

CITY OF LEON VALLEY, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2022



**OFFICIALS ISSUING REPORT**

Crystal Caldera  
City Manager

Vickie Wallace  
Interim Director of Finance



Discussion Draft

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Discussion Draft

INTRODUCTORY SECTION

*Discussion Draft*



May 16, 2023

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, 2022.

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

The City of Leon Valley financial statements have been audited by Armstrong, Vaughan and Associates, P.C., a firm of licensed certified public accountants. They have issued an unmodified “clean” opinion on the City of Leon Valley’s financial statements for the year ended September 30, 2022. 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.

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Leon Valley, Texas 78238  
O (210) 684-1391  
[www.leonvalleytexas.gov](http://www.leonvalleytexas.gov)



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

The City maintains extensive budgetary controls. The objective of these controls is to ensure the proper safeguarding of City assets, compliance with State budgetary statutes and compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, 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, 2022, the Committed Fund Balance was \$1,000,000.

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

#### AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leon Valley for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2021 with the highest standards for the preparation of state and local government financial reports.

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

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

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

Respectfully submitted,



Crystal Caldera  
City Manager



Vickie Wallace  
Interim Finance Director



Government Finance Officers Association

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

Presented to

**City of Leon Valley  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

CITY OF LEON VALLEY, TEXAS  
PRINCIPAL OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2022

**ELECTED OFFICIALS**

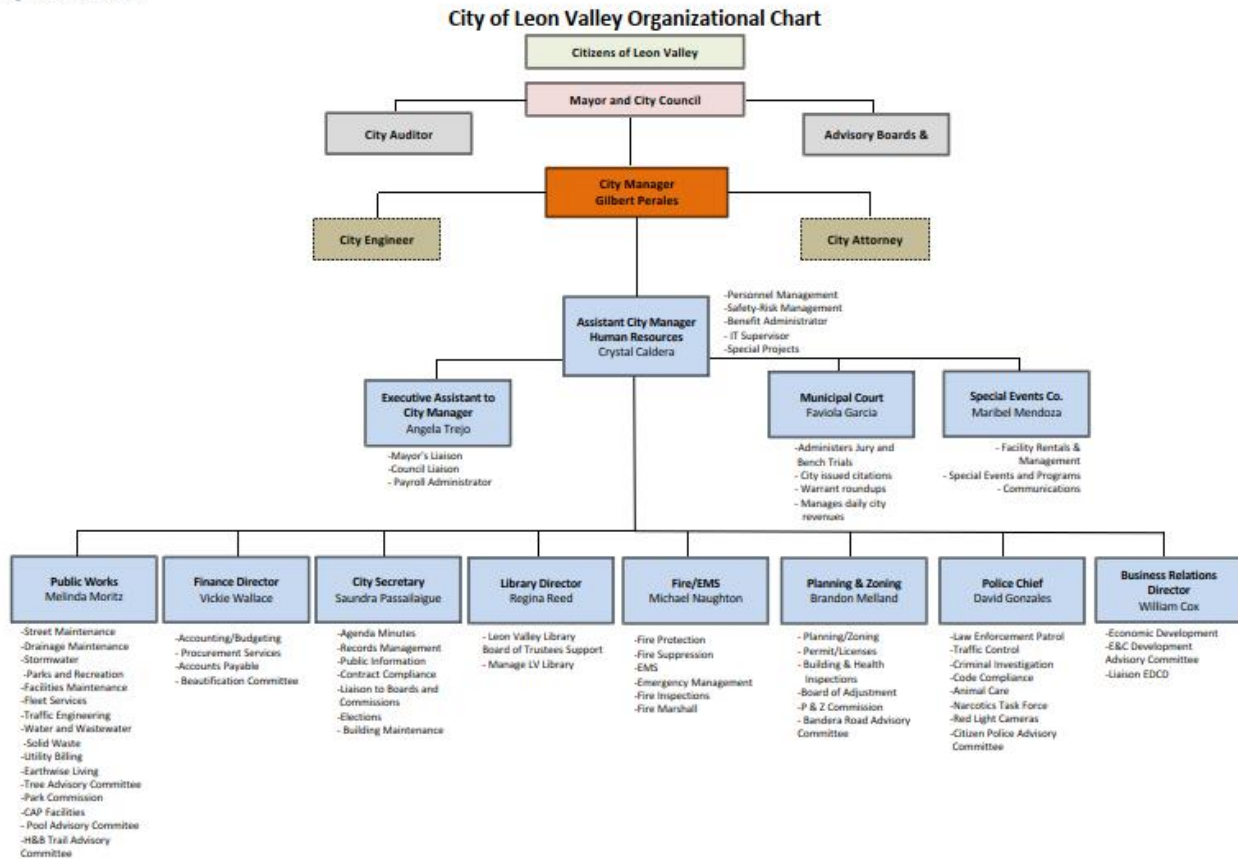
MAYOR	CHRIS RILEY
CITY COUNCIL, PLACE 1	BENNY MARTINEZ
CITY COUNCIL, PLACE 2	JOSH STEVENS
CITY COUNCIL, PLACE 3	JED HEFNER
CITY COUNCIL, PLACE 4	REY OROZCO
CITY COUNCIL, PLACE 5, MAYOR PRO-TEM	WILL BRADSHAW

**CITY OFFICIALS**

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

# CITY OF LEON VALLEY ORGANIZATIONAL CHART

Organizational Chart FY 2021



Discus



Discussion Draft

FINANCIAL SECTION

Discussion Draft



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Leon Valley's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Leon Valley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

The City of Leon Valley's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Leon Valley's ability to continue as a going concern for one year after the date that the financial statements are issued.



## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Leon Valley's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Leon Valley's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

The comparative financial statements, and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2023 on our consideration of City of Leon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Leon Valley's internal control over financial reporting and compliance.

*Armstrong, Vaughan & Associates, P.C.*

Armstrong, Vaughan & Associates, P.C.

May 16, 2023

## 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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Leon Valley exceeded its liabilities and deferred inflows of resources by \$29.4 million (net position) at the close of the most recent fiscal year. Of this amount, \$4.5 million (unrestricted net position) may be used to meet the City's operational needs.
- The City's total net position increased by \$1.7 million mainly due to increased sales and property tax revenue and utility revenue.
- The City's OPEB and pension related deferred outflows totaled \$1.8 million at year end, an increase of \$141 thousand in comparison with the prior year due to increases in the contribution rates and experience rates.
- The City's OPEB and pension related deferred inflows totaled \$3 million at year end, an increase of \$1.8 million in comparison with the prior year due partly to an increase in the investment earnings. The Pension Liability decreased by \$2.2 million primarily 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 \$10.1 million, an increase of \$1.9 million in comparison with the prior year. The City budgeted a deficiency of revenues under expenditures of \$100 thousand. However, revenues were \$830 thousand greater than budget in Sales Tax although a negative variance occurred in the grant revenue of \$1.3 million due to the deferral of ARPA receipts. The expenses were less than budgeted overall, but the impound lot exceeded the budget by \$13 thousand.
- At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$6.0 million which is 207% of the general fund expenditures not including capital outlay.
- During the fiscal year, the City made payments on bonds, decreasing outstanding debt by \$527 thousand, as of the end of the current year, the City had 6.7 million in bonds outstanding.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

**TABLE A-1  
NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current Assets	\$ 14,898,591	\$ 11,262,689	\$ 4,752,314	\$ 5,435,505	\$ 19,650,905	\$ 16,698,194
Capital and Other Assets	18,985,187	19,920,039	8,166,667	7,745,352	27,151,854	27,665,391
Total Assets	<u>33,883,778</u>	<u>31,182,728</u>	<u>12,918,981</u>	<u>13,180,857</u>	<u>46,802,759</u>	<u>44,363,585</u>
<b>Deferred Outflows of Resources</b>	<u>1,566,798</u>	<u>1,553,868</u>	<u>272,765</u>	<u>145,164</u>	<u>1,839,563</u>	<u>1,699,032</u>
<b>Liabilities</b>						
Current Liabilities	2,348,734	1,905,429	351,178	362,989	2,699,912	2,268,418
Noncurrent Liabilities	11,252,821	12,120,146	2,283,161	2,710,144	13,535,982	14,830,290
Total Liabilities	<u>13,601,555</u>	<u>14,025,575</u>	<u>2,634,339</u>	<u>3,073,133</u>	<u>16,235,894</u>	<u>17,098,708</u>
<b>Deferred Inflows of Resources</b>	<u>2,544,022</u>	<u>1,111,733</u>	<u>452,688</u>	<u>97,096</u>	<u>2,996,710</u>	<u>1,208,829</u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	13,497,385	13,953,956	6,332,409	5,862,213	19,829,794	19,816,169
Restricted	3,144,548	2,891,629	1,888,685	1,888,685	5,033,233	4,780,314
Unrestricted	2,663,066	753,703	1,883,625	2,404,894	4,546,691	3,158,597
Total Net Position	<u>\$ 19,304,999</u>	<u>\$ 17,599,288</u>	<u>\$ 10,104,719</u>	<u>\$ 10,155,792</u>	<u>\$ 29,409,718</u>	<u>\$ 27,755,080</u>

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

The largest portion of the City’s net position, \$19.8 million, represents its investment in capital assets (e.g., land, construction in progress, buildings, machinery, and equipment, net of accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. The City of Leon Valley, Texas uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the other net position, \$5 million represents resources that are subject to external restrictions on how they may be used. \$4.5 million (unrestricted net position) may be used to meet the City’s operational needs.

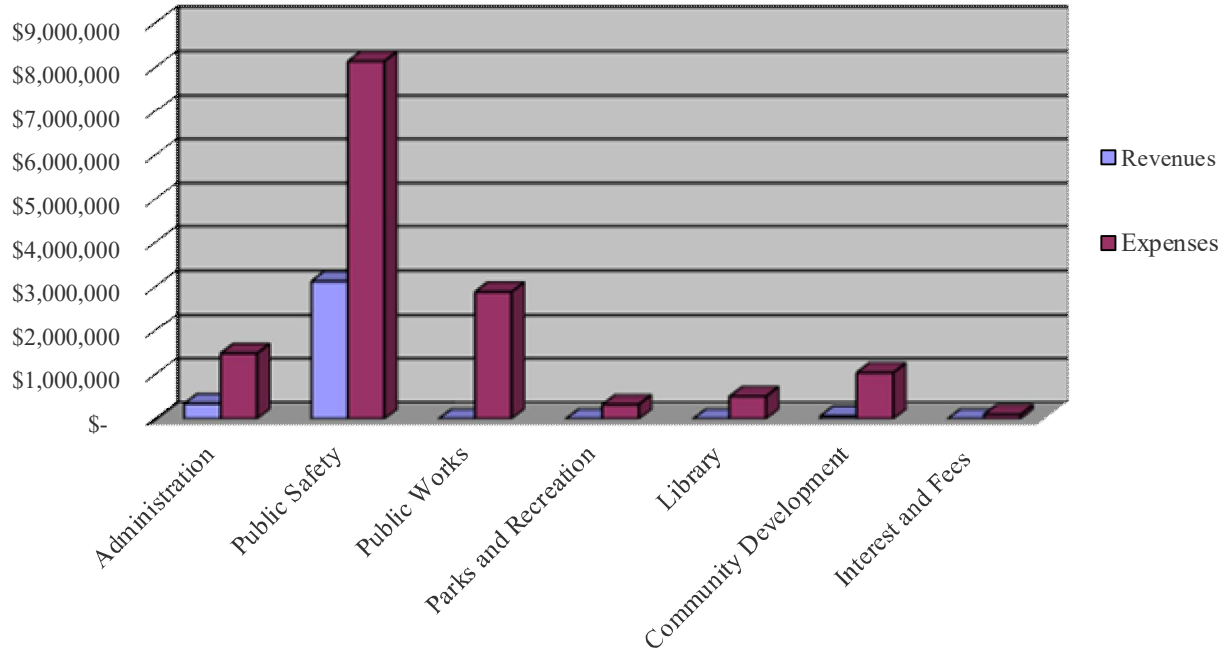
Governmental activities increased net position by \$1.7 million, which is attributable to fluctuations in program revenues and expenses. Key elements of this decrease are as follows:

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

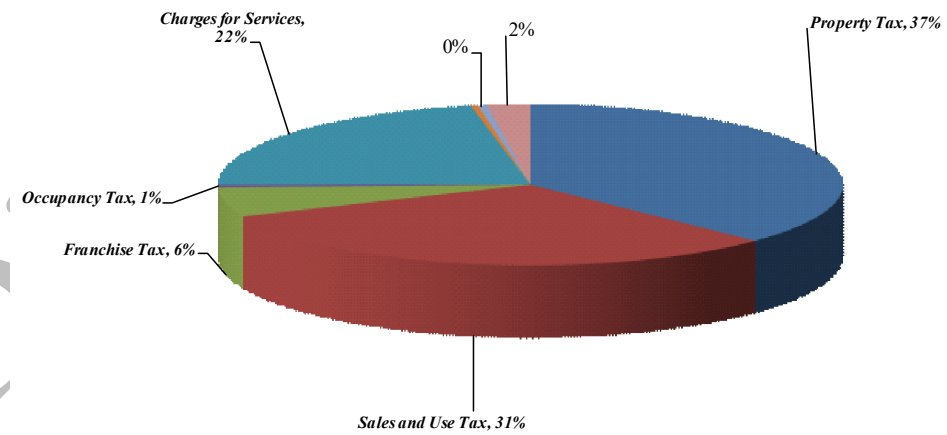
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 3,453,888	\$ 3,359,096	\$ 5,381,349	\$ 5,095,369	\$ 8,835,237	\$ 8,454,465
Operating Grants and Contributions	57,184	67,282	-	-	57,184	67,282
Capital Grants and Contributions	159,946	-	365,395	-	525,341	-
General Revenues						
Property Taxes	5,863,936	5,558,254	-	-	5,863,936	5,558,254
Sales Taxes	4,922,322	4,270,709	-	-	4,922,322	4,270,709
Franchise Taxes	928,847	876,389	-	-	928,847	876,389
Occupancy Taxes	84,186	89,993	-	-	84,186	89,993
Investment Earnings	76,035	3,074	28,490	2,131	104,525	5,205
Miscellaneous	351,727	262,578	181,383	51,774	533,110	314,352
Total Revenues	<u>15,898,071</u>	<u>14,487,375</u>	<u>5,956,617</u>	<u>5,149,274</u>	<u>21,854,688</u>	<u>19,636,649</u>
<b>Expenses:</b>						
Administration	1,490,181	1,272,072	-	-	1,490,181	1,272,072
Public Safety	8,192,664	8,427,384	-	-	8,192,664	8,427,384
Public Works	2,908,030	2,464,829	-	-	2,908,030	2,464,829
Parks and Recreation	327,054	326,685	-	-	327,054	326,685
Library	514,467	438,436	-	-	514,467	438,436
Community Development	1,054,053	919,311	-	-	1,054,053	919,311
Utility	-	-	5,613,181	4,447,693	5,613,181	4,447,693
Interest and Fiscal Agent Fees	100,420	216,131	-	-	100,420	216,131
Total Expenses	<u>14,586,869</u>	<u>14,064,848</u>	<u>5,613,181</u>	<u>4,447,693</u>	<u>20,200,050</u>	<u>18,512,541</u>
<b>INCREASE IN NET POSITION BEFORE TRANSFERS</b>	1,311,202	422,527	343,436	701,581	1,654,638	1,124,108
Transfers In (Out)	394,509	-	(394,509)	-	-	-
<b>CHANGE IN NET POSITION</b>	1,705,711	422,527	(51,073)	701,581	1,654,638	1,124,108
<b>BEGINNING NET POSITION</b>	17,599,288	17,176,761	10,155,792	9,454,211	27,755,080	26,630,972
<b>ENDING NET POSITION</b>	<u>\$ 19,304,999</u>	<u>\$ 17,599,288</u>	<u>\$ 10,104,719</u>	<u>\$ 10,155,792</u>	<u>\$ 29,409,718</u>	<u>\$ 27,755,080</u>

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES  
 TOTAL EXPENSES 2022 AND 2021-GOVERNMENT-WIDE

Revenues-Governmental Activities (Continued)

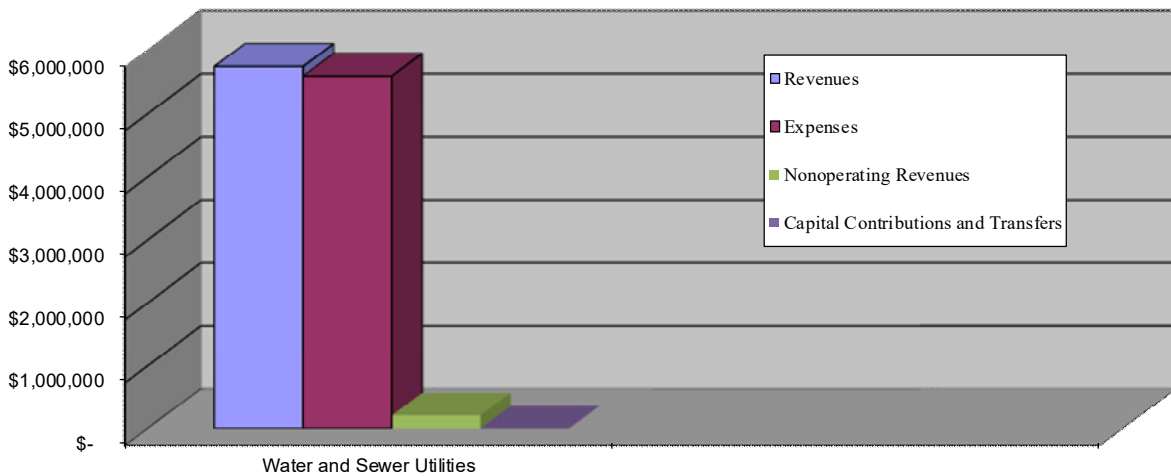
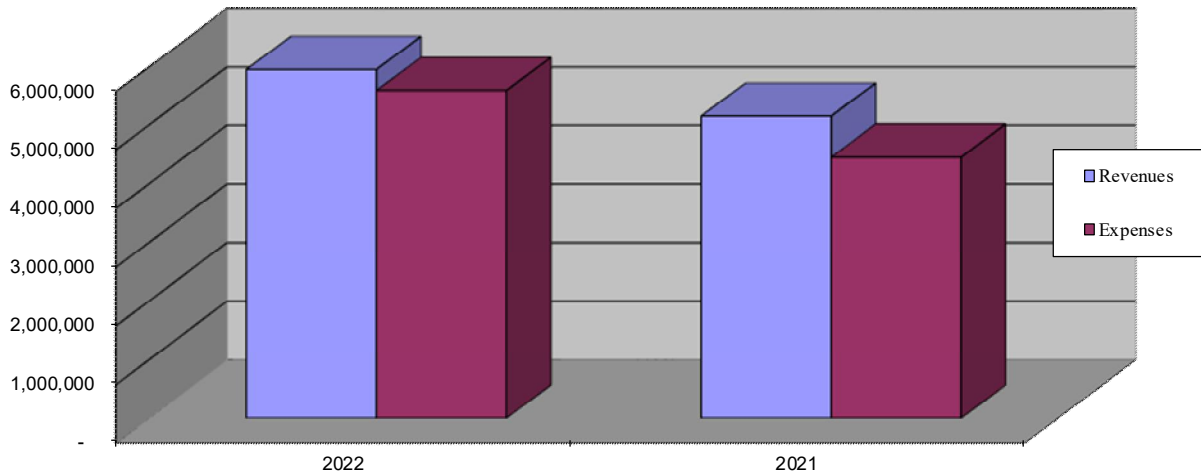


General Revenue by Source - Governmental Activities



## Business-Type Activities

Business-Type activities decreased net position by 0.5%. 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, 2022, the City's governmental funds reported combined ending fund balances of \$10.2 million, an increase of \$1.9 million in comparison with fiscal year 2021. 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, 2022, the fund balance of the City's general fund increased by \$1.5 million. Key factors in the increase are as follows:

- The increase is mostly attributed to a budgeted loss of \$315 thousand in which they had a positive variance in the sales tax revenue of \$830 thousand, property tax revenue positive variance of \$153 thousand; There were negative variances of \$1.1 million in grants;
- The city decreased the tax rate for the 2020-2021 budget year by 0.01805 per hundred, but increased tax revenue by \$153 thousand from the prior year.
- Contracted services (legal) in the Council and Manager expenditures, although within the budget, increased to \$372 thousand;
- \$421 thousand decrease in Public Works with a positive variance of \$32 thousand.

For the fiscal year ended September 30, 2022, the fund balance of the City's Street Maintenance Tax Fund decreased by \$114 thousand. The key factors in the decrease are as follows:

- Public works repairs and maintenance expenditures were only \$1.2 million compared to the \$2.1 million expected to spend. Projects were delayed to supply chain shortages.
- The sales tax revenue was \$175 thousand more than budgeted.

The debt service fund has a total fund balance of \$407 thousand, all of which is restricted for the payment of debt service. The net decrease in the fund balance during the current year in the debt service fund was \$12 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 decrease in net position for the water and sewer fund was \$51 thousand. Most of this decrease is due to an increase in Water System and Wastewater System expenses.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City revised its budget for a total increase of \$1.9 million. The following are the main components of the increase:

- \$1,371,002 in capital outlay for Parks & Recreation equipment
- \$81,000 to purchase equipment in City Hall
- \$30,000 to purchase supplies at the police station
- \$94,954 to repair streets and sidewalks
- \$69,820 to upgrade library systems and selection
- \$30,000 to celebrate the Fourth of July
- \$3,100 to hold events related to Earthwise Living Day

## 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, 2022 amounted to \$27.2 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 \$14 thousand from fiscal year 2021.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,497,118	\$ 1,497,118	\$ 203,227	\$ 203,227	\$ 1,700,345	\$ 1,700,345
Water Rights	-	-	2,276,080	2,153,232	2,276,080	2,153,232
Buildings	10,981,760	10,981,760	25,403	25,403	11,007,163	11,007,163
Water/Wastewater System - Plant	-	-	10,578,970	9,704,648	10,578,970	9,704,648
Transportation and Equipment	7,365,763	7,258,890	-	-	7,365,763	7,258,890
Infrastructure	16,449,425	16,449,425	1,389,790	1,259,681	17,839,215	17,709,106
Construction in Progress	239,370	213,082	345,813	743,544	585,183	956,626
Accumulated Depreciation	(17,548,249)	(16,480,236)	(6,652,616)	(6,344,383)	(24,200,865)	(22,824,619)
<b>TOTALS</b>	<b>\$ 18,985,187</b>	<b>\$ 19,920,039</b>	<b>\$ 8,166,667</b>	<b>\$ 7,745,352</b>	<b>\$ 27,151,854</b>	<b>\$ 27,665,391</b>

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

**Long-Term Debt** - For the fiscal year ended September 30, 2022, the City had a total bonded debt outstanding of \$7.3 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 5,487,803	\$ 5,966,083	\$ 1,834,258	\$ 1,883,139	\$ 7,322,061	\$ 7,849,222
<b>TOTALS</b>	<b>\$ 5,487,803</b>	<b>\$ 5,966,083</b>	<b>\$ 1,834,258</b>	<b>\$ 1,883,139</b>	<b>\$ 7,322,061</b>	<b>\$ 7,849,222</b>

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

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

For fiscal year end 2023, the City took a very conservative approach to budgeting as they believe it best serves the citizens of the City during times of inflation and rising interest rates. An increase of \$349 thousand in property tax was budgeted, which is due to a increase in property value. Sales tax was budgeted with an increase of \$273 thousand and licenses, permits, fees and fines with a decrease of \$1.6 million. Overall revenues were budgeted with a decrease of \$275 thousand due to the uncertainty of the continued effect of rising inflation and interest rates on the economy. The city adopted a tax rate of \$0.484739 which is a decrease from the fiscal year 2022 tax rate. The tax components are as follows: \$0.438304 for Maintenance and Operations and \$0.046435 for the Interest and Sinking.

Expenditures for the general fund are budgeted at \$13.4 million which includes, capital outlay of \$87 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.

Discussion Draft



BASIC FINANCIAL STATEMENTS

*Discussion Draft*

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ 2,145,363	\$ 82,703	\$ 2,228,066
Restricted for Customer Deposits	-	133,742	133,742
Investments			
Unrestricted	11,576,114	-	11,576,114
Restricted Investments - Water/Wastewater	-	4,068,538	4,068,538
Receivables (net of allowances):			
Property Taxes	193,152	-	193,152
Special Assessment	13,278	-	13,278
Other	62,475	467,331	529,806
Due from Other Governments	903,641	-	903,641
Inventories	4,568	-	4,568
<i>Total Current Assets</i>	<u>14,898,591</u>	<u>4,752,314</u>	<u>19,650,905</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	1,497,118	203,227	1,700,345
Water Rights	-	2,276,080	2,276,080
Buildings	10,981,760	25,403	11,007,163
Water/Wastewater System-Plant	-	10,578,970	10,578,970
Other Machinery and Equipment	2,260,934	-	2,260,934
Office Equipment	56,134	-	56,134
Infrastructure	16,449,425	-	16,449,425
Transportation and Equipment	5,048,695	1,389,790	6,438,485
Construction in Progress	239,370	345,813	585,183
Less: Accumulated Depreciation	<u>(17,548,249)</u>	<u>(6,652,616)</u>	<u>(24,200,865)</u>
<i>Total Noncurrent Assets:</i>	<u>18,985,187</u>	<u>8,166,667</u>	<u>52,515,742</u>
<b>TOTAL ASSETS</b>	<u>33,883,778</u>	<u>12,918,981</u>	<u>72,166,647</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Related Outflows	1,481,917	258,000	1,739,917
Deferred OPEB Related Outflows	84,881	14,765	99,646
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,566,798</u>	<u>\$ 272,765</u>	<u>\$ 1,839,563</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 1,336,394	\$ 130,572	\$ 1,466,966
Accrued Expenses	236,818	15,894	252,712
Accrued Interest Payable	24,525	9,227	33,752
Current Portion of Compensated Absences	204,646	7,862	212,508
Current Portion of Long-Term Debt	488,280	53,881	542,161
Payable from Restricted Assets:			
Customer Deposits Payable	58,071	133,742	191,813
<i>Total Current Liabilities</i>	<u>2,348,734</u>	<u>351,178</u>	<u>2,699,912</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences	610,964	23,585	634,549
Net Pension Liability	2,193,086	380,654	2,573,740
OPEB Liability	557,108	98,545	655,653
Long-Term Debt	4,999,522	1,780,377	6,779,899
Unearned Revenue	2,892,141	-	2,892,141
<i>Total Noncurrent Liabilities</i>	<u>11,252,821</u>	<u>2,283,161</u>	<u>13,535,982</u>
<b>TOTAL LIABILITIES</b>	<u>13,601,555</u>	<u>2,634,339</u>	<u>16,235,894</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Related Inflows	2,544,022	452,688	2,996,710
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,544,022</u>	<u>452,688</u>	<u>2,996,710</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	13,497,385	6,332,409	19,829,794
Restricted For:			
Public, Educational and Governmental	298,380	-	298,380
Debt Service	421,847	-	421,847
Street Maintenance	1,245,522	-	1,245,522
Crime Control and Prevention District	508,228	-	508,228
Public Safety	436,151	-	436,151
Community Center/Parks	234,420	-	234,420
Water Supply	-	441,807	441,807
Storm Water Fee	-	1,446,878	1,446,878
Unrestricted	2,663,066	1,883,625	4,546,691
<b>TOTAL NET POSITION</b>	<u>\$ 19,304,999</u>	<u>\$ 10,104,719</u>	<u>\$ 29,409,718</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<b>Functions and Programs</b>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<i>Governmental Activities:</i>				
Administration	\$ 1,490,181	\$ 330,496	\$ 18,897	\$ -
Public Safety	8,192,664	3,058,806	38,287	-
Public Works	2,908,030	-	-	-
Parks and Recreation	327,054	-	-	-
Library	514,467	-	-	-
Community Development	1,054,053	64,586	-	159,946
Interest and Fiscal Agent Fees	100,420	-	-	-
<i>Total Governmental Activities</i>	14,586,869	3,453,888	57,184	159,946
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	5,613,181	5,381,349	-	365,395
<i>Total Business-Type Activities</i>	5,613,181	5,381,349	-	365,395
<b>Total Primary Government</b>	\$ 20,200,050	\$ 8,835,237	\$ 57,184	\$ 525,341
<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
\$ (1,140,788)	\$ -	\$ (1,140,788)
(5,095,571)	-	(5,095,571)
(2,908,030)	-	(2,908,030)
(327,054)	-	(327,054)
(514,467)	-	(514,467)
(829,521)	-	(829,521)
(100,420)	-	(100,420)
<u>(10,915,851)</u>	<u>-</u>	<u>(10,915,851)</u>
-	133,563	133,563
<u>-</u>	<u>133,563</u>	<u>133,563</u>
(10,915,851)	133,563	(10,782,288)
5,863,936	-	5,863,936
4,922,322	-	4,922,322
928,847	-	928,847
84,186	-	84,186
76,035	28,490	104,525
351,727	181,383	533,110
<u>12,227,053</u>	<u>209,873</u>	<u>12,436,926</u>
394,509	(394,509)	-
1,705,711	(51,073)	1,654,638
<u>17,599,288</u>	<u>10,155,792</u>	<u>27,755,080</u>
<u>\$ 19,304,999</u>	<u>\$ 10,104,719</u>	<u>\$ 29,409,718</u>

CITY OF LEON VALLEY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

	General Fund	Debt Service	Street Maintenance Tax Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,145,574	\$ 123,987	\$ 615,256
Investments	9,450,680	290,113	952,868
Accounts Receivables (net of allowances):			
Taxes	174,158	18,994	-
Special Assessment	-	13,278	-
Other	41,461	-	-
Due from Other Governments	678,858	-	150,304
Inventories	4,568	-	-
<b>TOTAL ASSETS</b>	<b>\$ 11,495,299</b>	<b>\$ 446,372</b>	<b>\$ 1,718,428</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 857,793	\$ -	\$ 472,906
Accrued Expenditures	233,978	-	-
Deposits Payable	1,104	-	-
Unearned Revenues	2,892,141	-	-
<i>Total Liabilities</i>	<u>3,985,016</u>	<u>-</u>	<u>472,906</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenues - Taxes	174,158	32,272	-
<i>Total Deferred Inflows of Resources</i>	<u>174,158</u>	<u>32,272</u>	<u>-</u>
<i>Fund Balances:</i>			
Nonspendable:			
Inventory	4,568	-	-
Restricted for:			
Public, Educational and Governmental	298,380	-	-
Debt Service	-	414,100	-
Street Maintenance	-	-	1,245,522
Crime Control and Prevention District	-	-	-
Federal Police Forfeitures	-	-	-
Other	5,810	-	-
Committed for Disaster Emergencies	1,000,000	-	-
Assigned for:			
Red Light Camera Traffic Safety	919,759	-	-
Tree Mitigation and Replacement	24,125	-	-
Economic Development	557,551	-	-
Unassigned	4,525,932	-	-
<i>Total Fund Balances</i>	<u>7,336,125</u>	<u>414,100</u>	<u>1,245,522</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,495,299</b>	<b>\$ 446,372</b>	<b>\$ 1,718,428</b>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 260,546	\$ 2,145,363
882,453	11,576,114
-	193,152
-	13,278
22,638	64,099
74,479	903,641
-	4,568
<u>\$ 1,240,116</u>	<u>\$ 14,900,215</u>

\$ 5,696	\$ 1,336,395
4,464	238,442
56,967	58,071
-	2,892,141
<u>67,127</u>	<u>4,525,049</u>
-	206,430
<u>-</u>	<u>206,430</u>

-	4,568
-	298,380
-	414,100
-	1,245,522
508,228	508,228
279,412	279,412
385,349	391,159
-	1,000,000
-	919,759
-	24,125
-	557,551
-	4,525,932
<u>1,172,989</u>	<u>10,168,736</u>

<u>\$ 1,240,116</u>	<u>\$ 14,900,215</u>
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Discussion Draft

CITY OF LEON VALLEY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 10,168,736

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. 18,985,187

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds. 206,430

Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds. (815,609)

Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:

Bonds Payable	(5,487,802)	
Accrued Interest Payable	(24,525)	(5,512,327)

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	(2,193,086)	
Pension Related Deferred Inflows	(2,544,022)	
Pension Related Deferred Outflows	1,481,917	(3,255,191)

OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:

OPEB Liability	(557,108)	
OPEB Related Deferred Outflows	84,881	(472,227)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 19,304,999

CITY OF LEON VALLEY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Debt Service	Street Maintenance Tax
<b>REVENUES</b>			
Property Taxes	\$ 5,280,062	\$ 568,892	\$ -
Sales Taxes	3,702,436	-	816,050
Franchise Taxes	928,847	-	-
Occupancy Taxes	-	-	-
Licenses and Permits	360,547	-	-
EMS	349,353	-	-
Fines and Forfeitures	2,566,664	-	-
Grants	214,947	-	-
Rent	-	-	-
Investment Earnings	61,660	2,113	6,722
Miscellaneous	352,909	4,469	-
<b>TOTAL REVENUES</b>	<u>13,817,425</u>	<u>575,474</u>	<u>822,772</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
Administration	1,193,033	-	-
Public Safety	7,994,008	-	-
Public Works	1,402,615	-	1,209,409
Parks and Recreation	280,047	-	-
Library	497,457	-	-
Community Development	798,047	-	-
<i>Capital Outlay</i>	154,083	-	-
<i>Debt Service:</i>			
Principal	-	420,000	-
Interest and Fiscal Charges	-	160,800	-
<b>TOTAL EXPENDITURES</b>	<u>12,319,290</u>	<u>580,800</u>	<u>1,209,409</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,498,135</u>	<u>(5,326)</u>	<u>(386,637)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	147,790	-	272,399
Transfers Out	(28,680)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>119,110</u>	<u>-</u>	<u>272,399</u>
<b>Net Change in Fund Balance</b>	1,617,245	(5,326)	(114,238)
<b>Fund Balances at Beginning of Year</b>	<u>5,718,880</u>	<u>419,426</u>	<u>1,359,760</u>
<b>Fund Balances at End of Year</b>	<u>\$ 7,336,125</u>	<u>\$ 414,100</u>	<u>\$ 1,245,522</u>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 5,848,954
403,835	4,922,321
-	928,847
84,186	84,186
-	360,547
-	349,353
180,050	2,746,714
2,477	217,424
64,292	64,292
5,732	76,227
-	357,378
<u>740,572</u>	<u>15,956,243</u>
3,703	1,196,736
274,196	8,268,204
-	2,612,024
-	280,047
-	497,457
110,211	908,258
-	154,083
-	420,000
-	160,800
<u>388,110</u>	<u>14,497,609</u>
<u>352,462</u>	<u>1,458,634</u>
3,000	423,189
-	(28,680)
<u>3,000</u>	<u>394,509</u>
355,462	1,853,143
<u>817,527</u>	<u>8,315,593</u>
<u>\$ 1,172,989</u>	<u>\$ 10,168,736</u>



Discussion Draft



CITY OF LEON VALLEY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,853,143

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	154,083	
Depreciation Expense	(1,088,935)	(934,852)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 14,988

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	420,000	
Amortization of Premiums, Discounts, Losses	58,280	478,280

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. 484,061

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. (51,291)

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	(140,718)	
Accrued Interest	2,100	(138,618)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,705,711

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2022

	Business-Type Activity <u>Water and Wastewater</u>
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents:	
Unrestricted	\$ 82,703
Restricted for Customer Deposits	133,742
Restricted Investments - Water/Wastewater	4,068,538
Accounts Receivable, Net of Allowance:	
Customer Accounts	467,331
Prepaid Items	<u>0</u>
<i>Total Current Assets</i>	<u>4,752,314</u>
 <i>Noncurrent Assets:</i>	
Capital Assets:	
Land	203,227
Water Rights	2,276,080
Buildings and Improvements	25,403
Water/Wastewater System-Plant	10,578,970
Transportation and Equipment	1,389,790
Construction in Progress	345,813
Less: Accumulated Depreciation	<u>(6,652,616)</u>
<i>Total Noncurrent Assets</i>	<u>8,166,667</u>
<b>TOTAL ASSETS</b>	<u>12,918,981</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Related Outflows	258,000
Deferred OPEB Related Outflows	<u>14,765</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 272,765</u>

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)  
SEPTEMBER 30, 2022

	Business-Type Activity
	Water and Wastewater
<b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 130,572
Accrued Expenses	15,894
Accrued Interest Payable	9,227
Current Portion of Compensated Absences	7,862
Current Portion of Long-Term Debt	53,881
Payable from Restricted Assets:	
Customer Deposits Payable	133,742
<i>Total Current Liabilities</i>	351,178
 <i>Noncurrent Liabilities:</i>	
Compensated Absences	23,585
Net Pension Liability	380,654
OPEB Liability	98,545
Long-Term Debt	1,780,377
<i>Total Noncurrent Liabilities</i>	2,283,161
<b>TOTAL LIABILITIES</b>	<b>2,634,339</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Related Inflows	452,688
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>452,688</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	6,332,409
Restricted for:	
Water Supply Fee	441,807
Storm Water Fee	1,446,878
Unrestricted	
Unrestricted	1,883,625
<b>TOTAL NET POSITION</b>	<b>\$ 10,104,719</b>

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, 2022

	Business-Type Activities
	Water and Sewer System
<b>OPERATING REVENUES</b>	
Metered Water Sales	\$ 1,847,657
Wastewater Sales Charges	2,577,726
Storm Water Fees	410,225
Connection and Platting	469,172
Customer Penalties	62,889
Customer Disconnect Fees	7,500
Tap Fees	6,180
<b>TOTAL OPERATING REVENUES</b>	5,381,349
<b>OPERATING EXPENSES</b>	
General and Administrative	765,084
Water System	2,023,947
Wastewater System	2,219,658
Stormwater System	240,444
Depreciation	308,233
<b>TOTAL OPERATING EXPENSES</b>	5,557,366
<b>OPERATING INCOME (LOSS)</b>	(176,017)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	28,490
Interest Expense	(55,815)
Miscellaneous - Non Capital	181,383
Grants - Capital	365,395
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	519,453
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	343,436
<b>TRANSFERS AND CONTRIBUTIONS</b>	
Transfers In	230,000
Transfers Out	(624,509)
<b>TOTAL TRANSFERS AND CONTRIBUTIONS</b>	(394,509)
<b>CHANGE IN NET POSITION</b>	(51,073)
<b>NET POSITION AT BEGINNING OF YEAR</b>	10,155,792
<b>NET POSITION AT END OF YEAR</b>	\$ 10,104,719

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities
	Water and Sewer System
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 5,418,783
Cash Paid to Supplier for Goods & Services	(4,008,447)
Cash Paid for Employee Salaries and Benefits	(1,358,047)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>52,289</b>
<b>Cash Flows From Non Capital and Related Financing Activities:</b>	
Miscellaneous Non Capital	181,383
<b>Net Cash Provided (Used) by Non Capital Financing Activities</b>	<b>181,383</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and Construction of Capital Assets	(729,548)
Interest Paid on Long-Term Debt	(55,815)
Grants -Capital	365,395
Transfers from Other Funds for Projects	230,000
Transfers to Other Funds for Projects	(624,509)
Principal Paid on Long-Term Debt	(48,881)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(863,358)</b>
<b>Cash Flows From Investing Activities:</b>	
Redemption of Investments	471,509
Interest and Investment Earnings	28,490
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>499,999</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(129,687)</b>
<b>Cash and Cash Equivalents at Beginning of Year:</b>	
Cash and Cash Equivalents	167,829
Restricted Cash and Cash Equivalents	178,303
	346,132
<b>Cash and Cash Equivalents at End of Year:</b>	
Cash and Cash Equivalents	82,703
Restricted Cash and Cash Equivalents	133,742
	\$ 216,445

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activity <u>Water and Wastewater</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income	\$ (176,017)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	308,233
Decrease (Increase) in Assets:	
Accounts Receivable (net)	81,995
Prepaid Items	-
Deferred Pension Related Outflows	(129,360)
Deferred OPEB Related Outflows	1,759
Increase (Decrease) in Liabilities:	
Accounts Payable	75,911
Accrued Expenditures	(30,483)
Accrued Interest Payable	(417)
Customer Deposits	(44,561)
Compensated Absences	(92,766)
Net Pension Liability	(304,908)
OPEB Liability	7,311
Deferred Pension Related Inflows	356,490
Deferred OPEB Related Inflows	(898)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 52,289</u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

*Discussion Draft*

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

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, 2022

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, 2021, and became due October 1, 2021 have been assessed to finance the budget of the fiscal year beginning October 1, 2021 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2022.

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, 2022

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, 2022

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, 2021 and past due after January 31, 2022. 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, 2022

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, 2022

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, 2022 of \$124,213 and \$674,892 have been recorded in accrued liabilities of the enterprise fund and government-wide statements, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

M. Deferred Inflows/Outflows of Resources

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

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

N. Pensions

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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

O. OPEB Liability

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

P. Long-Term Obligations

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

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

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

Q. Net Position

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

R. Fund Balance Classification Policies

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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, 2022

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

V. New Accounting Pronouncement

The City implemented Governmental Accounting Standards Board Statement 87 regarding leases as of October 1, 2021. This statement changed the way leases are presented and recorded. The City analyzed its contracts and found no leases at this time.

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2022, the City's cash was fully collateralized.

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investments pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's investments at September 30, 2022 are as shown below:

Investment Type	Fair Value	Weighted Average Maturity in Days	Ratings	
			MOODY'S	S&P
TexPool	\$ 15,644,652	34	Aaa	AAAM
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Investment Type	\$ 15,644,652	\$ -	\$ -	\$ 15,644,652

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



CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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

C. Analysis of Specific Deposit and Investment Risks

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

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

At September 30, 2022, the City's investments were in TexPool, a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service.

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

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

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

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

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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

D. Investment Policy

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

E. Public Funds Investment Pools

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

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

NOTE 3 -- RECEIVABLES

A. Special Assessments

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 3 – RECEIVABLES (Continued)

B. Receivables

Receivables consist of the following as of September 30, 2022:

	Governmental Funds				Proprietary Fund
	General	Debt Service	Street Maintenance Tax	Nonmajor Funds	Water and Sewer Fund
<i>Receivables:</i>					
Property Taxes	\$ 204,892	\$ 22,346	\$ -	\$ -	\$ -
Special Assessment	-	13,278	-	-	-
EMS	209,384	-	-	-	-
Sales Taxes	678,858	-	150,304	74,479	-
Franchise Taxes	29,324	-	-	-	-
Occupancy Taxes	-	-	-	22,638	-
Customers	-	-	-	-	472,513
Grants	8,703	-	-	-	-
Other	3,434	-	-	-	-
Gross Receivables	1,134,595	35,624	150,304	97,117	472,513
Less: Allowance for Uncollectibles	(240,118)	(3,352)	-	-	(5,182)
Net Total Receivables	<u>\$ 894,477</u>	<u>\$ 32,272</u>	<u>\$ 150,304</u>	<u>\$ 97,117</u>	<u>\$ 467,331</u>

NOTE 4 -- PROPERTY TAX CALENDAR

The City’s property tax is levied and becomes collectible each October 1 based on the assessed values listed as of prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2021, upon which the fiscal 2022 levy was based, was \$1,116,994,425 (market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2022 was \$0.534099 per \$100 of assessed value, which means that the City has a tax margin of \$ 1.965901 for each \$100 value.

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 5 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 1,497,118	\$ -	\$ -	\$ 1,497,118
Construction in Progress	213,082	26,288	-	239,370
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,710,200</u>	<u>26,288</u>	<u>-</u>	<u>1,736,488</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	10,981,760	-	-	10,981,760
Other Machinery and Equipment	2,133,139	127,795	-	2,260,934
Office Equipment	56,134	-	-	56,134
Vehicles	5,069,617	-	(20,922)	5,048,695
Infrastructure	16,449,425	-	-	16,449,425
<i>Total Capital Assets Being Depreciated</i>	<u>34,690,075</u>	<u>127,795</u>	<u>(20,922)</u>	<u>34,796,948</u>
<i>Accumulated Depreciation:</i>				
Buildings	(2,822,355)	(217,653)	-	(3,040,008)
Other Machinery and Equipment	(1,778,441)	(168,088)	-	(1,946,529)
Office Equipment	(25,404)	(4,431)	-	(29,835)
Vehicles	(3,422,092)	(309,951)	20,922	(3,711,121)
Infrastructure	(8,431,944)	(388,812)	-	(8,820,756)
<i>Total Accumulated Depreciation</i>	<u>(16,480,236)</u>	<u>(1,088,935)</u>	<u>20,922</u>	<u>(17,548,249)</u>
Total Capital Assets Being Depreciated, Net	<u>18,209,839</u>	<u>(961,140)</u>	<u>-</u>	<u>17,248,699</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,920,039</u>	<u>\$ (934,852)</u>	<u>\$ -</u>	<u>\$ 18,985,187</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 203,227	\$ -	\$ -	\$ 203,227
Water Rights	2,153,232	122,848	-	2,276,080
Construction in Progress	743,544	476,591	(874,322)	345,813
<i>Total Assets Not Being Depreciated</i>	<u>3,100,003</u>	<u>599,439</u>	<u>(874,322)</u>	<u>2,825,120</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	25,403	-	-	25,403
Water/Wastewater System - Plant	9,704,648	-	874,322	10,578,970
Transportation and Equipment	1,259,681	130,109	-	1,389,790
<i>Total Capital Assets Being Depreciated</i>	<u>10,989,732</u>	<u>130,109</u>	<u>874,322</u>	<u>11,994,163</u>
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(21,985)	(410)	-	(22,395)
Water/Wastewater System - Plant	(5,370,928)	(211,882)	-	(5,582,810)
Transportation and Equipment	(951,470)	(95,941)	-	(1,047,411)
<i>Total Accumulated Depreciation</i>	<u>(6,344,383)</u>	<u>(308,233)</u>	<u>-</u>	<u>(6,652,616)</u>
Total Capital Assets Being Depreciated, Net	<u>4,645,349</u>	<u>(178,124)</u>	<u>874,322</u>	<u>5,341,547</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,745,352</u>	<u>\$ 421,315</u>	<u>\$ -</u>	<u>\$ 8,166,667</u>

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 5 -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

<i>Governmental Activities:</i>		
Administration	\$	206,640
Public Safety		387,488
Public Works		313,887
Parks and Recreation		51,883
Community Development		111,255
Library		17,782
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$</u>	<u>1,088,935</u>
 <i>Business-Type Activities:</i>		
Water and Sewer System	\$	308,233
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$</u>	<u>308,233</u>

NOTE 6 -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2022 were comprised of the following individual issues:

	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>
<b><u>Primary Government</u></b>				
Governmental Activities:				
General Obligation Refunding Bonds				
2021 Series	\$ 5,775,000	2032	1.25-3.25%	\$ 4,905,000
<b>Total Governmental Long-Term Obligations</b>				<u>\$ 4,905,000</u>
	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>
Business Type:				
Certificates of Obligation				
2016 Series	\$ 1,970,000	2046	4.01%	\$ 1,745,000
<b>Total Business-Type Long-Term Obligations</b>				<u>\$ 1,745,000</u>

General Obligation Refunding Bond Series 2021 were issued May 2021 in the amount of \$5,775,000 refund and General Obligation Bonds, Series 2012 in the amount of \$5,710,000.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 6 -- LONG-TERM DEBT (Continued)

	Balance 9/30/2021	Additions	Reductions	Balance 9/30/2022	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 5,325,000	\$ -	\$ (420,000)	\$ 4,905,000	\$ 430,000
Unamortized Premium	641,083	-	(58,280)	582,803	58,280
Compensated Absences	674,892	143,691	-	818,583	204,646
<i>Total Governmental Activities</i>	<u>\$ 6,640,975</u>	<u>\$ 143,691</u>	<u>\$ (478,280)</u>	<u>\$ 6,306,386</u>	<u>\$ 692,926</u>
<i>Business-Type Activities:</i>					
Certificates of Obligation	\$ 1,790,000	\$ -	\$ (45,000)	\$ 1,745,000	\$ 50,000
Unamortized Premium	93,139	-	(3,881)	89,258	3,881
Compensated Absences	31,447	92,766	-	31,447	7,862
<i>Total Business-Type Activities</i>	<u>\$ 2,056,233</u>	<u>\$ 92,766</u>	<u>\$ (48,881)</u>	<u>\$ 1,865,705</u>	<u>\$ 61,743</u>

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

The annual requirements to amortize all long-term debt and obligations outstanding, excluding compensated absences and bond premium, as of September 30, 2022, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2023	\$ 430,000	\$ 147,150	\$ 577,150
2024	445,000	134,250	579,250
2025	460,000	120,900	580,900
2026	470,000	107,100	577,100
2027	485,000	93,000	578,000
2028-2032	2,615,000	238,650	2,853,650
Total	<u>\$ 4,905,000</u>	<u>\$ 841,050</u>	<u>\$ 5,746,050</u>
Year Ending September 30,	Business-Type Activities		
	Certificates of Obligation		
	Principal	Interest	Total
2023	50,000	57,863	107,863
2024	50,000	55,362	105,362
2025	55,000	52,862	107,862
2026	55,000	51,075	106,075
2027	55,000	49,288	104,288
2028-2032	310,000	217,837	527,837
2033-2037	360,000	164,212	524,212
2038-2042	420,000	102,138	522,138
2043-2046	390,000	30,781	420,781
Total	<u>\$ 1,745,000</u>	<u>\$ 781,418</u>	<u>\$ 2,526,418</u>

CITY OF LEON VALLEY  
BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 7 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

B. Benefits Provided

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

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

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit:	122
Inactive Employees Entitled to but Not Yet Receiving Benefits	78
Active Employees	101
	<hr/>
	<u>301</u>

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 7 -- PENION PLAN (Continued)

Texas Municipal Retirement System (Continued)

B. Contributions

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

Employees for the City were required to contribute 6% of their annual gross earnings during calendar year 2019. The City changed the employee contribution rate to 7% for calendar year 2019. The contribution rates for the City were 17.65% and 17.63% for calendar years 2021 and 2022 respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$1,246,582, and were equal to the required contributions.

C. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

D. Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 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, 2022

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

E. Actuarial Assumptions (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	7.80%
Core Fixed Income	10.00%	3.80%
Non-Core Fixed Income	20.00%	6.60%
Real Return	10.00%	6.50%
Real Estate	10.00%	6.40%
Absolute Return	10.00%	6.00%
Private Equity	10.00%	10.30%
	<u>100.00%</u>	

F. Discount Rate

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

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

G. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2020	\$ 49,629,493	\$ 44,853,216	\$ 4,776,277
Changes for the year:			
Service Cost	1,350,668	-	1,350,668
Interest	3,295,336	-	3,295,336
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	811,140	-	811,140
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,320,007	(1,320,007)
Contributions - Employee	-	523,515	(523,515)
Net Investment Income	-	5,843,029	(5,843,029)
Benefit Payments, Including Refunds of Employee Contributions	(2,970,074)	(2,970,074)	-
Administrative Expense	-	(27,055)	27,055
Other Changes	-	185	(185)
Net Changes	2,487,070	4,689,607	(2,202,537)
Balance at December 31, 2021	\$ 52,116,563	\$ 49,542,823	\$ 2,573,740

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	\$ 9,585,549	\$ 2,573,740	\$ (3,181,171)

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE 7 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2022, the City recognized pension expense of \$666,826.

At September 30, 2022, 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	\$ 847,238	\$ -
Changes in Actuarial Assumptions	14,466	-
Differences Between Projected and Actual Investment Earnings	-	(2,996,710)
Contributions Subsequent to the Measurement Date	878,213	-
	\$ 1,739,917	\$ (2,996,710)

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

The City reported \$878,213 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2021) will be recognized as a reduction of the net pension liability for the year ending December 31, 2022. 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,	
2022	\$ (88,359)
2023	(990,343)
2024	(493,219)
2025	(563,085)
Thereafter	-
	\$ (2,135,006)

CITY OF LEON VALLEY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2022

NOTE 8 -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB. Membership in the plan at December 31, 2021, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	92
Inactive Employees Entitled to but Not Yet Receiving Benefits	11
Active Employees	101
	204
	204

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

For the Calendar Year Ended December 31,	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2021	0.25%	0.15%
2022	0.26%	0.16%

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	1.84%
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In additional, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF LEON VALLEY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2022

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

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2021 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2020	\$ 602,843
Changes for the year:	
Service Cost	23,932
Interest	12,184
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	8,166
Changes of Assumptions or Other Inputs	19,746
Benefit Payments	(11,218)
Net Changes	52,810
Balance at December 31, 2021	\$ 655,653

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.

The following presents the TOL of the City, calculated using the discount rate of 1.84% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (0.84%) and 1-percentage point higher (2.84%) than the current rate:

	Discount Rate 0.84%	Discount Rate 1.84%	Discount Rate 2.84%
Total OPEB Liability	\$ 800,620	\$ 655,653	\$ 544,623

For the year ended September 30, 2022, the City recognized OPEB expense of \$70,445. Also as of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,947	\$ -
Changes in Actuarial Assumptions	93,814	-
Contributions Subsequent to the Measurement Date	3,885	-
	\$ 99,646	\$ -

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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

Deferred outflows of resources in the amount of \$3,885 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the subsequent plan year ended December 31, 2022 (fiscal year ended September 30, 2023). 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,

2022	\$	31,486
2023		31,031
2024		21,596
2025		10,426
2026		1,222
	<u>\$</u>	<u>95,761</u>

NOTE 9 -- FUND BALANCE

As of September 30, 2022, 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	\$ 4,568	\$ -	\$ -	\$ -	\$ 4,568
Prepaid Items	-	-	-	-	-
Restricted for:					
Public, Education and Governmental	298,380	-	-	-	298,380
Debt Service	-	414,100	-	-	414,100
Parks	-	-	-	-	-
Economic Development Corporation	-	-	-	-	-
Street Maintenance	-	-	1,245,522	-	1,245,522
Crime Control and Prevention District	-	-	-	508,228	508,228
Federal Police Forfeitures	-	-	-	279,412	279,412
Other:					
Park Bucks	5,810	-	-	-	5,810
Community Center	-	-	-	228,610	228,610
Grants	-	-	-	7,142	7,142
Child Safety	-	-	-	50,838	50,838
State Police Forfeiture	-	-	-	10,654	10,654
Building Security	-	-	-	49,897	49,897
Court Technology	-	-	-	38,208	38,208
Committed for Disaster Emergencies	1,000,000	-	-	-	1,000,000
Assigned for:					
Red Light Camera Traffic Safety	919,759	-	-	-	919,759
Tree Mitigation and Replacement	24,125	-	-	-	24,125
Economic Development	557,551	-	-	-	557,551
Unassigned	4,525,932	-	-	-	4,525,932
<i>Total Fund Balances</i>	<u>\$ 7,336,125</u>	<u>\$ 414,100</u>	<u>\$ 1,245,522</u>	<u>\$ 1,172,989</u>	<u>\$ 10,168,736</u>

CITY OF LEON VALLEY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2022

NOTE 10 –INTERFUND TRANSFERS

Interfund transfer are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Water & Sewer	\$ 25,680	Water/Sewer Projects
Water & Sewer	Street Maintenance Fund	272,399	Projects
Water & Sewer	General Fund	93,430	Various Projects
General Fund	Non-Major Fund	3,000	Proceeds from sale of vehicle
		<u>\$ 394,509</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.

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, 2022 were \$323,407.



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## 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, 2022 WITH COMPARATIVE 2020

	Budgeted Amounts		2022	Variance With	2021
	Original	Final	Actual	Final Budget - Positive (Negative)	
<b>REVENUES</b>			<b>Amounts</b>		<b>Actual</b>
Property Taxes	\$ 5,126,931	\$ 5,126,931	\$ 5,280,062	\$ 153,131	\$ 4,894,622
Sales Taxes	2,913,493	2,913,493	3,702,436	788,943	3,210,482
Franchise Taxes	884,567	884,567	928,847	44,280	876,389
Licenses and Permits	307,650	307,650	360,547	52,897	258,744
Charges for Service	294,000	294,000	349,353	55,353	348,278
Fines and Forfeitures	2,582,179	2,582,179	2,566,664	(15,515)	2,756,169
Grants	299,550	1,366,862	214,947	(1,151,915)	64,425
Investment Earnings	6,000	6,000	61,660	55,660	2,451
Miscellaneous	109,810	220,979	352,909	131,930	177,103
<b>TOTAL REVENUES</b>	<b>12,524,180</b>	<b>13,702,661</b>	<b>13,817,425</b>	<b>114,764</b>	<b>12,588,663</b>
<b>EXPENDITURES</b>					
<b>Administration:</b>					
<i>Business Office:</i>					
Personnel Services	38,692	38,692	44,339	(5,647)	36,447
Supplies	13,940	13,940	15,090	(1,150)	8,928
Contracted Services	126,055	126,055	118,579	7,476	134,643
<i>Total Business Office</i>	<u>178,687</u>	<u>178,687</u>	<u>178,008</u>	<u>679</u>	<u>180,018</u>
<i>Finance and Accounting:</i>					
Personnel Services	92,093	92,093	73,057	19,036	75,212
Supplies	2,750	2,750	4,693	(1,943)	2,850
Contracted Services	79,815	79,815	90,235	(10,420)	74,452
<i>Total Finance and Accounting</i>	<u>174,658</u>	<u>174,658</u>	<u>167,985</u>	<u>6,673</u>	<u>152,514</u>
<i>Council and Manager:</i>					
Personnel Services	388,436	538,436	426,063	112,373	390,810
Supplies	35,140	35,140	49,337	(14,197)	20,064
Contracted Services	381,484	431,484	371,640	59,844	329,742
Capital Outlay	-	81,000	-	81,000	-
<i>Total Council and Manager</i>	<u>805,060</u>	<u>1,086,060</u>	<u>847,040</u>	<u>239,020</u>	<u>740,616</u>
<b>Total Administration</b>	<b>\$ 1,158,405</b>	<b>\$ 1,439,405</b>	<b>\$ 1,193,033</b>	<b>\$ 246,372</b>	<b>\$ 1,073,148</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, 2022 WITH COMPARATIVE 2020

	Budgeted Amounts		2022	Variance With	2021
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	
<b>Public Safety</b>					
<i>Law Enforcement Administration:</i>					
Personnel Services	\$ 2,444,754	\$ 2,444,754	\$ 2,321,237	\$ 123,517	\$ 2,371,762
Supplies	96,309	126,809	152,757	(25,948)	113,861
Contracted Services	109,546	119,546	144,929	(25,383)	113,172
<i>Total Law Enforcement Administration</i>	<u>2,650,609</u>	<u>2,691,109</u>	<u>2,618,923</u>	<u>72,186</u>	<u>2,598,795</u>
<i>Law Enforcement Traffic Safety:</i>					
Personnel Services	538,916	538,916	404,990	133,926	434,658
Supplies	9,800	9,800	8,688	1,112	29,304
Contracted Services	17,500	17,500	15,466	2,034	16,452
<i>Total Law Enforcement Traffic Safety</i>	<u>566,216</u>	<u>566,216</u>	<u>429,144</u>	<u>137,072</u>	<u>619,878</u>
<i>Law Enforcement Red Light Camera:</i>					
Personnel Services	552,754	552,754	531,510	21,244	473,953
Supplies	2,100	2,100	1,165	935	9,002
Contracted Services	896,683	896,683	875,563	21,120	879,282
<i>Total Law Enforcement Red Light Cameras</i>	<u>1,451,537</u>	<u>1,451,537</u>	<u>1,408,238</u>	<u>43,299</u>	<u>1,362,237</u>
<i>Impound Lot:</i>					
Personnel Services	104,459	104,459	119,776	(15,317)	147,710
Supplies	1,900	1,900	2,210	(310)	1,729
Contracted Services	8,500	8,500	6,158	2,342	7,426
<i>Total Impound Lot</i>	<u>114,859</u>	<u>114,859</u>	<u>128,144</u>	<u>(13,285)</u>	<u>156,865</u>
<i>Fire Protection Operations:</i>					
Personnel Services	2,915,138	2,915,138	2,776,347	138,791	2,772,987
Supplies	220,500	229,910	324,505	(94,595)	138,390
Contracted Services	267,885	274,725	308,707	(33,982)	204,857
Capital Outlay	360,375	360,375	127,795	232,580	265,047
<i>Total Fire Protection Operations</i>	<u>3,763,898</u>	<u>3,780,148</u>	<u>3,537,354</u>	<u>242,794</u>	<u>3,381,281</u>
<b>Total Public Safety</b>	<u>\$ 8,547,119</u>	<u>\$ 8,603,869</u>	<u>\$ 8,121,803</u>	<u>\$ 482,066</u>	<u>\$ 8,119,056</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, 2022

	Budgeted Amounts		2022 Actual Amounts	Variance With Final Budget - Positive (Negative)	2021 Actual
	Original	Final			
<b>Public Works:</b>					
Personnel Services	\$ 880,063	\$ 880,063	\$ 845,196	\$ 34,867	\$ 846,118
Supplies	169,064	169,064	174,214	(5,150)	270,901
Contracted Services	281,232	376,186	383,205	(7,019)	278,091
Capital Outlay	-	-	-	-	418,319
<b>Total Public Works</b>	<b>1,330,359</b>	<b>1,425,313</b>	<b>1,402,615</b>	<b>22,698</b>	<b>1,813,429</b>
<b>Parks and Recreation:</b>					
Personnel Services	85,264	85,264	32,765	52,499	41,032
Supplies	90,500	90,500	37,704	52,796	52,730
Contracted Services	211,655	211,655	209,578	2,077	205,408
Capital Outlay	-	1,371,002	26,288	1,344,714	213,082
<b>Total Parks and Recreation</b>	<b>387,419</b>	<b>1,758,421</b>	<b>306,335</b>	<b>1,452,086</b>	<b>512,252</b>
<b>Library:</b>					
Personnel Services	376,151	376,151	354,461	21,690	342,872
Supplies	37,600	37,600	43,452	(5,852)	28,509
Contracted Services	44,986	114,806	99,544	15,262	30,258
Capital Outlay	-	-	-	-	20,670
<b>Total Library</b>	<b>458,737</b>	<b>528,557</b>	<b>497,457</b>	<b>31,100</b>	<b>422,309</b>
<b>Development Activities:</b>					
<i>Community Development/ Events:</i>					
Personnel Services	217,558	217,558	180,891	36,667	248,360
Supplies	4,500	4,500	6,468	(1,968)	4,492
Contracted Services	194,550	194,550	191,106	3,444	204,723
<i>Total Community Development/ Events</i>	<b>\$ 416,608</b>	<b>\$ 416,608</b>	<b>\$ 378,465</b>	<b>\$ 38,143</b>	<b>\$ 457,575</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, 2022

	Budgeted Amounts		2022 Actual Amounts	Variance With Final Budget - Positive (Negative)	2021 Actual
	Original	Final			
<i>Special Events:</i>					
Personnel Services	\$ 24,030	\$ 24,030	\$ 33,634	\$ (9,604)	\$ 39,194
Supplies	90,350	123,519	91,859	31,660	31,645
<i>Total Special Events</i>	<u>114,380</u>	<u>147,549</u>	<u>125,493</u>	<u>22,056</u>	<u>70,839</u>
<i>Economic Development:</i>					
Personnel Services	210,313	210,313	183,856	26,457	136,797
Supplies	10,690	10,690	4,866	5,824	7,918
Contracted Services	97,673	97,673	105,367	(7,694)	55,770
<i>Total Economic Development</i>	<u>318,676</u>	<u>318,676</u>	<u>294,089</u>	<u>24,587</u>	<u>200,485</u>
<b>Total Development Activities</b>	<u>849,664</u>	<u>882,833</u>	<u>798,047</u>	<u>84,786</u>	<u>728,899</u>
<b>Total Expenditures</b>	<u>12,731,703</u>	<u>14,638,398</u>	<u>12,319,290</u>	<u>2,319,108</u>	<u>12,669,093</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(207,523)</u>	<u>(935,737)</u>	<u>1,498,135</u>	<u>2,433,872</u>	<u>(80,430)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	\$ 850,389	\$ 1,362,809	\$ 147,790	\$ (1,215,019)	\$ -
Transfers Out	(742,420)	(742,420)	(28,680)	713,740	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>107,969</u>	<u>620,389</u>	<u>119,110</u>	<u>(501,279)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(99,554)</u>	<u>(315,348)</u>	<u>1,617,245</u>	<u>1,932,593</u>	<u>(80,430)</u>
<b>Fund Balances, Beginning</b>	<u>5,718,880</u>	<u>5,718,880</u>	<u>5,718,880</u>	<u>-</u>	<u>5,799,310</u>
<b>Fund Balances, Ending</b>	<u>\$ 5,619,326</u>	<u>\$ 5,403,532</u>	<u>\$ 7,336,125</u>	<u>\$ 1,932,593</u>	<u>\$ 5,718,880</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, 2022

	Budgeted Amounts		2022 Actual Amounts	Variance With Final Budget - Positive (Negative)	2021 Actual
	Original	Final			
<b>REVENUES</b>					
Sales Taxes	\$ 641,314	\$ 641,314	\$ 816,050	\$ 174,736	\$ 708,471
Investment Earnings	513	513	6,722	6,209	394
<b>TOTAL REVENUES</b>	<u>641,827</u>	<u>641,827</u>	<u>822,772</u>	<u>180,945</u>	<u>708,865</u>
<b>EXPENDITURES</b>					
<i>Current:</i>					
Public Works	1,196,183	2,112,361	1,209,409	902,952	765,872
<b>TOTAL EXPENDITURES</b>	<u>1,196,183</u>	<u>2,112,361</u>	<u>1,209,409</u>	<u>902,952</u>	<u>765,872</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(554,356)</u>	<u>(1,470,534)</u>	<u>(386,637)</u>	<u>(1,083,897)</u>	<u>(57,007)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	1,470,534	272,399	1,198,135	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,470,534</u>	<u>272,399</u>	<u>1,198,135</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(554,356)</u>	<u>-</u>	<u>(114,238)</u>	<u>114,238</u>	<u>(57,007)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>1,359,760</u>	<u>1,359,760</u>	<u>1,359,760</u>	<u>-</u>	<u>1,416,767</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 805,404</u>	<u>\$ 2,830,294</u>	<u>\$ 1,245,522</u>	<u>\$ 1,426,611</u>	<u>\$ 1,359,760</u>

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, 2022

**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.

Discussion Draft

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

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

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



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

Plan Fiduciary Net Position			
2018	2019	2020	2021
\$ 821,094	\$ 1,193,707	\$ 1,254,515	\$ 1,320,007
372,609	494,728	512,944	523,515
(1,172,483)	5,749,089	3,220,466	5,843,029
(1,946,832)	(2,160,070)	(2,571,291)	(2,970,074)
(22,673)	(32,509)	(20,854)	(27,055)
<u>(1,185)</u>	<u>(977)</u>	<u>(814)</u>	<u>185</u>
(1,949,470)	5,243,968	2,394,966	4,689,607
39,163,751	37,214,281	42,458,249	44,853,215
<u>\$ 37,214,281</u>	<u>\$ 42,458,249</u>	<u>\$ 44,853,215</u>	<u>\$ 49,542,822</u>

\$ 7,302,623	\$ 4,928,835	\$ 4,776,278	\$ 2,573,741
83.60%	89.60%	90.38%	95.06%
\$ 6,210,153	\$ 7,067,549	\$ 7,327,773	\$ 7,478,782
117.59%	69.74%	65.18%	34.41%

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

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

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



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

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

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

NOTES TO SCHEDULE OF CHANGES

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

## SUPPLEMENTARY INFORMATION

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

### FUND DESCRIPTIONS

#### SPECIAL REVENUE FUNDS

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

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

CITY OF LEON VALLEY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2022

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 48,443	\$ 7,892	\$ 98,950	\$ 2,317
Investments	221,541	-	340,517	46,138
Accounts Receivable, Net of Allowance:				
Other	19,238	-	-	2,427
Due from Other Governments	-	-	74,479	-
<b>TOTAL ASSETS</b>	<b>\$ 289,222</b>	<b>\$ 7,892</b>	<b>\$ 513,946</b>	<b>\$ 50,882</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 3,232	\$ 750	\$ 1,689	\$ 22
Accrued Expenditures	413	-	4,029	22
Deposits Payable	56,967	-	-	-
<i>Total Liabilities</i>	<u>60,612</u>	<u>750</u>	<u>5,718</u>	<u>44</u>
<i>Fund Balance:</i>				
Restricted	228,610	7,142	508,228	50,838
<i>Total Fund Balances</i>	<u>228,610</u>	<u>7,142</u>	<u>508,228</u>	<u>50,838</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 289,222</b>	<b>\$ 7,892</b>	<b>\$ 513,946</b>	<b>\$ 50,882</b>

Special Revenue Funds				
State Police Forefiture	Federal Police Forfeitures	Building Security	Court Technology	Total Nonmajor Governmental Funds
\$ -	\$ 92,641	\$ 5,769	\$ 4,534	\$ 260,546
10,654	185,801	44,128	33,674	882,453
-	973	-	-	22,638
-	-	-	-	74,479
<u>\$ 10,654</u>	<u>\$ 279,415</u>	<u>\$ 49,897</u>	<u>\$ 38,208</u>	<u>\$ 1,240,116</u>
\$ -	\$ 3	\$ -	\$ -	\$ 5,696
-	-	-	-	4,464
-	-	-	-	56,967
-	3	-	-	67,127
10,654	279,412	49,897	38,208	1,172,989
<u>10,654</u>	<u>279,412</u>	<u>49,897</u>	<u>38,208</u>	<u>1,172,989</u>
<u>\$ 10,654</u>	<u>\$ 279,415</u>	<u>\$ 49,897</u>	<u>\$ 38,208</u>	<u>\$ 1,240,116</u>

CITY OF LEON VALLEY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds			
	Community Center	Grants	Crime Control and Prevention District	Child Safety
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ 403,835	\$ -
Occupancy Taxes	84,186	-	-	-
Fines and Forfeitures	-	-	-	15,000
Grants	-	2,477	-	-
Rent	64,292	-	-	-
Investment Earnings	1,470	-	2,050	237
<b>TOTAL REVENUES</b>	<u>149,948</u>	<u>2,477</u>	<u>405,885</u>	<u>15,237</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	-	-
Public Safety	-	1,500	192,163	5,866
Community Development	110,211	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>110,211</u>	<u>1,500</u>	<u>192,163</u>	<u>5,866</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>39,737</u>	<u>977</u>	<u>213,722</u>	<u>9,371</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	39,737	977	213,722	9,371
<b>Fund Balances, Beginning</b>	<u>188,873</u>	<u>6,165</u>	<u>294,506</u>	<u>41,467</u>
<b>Fund Balances, Ending</b>	<u>\$ 228,610</u>	<u>\$ 7,142</u>	<u>\$ 508,228</u>	<u>\$ 50,838</u>



Special Revenue Funds				
State Police Forfeiture	Federal Police Forfeiture	Building Security	Court Technology	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 403,835
-	-	-	-	84,186
-	129,758	17,120	18,172	180,050
-	-	-	-	2,477
-	-	-	-	64,292
72	1,308	420	175	5,732
72	131,066	17,540	18,347	740,572
-	-	-	3,703	3,703
-	74,667	-	-	274,196
-	-	-	-	110,211
-	74,667	-	3,703	388,110
72	56,399	17,540	14,644	352,462
-	3,000	-	-	3,000
-	3,000	-	-	3,000
72	59,399	17,540	14,644	355,462
10,582	220,013	32,357	23,564	817,527
\$ 10,654	\$ 279,412	\$ 49,897	\$ 38,208	\$ 1,172,989

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY CENTER FUND  
YEAR ENDED SEPTEMBER 30, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Occupancy Taxes	\$ 50,500	\$ 50,500	\$ 84,186	\$ 33,686	\$ 89,993
Rent	9,276	9,276	64,292	55,016	20,254
Investment Earnings	-	-	1,470	1,470	-
<b>TOTAL REVENUES</b>	<u>59,776</u>	<u>59,776</u>	<u>149,948</u>	<u>90,172</u>	<u>110,247</u>
<b>EXPENDITURES</b>					
Current:					
Community Development	141,918	141,918	110,211	31,707	110,895
<b>TOTAL EXPENDITURES</b>	<u>141,918</u>	<u>141,918</u>	<u>110,211</u>	<u>31,707</u>	<u>110,895</u>
<b>Net Change in Fund Balance</b>	(82,142)	(82,142)	39,737	121,879	(648)
<b>FUND BALANCE, BEGINNING</b>	<u>188,873</u>	<u>188,873</u>	<u>188,873</u>	-	<u>189,521</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 106,731</u>	<u>\$ 106,731</u>	<u>\$ 228,610</u>	<u>\$ 121,879</u>	<u>\$ 188,873</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, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Grants	\$ 2,856	\$ 2,856	\$ 2,477	\$ (379)	\$ 2,857
<b>TOTAL REVENUES</b>	<u>2,856</u>	<u>2,856</u>	<u>2,477</u>	<u>(379)</u>	<u>2,857</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	2,856	2,856	1,500	1,356	2,567
<b>TOTAL EXPENDITURES</b>	<u>2,856</u>	<u>2,856</u>	<u>1,500</u>	<u>1,356</u>	<u>2,567</u>
<b>Net Change in Fund Balance</b>	-	-	977	977	290
<b>FUND BALANCE, BEGINNING</b>	<u>6,165</u>	<u>6,165</u>	<u>6,165</u>	<u>-</u>	<u>5,875</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 6,165</u>	<u>\$ 6,165</u>	<u>\$ 7,142</u>	<u>\$ 977</u>	<u>\$ 6,165</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, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Sales Tax	\$ 308,648	\$ 308,648	\$ 403,835	\$ 95,187	\$ 351,757
Investment Earnings	300	300	2,050	1,750	78
<b>TOTAL REVENUES</b>	<u>308,948</u>	<u>308,948</u>	<u>405,885</u>	<u>96,937</u>	<u>351,835</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	379,835	379,835	192,163	187,672	282,416
<b>TOTAL EXPENDITURES</b>	<u>379,835</u>	<u>379,835</u>	<u>192,163</u>	<u>187,672</u>	<u>282,416</u>
<b>Net Change in Fund Balance</b>	(70,887)	(70,887)	213,722	284,609	69,419
<b>FUND BALANCE, BEGINNING</b>	<u>294,506</u>	<u>294,506</u>	<u>294,506</u>	-	<u>225,087</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 223,619</u>	<u>\$ 223,619</u>	<u>\$ 508,228</u>	<u>\$ 284,609</u>	<u>\$ 294,506</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, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 14,900	\$ 14,900	\$ 15,000	\$ -	\$ 16,551
Investment Earnings	-	-	237	-	-
<b>TOTAL REVENUES</b>	<u>14,900</u>	<u>14,900</u>	<u>15,237</u>	<u>-</u>	<u>16,551</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	17,923	17,923	5,866	12,057	6,476
<b>TOTAL EXPENDITURES</b>	<u>17,923</u>	<u>17,923</u>	<u>5,866</u>	<u>12,057</u>	<u>6,476</u>
<b>Net Change in Fund Balance</b>	(3,023)	(3,023)	9,371	12,394	10,075
<b>FUND BALANCE, BEGINNING</b>	<u>41,467</u>	<u>41,467</u>	<u>41,467</u>	<u>-</u>	<u>31,392</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 38,444</u>	<u>\$ 38,444</u>	<u>\$ 50,838</u>	<u>\$ 12,394</u>	<u>\$ 41,467</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, 2022  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	\$ 72	\$ 72	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	72	72	-
<b>FUND BALANCE, BEGINNING</b>	<u>10,582</u>	<u>10,582</u>	<u>10,582</u>	-	<u>10,582</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 10,582</u>	<u>\$ 10,582</u>	<u>\$ 10,654</u>	<u>\$ 72</u>	<u>\$ 10,582</u>

Discussion Draft

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, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ -	\$ -	\$ 129,758	\$ 129,758	\$ 9,003
Interest	-	-	1,308	1,308	151
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>131,066</b>	<b>131,066</b>	<b>9,154</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety	150,903	150,903	74,667	76,236	158,765
<b>TOTAL EXPENDITURES</b>	<b>150,903</b>	<b>150,903</b>	<b>74,667</b>	<b>76,236</b>	<b>158,765</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(150,903)</b>	<b>(150,903)</b>	<b>56,399</b>	<b>207,302</b>	<b>(149,611)</b>
<b>OTHER SOURCES (USES)</b>					
Transfers In (Out)	-	-	3,000	3,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(150,903)</b>	<b>(150,903)</b>	<b>59,399</b>	<b>210,302</b>	<b>(149,611)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>220,013</b>	<b>220,013</b>	<b>220,013</b>	<b>-</b>	<b>369,624</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 69,110</b>	<b>\$ 69,110</b>	<b>\$ 279,412</b>	<b>\$ 210,302</b>	<b>\$ 220,013</b>

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, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 13,400	\$ 13,400	\$ 17,120	\$ 3,720	\$ 16,810
Investment Earnings	-	-	420	420	-
<b>TOTAL REVENUES</b>	<u>13,400</u>	<u>13,400</u>	<u>17,540</u>	<u>4,140</u>	<u>16,810</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	23,595	23,595	-	23,595	6,067
<b>TOTAL EXPENDITURES</b>	<u>23,595</u>	<u>23,595</u>	<u>-</u>	<u>23,595</u>	<u>6,067</u>
<b>Net Change in Fund Balance</b>	(10,195)	(10,195)	<b>17,540</b>	27,735	10,743
<b>FUND BALANCE, BEGINNING</b>	<u>32,357</u>	<u>32,357</u>	<u>32,357</u>	-	<u>21,614</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 22,162</u>	<u>\$ 22,162</u>	<u>\$ 49,897</u>	<u>\$ 27,735</u>	<u>\$ 32,357</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, 2022  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget- Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 18,172	\$ 3,172	\$ 18,760
Investment Earnings	-	-	175	175	-
<b>TOTAL REVENUES</b>	<u>15,000</u>	<u>15,000</u>	<u>18,347</u>	<u>3,347</u>	<u>18,760</u>
<b>EXPENDITURES</b>					
Current:					
Administration	37,000	37,000	3,703	33,297	17,547
<b>TOTAL EXPENDITURES</b>	<u>37,000</u>	<u>37,000</u>	<u>3,703</u>	<u>33,297</u>	<u>17,547</u>
<b>Net Change in Fund Balance</b>	(22,000)	(22,000)	14,644	(29,950)	1,213
<b>FUND BALANCE, BEGINNING</b>	<u>23,564</u>	<u>23,564</u>	<u>23,564</u>	-	<u>22,351</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,564</u>	<u>\$ 1,564</u>	<u>\$ 38,208</u>	<u>\$ (29,950)</u>	<u>\$ 23,564</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, 2022

	Budgeted Amounts		2022 Actual Amounts	Variance With Final Budget - Positive (Negative)	2021 Actual
	Original	Final			
<b>REVENUES</b>					
Property Taxes	\$ 586,262	\$ 586,262	\$ 568,892	\$ (17,370)	\$ 661,381
<b>TOTAL REVENUES</b>	<b>586,262</b>	<b>586,262</b>	<b>568,892</b>	<b>(17,370)</b>	<b>661,381</b>
<b>EXPENDITURES</b>					
<i>Debt Service:</i>					
Principal	465,000	465,000	420,000	45,000	449,934
Bond Issue Costs	-	-	-	-	121,016
Interest and Fiscal Charges	222,863	222,863	160,800	62,063	179,948
<b>TOTAL EXPENDITURES</b>	<b>687,863</b>	<b>687,863</b>	<b>580,800</b>	<b>107,063</b>	<b>750,898</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(101,601)</b>	<b>(101,601)</b>	<b>(11,908)</b>	<b>89,693</b>	<b>(89,517)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt	-	-	-	-	5,775,000
Premiums on Issuance of Debt	-	-	-	-	641,083
Payments to Refunding Agent	-	-	-	-	(6,295,066)
Transfers In	105,113	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>105,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,017</b>
<b>Net Change in Fund Balance</b>	<b>3,512</b>	<b>(101,601)</b>	<b>(11,908)</b>	<b>89,693</b>	<b>31,500</b>
<b>FUND BALANCE - BEGINNING</b>	<b>419,426</b>	<b>419,426</b>	<b>419,426</b>	<b>-</b>	<b>387,926</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 422,938</b>	<b>\$ 317,825</b>	<b>\$ 407,518</b>	<b>\$ 89,693</b>	<b>\$ 419,426</b>

## 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			
	2013	2014	2015	2016
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 6,374,117	\$ 7,414,439	\$ 7,696,092	\$ 8,324,593
Restricted	157,074	90,494	1,657,517	2,186,825
Unrestricted	6,496,088	6,167,021	2,656,933	2,696,144
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 13,027,279</u>	<u>\$ 13,671,954</u>	<u>\$ 12,010,542</u>	<u>\$ 13,207,562</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 3,867,460	\$ 4,057,126	\$ 4,113,942	\$ 4,367,353
Restricted	1,066,500	993,268	908,705	1,042,946
Unrestricted	1,829,758	1,873,123	1,533,589	1,205,378
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 6,763,718</u>	<u>\$ 6,923,517</u>	<u>\$ 6,556,236</u>	<u>\$ 6,615,677</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 10,241,577	\$ 11,471,565	\$ 11,810,034	\$ 12,691,946
Restricted	1,223,574	1,083,762	2,566,222	3,229,771
Unrestricted	8,325,846	8,040,144	4,190,522	3,901,522
<i>Total Primary Government Net Position</i>	<u>\$ 19,790,997</u>	<u>\$ 20,595,471</u>	<u>\$ 18,566,778</u>	<u>\$ 19,823,239</u>

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

TABLE 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 9,534,380	\$ 12,241,969	\$ 12,752,432	\$ 13,667,111	\$ 13,953,956	\$ 13,497,385
2,999,981	4,027,347	2,704,990	2,950,408	2,891,629	3,144,548
2,342,091	2,432,332	2,048,407	559,242	753,703	2,663,066
<u>\$ 14,876,452</u>	<u>\$ 18,701,648</u>	<u>\$ 17,505,829</u>	<u>\$ 17,176,761</u>	<u>\$ 17,599,288</u>	<u>\$ 19,304,999</u>
\$ 4,049,170	\$ 4,162,165	\$ 4,872,274	\$ 5,392,876	\$ 5,862,213	\$ 6,332,409
1,279,204	1,225,716	1,595,199	1,784,772	1,888,685	1,888,685
2,179,050	2,562,095	2,118,143	2,276,563	2,404,894	1,883,625
<u>\$ 7,507,424</u>	<u>\$ 7,949,976</u>	<u>\$ 8,585,616</u>	<u>\$ 9,454,211</u>	<u>\$ 10,155,792</u>	<u>\$ 10,104,719</u>
\$ 13,583,550	\$ 16,404,134	\$ 17,624,706	\$ 19,059,987	\$ 19,816,169	\$ 19,829,794
4,279,185	5,253,063	4,300,189	4,735,180	4,780,314	5,033,233
4,521,141	4,994,427	4,166,550	2,835,805	3,158,597	4,546,691
<u>\$ 22,383,876</u>	<u>\$ 26,651,624</u>	<u>\$ 26,091,445</u>	<u>\$ 26,630,972</u>	<u>\$ 27,755,080</u>	<u>\$ 29,409,718</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses</b>				
<i>Governmental Activities</i>				
Administration	\$ 910,636	\$ 828,573	\$ 983,952	\$ 1,125,550
Public Safety	4,335,920	4,536,351	4,701,582	4,598,579
Public Works	1,140,612	1,650,987	2,363,083	1,492,449
Parks and Recreation	113,792	186,386	169,947	228,169
Library	322,587	302,721	320,572	367,252
Communications	-	-	-	355,508
Community Development	566,113	641,724	676,880	880,111
Interest and Fiscal Agent Fees	275,120	248,324	239,237	205,890
<i>Total Governmental Activities Expenses</i>	<u>7,664,780</u>	<u>8,395,066</u>	<u>9,455,253</u>	<u>9,253,508</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	3,282,774	3,365,772	3,481,521	3,752,522
<i>Total Business-Type Activities</i>	<u>3,282,774</u>	<u>3,365,772</u>	<u>3,481,521</u>	<u>3,752,522</u>
<b>Total Primary Government Expenses</b>	<u>\$ 10,947,554</u>	<u>\$ 11,760,838</u>	<u>\$ 12,936,774</u>	<u>\$ 13,006,030</u>
<b>Program Revenues</b>				
<i>Governmental Activities</i>				
Charges for Service:				
Administration	\$ 298,947	\$ 284,034	\$ 258,388	\$ 537,825
Public Safety	833,662	803,036	694,303	724,018
Parks and Recreation	15,544	15,586	13,850	15,632
Library	1,972	3,490	3,521	4,249
Community Development	97,193	168,648	166,775	167,074
Operating Grants and Contributions	82,626	95,028	240,763	160,001
Capital Grants and Contributions	372,585	-	170,747	37,766
<i>Total Governmental Activities Program Revenues</i>	<u>1,702,529</u>	<u>1,369,822</u>	<u>1,548,347</u>	<u>1,646,565</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water/Wastewater Utilities	3,291,009	3,275,292	3,481,570	3,683,776
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>3,291,009</u>	<u>3,275,292</u>	<u>3,481,570</u>	<u>3,683,776</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 4,993,538</u>	<u>\$ 4,645,114</u>	<u>\$ 5,029,917</u>	<u>\$ 5,330,341</u>

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

TABLE 2

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	1,052,772	\$	1,163,357	\$	1,134,888	\$	1,668,621	\$	1,272,072	\$	1,490,181
	5,731,890		6,825,574		10,029,264		9,182,852		8,427,384		8,192,664
	1,960,573		1,366,183		3,110,746		2,128,939		2,464,829		2,908,030
	357,055		372,372		306,749		328,675		326,685		327,054
	375,764		421,642		413,677		413,953		438,436		514,467
	322,727		-		-		-		-		-
	753,029		828,978		932,724		939,644		919,311		1,054,053
	228,101		201,460		186,603		177,398		216,131		100,420
	10,781,911		11,179,566		16,114,651		14,840,082		14,064,848		14,586,869
	3,901,345		4,720,880		4,978,650		4,476,212		4,447,693		5,613,181
	3,901,345		4,720,880		4,978,650		4,476,212		4,447,693		5,613,181
\$	14,683,256	\$	15,900,446	\$	21,093,301	\$	19,316,294	\$	18,512,541	\$	20,200,050
\$	319,498	\$	319,498	\$	661,149	\$	409,905	\$	276,482	\$	330,496
	1,620,197		1,620,197		3,441,827		3,296,536		3,062,361		3,058,806
	-		-		-		-		-		-
	-		-		-		-		-		-
	76,357		76,357		77,660		11,290		20,253		64,586
	476,415		476,415		130,103		604,876		67,282		57,184
	-		-		105,767		-		-		159,946
	2,492,467		2,492,467		4,416,506		4,322,607		3,426,378		3,671,018
	4,589,550		4,623,442		5,218,441		4,995,934		5,095,369		5,381,349
	120,165		-		-		-		-		-
	-		485,976		302,632		-		-		365,395
	4,709,715		5,109,418		5,521,073		4,995,934		5,095,369		5,746,744
\$	7,202,182	\$	7,601,885	\$	9,937,579	\$	9,318,541	\$	8,521,747	\$	9,417,762

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Net (Expenses)/Revenue</b>				
Governmental Activities	\$ (5,962,251)	\$ (7,025,244)	\$ (7,906,906)	\$ (7,606,943)
Business-Type Activities	8,235	(90,480)	49	(68,746)
Total Primary Government Net Expenses	<u>\$ (5,954,016)</u>	<u>\$ (7,115,724)</u>	<u>\$ (7,906,857)</u>	<u>\$ (7,675,689)</u>
<b>Governmental Revenues and Other Changes in Net Position</b>				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 3,834,233	\$ 4,021,701	\$ 4,122,721	\$ 4,440,697
Sales Taxes	3,592,293	2,918,244	3,058,953	3,177,019
Franchise Taxes	701,468	895,174	974,361	1,072,898
Occupancy Taxes	83,470	91,125	86,661	67,691
Interest and Investment Earnings	12,804	4,277	4,678	17,663
Miscellaneous	20,138	26,879	21,896	27,995
Transfers	-	20,000	70,000	-
<i>Total Governmental Activities</i>	<u>8,244,406</u>	<u>7,977,400</u>	<u>8,339,270</u>	<u>8,803,963</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	3,374	2,579	889	1,270
Miscellaneous	35,609	5,914	144,390	84,682
Impact Fees	22,593	20,417	-	-
Transfers	-	-	(20,000)	(70,000)
<i>Total Business-Type Activities</i>	<u>61,576</u>	<u>28,910</u>	<u>125,279</u>	<u>15,952</u>
Total Primary Government	<u>\$ 8,305,982</u>	<u>\$ 8,006,310</u>	<u>\$ 8,464,549</u>	<u>\$ 8,819,915</u>
<b>Changes In Net Position</b>				
Government Activities	\$ 2,282,155	\$ 952,156	\$ 432,364	\$ 1,197,020
Business-Type Activities	69,811	(61,570)	125,328	(52,794)
Total Primary Government	<u>\$ 2,351,966</u>	<u>\$ 890,586</u>	<u>\$ 557,692</u>	<u>\$ 1,144,226</u>



TABLE 2 (Continued)

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	(8,289,444)	\$	(8,687,099)	\$	(11,698,145)	\$	(10,517,475)	\$	(10,638,470)	\$	(10,915,851)
	808,370		388,538		542,423		519,722		647,676		133,563
\$	<u>(7,481,074)</u>	\$	<u>(8,298,561)</u>	\$	<u>(11,155,722)</u>	\$	<u>(9,997,753)</u>	\$	<u>(9,990,794)</u>	\$	<u>(10,782,288)</u>
\$	4,752,901	\$	4,944,531	\$	5,113,648	\$	5,447,139	\$	5,558,254	\$	5,863,936
	3,517,289		3,687,415		3,746,775		3,738,177		4,270,709		4,922,322
	1,104,166		961,149		919,205		809,636		876,389		928,847
	80,600		94,639		89,936		50,523		89,993		84,186
	55,460		134,411		233,900		94,530		3,074		76,035
	447,168		371,832		399,343		361,884		262,578		351,727
	750		(47,650)		(481)		(313,482)		-		394,509
	<u>9,958,334</u>		<u>10,146,327</u>		<u>10,502,326</u>		<u>10,188,407</u>		<u>11,060,997</u>		<u>12,621,562</u>
	11,987		60,337		92,436		35,341		2,131		28,490
	116,200		-		300		50		51,774		181,383
	-		-		-		-		-		-
	-		47,650		481		313,482		-		(394,509)
	<u>128,187</u>		<u>107,987</u>		<u>93,217</u>		<u>348,873</u>		<u>53,905</u>		<u>(184,636)</u>
\$	<u>10,086,521</u>	\$	<u>10,254,314</u>	\$	<u>10,595,543</u>	\$	<u>10,537,280</u>	\$	<u>11,114,902</u>	\$	<u>12,436,926</u>
\$	1,668,890	\$	1,459,228	\$	(1,195,819)	\$	(329,068)	\$	422,527	\$	1,705,711
	936,557		496,525		635,640		868,595		701,581		(51,073)
\$	<u>2,605,447</u>	\$	<u>1,955,753</u>	\$	<u>(560,179)</u>	\$	<u>539,527</u>	\$	<u>1,124,108</u>	\$	<u>1,654,638</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<i>General Fund:</i>				
Nonspendable	\$ 54,278	\$ 54,631	\$ 56,442	\$ 14,201
Restricted	101,977	90,494	114,962	154,393
Committed	900,000	900,000	900,000	900,000
Assigned	139,135	25,275	25,275	25,275
Unassigned	2,456,717	2,756,058	2,779,498	3,567,496
<i>Total General Fund</i>	<u>\$ 3,652,107</u>	<u>\$ 3,826,458</u>	<u>\$ 3,876,177</u>	<u>\$ 4,661,365</u>
<i>All Other Governmental Funds:</i>				
Nonspendable	\$ 819	\$ 1,310	\$ 1,990	\$ -
Restricted	8,419,977	5,862,738	2,874,942	2,032,432
Committed	-	795,672	664,842	-
Assigned	-	105,373	111,139	93,679
Unassigned	1,413,694	-	-	-
<i>Total All Other Governmental Funds</i>	<u>\$ 9,834,490</u>	<u>\$ 6,765,093</u>	<u>\$ 3,652,913</u>	<u>\$ 2,126,111</u>

Discussion Draft

TABLE 3

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 52,650	\$ 11,163	\$ 5,824	\$ 4,434	\$ 4,854	\$ 4,568
497,329	23,868	235,416	261,124	283,940	304,190
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
80,700	459,127	1,154,763	749,556	1,068,942	1,501,435
3,508,662	3,359,401	4,370,549	3,784,196	3,361,144	4,525,932
<u>\$ 5,139,341</u>	<u>\$ 4,853,559</u>	<u>\$ 6,766,552</u>	<u>\$ 5,799,310</u>	<u>\$ 5,718,880</u>	<u>\$ 7,336,125</u>
\$ 2,095	\$ -	\$ -	\$ -	\$ -	\$ -
2,502,591	3,499,337	2,463,234	2,680,737	2,596,713	2,832,611
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,504,686</u>	<u>\$ 3,499,337</u>	<u>\$ 2,463,234</u>	<u>\$ 2,680,737</u>	<u>\$ 2,596,713</u>	<u>\$ 2,832,611</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<b>REVENUES</b>				
Property Taxes	\$ 3,809,355	\$ 4,012,433	\$ 4,143,068	\$ 4,432,407
Nonproperty Taxes	2,503,411	3,009,369	3,145,614	3,333,880
Grants/Intergovernmental	4,523	8,104	8,852	7,394
Charges for Services	1,858,150	1,988,654	2,123,854	2,132,647
CIED	1,172,352	-	-	-
Other	456,679	299,392	416,576	535,910
<b>TOTAL REVENUES</b>	<u>9,804,470</u>	<u>9,317,952</u>	<u>9,837,964</u>	<u>10,442,238</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	870,697	769,842	951,121	1,035,474
Public Safety	4,116,594	4,258,045	4,609,076	4,320,120
Public Works	972,484	1,462,747	2,238,664	1,319,658
Parks and Recreation	86,802	157,643	142,794	198,429
Library	267,588	288,871	317,049	346,782
Communications	-	-	-	348,793
Community Development	554,087	583,068	624,724	823,889
Capital Outlay	772,922	3,909,161	3,408,801	2,110,337
Debt Service:				
Principal	345,000	420,000	430,000	445,000
Interest	270,019	257,121	245,946	233,370
Fiscal Agent Fees and Bond Issue Costs	1,500	1,500	2,250	2,000
<b>TOTAL EXPENDITURES</b>	<u>8,257,693</u>	<u>12,107,998</u>	<u>12,970,425</u>	<u>11,183,852</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>1,546,777</u>	<u>(2,790,046)</u>	<u>(3,132,461)</u>	<u>(741,614)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	237,216	220,770	590,803	707,203
Transfers Out	(237,216)	(200,770)	(520,803)	(707,203)
Bond Premium	-	-	-	-
Issuance of Debt	-	-	-	-
Payments to Refunding Agent	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>20,000</u>	<u>70,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,546,777</u>	<u>\$ (2,770,046)</u>	<u>\$ (3,062,461)</u>	<u>\$ (741,614)</u>
Debt Service as a Percentage of				
Noncapital Expenditures	8.2%	8.3%	7.1%	7.5%

TABLE 4

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
\$	4,755,462	\$ 4,940,751	\$ 5,104,964	\$ 5,441,159	\$ 5,556,003	\$ 5,848,954
	4,702,056	4,743,203	4,755,916	4,598,336	5,237,092	5,935,354
	233,473	2,184,103	235,870	604,876	67,282	217,424
	1,939,695	3,014,022	4,177,392	3,788,092	3,424,315	3,456,614
	-	-	-	-	-	-
	821,919	457,535	636,484	386,056	200,433	497,897
	<u>12,452,605</u>	<u>15,339,614</u>	<u>14,910,626</u>	<u>14,818,519</u>	<u>14,485,125</u>	<u>15,956,243</u>
	878,060	937,870	933,682	1,440,302	1,090,696	1,196,736
	5,179,406	6,663,001	7,886,368	8,370,905	8,170,836	8,268,204
	1,809,169	1,135,180	2,562,290	1,693,018	2,160,982	2,612,024
	324,379	358,460	281,387	288,235	299,170	280,047
	360,023	402,110	407,886	397,869	401,639	497,457
	322,727	-	-	-	-	-
	699,342	768,403	857,365	859,448	839,794	908,258
	1,341,443	3,137,262	968,781	1,568,953	1,056,582	154,083
	460,000	475,000	440,000	450,000	449,934	420,000
	222,255	205,809	195,495	186,043	179,948	160,800
	-	-	-	-	121,016	-
	<u>11,596,804</u>	<u>14,083,095</u>	<u>14,533,254</u>	<u>15,254,773</u>	<u>14,770,597</u>	<u>14,497,609</u>
	<u>855,801</u>	<u>1,256,519</u>	<u>377,372</u>	<u>(436,254)</u>	<u>(285,472)</u>	<u>1,458,634</u>
	750	750	-	179,240	-	423,189
	-	(48,400)	(481)	(492,722)	-	(28,680)
	-	-	-	-	641,083	-
	-	-	-	-	5,775,000	-
	-	-	-	-	(6,295,066)	-
	<u>750</u>	<u>(47,650)</u>	<u>(481)</u>	<u>(313,482)</u>	<u>121,017</u>	<u>394,509</u>
\$	<u>856,551</u>	<u>\$ 1,208,869</u>	<u>\$ 376,891</u>	<u>\$ (749,736)</u>	<u>\$ (164,455)</u>	<u>\$ 1,853,143</u>
	6.7%	6.2%	4.7%	4.6%	4.6%	4.0%

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
2013	\$ 3,809,355	\$ 2,503,411	\$ 83,470	\$ 701,468	\$ 7,097,704
2014	4,012,433	3,009,369	91,125	895,174	8,008,101
2015	4,143,068	3,145,614	86,661	974,361	8,349,704
2016	4,432,407	3,333,880	67,691	983,728	8,817,706
2017	4,755,462	3,517,290	80,600	1,104,166	9,457,518
2018	4,940,751	3,687,415	94,639	961,149	9,683,954
2019	5,104,964	3,746,775	89,936	919,205	9,860,880
2020	5,441,159	3,738,177	50,523	809,636	10,039,495
2021	5,556,003	4,270,710	89,993	876,389	10,793,095
2022	5,848,954	4,922,321	84,186	928,847	11,784,308

Discussion Draft

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
2013	\$ 675,661,811	0.535510
2014	692,616,036	0.574282
2015	675,836,102	0.582915
2016	677,076,160	0.575507
2017	681,878,582	0.561615
2018	707,418,512	0.556599
2019	997,287,526	0.556599
2020	1,075,859,763	0.545877
2021	1,116,994,425	0.535904
2022	1,184,330,358	0.534099

*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.*

Discussion Draft

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
2013	0.4768	0.0975	0.5743	1.3755	0.3269
2014	0.4768	0.1062	0.5829	1.3755	0.3269
2015	0.4768	0.0988	0.5755	1.3755	0.3145
2016	0.4712	0.0904	0.5616	1.3755	0.3145
2017	0.4746	0.0820	0.5566	1.3755	0.3090
2018	0.4788	0.0778	0.5566	1.3755	0.3041
2019	0.4783	0.0676	0.5459	1.3755	0.3011
2020	0.4754	0.0682	0.5436	1.3055	0.3011
2021	0.4722	0.0637	0.5359	1.2857	0.3011
2022	0.4816	0.0525	0.5341	1.2631	0.3000

	Overlapping Rates		
	University Health System	San Antonio River Authority	Alamo Community College
2013	0.27624	0.01737	0.14915
2014	0.27624	0.01780	0.14915
2015	0.27624	0.01750	0.14915
2016	0.27624	0.01729	0.14915
2017	0.27624	0.01729	0.14915
2018	0.27624	0.01729	0.14915
2019	0.27624	0.18580	0.14915
2020	0.27624	0.18580	0.14915
2021	0.27624	0.18580	0.14915
2022	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 TEN YEARS AGO

TABLE 8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Timberhill Commons LTD	\$ 43,267,140	1	3.65%	\$ -		
Ancira-Winton Chevrolet	35,969,870	2	3.04%	15,406,580	2	2.26%
5622 Evers Rd Owner LLC	29,750,000	3	2.51%	-		
TRT HEB Marketplace LP	21,875,000	4	1.85%	-		
Valencia Lofts	20,500,000	5	1.73%	-		
5650 Grissom Owner LP	19,750,100	6	1.67%	-		
Leors Holdings LLC	14,773,387	7	1.25%	11,225,200	4	1.65%
Barcelona Lofts LLC	14,386,420	8	1.21%	9,600,000	6	1.49%
Omninet Tower LP	12,712,434	9	1.07%	10,150,000	5	1.49%
Forest Oaks Living LLC	9,400,000	10	0.79%	-		0.00%
H.E.B. Grocery	-		-	19,800,000	1	2.90%
Vista Del Rey	-		-	12,000,000	3	1.76%
VR Shadow Valley Holdings	-		-	9,000,100	7	1.32%
Southwestern Bell	-		-	5,948,006	8	0.87%
SA West Loop II Investors	-		-	5,450,000	9	0.80%
Forest Green Association	-		-	5,090,730	10	0.75%
<b>TOTALS</b>	<u>\$ 222,384,351</u>		<u>15.12%</u>	<u>\$ 103,670,616</u>		<u>15.29%</u>
<b>TOTAL TAXABLE ASSESSED VALUE</b>	<u>\$ 1,184,330,358</u>			<u>\$ 675,836,102</u>		

*Source: Bexar County Appraisal District*

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

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2013	\$ 3,817,953	\$ 3,755,784	98.37%	\$ 54,092	\$ 3,809,876	99.79%
2014	4,023,348	3,940,694	97.95%	71,525	4,012,219	99.72%
2015	4,130,740	4,050,446	98.06%	69,300	4,119,746	99.73%
2016	4,432,631	4,369,996	98.59%	48,919	4,418,915	99.69%
2017	4,738,086	4,685,787	98.90%	39,889	4,725,676	99.74%
2018	5,019,786	4,966,303	98.93%	37,740	5,004,043	99.69%
2019	5,137,625	5,080,976	98.90%	40,537	5,121,513	99.69%
2020	5,446,779	5,388,962	98.94%	33,209	5,355,753	98.33%
2021	5,599,495	5,545,111	99.03%	23,115	5,545,111	99.03%
2022	5,805,577	5,741,734	98.90%	-	5,741,734	98.90%

*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				
	2013	2014	2015	2016	2017
Residential	\$ 189,931,000	\$ 184,014,000	\$ 176,710,000	\$ 177,355,000	\$ 160,769,000
Commerical	123,088,895	120,423,155	131,218,294	142,359,865	132,729,922
Total	<u>\$ 313,019,895</u>	<u>\$ 304,437,155</u>	<u>\$ 307,928,294</u>	<u>\$ 319,714,865</u>	<u>\$ 293,498,922</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 1.02</u>	<u>\$ 1.05</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>

Type of Customer	Fiscal Year				
	2018	2019	2020	2021	2022
Residential	\$ 155,524,000	\$ 142,601,000	\$ 160,304,400	\$ 146,792,100	\$ 155,678,000
Commerical	128,377,775	128,044,700	129,810,102	128,201,713	135,567,000
Total	<u>\$ 283,901,775</u>	<u>\$ 270,645,700</u>	<u>\$ 290,114,502</u>	<u>\$ 274,993,813</u>	<u>\$ 291,245,000</u>
Total Direct Rate per 1,000 Gallons	<u>\$ 3.18</u>	<u>\$ 3.37</u>	<u>\$ 3.56</u>	<u>\$ 3.56</u>	<u>\$ 3.56</u>

Source: Leon Valley Water Department.

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

TABLE 11

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2013	9.36	1.08	13.55	5.27
2014	9.36	1.08	13.55	5.27
2015	9.36	1.08	14.36	5.59
2016	9.36	1.08	15.08	5.59
2017	11.20	3.18	15.08	5.83
2018	11.48	3.37	15.08	5.92
2019	11.76	3.56	15.08	6.24
2020	11.76	3.56	15.08	6.24
2021	11.76	3.56	15.08	6.24
2022	11.76	3.56	15.08	6.24

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

Discussion Draft

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
2013	\$ 456,646,017	\$ 280,720,343	\$ 5,025,705	\$ 66,555,963	\$ 675,836,102	0.535510
2014	455,927,780	266,406,857	5,103,401	50,361,878	677,076,160	0.574282
2015	460,768,403	265,776,360	5,426,124	50,092,305	681,878,582	0.582915
2016	473,221,531	278,323,833	6,158,319	50,285,171	707,418,512	0.575507
2017	504,499,829	288,913,043	5,574,551	58,925,926	740,061,497	0.561615
2018	558,785,477	324,533,883	5,961,942	71,367,400	817,913,902	0.556599
2019	597,606,183	361,183,881	6,527,631	78,177,221	887,140,474	0.556599
2020	677,156,407	378,811,873	8,057,007	66,737,761	997,287,526	0.545877
2021	636,307,764	574,292,157	9,034,492	102,639,988	1,116,994,425	0.535904
2022	689,389,560	599,369,775	9,071,223	113,500,200	1,184,330,358	0.534099

Discussion Draft

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				
2013	\$ 8,505,000	\$ 910,000	-		\$ 9,415,000	1.36%	866
2014	8,125,000	870,000	-		8,995,000	1.33%	828
2015	7,857,138	725,000	-		8,582,138	1.27%	790
2016	7,450,179	780,000	-		8,230,179	1.21%	757
2017	7,028,220	825,000	-		7,853,220	1.11%	723
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	0.74%	765
2021	5,966,083	-	1,883,139		7,849,222	0.70%	680
2022	5,487,803	-	1,834,258		7,322,061	0.62%	634

*NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 17.*

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

TABLE 14

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percent of Gross Income	Per Capita
	General Obligation Bonds	Private Property Finance Contracts	Certificates of Obligation	Tax Notes	Capital Lease	Revenue Bonds	Certificates of Obligation			
2012	\$ 8,505,000	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,415,000	3.47%	866
2013	8,125,000	870,000	-	-	-	-	-	8,995,000	3.32%	828
2014	7,857,138	725,000	-	-	-	-	-	8,582,138	3.17%	790
2015	7,450,179	780,000	-	-	-	-	2,086,424	10,316,603	3.81%	949
2016	7,028,220	735,000	-	-	-	-	2,062,543	9,825,763	3.63%	904
2017	6,596,261	685,000	-	-	-	-	2,023,662	9,304,923	3.43%	856
2018	6,199,302	635,000	-	-	-	-	1,975,901	8,810,203	3.25%	811
2019	5,792,343	585,000	-	-	-	-	1,932,020	8,309,363	3.07%	765
2021	5,966,083	-	-	-	-	-	1,883,139	7,849,222	2.27%	722
2022	5,487,803	-	-	-	-	-	1,834,258	7,322,061	2.12%	634

*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	\$ 777,390,000	0.59%	\$ 4,586,601
Bexar County	2,015,625,000	0.59%	11,892,188
Bexar County Hospital District	1,168,200,000	0.59%	6,892,380
Northside Independent School District	2,327,690,000	1.82%	<u>42,363,958</u>
Subtotal, Overlapping Debt			65,735,127
City Governmental Activities Direct Debt			<u>5,487,803</u>
<b>TOTAL NET OVERLAPPING DEBT</b>			<u>\$ 71,222,930</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, 2021 Tax Roll		\$ 1,184,330,358
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.		\$ 118,433,036
Amount of Applicable Debt:		
General Bonded Debt	\$ 5,487,803	
Less Debt Service Net Position	(421,847)	5,065,956
DEBT MARGIN		<u>\$ 113,367,080</u>
Total Net Debt as a Percentage of Debt Margin		4.47%

	Fiscal Year		
	2019	2020	2021
Assessed Value	\$ 997,287,526	\$ 1,075,859,763	\$ 1,116,994,425
Debt Limit	\$ 99,728,753	\$ 107,585,976	\$ 111,699,443
Total Net Debt Applicable to Limit	8,462,414	5,980,870	5,535,681
Total Debt Margin	<u>\$ 91,266,339</u>	<u>\$ 101,605,106</u>	<u>\$ 106,163,762</u>
	2016	2017	2018
Assessed Value	\$ 817,913,900	\$ 887,140,474	\$ 949,714,257
Debt Limit	\$ 81,791,390	\$ 88,714,047	\$ 94,971,426
Total Net Debt Applicable to Limit	10,376,736	8,098,078	8,950,605
Total Debt Margin	<u>\$ 71,414,654</u>	<u>\$ 80,615,969</u>	<u>\$ 86,020,821</u>
	2013	2014	2015
Assessed Value	\$ 681,878,580	\$ 707,418,510	\$ 740,061,500
Debt Limit	\$ 68,187,858	\$ 70,741,851	\$ 74,006,150
Total Net Debt Applicable to Limit	9,624,392	9,204,392	8,774,392
Total Debt Margin	<u>\$ 58,563,466</u>	<u>\$ 61,537,459</u>	<u>\$ 65,231,758</u>

CITY OF LEON VALLEY  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

TABLE 17

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	\$ 5,381,349	\$ 5,557,366	\$ (176,017)	\$ 45,000	\$ 55,815	(1.75)
2021	5,095,369	4,389,210	706,159	45,000	58,483	6.82
2020	4,987,020	4,416,064	570,956	40,000	60,148	5.70
2019	4,990,678	4,920,092	70,586	40,000	66,363	0.66
2018	4,586,249	4,657,233	(70,984)	35,000	68,113	(0.69)
2017	4,456,994	3,833,400	623,594	20,000	82,510	6.08
2016	3,683,776	3,752,522	(68,746)	-	-	100.00
2015	3,481,570	3,481,521	49	-	-	100.00
2014	3,275,292	3,365,772	(90,480)	-	-	100.00
2013	3,291,009	3,282,744	8,265	-	-	100.00

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

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

TABLE 18

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	10,866	\$ 270,954,576	\$ 24,936	40.0	4,130	6.0%
2014	10,866	270,954,576	24,936	40.0	4,130	6.0%
2015	10,866	270,954,576	24,936	40.0	4,130	5.9%
2016	10,866	270,954,576	24,936	40.0	4,130	5.1%
2017	10,866	270,954,576	24,936	40.0	4,198	5.0%
2018	10,866	270,954,576	24,936	40.0	3,809	4.2%
2019	10,866	270,954,576	24,936	40.0	3,809	3.7%
2020	10,866	270,954,576	24,936	40.0	4,050	3.2%
2021	11,542	345,436,686	29,953	39.2	3,514	6.7%
2022	11,503	329,756,501	28,667	38.5	3,414	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

<u>SAN ANTONIO EMPLOYER</u>	<u>2022</u>			<u>2013</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Joint Base San Antonio	82,639	1	7.63%	92,301	1	10.58%
H-E-B Food Stores	20,000	2	1.85%	20,000	2	2.29%
USAA	19,000	3	1.75%	17,000	3	1.95%
Northside ISD	12,206	4	1.13%	12,751	4	1.46%
City of San Antonio	13,420	5	1.24%	11,371	5	1.30%
Methodist Healthcare System	12,000	6	1.11%	8,000	7	0.92%
North East ISD	8,208	7	0.76%	10,522	6	1.21%
San Antonio ISD	7,500	8	0.69%	7,374	8	0.85%
University of Texas Health Science	6,383	9	0.66%	5,500	10	0.63%
Baptist Health Systems	5,152	10	0.60%	6,216	9	0.71%
Total	<u>186,508</u>		<u>17.42%</u>	<u>191,035</u>		<u>21.90%</u>

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

Source: San Antonio Economic Development Foundation.

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

TABLE 20

<u>Function</u>	Full-Time Equivalent Employees as of September 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Government</u>										
Business Office	1.8	1.6	1.6	1.6	1.6	1.1	1.1	0.5	0.5	0.5
Finance	2.2	2.0	2.0	2.0	2.0	2.0	1.5	0.7	0.7	0.7
Manager and Council	2.3	2.0	3.0	3.0	3.9	2.5	3.3	2.1	3.6	3.6
<u>Public Safety</u>										
Police										
Officers	24.0	23.0	23.0	24.0	25.0	28.5	37.0	39.0	41.0	41.0
Civilians	8.0	8.0	9.9	3.9	1.0	1.0	2.5	1.0	4.3	4.3
Fire										
Firefighters and Officers	27.0	26.0	0.5	26.0	26.0	27.0	27.0	27.0	28.0	28.0
Civilians	0.5	0.5	26.0	0.5	0.5	1.0	1.0	1.0	0.0	0.0
<u>Public Works</u>	13.1	12.6	12.6	12.6	13.2	13.3	13.3	11.8	11.8	11.8
<u>Development Activities</u>	3.5	3.4	1.6	1.6	1.6	2.6	3.3	3.1	3.1	3.1
<u>Economic Development</u>	2.0	2.0	2.0	2.0	2.0	1.0	0.6	0.9	0.9	0.9
<u>Parks</u>	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<u>Library</u>	3.5	3.5	3.5	4.5	4.5	4.5	4.5	5.5	5.5	5.5
<u>Communications</u>	-	-	-	6.0	2.0	2.0	-	-	-	-
<u>Community Center</u>	0.6	1.6	1.6	1.6	1.6	1.1	1.6	1.0	1.0	1.0
<u>Water and Sewer</u>	16.04	18.35	18.7	18.2	17.6	17.4	17.4	17.4	17.4	17.35
<b>TOTAL</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>112.4</b>	<b>119.1</b>	<b>119.1</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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Police</u>					
Arrests	635.0	629.0	722.0	915.0	535.0
Traffic Violations	5218.0	5010.0	3915.0	4963.0	3643.0
<u>Fire</u>					
Fire Calls	712.0	890.0	1183.0	942.0	505.0
EMS Calls	1174.0	1151.0	1136.0	1472.0	2081.0
Number of Inspections	1022.0	1009.0	480.0	310.0	730.0
<u>Public Works</u>					
Streets resurfacing (Miles)	7.7	8.0	5.0	1.0	2.3
Sidewalk Construction (Feet)	682.0	687.0	1304.0	2060.0	1957.0
<u>Library</u>					
Reference Questions	5,287.0	7,000.0	6,485.0	7,681.0	7,149.0
Internet Sessions	16,882.0	6,266.0	6,497.0	8,055.0	8,346.0
Library Acquisitions	2,912.0	2,176.0	1,823.0	2,011.0	2,352.0
<u>Water</u>					
Daily Average Consumption (thousands of gallons)	857,588.0	962,846.0	843,639.0	869,649.0	804,105.0
Total Customers	2,526.00	2,544.00	2,561.00	2,574.00	2,583.00
Average Use Per Connection	339.50	378.48	329.42	337.86	311.31
<u>Sewer</u>					
Total Customers	2457.0	2457.0	2456.0	2479.0	2489.0
Daily Average Treatment (Gallons)	687,267.0	700,672.0	703,607.0	681,173.0	703,502.0

Source: Various City Departments.

TABLE 21

Fiscal Year				
2018	2019	2020	2021	2022
789.0	1221.0	473.0	333.0	673.0
7616.0	10156.0	4277.0	2601.0	5050.0
598.0	441.0	680.0	795.0	729.0
1704.0	1561.0	1521.0	1922.0	1758.0
724.0	392.0	614.0	679.0	734.0
1.2	4.1	4.1	2.0	1.0
350.0	1020.0	1020.0	679.0	1187.0
7,384.0	10,393.0	5,123.0	4,572.0	6,646.0
17,456.0	17,857.0	4,061.0	8,834.0	3,801.0
2,269.0	1,760.0	1,519.0	1,618.0	2,660.0
777,813.0	741,495.0	769,308.0	753,407.0	973,521.0
2,601.00	2,613.00	2,634.00	2,637.00	2,646.00
299.04	283.77	292.07	285.71	367.92
2505.0	2613.0	2546.0	2549.0	2560.0
697,762.0	679,844.0	635,655.0	648,440.0	797,932.0

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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Police</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Patrol Units	24.0	24.0	24.0	25.0	28.5
<u>Fire</u>					
Stations	1.0	1.0	1.0	1.0	1.0
Fire Fighters	26.0	26.0	26.0	26.0	27.0
<u>Streets</u>					
Streets, paved (miles)	39.5	39.5	39.5	39.5	43.0
<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	69.5
Swimming Pools	1.0	1.0	1.0	1.0	2.0
Tennis Courts	1.0	1.0	1.0	1.0	1.0
Community Centers	2.0	2.0	2.0	2.0	2.0
<u>Library</u>					
Facility	1.0	1.0	1.0	1.0	1.0
<u>Water</u>					
Number of Hydrants	208.0	208.0	208.0	208.0	208.0
Water Mains (Miles)	39.5	39.5	39.5	39.5	39.5
<u>Sewer</u>					
Sanitary Sewers (Miles)	47.5	47.5	47.5	47.5	47.5
Storm Sewers (Feet)	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0

Source: *Various City Departments*



TABLE 22

Fiscal Year				
2018	2019	2020	2021	2022
1.0	1.0	1.0	1.0	1.0
37.0	37.0	37.0	37.0	37.0
1.0	1.0	1.0	1.0	1.0
27.0	27.0	27.0	28.0	28.0
43.0	43.0	43.0	43.0	43.0
5.0	5.0	5.0	5.0	5.0
69.5	69.5	69.5	69.5	69.5
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
208.0	208.0	208.0	208.0	208.0
39.5	39.5	39.5	39.5	39.05
47.5	47.5	47.5	47.5	47.5
4,000.0	4,000.0	4,000.0	4,000.0	5,000.0



Discussion Draft

COMPLIANCE SECTION

Discussion Draft



# 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, 2022, 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 May 16, 2023.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Leon Valley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Leon Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Leon Valley's internal control.

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

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

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

As part of obtaining reasonable assurance about whether City of Leon Valley's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Armstrong, Vaughan & Associates, P.C.*

Armstrong, Vaughan & Associates, P.C.

May 16, 2023

Discussion Draft



Discussion Draft