(647,424)
Thereafter		-
	<u>\$</u>	<u>(626,779)</u>

NOTE 9 -- 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, 2019, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	84
Inactive Employees Entitled to but Not Yet Receiving Benefits	8
Active Employees	115
	<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>
2018	0.18%	0.06%
2019	0.18%	0.05%

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 9 -- 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, 2019 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2018	\$ 396,977
Changes for the year:	
Service Cost	15,549
Interest	14,951
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(2,759)
Changes of Assumptions or Other Inputs	79,233
Benefit Payments	(3,534)
Net Changes	103,440
Balance at December 31, 2019	\$ 500,417

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, 2020

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The following presents the TOL of the City, calculated using the discount rate of 3.31% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

	Discount Rate 1.75%	Discount Rate 2.75%	Discount Rate 3.75%
Total OPEB Liability	\$ 607,403	\$ 500,417	\$ 417,933

For the year ended September 30, 2020, the City recognized OPEB expense of \$28,255. Also as of September 30, 2020, 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	\$ -	\$ 3,045
Changes in Actuarial Assumptions	60,406	-
Contributions Subsequent to the Measurement Date	3,059	-
	\$ 63,465	\$ 3,045

Deferred outflows of resources in the amount of \$3,059 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 plan year ended December 31, 2019 (fiscal year ended September 30, 2020). 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,	
2020	\$ 15,247
2021	15,247
2022	12,404
2023	11,949
2024	2,514
	\$ 57,361

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2020

NOTE 10 -- FUND BALANCE

As of September 30, 2020, 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	\$ 4,434	\$ -	\$ -	\$ -	\$ 4,434
Restricted for:					
Public, Education and Governmental	256,795	-	-	-	256,795
Debt Service	-	387,926	-	-	387,926
Parks	100	-	-	-	100
Economic Development Corporation	-	-	-	-	-
Street Maintenance	-	-	1,416,767	-	1,416,767
Crime Control and Prevention District	-	-	-	225,086	225,086
Federal Police Forfeitures	-	-	-	369,624	369,624
Other:					
Park Bucks	4,229	-	-	-	4,229
Community Center	-	-	-	189,521	189,521
Grants	-	-	-	5,875	5,875
Child Safety	-	-	-	31,391	31,391
State Police Forfeiture	-	-	-	10,582	10,582
Building Security	-	-	-	21,613	21,613
Court Technology	-	-	-	22,352	22,352
Committed for Disaster Emergencies	1,000,000	-	-	-	1,000,000
Assigned for:					
Red Light Camera Traffic Safety	434,817	-	-	-	434,817
Tree Mitigation and Replacement	25,875	-	-	-	25,875
Economic Development	288,864	-	-	-	288,864
Unassigned	3,784,196	-	-	-	3,784,196
<i>Total Fund Balances</i>	<u>\$ 5,799,310</u>	<u>\$ 387,926</u>	<u>\$ 1,416,767</u>	<u>\$ 876,044</u>	<u>\$ 8,480,047</u>

NOTE 11 -- 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, 2020

NOTE 12 -- 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, 2020 were \$291,788.

## **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, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance With Final Budget -	
	Original	Final		Positive (Negative)	2019 Actual
<b>REVENUES</b>					
Property Taxes	\$ 4,679,227	\$ 4,679,227	\$ 4,758,639	\$ 79,412	\$ 4,477,714
Sales Taxes	2,847,759	2,847,759	2,815,953	(31,806)	2,824,338
Franchise Taxes	926,903	926,903	809,636	(117,267)	919,205
Licenses and Permits	404,431	404,431	439,663	35,232	640,217
Charges for Service	264,000	264,000	344,500	80,500	329,283
Fines and Forfeitures	2,971,558	2,971,558	2,648,061	(323,497)	3,040,541
Grants	24,550	24,550	599,715	575,165	232,391
Investment Earnings	120,000	120,000	80,258	(39,742)	182,132
Miscellaneous	317,072	317,072	251,586	(65,486)	305,155
<b>TOTAL REVENUES</b>	<b>12,555,500</b>	<b>12,555,500</b>	<b>12,748,011</b>	<b>192,511</b>	<b>12,950,976</b>
<b>EXPENDITURES</b>					
<b>Administration:</b>					
<i>Business Office:</i>					
Personnel Services	48,788	48,788	44,896	3,892	43,221
Supplies	19,975	19,975	16,043	3,932	18,000
Contracted Services	107,942	107,942	83,623	24,319	72,193
<i>Total Business Office</i>	<b>176,705</b>	<b>176,705</b>	<b>144,562</b>	<b>32,143</b>	<b>133,414</b>
<i>Finance and Accounting:</i>					
Personnel Services	118,082	118,082	109,311	8,771	105,861
Supplies	6,640	6,640	3,814	2,826	5,600
Contracted Services	86,081	86,081	63,360	22,721	70,523
<i>Total Finance and Accounting</i>	<b>210,803</b>	<b>210,803</b>	<b>176,485</b>	<b>34,318</b>	<b>181,984</b>
<i>Council and Manager:</i>					
Personnel Services	282,589	361,227	347,686	13,541	322,393
Supplies	32,870	548,861	361,734	187,127	20,570
Contracted Services	276,442	483,892	397,762	86,130	258,356
Capital Outlay	17,055	311,828	311,526	302	-
<i>Total Council and Manager</i>	<b>608,956</b>	<b>1,705,808</b>	<b>1,418,708</b>	<b>287,100</b>	<b>601,319</b>
<b>Total Administration</b>	<b>\$ 996,464</b>	<b>\$ 2,093,316</b>	<b>\$ 1,739,755</b>	<b>\$ 353,561</b>	<b>\$ 916,717</b>

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, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance With Final Budget -	
	Original	Final		Positive (Negative)	2019 Actual
<b>Public Safety</b>					
<i>Law Enforcement Administration:</i>					
Personnel Services	\$ 2,539,652	\$ 2,539,652	\$ 2,374,920	\$ 164,732	\$ 439,403
Supplies	120,900	120,900	122,025	(1,125)	15,511
Contracted Services	115,622	115,622	118,203	(2,581)	70,994
Capital Outlay	-	-	-	-	31,621
<i>Total Law Enforcement Administration</i>	<u>2,776,174</u>	<u>2,776,174</u>	<u>2,615,148</u>	<u>161,026</u>	<u>557,529</u>
<i>Law Enforcement Traffic Safety:</i>					
Personnel Services	533,423	533,423	419,268	114,155	366,322
Supplies	33,145	33,145	62,632	(29,487)	69,120
Contracted Services	10,000	10,000	8,859	1,141	62,941
Capital Outlay	40,000	280,000	230,564	49,436	102,674
<i>Total Law Enforcement Traffic Safety</i>	<u>616,568</u>	<u>856,568</u>	<u>721,323</u>	<u>135,245</u>	<u>601,057</u>
<i>Law Enforcement Patrol:</i>					
Personnel Services	-	-	-	-	1,513,772
Supplies	-	-	-	-	68,928
Contracted Services	-	-	-	-	31,665
<i>Total Law Enforcement Patrol</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,614,365</u>
<i>Law Enforcement Investigations and Narcotics:</i>					
Personnel Services	-	-	-	-	429,819
Supplies	-	-	-	-	4,371
Contracted Services	-	-	-	-	16,427
<i>Total Law Enforcement Investigations and Narcotics</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,617</u>
<i>Law Enforcement Red Light Camera:</i>					
Personnel Services	554,581	554,581	515,732	38,849	483,982
Supplies	5,500	5,500	5,110	390	8,574
Contracted Services	846,783	846,783	846,140	643	731,418
Capital Outlay	-	-	-	-	-
<i>Total Law Enforcement Red Light Cameras</i>	<u>\$ 1,406,864</u>	<u>\$ 1,406,864</u>	<u>\$ 1,366,982</u>	<u>\$ 39,882</u>	<u>\$ 1,223,974</u>
<i>Impound Lot:</i>					
Personnel Services	151,381	151,381	149,923	1,458	-
Supplies	5,800	5,800	5,472	328	-
Contracted Services	13,500	13,500	8,960	4,540	-
Capital Outlay	-	-	-	-	-
<i>Total Impound Lot Light Cameras</i>	<u>\$ 170,681</u>	<u>\$ 170,681</u>	<u>\$ 164,355</u>	<u>\$ 6,326</u>	<u>\$ -</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, 2020

	Budgeted Amounts		2020	Variance With	2019
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	
<b>Public Safety (Cont.)</b>					
<i>Fire Protection Administration:</i>					
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 411,316
Supplies	-	-	-	-	9,472
Contracted Services	-	-	-	-	33,980
<i>Total Fire Protection Administration</i>	-	-	-	-	454,768
<i>Fire Protection Operations:</i>					
Personnel Services	2,861,667	2,861,667	<b>2,689,677</b>	171,990	2,041,483
Supplies	128,664	224,914	<b>275,180</b>	(50,266)	61,189
Contracted Services	184,755	184,755	<b>214,224</b>	(29,469)	161,599
Capital Outlay	282,600	592,600	<b>262,277</b>	330,323	61,771
<i>Total Fire Protection Operations</i>	<u>3,457,686</u>	<u>3,863,936</u>	<u><b>3,441,358</b></u>	<u>422,578</u>	<u>2,326,042</u>
<i>Emergency Medical Services:</i>					
Supplies	-	-	-	-	70,157
Contracted Services	-	-	-	-	59,437
Capital Outlay	-	-	-	-	24,358
<i>Total Emergency Medical Services</i>	-	-	-	-	153,952
<b>Total Public Safety</b>	<u>8,427,973</u>	<u>9,074,223</u>	<u>8,309,166</u>	<u>765,057</u>	<u>7,382,304</u>
<b>Public Works:</b>					
Personnel Services	862,673	862,673	<b>827,249</b>	35,424	790,544
Supplies	182,000	182,000	<b>189,654</b>	(7,654)	235,847
Contracted Services	340,376	340,376	<b>220,924</b>	119,452	323,295
Capital Outlay	98,500	302,130	<b>324,098</b>	(21,968)	251,055
<b>Total Public Works</b>	<u>1,483,549</u>	<u>1,687,179</u>	<u><b>1,561,925</b></u>	<u>125,254</u>	<u>1,600,741</u>
<b>Parks and Recreation:</b>					
Personnel Services	83,271	83,271	<b>75,694</b>	7,577	57,631
Supplies	52,000	52,000	<b>56,033</b>	(4,033)	37,844
Contracted Services	436,760	436,760	<b>156,508</b>	280,252	185,912
Capital Outlay	275,000	275,000	<b>194,738</b>	80,262	196,855
<b>Total Parks and Recreation</b>	<u>\$ 847,031</u>	<u>\$ 847,031</u>	<u>\$ <b>482,973</b></u>	<u>\$ 364,058</u>	<u>\$ 478,242</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, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance With Final Budget - 2019	
	Original	Final		Positive (Negative)	Actual
<b>Library:</b>					
Personnel Services	\$ 378,883	\$ 378,883	\$ 330,058	48,825	\$ 332,481
Supplies	36,600	53,100	32,117	20,983	42,674
Contracted Services	40,476	40,476	35,694	4,782	32,731
Capital Outlay	-	-	-	-	-
<b>Total Library</b>	<b>455,959</b>	<b>472,459</b>	<b>397,869</b>	<b>74,590</b>	<b>407,886</b>
<b>Development Activities:</b>					
<i>Community Development/ Events:</i>					
Personnel Services	368,104	368,104	311,670	56,434	319,921
Supplies	10,800	10,800	9,946	854	11,647
Contracted Services	216,532	216,532	165,779	50,753	183,460
Capital Outlay	12,500	12,500	-	12,500	-
<i>Total Community Development/ Events</i>	<b>607,936</b>	<b>607,936</b>	<b>487,395</b>	<b>120,541</b>	<b>515,028</b>
<i>Special Events:</i>					
Personnel Services	22,254	22,254	5,525	16,729	17,508
Supplies	106,750	109,826	27,781	82,045	82,547
<i>Total Special Events</i>	<b>129,004</b>	<b>132,080</b>	<b>33,306</b>	<b>98,774</b>	<b>100,055</b>
<i>Economic Development:</i>					
Personnel Services	136,868	136,868	129,227	7,641	102,487
Supplies	11,220	11,220	5,846	5,374	4,073
Contracted Services	163,291	667,836	75,069	592,767	30,450
<i>Total Economic Development</i>	<b>311,379</b>	<b>815,924</b>	<b>210,142</b>	<b>605,782</b>	<b>137,010</b>
<b>Total Development Activities</b>	<b>1,048,319</b>	<b>1,555,940</b>	<b>730,843</b>	<b>825,097</b>	<b>752,093</b>
<b>Total Expenditures</b>	<b>13,259,295</b>	<b>15,730,148</b>	<b>13,222,531</b>	<b>2,507,617</b>	<b>11,537,983</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	\$ (703,795)	\$ (3,174,648)	\$ (474,520)	\$ 2,700,128	\$ 1,412,993

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, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance With Final Budget - 2019 Actual	
	Original	Final		Positive (Negative)	Actual
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	\$ -	\$ -	\$ (492,722)	\$ (492,722)	\$ -
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	<b>(492,722)</b>	(492,722)	-
<b>Net Change in Fund Balance</b>	(703,795)	(3,174,648)	<b>(967,242)</b>	2,207,406	1,412,993
<b>Fund Balances, Beginning</b>	6,766,552	6,766,552	<b>6,766,552</b>	-	5,353,559
<b>Fund Balances, Ending</b>	<u>\$ 6,062,757</u>	<u>\$ 3,591,904</u>	<u>\$ 5,799,310</u>	<u>\$ 2,207,406</u>	<u>\$ 6,766,552</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, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance With Final Budget - Positive (Negative)	2019 Actual
	Original	Final			
<b>REVENUES</b>					
Sales Taxes	\$ 625,750	\$ 625,750	\$ 619,628	\$ (6,122)	\$ 620,103
Investment Earnings	25,000	25,000	9,918	(15,082)	35,510
<b>TOTAL REVENUES</b>	<b>650,750</b>	<b>650,750</b>	<b>629,546</b>	<b>(21,204)</b>	<b>655,613</b>
<b>EXPENDITURES</b>					
<i>Current:</i>					
Public Works	1,900,903	1,900,903	455,191	1,445,712	1,212,604
<b>TOTAL EXPENDITURES</b>	<b>1,900,903</b>	<b>1,900,903</b>	<b>455,191</b>	<b>1,445,712</b>	<b>1,212,604</b>
<b>Net Change in Fund Balance</b>	<b>(1,250,153)</b>	<b>(1,250,153)</b>	<b>174,355</b>	<b>(1,424,508)</b>	<b>(556,991)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,242,412</b>	<b>1,242,412</b>	<b>1,242,412</b>	<b>-</b>	<b>1,799,403</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ (7,741)</b>	<b>\$ (7,741)</b>	<b>\$ 1,416,767</b>	<b>\$ (1,424,508)</b>	<b>\$ 1,242,412</b>



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, 2020

**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	2018	2019
Service Cost	\$ 645,011	\$ 761,483	\$ 747,641	\$ 842,875	\$ 1,107,270	\$ 1,260,851
Interest (on the Total Pension Liability)	2,491,971	2,548,566	2,513,302	2,599,775	2,833,754	2,974,542
Changes of Benefit Terms	-	-	-	-	1,757,255	-
Difference between Expected and Actual Experience	(806,336)	(863,803)	109,583	194,960	121,392	696,928
Change of Assumptions	-	149,794	-	-	-	97,929
Benefit Payments, Including Refunds of Employee Contributions	(1,734,074)	(1,426,682)	(2,099,537)	(2,174,580)	(1,946,832)	(2,160,070)
Net Change in Total Pension Liability	596,572	1,169,358	1,270,989	1,463,030	3,872,839	2,870,180
Total Pension Liability - Beginning	36,144,116	36,740,688	37,910,046	39,181,035	40,644,065	44,516,904
Total Pension Liability - Ending	<u>\$ 36,740,688</u>	<u>\$ 37,910,046</u>	<u>\$ 39,181,035</u>	<u>\$ 40,644,065</u>	<u>\$ 44,516,904</u>	<u>\$ 47,387,084</u>
	Plan Fiduciary Net Position					
	2014	2015	2016	2017	2018	2019
Contributions - Employer	\$ 769,208	\$ 813,946	\$ 702,892	\$ 735,312	\$ 821,094	\$ 1,193,707
Contributions - Employee	282,279	311,658	301,671	341,475	372,609	494,728
Net Investment Income	1,903,667	50,874	2,310,877	4,903,405	(1,172,483)	5,749,089
Benefit Payments, Including Refunds of Employee Contributions	(1,734,074)	(1,426,682)	(2,099,537)	(2,174,580)	(1,946,832)	(2,160,070)
Administrative Expense	(19,877)	(30,989)	(26,101)	(25,416)	(22,673)	(32,509)
Other	(1,634)	(1,531)	(1,406)	(1,286)	(1,185)	(977)
Net Change in Plan Fiduciary Net Position	1,199,569	(282,724)	1,188,396	3,778,910	(1,949,470)	5,243,968
Plan Fiduciary Net Position - Beginning	33,279,600	34,479,169	34,196,445	35,384,841	39,163,751	37,214,281
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>	<u>\$ 37,214,281</u>	<u>\$ 42,458,249</u>
Net Pension Liability - Ending	\$ 2,261,519	\$ 3,713,601	\$ 3,796,194	\$ 1,480,314	\$ 7,302,623	\$ 4,928,835
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.84%	90.20%	90.31%	96.36%	83.60%	89.60%
Covered Payroll	\$ 4,704,649	\$ 5,194,294	\$ 5,027,846	\$ 5,691,256	\$ 6,210,153	\$ 7,067,549
Net Pension Liability as a Percentage of Covered Payroll	48.07%	71.49%	75.50%	26.01%	117.59%	69.74%

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

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

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

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

CITY OF LEON VALLEY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 NOTES TO SCHEDULE OF CONTRIBUTIONS

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.  Pre-retirement: PUB (10) mortality tables, with the public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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

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

#### OTHER MAJOR FUND

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

CITY OF LEON VALLEY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 188,405	\$ 5,875	\$ 16,853	\$ 30,348
Investments	71	-	158,389	-
Accounts Receivable, Net of Allowance:				
Other	10,174	-	-	1,043
Due from Other Governments	-	-	57,563	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 198,650</u>	<u>\$ 5,875</u>	<u>\$ 232,805</u>	<u>\$ 31,391</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 1,429	\$ -	\$ -	\$ -
Accrued Expenditures	801	-	7,719	-
Deposits Payable	6,899	-	-	-
<i>Total Liabilities</i>	<u>9,129</u>	<u>-</u>	<u>7,719</u>	<u>-</u>
<i>Fund Balance:</i>				
Restricted	<u>189,521</u>	<u>5,875</u>	<u>225,086</u>	<u>31,391</u>
<i>Total Fund Balances</i>	<u>189,521</u>	<u>5,875</u>	<u>225,086</u>	<u>31,391</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 198,650</u>	<u>\$ 5,875</u>	<u>\$ 232,805</u>	<u>\$ 31,391</u>



Special Revenue Funds				Total Nonmajor Governmental Funds
State Police Forefiture	Federal Police Forfeitures	Building Security	Court Technology	
\$ 10,582	\$ 49,475	\$ 21,779	\$ 22,352	\$ 345,669
-	323,725	-	-	482,185
-	-	-	-	11,217
-	-	-	-	57,563
<u>\$ 10,582</u>	<u>\$ 373,200</u>	<u>\$ 21,779</u>	<u>\$ 22,352</u>	<u>\$ 896,634</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,429
-	3,576	166	-	12,262
-	-	-	-	6,899
-	3,576	166	-	20,590
10,582	369,624	21,613	22,352	876,044
<u>10,582</u>	<u>369,624</u>	<u>21,613</u>	<u>22,352</u>	<u>876,044</u>
<u>\$ 10,582</u>	<u>\$ 373,200</u>	<u>\$ 21,779</u>	<u>\$ 22,352</u>	<u>\$ 896,634</u>

CITY OF LEON VALLEY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ 302,596	\$ -
Occupancy Taxes	50,523	-	-	-
Fines and Forfeitures	-	-	-	14,915
Grants	-	5,161	-	-
Rent	11,290	-	-	-
Investment Earnings	-	-	1,430	-
Miscellaneous	28,651	-	-	-
<b>TOTAL REVENUES</b>	<u>90,464</u>	<u>5,161</u>	<u>304,026</u>	<u>14,915</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	-	-
Public Safety	-	2,062	335,419	8,117
Community Development	128,605	-	-	-
Capital Outlay	77,505	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>206,110</u>	<u>2,062</u>	<u>335,419</u>	<u>8,117</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(115,646)</u>	<u>3,099</u>	<u>(31,393)</u>	<u>6,798</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	179,240	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>179,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	63,594	3,099	(31,393)	6,798
<b>Fund Balances, Beginning</b>	<u>125,927</u>	<u>2,776</u>	<u>256,479</u>	<u>24,593</u>
<b>Fund Balances, Ending</b>	<u>\$ 189,521</u>	<u>\$ 5,875</u>	<u>\$ 225,086</u>	<u>\$ 31,391</u>

Special Revenue Funds				
State Police Forfeiture	Federal Police Forfeiture	Building Security	Court Technology	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 302,596
-	-	-	-	50,523
-	311,503	13,492	15,958	355,868
-	-	-	-	5,161
-	-	-	-	11,290
-	2,923	-	-	4,353
-	-	-	-	28,651
-	314,426	13,492	15,958	758,442
-	-	-	12,073	12,073
-	201,225	7,757	-	554,580
-	-	-	-	128,605
-	168,248	-	-	245,753
-	369,473	7,757	12,073	941,011
-	(55,047)	5,735	3,885	(182,569)
-	-	-	-	179,240
-	-	-	-	179,240
-	(55,047)	5,735	3,885	(3,329)
10,582	424,671	15,878	18,467	879,373
\$ 10,582	\$ 369,624	\$ 21,613	\$ 22,352	\$ 876,044

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY CENTER FUND  
YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Occupancy Taxes	\$ 99,000	\$ 99,000	\$ 50,523	\$ (48,477)	\$ 89,936
Rent	61,200	61,200	11,290	(49,910)	77,660
Investment Earnings	-	-	-	-	-
Miscellaneous	-	-	28,651	28,651	19,768
<b>TOTAL REVENUES</b>	<u>160,200</u>	<u>160,200</u>	<u>90,464</u>	<u>(69,736)</u>	<u>187,364</u>
<b>EXPENDITURES</b>					
Current:					
Community Development	185,008	196,831	128,605	68,226	105,272
Capital Outlay	55,244	234,484	77,505	156,979	33,546
<b>TOTAL EXPENDITURES</b>	<u>240,252</u>	<u>431,315</u>	<u>206,110</u>	<u>225,205</u>	<u>138,818</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(80,052)</u>	<u>(271,115)</u>	<u>(115,646)</u>	<u>155,469</u>	<u>48,546</u>
<b>OTHER SOURCES (USES)</b>					
Transfers In(Out)	-	-	179,240	179,240	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>179,240</u>	<u>179,240</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(80,052)</u>	<u>(271,115)</u>	<u>63,594</u>	<u>334,709</u>	<u>48,546</u>
<b>FUND BALANCE, BEGINNING</b>	<u>125,927</u>	<u>125,927</u>	<u>125,927</u>	<u>-</u>	<u>77,381</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 45,875</u>	<u>\$ (145,188)</u>	<u>\$ 189,521</u>	<u>\$ 334,709</u>	<u>\$ 125,927</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, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Grants	\$ -	\$ -	\$ 5,161	\$ 5,161	\$ 3,479
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>5,161</u>	<u>5,161</u>	<u>3,479</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	2,062	(2,062)	3,447
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>2,062</u>	<u>(2,062)</u>	<u>3,447</u>
<b>Net Change in Fund Balance</b>	-	-	3,099	3,099	32
<b>FUND BALANCE, BEGINNING</b>	<u>2,776</u>	<u>2,776</u>	<u>2,776</u>	<u>-</u>	<u>2,744</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,776</u>	<u>\$ 2,776</u>	<u>\$ 5,875</u>	<u>\$ 3,099</u>	<u>\$ 2,776</u>

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
CRIME CONTROL PREVENTION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Sales Tax	\$ 305,510	\$ 305,510	\$ 302,596	\$ (2,914)	\$ 302,334
Investment Earnings	3,500	3,500	1,430	(2,070)	3,587
<b>TOTAL REVENUES</b>	<u>309,010</u>	<u>309,010</u>	<u>304,026</u>	<u>(4,984)</u>	<u>305,921</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	380,835	380,835	335,419	45,416	337,829
<b>TOTAL EXPENDITURES</b>	<u>380,835</u>	<u>380,835</u>	<u>335,419</u>	<u>45,416</u>	<u>337,829</u>
<b>Net Change in Fund Balance</b>	(71,825)	(71,825)	<b>(31,393)</b>	40,432	(31,908)
<b>FUND BALANCE, BEGINNING</b>	<u>256,479</u>	<u>256,479</u>	<u>256,479</u>	-	<u>288,387</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 184,654</u>	<u>\$ 184,654</u>	<u>\$ 225,086</u>	<u>\$ 40,432</u>	<u>\$ 256,479</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, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 17,000	\$ 17,000	\$ 14,915	\$ (2,085)	\$ 19,391
<b>TOTAL REVENUES</b>	<u>17,000</u>	<u>17,000</u>	<u>14,915</u>	<u>(2,085)</u>	<u>19,391</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	17,623	17,623	8,117	9,506	13,838
<b>TOTAL EXPENDITURES</b>	<u>17,623</u>	<u>17,623</u>	<u>8,117</u>	<u>9,506</u>	<u>13,838</u>
<b>Net Change in Fund Balance</b>	(623)	(623)	6,798	7,421	5,553
<b>FUND BALANCE, BEGINNING</b>	<u>24,593</u>	<u>24,593</u>	<u>24,593</u>	<u>-</u>	<u>19,040</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 23,970</u>	<u>\$ 23,970</u>	<u>\$ 31,391</u>	<u>\$ 7,421</u>	<u>\$ 24,593</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, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 3,996
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,996</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-	3,996
<b>FUND BALANCE, BEGINNING</b>	<u>10,582</u>	<u>10,582</u>	<b>10,582</b>	-	6,586
<b>FUND BALANCE, ENDING</b>	<u>\$ 10,582</u>	<u>\$ 10,582</u>	<b>\$ 10,582</b>	\$ -	\$ 10,582



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, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 230,000	\$ -	\$ 311,503	\$ 311,503	\$ 107,302
Interest	13,284	-	2,923	2,923	12,672
Miscellaneous	-	-	-	-	0
<b>TOTAL REVENUES</b>	<u>243,284</u>	<u>-</u>	<u>314,426</u>	<u>314,426</u>	<u>119,974</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	296,204	296,204	201,225	94,979	362,515
Capital Outlay	225,000	225,000	168,248	56,752	266,901
<b>TOTAL EXPENDITURES</b>	<u>521,204</u>	<u>521,204</u>	<u>369,473</u>	<u>151,731</u>	<u>629,416</u>
<b>Net Change in Fund Balance</b>	(277,920)	(521,204)	(55,047)	466,157	(509,442)
<b>FUND BALANCE, BEGINNING</b>	<u>424,671</u>	<u>424,671</u>	<u>424,671</u>	<u>-</u>	<u>934,113</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 146,751</u>	<u>\$ (96,533)</u>	<u>\$ 369,624</u>	<u>\$ 466,157</u>	<u>\$ 424,671</u>

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
BUILDING SECURITY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 13,492	\$ (1,508)	\$ 15,730
<b>TOTAL REVENUES</b>	<u>15,000</u>	<u>15,000</u>	<u>13,492</u>	<u>(1,508)</u>	<u>15,730</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	8,047	8,047	7,757	290	6,861
<b>TOTAL EXPENDITURES</b>	<u>8,047</u>	<u>8,047</u>	<u>7,757</u>	<u>290</u>	<u>6,861</u>
<b>Net Change in Fund Balance</b>	6,953	6,953	5,735	(1,218)	8,869
<b>FUND BALANCE, BEGINNING</b>	<u>15,878</u>	<u>15,878</u>	<u>15,878</u>	<u>-</u>	<u>7,009</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 22,831</u>	<u>\$ 22,831</u>	<u>\$ 21,613</u>	<u>\$ (1,218)</u>	<u>\$ 15,878</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, 2020  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 21,000	\$ 21,000	\$ 15,958	\$ (5,042)	\$ 20,932
<b>TOTAL REVENUES</b>	<u>21,000</u>	<u>21,000</u>	<u>15,958</u>	<u>(5,042)</u>	<u>20,932</u>
<b>EXPENDITURES</b>					
Current:					
Administration	39,000	39,000	12,073	26,927	16,965
<b>TOTAL EXPENDITURES</b>	<u>39,000</u>	<u>39,000</u>	<u>12,073</u>	<u>26,927</u>	<u>16,965</u>
<b>Net Change in Fund Balance</b>	(18,000)	(18,000)	3,885	(31,969)	3,967
<b>FUND BALANCE, BEGINNING</b>	<u>18,467</u>	<u>18,467</u>	<u>18,467</u>	<u>-</u>	<u>14,500</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 467</u>	<u>\$ 467</u>	<u>\$ 22,352</u>	<u>\$ (31,969)</u>	<u>\$ 18,467</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, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance With Final Budget - Positive (Negative)	2019 Actual
	Original	Final			
<b>REVENUES</b>					
Property Taxes	\$ 657,529	\$ 657,529	\$ 682,520	\$ 24,991	\$ 627,250
<b>TOTAL REVENUES</b>	<u>657,529</u>	<u>657,529</u>	<u>682,520</u>	<u>24,991</u>	<u>627,250</u>
<b>EXPENDITURES</b>					
<i>Debt Service:</i>					
Principal	490,000	490,000	450,000	40,000	440,000
Interest and Fiscal Charges	251,105	251,105	186,043	65,062	195,495
<b>TOTAL EXPENDITURES</b>	<u>741,105</u>	<u>741,105</u>	<u>636,043</u>	<u>105,062</u>	<u>635,495</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(83,576)</u>	<u>(83,576)</u>	<u>46,477</u>	<u>130,053</u>	<u>(8,245)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	105,114	105,114	-	(105,114)	(481)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>105,114</u>	<u>105,114</u>	<u>-</u>	<u>(105,114)</u>	<u>(481)</u>
<b>Net Change in Fund Balance</b>	21,538	21,538	46,477	24,939	(8,726)
<b>FUND BALANCE - BEGINNING</b>	<u>341,449</u>	<u>341,449</u>	<u>341,449</u>	<u>-</u>	<u>350,175</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 362,987</u>	<u>\$ 362,987</u>	<u>\$ 387,926</u>	<u>\$ 24,939</u>	<u>\$ 341,449</u>

## STATISTICAL SECTION

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

### Financial Trends (Tables 1 through 4)

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

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

### Revenue Capacity (Tables 5 through 12)

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

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

### Debt Capacity (Tables 13 through 17)

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

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

### Demographic and Economic Information (Tables 18 through 19)

Demographic and Economic Statistics  
Principal Employers

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

### Operating Information (Tables 20 through 22)

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

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

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

	Fiscal Year			
	2011	2012	2013	2014
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 5,639,798	\$ 5,934,633	\$ 6,374,117	\$ 7,414,439
Restricted	101,101	101,677	157,074	90,494
Unrestricted	4,686,001	4,708,814	6,496,088	6,167,021
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 10,426,900</u>	<u>\$ 10,745,124</u>	<u>\$ 13,027,279</u>	<u>\$ 13,671,954</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 4,138,854	\$ 3,998,041	\$ 3,867,460	\$ 4,057,126
Restricted	568,056	762,316	1,066,500	993,268
Unrestricted	2,137,671	1,966,216	1,829,758	1,873,123
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 6,844,581</u>	<u>\$ 6,726,573</u>	<u>\$ 6,763,718</u>	<u>\$ 6,923,517</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 9,778,652	\$ 9,932,674	\$ 10,241,577	\$ 11,471,565
Restricted	669,157	863,993	1,223,574	1,083,762
Unrestricted	6,823,672	6,675,030	8,325,846	8,040,144
<i>Total Primary Government Net Position</i>	<u>\$ 17,271,481</u>	<u>\$ 17,471,697</u>	<u>\$ 19,790,997</u>	<u>\$ 20,595,471</u>

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2011 – 2017 have not been restated for adoption of GASB Statement No. 75.

TABLE 1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 7,696,092	\$ 8,324,593	\$ 9,534,380	\$ 12,241,969	\$ 12,752,432	\$ 13,667,111
1,657,517	2,186,825	2,999,981	4,027,347	2,704,990	2,950,408
2,656,933	2,696,144	2,342,091	2,432,332	2,048,407	559,242
<u>\$ 12,010,542</u>	<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>
\$ 4,113,942	\$ 4,367,353	\$ 4,049,170	\$ 4,162,165	\$ 4,872,274	\$ 5,392,876
908,705	1,042,946	1,279,204	1,225,716	1,595,199	1,784,772
1,533,589	1,205,378	2,179,050	2,562,095	2,118,143	2,276,563
<u>\$ 6,556,236</u>	<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>
\$ 11,810,034	\$ 12,691,946	\$ 13,583,550	\$ 16,404,134	\$ 17,624,706	\$ 19,059,987
2,566,222	3,229,771	4,279,185	5,253,063	4,300,189	4,735,180
4,190,522	3,901,522	4,521,141	4,994,427	4,166,550	2,835,805
<u>\$ 18,566,778</u>	<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>

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

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
<i>Governmental Activities</i>				
Administration	\$ 849,230	\$ 764,140	\$ 910,636	\$ 828,573
Public Safety	4,502,741	4,344,695	4,335,920	4,536,351
Public Works	1,715,642	1,714,581	1,140,612	1,650,987
Parks and Recreation	135,728	117,840	113,792	186,386
Library	264,260	322,688	322,587	302,721
Communications	-	-	-	-
Community Development	666,326	610,394	566,113	641,724
Interest and Fiscal Agent Fees	117,639	107,645	275,120	248,324
<i>Total Governmental Activities Expenses</i>	<u>8,251,566</u>	<u>7,981,983</u>	<u>7,664,780</u>	<u>8,395,066</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	2,796,812	3,218,973	3,282,774	3,365,772
<i>Total Business-Type Activities</i>	<u>2,796,812</u>	<u>3,218,973</u>	<u>3,282,774</u>	<u>3,365,772</u>
<b>Total Primary Government Expenses</b>	<u>\$ 11,048,378</u>	<u>\$ 11,200,956</u>	<u>\$ 10,947,554</u>	<u>\$ 11,760,838</u>
<b>Program Revenues</b>				
<i>Governmental Activities</i>				
Charges for Service:				
Administration	\$ 288,791	\$ 595,568	\$ 298,947	\$ 284,034
Public Safety	1,082,149	849,832	833,662	803,036
Parks and Recreation	16,790	16,186	15,544	15,586
Library	3,102	2,329	1,972	3,490
Community Development	118,723	119,382	97,193	168,648
Operating Grants and Contributions	49,602	117,275	82,626	95,028
Capital Grants and Contributions	81,683	-	372,585	-
<i>Total Governmental Activities Program Revenues</i>	<u>1,640,840</u>	<u>1,700,572</u>	<u>1,702,529</u>	<u>1,369,822</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water/Wastewater Utilities	3,115,598	3,039,389	3,291,009	3,275,292
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>3,115,598</u>	<u>3,039,389</u>	<u>3,291,009</u>	<u>3,275,292</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 4,756,438</u>	<u>\$ 4,739,961</u>	<u>\$ 4,993,538</u>	<u>\$ 4,645,114</u>

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2011 – 2017 have not been restated for adoption of GASB Statement No. 75.



TABLE 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 983,952	\$ 1,125,550	\$ 1,052,772	\$ 1,163,357	\$ 1,134,888	\$ 1,668,621
4,701,582	4,598,579	5,731,890	6,825,574	10,029,264	9,182,852
2,363,083	1,492,449	1,960,573	1,366,183	3,110,746	2,128,939
169,947	228,169	357,055	372,372	306,749	328,675
320,572	367,252	375,764	421,642	413,677	413,953
-	355,508	322,727	-	-	-
676,880	880,111	753,029	828,978	932,724	939,644
239,237	205,890	228,101	201,460	186,603	177,398
<u>9,455,253</u>	<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>
3,481,521	3,752,522	3,901,345	4,720,880	4,978,650	4,476,212
<u>3,481,521</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>\$ 12,936,774</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>
\$ 258,388	\$ 537,825	\$ 319,498	\$ 319,498	\$ 661,149	\$ 409,905
694,303	724,018	1,620,197	1,620,197	3,441,827	3,296,536
13,850	15,632	-	-	-	-
3,521	4,249	-	-	-	-
166,775	167,074	76,357	76,357	77,660	11,290
240,763	160,001	476,415	476,415	130,103	604,876
170,747	37,766	-	-	105,767	-
<u>1,548,347</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>
3,481,570	3,683,776	4,589,550	4,623,442	5,218,441	4,995,934
-	-	120,165	-	-	-
-	-	-	485,976	302,632	-
<u>3,481,570</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>\$ 5,029,917</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>

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

	Fiscal Year			
	2011	2012	2013	2014
<b>Net (Expenses)/Revenue</b>				
Governmental Activities	\$ (6,610,726)	\$ (6,281,411)	\$ (5,962,251)	\$ (7,025,244)
Business-Type Activities	318,786	(179,584)	8,235	(90,480)
Total Primary Government Net Expenses	<u>\$ (6,291,940)</u>	<u>\$ (6,460,995)</u>	<u>\$ (5,954,016)</u>	<u>\$ (7,115,724)</u>
<b>Governmental Revenues and Other</b>				
<b>Changes in Net Position</b>				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 3,522,321	\$ 3,550,430	\$ 3,834,233	\$ 4,021,701
Sales Taxes	2,179,060	2,245,560	3,592,293	2,918,244
Franchise Taxes	728,548	708,434	701,468	895,174
Occupancy Taxes	74,287	82,409	83,470	91,125
Interest and Investment Earnings	7,172	6,795	12,804	4,277
Miscellaneous	-	6,007	20,138	26,879
Transfers	-	-	-	20,000
<i>Total Governmental Activities</i>	<u>6,511,388</u>	<u>6,599,635</u>	<u>8,244,406</u>	<u>7,977,400</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	4,444	3,827	3,374	2,579
Miscellaneous	44,575	56,453	35,609	5,914
Impact Fees	239,490	81,254	22,593	20,417
Transfers	(54,000)	-	-	-
<i>Total Business-Type Activities</i>	<u>234,509</u>	<u>141,534</u>	<u>61,576</u>	<u>28,910</u>
Total Primary Government	<u>\$ 6,745,897</u>	<u>\$ 6,741,169</u>	<u>\$ 8,305,982</u>	<u>\$ 8,006,310</u>
<b>Changes In Net Position</b>				
Government Activities	\$ (99,338)	\$ 318,224	\$ 2,282,155	\$ 952,156
Business-Type Activities	553,295	(38,050)	69,811	(61,570)
Total Primary Government	<u>\$ 453,957</u>	<u>\$ 280,174</u>	<u>\$ 2,351,966</u>	<u>\$ 890,586</u>

TABLE 2 (Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (7,906,906)	\$ (7,606,943)	\$ (8,289,444)	\$ (8,687,099)	\$ (11,698,145)	\$ (10,517,475)
49	(68,746)	808,370	388,538	542,423	519,722
<u>\$ (7,906,857)</u>	<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>
\$ 4,122,721	\$ 4,440,697	\$ 4,752,901	\$ 4,944,531	\$ 5,113,648	\$ 5,447,139
3,058,953	3,177,019	3,517,289	3,687,415	3,746,775	3,738,177
974,361	1,072,898	1,104,166	961,149	919,205	809,636
86,661	67,691	80,600	94,639	89,936	50,523
4,678	17,663	55,460	134,411	233,900	94,530
21,896	27,995	447,168	371,832	399,343	361,884
70,000	-	750	(47,650)	(481)	(313,482)
<u>8,339,270</u>	<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>
889	1,270	11,987	60,337	92,436	35,341
144,390	84,682	116,200	-	300	50
-	-	-	-	-	-
(20,000)	(70,000)	-	47,650	481	313,482
<u>125,279</u>	<u>15,952</u>	<u>128,187</u>	<u>107,987</u>	<u>93,217</u>	<u>348,873</u>
<u>\$ 8,464,549</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>
\$ 432,364	\$ 1,197,020	\$ 1,668,890	\$ 1,459,228	\$ (1,195,819)	\$ (329,068)
125,328	(52,794)	936,557	496,525	635,640	868,595
<u>\$ 557,692</u>	<u>\$ 1,144,226</u>	<u>\$ 2,605,447</u>	<u>\$ 1,955,753</u>	<u>\$ (560,179)</u>	<u>\$ 539,527</u>

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

	Fiscal Year			
	2011	2012	2013	2014
<i>General Fund:</i>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	50,745	51,278	54,278	54,631
Restricted	49,551	49,642	101,977	90,494
Committed	800,000	800,000	900,000	900,000
Assigned	56,642	14,135	139,135	25,275
Unassigned	2,352,926	2,400,386	2,456,717	2,756,058
<i>Total General Fund</i>	<u>\$ 3,309,864</u>	<u>\$ 3,315,441</u>	<u>\$ 3,652,107</u>	<u>\$ 3,826,458</u>
<i>All Other Governmental Funds:</i>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved				
Special Revenue	-	-	-	-
Nonspendable	805	757	819	1,310
Restricted	1,245,121	8,136,892	8,419,977	5,862,738
Committed	-	-	-	795,672
Assigned	-	-	-	105,373
Unassigned	73,307	486,730	1,413,694	-
<i>Total All Other Governmental Funds</i>	<u>\$ 1,319,233</u>	<u>\$ 8,624,379</u>	<u>\$ 9,834,490</u>	<u>\$ 6,765,093</u>

TABLE 3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
56,442	14,201	52,650	11,163	5,824	4,434
114,962	154,393	497,329	23,868	235,416	261,124
900,000	900,000	1,000,000	1,000,000	1,000,000	1,000,000
25,275	25,275	80,700	459,127	1,154,763	749,556
2,779,498	3,567,496	3,508,662	3,359,401	4,370,549	3,784,196
<u>\$ 3,876,177</u>	<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,990	-	2,095	-	-	-
2,874,942	2,032,432	2,502,591	3,499,337	2,463,234	2,680,737
664,842	-	-	-	-	-
111,139	93,679	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,652,913</u>	<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>

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

	Fiscal Year			
	2011	2012	2013	2014
<b>REVENUES</b>				
Property Taxes	\$ 3,546,031	\$ 3,544,081	\$ 3,809,355	\$ 4,012,433
Nonproperty Taxes	2,253,347	2,327,969	2,503,411	3,009,369
Grants/Intergovernmental	89,868	6,122	4,523	8,104
Licenses, Permits, Fees and Fines	2,154,692	1,860,659	1,858,150	1,988,654
CIED	-	379,918	1,172,352	-
Other	131,999	175,109	456,679	299,392
<b>TOTAL REVENUES</b>	<b>8,175,937</b>	<b>8,293,858</b>	<b>9,804,470</b>	<b>9,317,952</b>
<b>EXPENDITURES</b>				
Current:				
Administrative	817,259	713,738	870,697	769,842
Public Safety	4,228,132	4,177,616	4,116,594	4,258,045
Public Works	1,542,290	1,552,725	972,484	1,462,747
Parks and Recreation	102,914	91,824	86,802	157,643
Library	259,858	310,725	267,588	288,871
Communications	-	-	-	-
Community Development	610,750	566,914	554,087	583,068
Capital Outlay	209,674	155,265	772,922	3,909,161
Debt Service:				
Principal	300,000	310,000	345,000	420,000
Interest	112,278	242,502	270,019	257,121
Fiscal Agent Fees and Bond Issue Costs	1,000	1,000	1,500	1,500
<b>TOTAL EXPENDITURES</b>	<b>8,184,155</b>	<b>8,122,309</b>	<b>8,257,693</b>	<b>12,107,998</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,218)	171,549	1,546,777	(2,790,046)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	-	-	-	-
Transfers In	18,000	18,000	237,216	220,770
Transfers Out	(18,000)	(18,000)	(237,216)	(200,770)
Proceeds from Bonds	-	7,000,000	-	-
Bond Premium	-	139,174	-	-
Proceeds from Refunding Bond	-	-	-	-
Payments to Refunding Bonds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>7,139,174</b>	<b>-</b>	<b>20,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,218)</b>	<b>\$ 7,310,723</b>	<b>\$ 1,546,777</b>	<b>\$ (2,770,046)</b>
Debt Service as a Percentage of				
Noncapital Expenditures	5.2%	6.9%	8.2%	8.3%

TABLE 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 4,143,068	\$ 4,432,407	\$ 4,755,462	\$ 4,940,751	\$ 5,104,964	\$ 5,441,159
3,145,614	3,333,880	4,702,056	4,743,203	4,755,916	4,598,336
8,852	7,394	233,473	2,184,103	235,870	604,876
2,123,854	2,132,647	1,939,695	3,014,022	4,177,392	3,788,092
-	-	-	-	-	-
416,576	535,910	821,919	457,535	636,484	386,056
<u>9,837,964</u>	<u>10,442,238</u>	<u>12,452,605</u>	<u>15,339,614</u>	<u>14,910,626</u>	<u>14,818,519</u>
951,121	1,035,474	878,060	937,870	933,682	1,440,302
4,609,076	4,320,120	5,179,406	6,663,001	7,886,368	8,370,905
2,238,664	1,319,658	1,809,169	1,135,180	2,562,290	1,693,018
142,794	198,429	324,379	358,460	281,387	288,235
317,049	346,782	360,023	402,110	407,886	397,869
-	348,793	322,727	-	-	-
624,724	823,889	699,342	768,403	857,365	859,448
3,408,801	2,110,337	1,341,443	3,137,262	968,781	1,568,956
430,000	445,000	460,000	475,000	440,000	450,000
245,946	233,370	222,255	205,809	195,495	186,043
2,250	2,000	-	-	-	-
<u>12,970,425</u>	<u>11,183,852</u>	<u>11,596,804</u>	<u>14,083,095</u>	<u>14,533,254</u>	<u>15,254,776</u>
<u>(3,132,461)</u>	<u>(741,614)</u>	<u>855,801</u>	<u>1,256,519</u>	<u>377,372</u>	<u>(436,257)</u>
-	-	-	-	-	-
590,803	707,203	750	750	-	179,240
(520,803)	(707,203)	-	(48,400)	(481)	(492,722)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,000</u>	<u>-</u>	<u>750</u>	<u>(47,650)</u>	<u>(481)</u>	<u>(313,482)</u>
<u>\$ (3,062,461)</u>	<u>\$ (741,614)</u>	<u>\$ 856,551</u>	<u>\$ 1,208,869</u>	<u>\$ 376,891</u>	<u>\$ (749,739)</u>
7.1%	7.5%	6.7%	6.2%	4.7%	4.9%

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
2011	\$ 3,546,031	\$ 2,253,347	\$ 74,287	\$ 728,548	\$ 6,602,213
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	9,683,954
2020	5,441,159	3,738,177	50,523	809,636	10,039,495



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
2011	\$ 675,661,811	0.527400
2012	692,616,036	0.535510
2013	675,836,102	0.574282
2014	677,076,160	0.582915
2015	681,878,582	0.575507
2016	707,418,512	0.561615
2017	740,061,497	0.556599
2018	817,913,902	0.556599
2019	997,287,526	0.545877
2020	1,075,859,763	0.543595

*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
2011	0.4640	0.0634	0.5274	1.3650	0.3269
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

Fiscal Year	Overlapping Rates		
	University Health System	San Antonio River Authority	Alamo Community College
2011	0.27624	0.01665	0.14162
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

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	2020			2011		
	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	3.03%	\$ 13,231,455	3	1.96%
San Antonio Vista Del Rey LLC	28,500,000	2	2.65%	13,500,000	2	2.00%
TRT HEB Marketplace LP	23,150,000	3	2.15%	22,000,000	1	3.25%
Grissom Owners LP	18,500,100	4	1.72%	9,000,100	7	1.33%
Valencia Lofts	17,775,000	5	1.65%	-	-	-
Leors Holdings LLC	15,575,000	6	1.45%	11,475,930	6	1.70%
Barcelona Lofts LLC	14,250,000	7	1.32%	12,188,175	5	1.80%
Omninet Tower LP	13,563,000	8	1.26%	-	-	-
Forest Oaks Living LLC	12,000,000	9	1.12%	-	-	-
Leon SA Income Partems LP	9,100,000	10	0.85%	-	-	-
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 Associates	-	-	-	5,000,000	10	1.23%
<b>TOTALS</b>	<b>\$ 184,977,200</b>		<b>17.19%</b>	<b>\$ 113,283,440</b>		<b>16.75%</b>
<b>TOTAL TAXABLE ASSESSED VALUE</b>	<b>\$ 1,075,859,763</b>			<b>\$ 692,616,036</b>		

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
2011	\$ 3,485,988	\$ 3,437,057	98.60%	\$ 40,674	\$ 3,477,731	99.76%
2012	3,553,034	3,485,684	98.10%	58,711	3,544,395	99.76%
2013	3,817,953	3,755,784	98.37%	51,016	3,806,800	99.71%
2014	4,023,348	3,940,694	97.95%	67,385	4,008,079	99.62%
2015	4,130,740	4,050,446	98.06%	64,802	4,115,248	99.62%
2016	4,432,631	4,369,996	98.59%	36,700	4,406,696	99.41%
2017	4,738,086	4,685,787	98.90%	52,299	4,685,787	98.90%
2018	5,019,786	4,966,303	98.93%	53,483	4,966,303	98.93%
2019	5,137,625	5,080,976	98.90%	27,103	5,080,976	98.90%
2020	5,446,779	5,388,962	98.94%	-	5,388,962	98.94%

*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				
	2011	2012	2013	2014	2015
Residential	\$ 228,768,000	\$ 201,840,600	\$ 189,931,000	\$ 184,014,000	\$ 176,710,000
Commerical	133,301,040	122,936,377	123,088,895	120,423,155	131,218,294
Total	<u>\$ 362,069,040</u>	<u>\$ 324,776,977</u>	<u>\$ 313,019,895</u>	<u>\$ 304,437,155</u>	<u>\$ 307,928,294</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 0.99</u>	<u>\$ 1.02</u>	<u>\$ 1.05</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>

Type of Customer	Fiscal Year				
	2016	2017	2018	2019	2020
Residential	\$ 177,355,000	\$ 160,769,000	\$ 155,524,000	\$ 142,601,000	\$ 160,304,400
Commerical	142,359,865	132,729,922	128,377,775	128,044,700	129,810,102
Total	<u>\$ 319,714,865</u>	<u>\$ 293,498,922</u>	<u>\$ 283,901,775</u>	<u>\$ 270,645,700</u>	<u>\$ 290,114,502</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 1.08</u>	<u>\$ 3.18</u>	<u>\$ 3.37</u>	<u>\$ 3.56</u>	<u>\$ 3.56</u>

Source: Leon Valley Water District.

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
2011	8.83	1.02	12.78	4.57
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	3.70	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
2011	\$ 468,647,503	\$ 281,076,061	\$ 5,246,600	\$ 62,354,128	\$ 692,616,036	0.527400
2012	456,646,017	280,720,343	5,025,705	66,555,963	675,836,102	0.535510
2013	455,927,780	266,406,857	5,103,401	50,361,878	677,076,160	0.574282
2014	460,768,403	265,776,360	5,426,124	50,092,305	681,878,582	0.582915
2015	473,221,531	278,323,833	6,158,319	50,285,171	707,418,512	0.575507
2016	504,499,829	288,913,043	5,574,551	58,925,926	740,061,497	0.561615
2017	558,785,477	324,533,883	5,961,942	71,367,400	817,913,902	0.556599
2018	597,606,183	361,183,881	6,527,631	78,177,221	887,140,474	0.556599
2019	677,156,407	378,811,873	8,057,007	66,737,761	997,287,526	0.545877
2020	694,498,542	462,167,187	9,288,552	90,094,518	1,075,859,763	0.543595

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				
2011	\$ 2,080,000	\$ 990,000	\$ -		\$ 3,070,000	0.44%	283
2012	8,810,000	950,000	-		9,760,000	1.44%	898
2013	8,505,000	910,000	-		9,415,000	1.39%	866
2014	8,125,000	870,000	-		8,995,000	1.32%	828
2015	7,857,138	725,000	-		8,582,138	1.21%	790
2016	7,450,179	825,000	-		8,275,179	1.12%	762
2017	7,028,220	735,000	2,062,543		9,825,763	1.20%	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
2020	5,792,343	585,000	1,932,020		8,309,363	0.77%	765

*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			
2011	\$ 2,080,000	\$ 990,000	-	-	-	-	-	\$ 3,070,000	1.13%	283
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

*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>6,377,343</u>
<b>TOTAL NET OVERLAPPING DEBT</b>			<u>\$ 63,389,639</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		\$ 1,075,859,763
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.		\$ 107,585,976
Amount of Applicable Debt:		
General Bonded Debt	\$ 6,377,343	
Less Debt Service Net Position	<u>(396,473)</u>	<u>5,980,870</u>
DEBT MARGIN		<u>\$ 101,605,106</u>
Total Net Debt as a Percentage of Debt Margin		5.89%

	Fiscal Year		
	2017	2018	2019
Assessed Value	\$ 887,140,474	\$ 949,714,257	\$ 997,287,526
Debt Limit	\$ 88,714,047	\$ 94,971,426	\$ 99,728,753
Total Net Debt Applicable to Limit	8,098,078	8,950,605	8,462,414
Total Debt Margin	<u>\$ 80,615,969</u>	<u>\$ 86,020,821</u>	<u>\$ 91,266,339</u>
	2014	2015	2016
Assessed Value	\$ 707,418,510	\$ 740,061,500	\$ 817,913,900
Debt Limit	\$ 70,741,851	\$ 74,006,150	\$ 81,791,390
Total Net Debt Applicable to Limit	9,204,392	8,774,392	10,376,736
Total Debt Margin	<u>\$ 61,537,459</u>	<u>\$ 65,231,758</u>	<u>\$ 71,414,654</u>
	2011	2012	2013
Assessed Value	\$ 675,836,100	\$ 677,076,160	\$ 681,878,580
Debt Limit	\$ 67,583,610	\$ 67,707,616	\$ 68,187,858
Total Net Debt Applicable to Limit	3,191,096	9,579,375	9,624,392
Total Debt Margin	<u>\$ 64,392,514</u>	<u>\$ 58,128,241</u>	<u>\$ 58,563,466</u>

CITY OF LEON VALLEY  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

TABLE 17

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2020	\$ 4,987,020	4,416,064	\$ 570,956	\$ 40,000	\$ 60,148	100.00	
2019	4,990,678	4,920,092	70,586	40,000	66,363	100.00	
2018	4,586,249	4,657,233	(70,984)	35,000	68,113	100.00	
2017	4,456,994	3,833,400	623,594	20,000	82,510	100.00	
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	
2011	3,115,598	2,796,812	318,786	-	-	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	Median Age	School Enrollment	Unemployment Rate
			Personal Income			
2011	10,866	270,954,576	24,936	40.0	3,752	7.3%
2012	10,866	270,954,576	24,936	40.0	4,130	6.0%
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	5.9%
2015	10,866	270,954,576	24,936	40.0	4,130	5.1%
2016	10,866	270,954,576	24,936	40.0	4,198	5.0%
2017	10,866	270,954,576	24,936	40.0	3,809	4.2%
2018	10,866	270,954,576	24,936	40.0	3,809	3.7%
2019	10,866	270,954,576	24,936	40.0	4,050	3.2%
2020	10,866	270,954,576	24,936	40.0	4,050	3.2%

*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

EMPLOYER	2020			2011		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Joint Base San Antonio*	80,000	1	7.71%	100,578	1,2,3	12.09%
H-E-B Food Stores	22,000	2	1.84%	14,588	5	1.75%
USAA	19,000	3	1.83%	15,000	4	1.80%
Northside ISD	13,977	4	1.35%	12,244	6	1.47%
City of San Antonio	13,881	5	1.34%	12,211	7	1.47%
Methodist Healthcare System	9,851	6	0.95%	7,747	8	0.93%
North East ISD	9,001	7	0.87%			
San Antonio ISD	7,677	8	0.74%			
Baptist Health Systems	6,371	9	0.61%			
JP Morgan Chase	5,000	10	0.48%	6,310	9	0.76%
UT Health Science Center				5,985	10	0.63%
Total	<u>60,912</u>		<u>6.01%</u>	<u>53,246</u>		<u>6.67%</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.

\* In Year 2012, Lackland, Fort Sam and Randolph military operations were consolidated into Joint Base San Antonio. In fiscal year 2011, the employee counts were 52,561; 32,000; and 16,017; respectively.

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

TABLE 20

<u>Function</u>	Full-Time Equivalent Employees as of September 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>General Government</u>										
Business Office	1.8	1.8	1.8	1.6	1.6	1.6	1.6	1.1	1.1	0.5
Finance	2.4	2.4	2.2	2.0	2.0	2.0	2.0	2.0	1.5	0.7
Manager and Council	2.4	2.4	2.3	2.0	3.0	3.0	3.9	2.5	3.3	2.1
<u>Public Safety</u>										
Police										
Officers	24.0	24.0	24.0	23.0	23.0	24.0	25.0	28.5	37.0	39.0
Civilians	8.0	8.0	8.0	8.0	9.9	3.9	1.0	1.0	2.5	1.0
Fire										
Firefighters and Officers	0.5	0.5	27.0	26.0	0.5	26.0	26.0	27.0	27.0	27.0
Civilians	27.0	27.0	0.5	0.5	26.0	0.5	0.5	1.0	1.0	0.0
<u>Public Works</u>	14.8	14.8	13.1	12.6	12.6	12.6	13.2	13.3	13.3	11.8
<u>Development Activities</u>	4.0	4.0	3.5	3.4	1.6	1.6	1.6	2.6	3.3	3.1
<u>Economic Development</u>	1.2	1.2	2.0	2.0	2.0	2.0	2.0	1.0	0.6	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	3.5	4.5	4.5	4.5	4.5	5.5
<u>Communications</u>	-	-	-	-	-	6.0	2.0	2.0	-	-
<u>Community Center</u>	2.1	2.1	0.6	1.6	1.6	1.6	1.6	1.1	1.6	1.0
<u>Water and Sewer</u>	12.85	12.85	16.04	18.35	18.7	18.2	17.6	17.4	17.4	17.4
<b>TOTAL</b>	<b>106.0</b>	<b>106.0</b>	<b>106.0</b>	<b>106.0</b>	<b>107.5</b>	<b>109.0</b>	<b>104.0</b>	<b>106.5</b>	<b>115.5</b>	<b>111.4</b>

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

Function	Fiscal Year				
	2011	2012	2013	2014	2015
<u>Police</u>					
Arrests	1050.0	837.0	635.0	629.0	722.0
Traffic Violations	10845.0	9279.0	5218.0	5010.0	3915.0
<u>Fire</u>					
Fire Calls	931.0	765.0	712.0	890.0	1183.0
EMS Calls	1062.0	1038.0	1174.0	1151.0	1136.0
Number of Inspections	1290.0	1256.0	1022.0	1009.0	480.0
<u>Public Works</u>					
Streets resurfacing (Miles)	8.4	0.0	7.7	8.0	5.0
Sidewalk Construction (Feet)	682.0	1621.0	682.0	687.0	1304.0
<u>Library</u>					
Reference Questions	6,897.0	5,868.0	5,287.0	7,000.0	6,485.0
Internet Sessions	7,226.0	18,242.0	16,882.0	6,266.0	6,497.0
Library Acquisitions	3,323.0	2,953.0	2,912.0	2,176.0	1,823.0
<u>Water</u>					
Daily Average Consumption (thousands of gallons)	1,005,747.0	889,800.0	857,588.0	962,846.0	843,639.0
Total Customers	2,508.00	2,523.00	2,526.00	2,544.00	2,561.00
Average Use Per Connection	401.02	352.68	339.50	378.48	329.42
<u>Sewer</u>					
Total Customers	2428.0	2551.0	2457.0	2457.0	2456.0
Daily Average Treatment (Gallons)	748,356.0	705,557.0	687,267.0	700,672.0	703,607.0

Source: Various City Departments. Prior year information for some functions is not available.



TABLE 21

<b>Fiscal Year</b>				
2016	2017	2018	2019	2020
915.0	535.0	789.0	1221.0	473.0
4963.0	3643.0	7616.0	10156.0	4277.0
942.0	505.0	598.0	441.0	680.0
1472.0	2081.0	1704.0	1561.0	1521.0
310.0	730.0	724.0	392.0	614.0
1.0	2.3	1.2	4.1	4.1
2060.0	1957.0	350.0	1020.0	1020.0
7,681.0	7,149.0	7,384.0	10,393.0	5,123.0
8,055.0	8,346.0	17,456.0	17,857.0	4,061.0
2,011.0	2,352.0	2,269.0	1,760.0	1,519.0
869,649.0	804,105.0	777,813.0	741,495.0	769,308.0
2,574.00	2,583.00	2,601.00	2,613.00	2,634.00
337.86	311.31	299.04	283.77	292.07
2479.0	2489.0	2505.0	2613.0	2546.0
681,173.0	703,502.0	697,762.0	679,844.0	635,655.0

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

Function	Fiscal Year				
	2011	2012	2013	2014	2015
<u>Police</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Patrol Units	24.0	24.0	24.0	24.0	24.0
<u>Fire</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Fire Fighters	27.0	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				
2016	2017	2018	2019	2020
1.0	1.0	1.0	1.0	1.0
25.0	28.5	37.0	37.0	37.0
1.0	1.0	1.0	1.0	1.0
26.0	27.0	27.0	27.0	27.0
39.5	43.0	43.0	43.0	43.0
1.0	1.0	5.0	5.0	5.0
24.0	69.5	69.5	69.5	69.5
1.0	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, 2020, and the related notes to the financial statements, which collectively comprise City of Leon Valley's basic financial statements, and have issued our report thereon dated February 16, 2021.

***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.

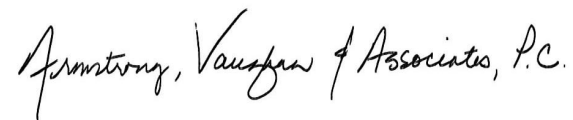
### ***Compliance and Other Matters***

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*.

We noted certain matters that we have reported to management of the City of Leon Valley in a separate letter dated February 16, 2021.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armstrong, Vaughan & Associates, P.C.

February 16, 2021



# Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
City of Leon Valley

#### **Report on Compliance for Each Major Federal Program**

We have audited City of Leon Valley's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City of Leon Valley's major federal programs for the year ended September 30, 2020. City of Leon Valley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Leon Valley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Leon Valley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Leon Valley's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, City of Leon Valley complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.



## Report on Internal Control over Compliance

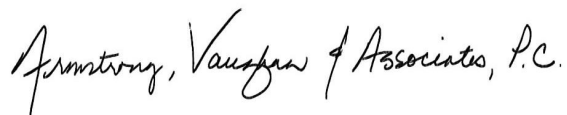
Management of City of Leon Valley is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Leon Valley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Leon Valley's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain matters that we have reported to management of the City of Leon Valley in a separate letter dated February 16, 2021.

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



Armstrong, Vaughan & Associates, P.C.

February 16, 2021

CITY OF LEON VALLEY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

A. Summary of Auditor's Results

*Financial Statements*

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

*Federal Awards*

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

B. Financial Statement Findings  
 NONE

C. Federal Award Findings and Questioned Costs  
 NONE

D. Prior Year Findings  
 NONE

CITY OF LEON VALLEY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures
<b>U.S. DEPARTMENT OF TREASURY</b>			
<b>Passed Through Bexar County</b>			
Coronavirus Relief Fund (CRF)	21.019		\$497,426
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			
<b>Passed through Texas State Library and Archives Commission</b>			
ILL Lending Program	45.310	LS-00-19-0044-19	687
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICE</b>			
Medical Assistance Program	93.778	N/A	105,588
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Equitable Sharing Program	16.922	N/A	<u>369,473</u>
<b>TOTAL FEDERAL PROGRAMS</b>			<u><u>\$973,174</u></u>

CITY OF LEON VALLEY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 -- BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Leon Valley and is presented in accordance with the requirements of OMB Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 -- INDIRECT COSTS

City of Leon Valley has elected to use the 10% de minimus cost rate, however, they have not charged indirect costs to any of its federal grants for the year ending September 30, 2020.

