

CITY OF ALAMO HEIGHTS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021



Prepared by:
Administration and Finance Department
Buddy Kuhn, City Manager
Phil Laney, Assistant City Manager
Robert Galindo, Director of Finance



CITY OF ALAMO HEIGHTS, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



City of Alamo Heights
6116 Broadway
SAN ANTONIO, TEXAS 78209
210-822-3331



April 11, 2022

To the Honorable Mayor, Members of the City Council, and the Citizens of the City of Alamo Heights, Texas:

The Annual Comprehensive Financial Report (ACFR) of the City of Alamo Heights, Texas (City) for the year ended September 30, 2021 is hereby submitted. The report has been coordinated by the City's Administration and Finance Department. 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.

ABIP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Alamo Heights financial statements for the year ended September 30, 2021. The independent auditor's 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's 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.

This report includes all activities, functions, and organizations that relate to the City and are controlled by its governing body, the City Council.

PROFILE OF THE GOVERNMENT

The City of Alamo Heights, incorporated in 1922, operates under a Council-Manager form of government. Policymaking and legislative authority are vested in a governing council consisting of a mayor and five council members. All council members and the mayor are elected-at-large for staggered two-year terms.

Under the council-manager form of government, the city council is responsible for the legislative function of the City such as establishing policy, passing local ordinances, voting appropriations, and developing an overall vision for the City. The city council appoints a professional manager to oversee the administrative operations, implement its policies, and advise it.

The city manager serves as chief executive officer and is responsible for carrying out the policies and ordinances, for overseeing the day-to-day operations of the city government, planning and budgetary management.

The City prides itself on the quality of its service delivery to its residents. In the future, residents can continue to expect to receive prompt, courteous service from city staff.

LOCAL ECONOMY

The City is located within the San Antonio metropolitan area, completely surrounded by the City of San Antonio, the seventh largest city in the country, and other small municipalities. Most of the revenues for the City of Alamo Heights are not from tourism, which is a major revenue source for the San Antonio area. Property taxes constitute the majority of general fund revenues, representing 55 percent of general fund revenues. The City's revenue sources remained strong through the entire Fiscal Year ending September 30, 2021.

Despite its inclusion in such a major urban setting, Alamo Heights has retained its small town charm, recognized for its quiet residential streets and graceful older homes. Due to this factor, as well as the outstanding area schools, the City of Alamo Heights has long been considered one of the most desirable residential locations in the metropolitan area.

Zoning requirements that limit commercial development to two main thoroughfares and adopted Residential Development Standards enhance the primarily residential character of the City. Restrictions are also placed on the types of activities allowed. The most typical commercial activities are specialty retail stores, professional offices, restaurants and banks. The City has no industrial activity.

FINANCIAL INFORMATION

Budgetary Controls

The City adopts a budget for the general fund, debt service fund, capital projects fund, capital replacement fund, street maintenance fund, comprehensive fund and the utility fund on an annual basis. Revenues are budgeted by fund, while expenditures are budgeted by department within the fund. The legal level of budgetary control (i.e., the level at which management must seek the approval of City Council before amending the budget) is the citywide level. This means that the City Manager has the authority to move amounts between line items within a department and from one department to another. These transfers cannot have the net effect of increasing total budgeted expenditures. Each department head is responsible for monitoring departmental expenditures on an ongoing basis. Formal reports with budget to actual comparisons are presented to the city council quarterly.

Financial Policy

The emergency reserve for the General Fund should equal 35% of the departmental operating allocations. For the Utility Fund, working capital should equal 20% of operating allocations. The emergency reserve should only be utilized if the city council deems it absolutely necessary to address some unforeseen and extraordinary occurrence such as a natural disaster, catastrophic loss or significant change in financial position.

Debt Policy

The City issues debt for the purpose of financing long-term infrastructure capital improvements. Infrastructure, as referred to by the City, means economic externalities essentially required to be provided by government to support a community's basic human needs, economic activity, safety, education, and quality of life. Types of debt that can be issued by the City include ad valorem tax-supported bonds and/or certificates of obligation. Adherence to conservative financial management has allowed the City to meet its financing needs while at the same time maintaining its excellent financial reputation. The City debt policy to limit debt to 1% of assessed property valuations.

Certificates of obligation in the amount of \$7.5 million were sold in 2007 at an interest rate of 3.99% to acquire a new firefighting and rescue apparatus; make repairs, extensions and improvements to the City's water system and sanitary sewer system; construct street and sidewalk improvements; fund storm water drainage master plan; repair, modify and renovate various City facilities and pay professional services related to such projects.

In November of 2011, citizens voted to issue \$6.3 million in General Obligation Bonds for the purpose of demolishing and replacing and in certain cases renovating, the City's existing public safety and administrative facilities in order to construct new City Hall facilities. On February 1, 2012 the bonds rated a AA+ were sold at a true interest rate of 2.165%. On April 7, 2014 Standard and Poors upgraded the rating to AAA stable.

In June 2016, the City issued GO Refunding Bonds in the amount of \$2.975 million for the remaining portion of the 2007 Certificates of Obligation callable in August 2017. The interest rates were very low and the City realized net present value savings of \$195,355. The General Fund balance of the outstanding 2016 Refunding was paid off in August of 2020.

Because interest rates were very competitive in October 2020, the City issued 2020 Refunding Bonds for \$4,530,000 of the remaining 2012 G.O. bonds and net present savings were \$265,781. The City maintained its AAA bond rating from Standard and Poors.

The City of Alamo Heights voters approved the issuance of \$13.250 million in General Obligation Taxable Bonds for the Lower Broadway/Austin Highway improvement project. The bonds were issued in July 2021.

Relevant Financial Policies

Maintenance and improvement of the City's infrastructure is a priority of the City Council. A 20-year Street Maintenance Plan was developed which allows for the proper maintenance of every City street over a 20-year period. The City's annual Street Maintenance Plan includes several major street projects.

In November 2008 voters approved a ¼ cent sales tax for a 4-year period to fund street maintenance. A Street Maintenance Fund was created to account for the revenues and expenditures associated with the maintenance of city streets. The voters reauthorized this tax in November 2016. Residents voted to approve an additional ¼ cent sales tax in May 2017 for a total of a ½ cent sales tax dedicated for street maintenance. The ½ cent dedicated street maintenance tax was re-authorized by voters in May 2021.

In fiscal year 2010 the City established a Capital Replacement Fund to account for all of the revenues and expenditures associated with the replacement of vehicles and major capital equipment purchases. A schedule of equipment needs was established and is reviewed annually along with the budget making any necessary additions or deletions from the schedule.

Long-Term Financial Planning

The City is committed to continue funding its capital program on a pay-as-you-go basis. Transfers to the Street Maintenance Fund and the Capital Replacement Fund from the General Fund play a significant role in short-term and long-term financial strategies. Each year during the budget process the 20-year Street Maintenance Program is reviewed and revised for the coming year along with the 10-year Capital Replacement Program. Revenue and expense projections for the current year provide staff and council with the necessary information to determine the amount to be transferred to these plans for the current year and budgeted transfers for the coming year.

In an effort to provide the high-quality services to our utility customers, an ongoing program in the utility fund provides a minimum of two percent (2%) of the total replacement value of the water distribution system in improvements as well as two percent (2%) of the total replacement of the sanitary sewer system budgeted for improvements. This is done in coordination with the street maintenance program in an effort to minimize traffic disruption and disturbing streets.

MAJOR INITIATIVES

Each year, the City's management team, in association with the city council, creates and presents to the full city council, for their consideration and approval, a Strategic Action Plan that establishes action steps that are adopted to be accomplished during the next fiscal year. The Strategic Action Plan serves as a baseline for the formulation of the Annual Budget and each action step is assigned to individual city departments to be accomplished and to specific city council committees for review.

During the 2020-2021 fiscal year, the City continued a number of strategic initiatives, the most significant of these are:

- Continued funding of street maintenance and sidewalks
- Installation of water mains by City staff to address water and waste water separation compliance mandated by Texas Commission on Environmental Quality (TCEQ)
- Continued study of Economic Development Plans
- Continued collaboration with other agencies for the Austin Highway/Lower Broadway Improvement Project

Further refinement of the plan and implementation will occur in the next fiscal year. Major projects identified in the planning process include infrastructure needs related to water, sewer, streets, drainage and facilities.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

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 Alamo Heights for its annual comprehensive financial report for the twelve months ended September 30, 2020. This was the twenty-fourth consecutive period that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report 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 that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the administrative department. I would like to express my sincere appreciation to Robert Galindo, Director of Finance, for his leadership on this project and all members of the leadership team who assisted and contributed to the preparation of this report.

Respectfully submitted,

Buddy Kuhn

Buddy Kuhn
City Manager



Government Finance Officers Association

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

Presented to

**City of Alamo Heights
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF ALAMO HEIGHTS, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2021

CITY OFFICIALS

Mayor	Bobby Rosenthal
Council Members	Lawson Jessee Wes Sharples Blake M. Bonner Lynda Billa Burke John Savage
City Manager	Buddy Kuhn
Assistant City Manager	Phil Laney
City Attorney - Davidson Troilo Ream and Garza	Frank Garza
Director of Finance	Robert Galindo
Community Development Director	Lety Hernandez
Public Works Director	Patrick Sullivan
Fire Chief	Mike Gdovin
Police Chief	Rick Pruitt

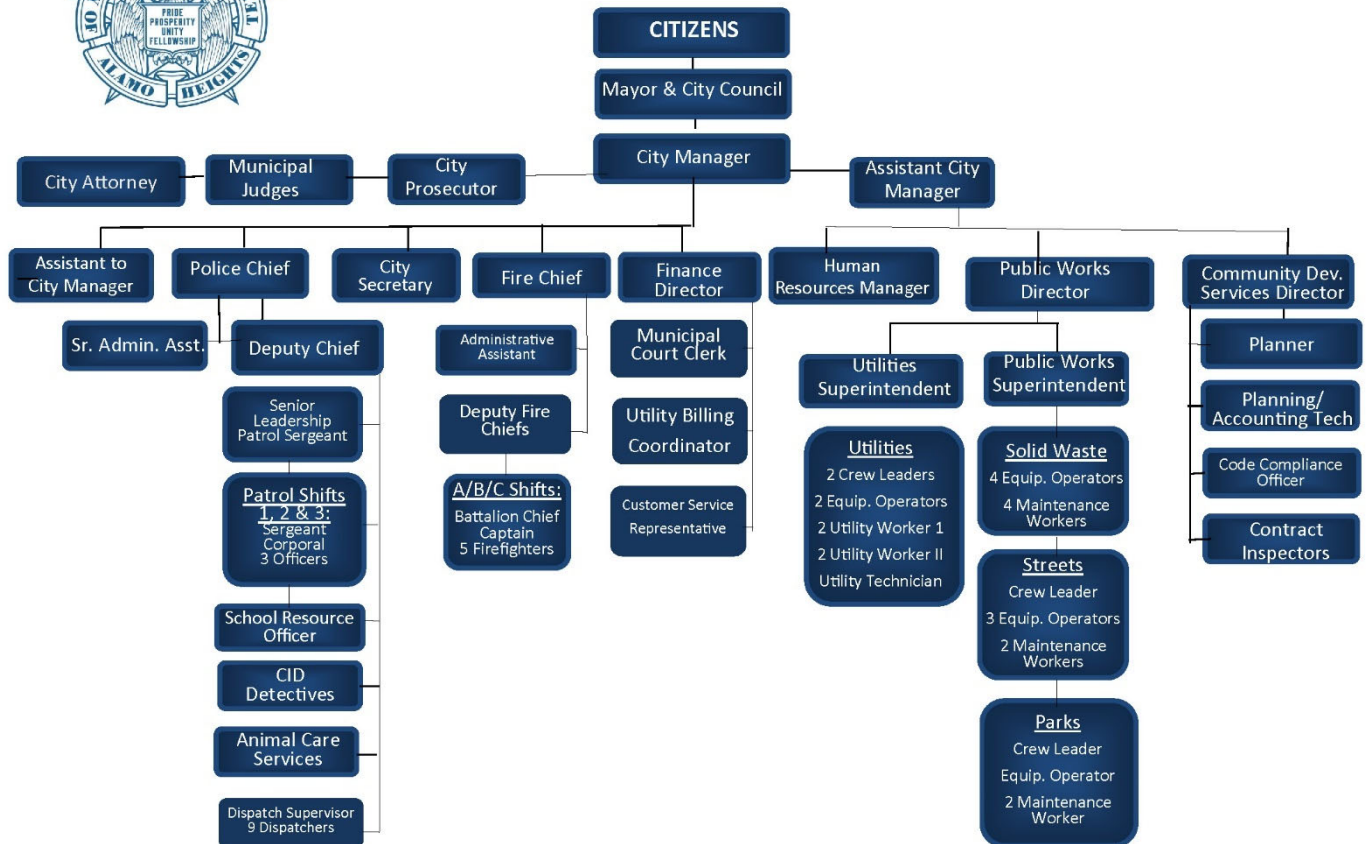
CITY OF ALAMO HEIGHTS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2021



CITY OF ALAMO HEIGHTS ORGANIZATIONAL CHART





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Alamo Heights, Texas

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 the City of Alamo Heights, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alamo Heights, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Alamo Heights, Texas's basic financial statements. The introductory section, combining and individual non-major fund financial statements, non-major funds schedule of revenue, expenditures, and changes in fund balance-budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and other supplementary information 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 non-major fund financial statements and budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements 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 them.

ABIP, PC
San Antonio, Texas
April 11, 2022

CITY OF ALAMO HEIGHTS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the year ended September 30, 2021

As management of the City of Alamo Heights, Texas, (the City), readers are offered the City's financial statements, this narrative overview, and analysis of the City's financial activities for year ending September 30, 2021. The City encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- Property tax revenue was \$6,387,397 and increased by more than 2.9% from last year. The increase was due to an increase in the appraised property values.
- Investments of the City are governed by the Public Funds Investment Act and are limited to interest-earning bank accounts, mutual funds, obligations of the United States government, statewide investment pools, and certificates of deposit. Investment earnings for the year ended September 30, 2021 was \$15,393 as compared to \$146,792 for the year ended September 30, 2020. This decrease was the result of decreasing interest rates.
- The City's change in net position which includes all activity types increased this year by \$2,492,908.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, using accounting methods similar to a private-sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported 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 showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements should distinguish functions of the City that are principally supported by the City's taxing units and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, sanitation, planning and development and parks and recreation. The business-type activity of the City is comprised of the utility operations. The City is the primary government and has no component units.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentation more familiar. Fund financial statements provide more information about the City's most significant funds – not the City as a whole.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statement focus on near-term inflows and outflows of spendable resources, 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.

Because 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains the following governmental funds: a general fund, nine special revenue funds, three capital projects funds, and a debt service fund. These funds are presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The City adopts an annual budget for the general fund, debt service fund, capital projects fund, street maintenance fund, comprehensive plan fund, and capital replacement fund. Budgetary comparison schedules have been provided as supplemental information to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its utility operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the 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 supplemental information concerning the City's progress in funding its obligation to provide pension benefits to its employees and a budgetary comparison schedule.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22,915,762 at September 30, 2021. Of this amount, \$7,433,947 or approximately 32% represents unrestricted net position available to the City for operations.

The City's capital assets represent investments in land, buildings and improvements, furniture, office equipment, computers, infrastructure and the utility system. Approximately 41% of total assets represent capital assets. The City uses these capital assets to provide services to the taxing units and the citizens and property owners of Alamo Heights; 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 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.

Further, at year end, the City ended with \$27,755,576, or approximately 56% of total assets, in unrestricted cash and cash equivalents and investments, which represent adequate liquidity compared to total assets of \$49,747,840. Long-term liabilities amounted to \$24,644,972, which represents net pension liability, other postemployment benefits liability, certificates of obligations, general obligations, premiums on bonds, capital lease, and amounts accrued for compensated absences.

Statement of Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Assets						
Other assets	\$ 25,981,994	\$ 10,174,888	\$ 3,503,771	\$ 2,590,420	\$ 29,485,765	\$ 12,765,308
Capital assets	<u>11,366,311</u>	<u>12,448,530</u>	<u>8,895,764</u>	<u>9,183,792</u>	<u>20,262,075</u>	<u>21,632,322</u>
Total assets	<u>37,348,305</u>	<u>22,623,418</u>	<u>12,399,535</u>	<u>11,774,212</u>	<u>49,747,840</u>	<u>34,397,630</u>
Deferred outflows of resources	<u>722,235</u>	<u>683,011</u>	<u>114,434</u>	<u>115,773</u>	<u>836,669</u>	<u>798,784</u>
Liabilities						
Long-term liabilities	22,230,413	10,204,575	1,350,758	1,526,116	23,581,171	11,730,691
Other liabilities	<u>2,549,655</u>	<u>1,412,924</u>	<u>585,882</u>	<u>519,280</u>	<u>3,135,537</u>	<u>1,932,204</u>
Total liabilities	<u>24,780,068</u>	<u>11,617,499</u>	<u>1,936,640</u>	<u>2,045,396</u>	<u>26,716,708</u>	<u>13,662,895</u>
Deferred inflows of resources	<u>856,836</u>	<u>999,599</u>	<u>95,203</u>	<u>111,066</u>	<u>952,039</u>	<u>1,110,665</u>
Net position						
Net investment in capital assets	6,881,496	7,539,445	8,019,228	8,174,500	14,900,724	15,713,945
Restricted	581,091	349,371	-	-	581,091	349,371
Unrestricted	<u>4,971,049</u>	<u>2,800,515</u>	<u>2,462,898</u>	<u>1,559,023</u>	<u>7,433,947</u>	<u>4,359,538</u>
Total net position	<u>\$ 12,433,636</u>	<u>\$ 10,689,331</u>	<u>\$ 10,482,126</u>	<u>\$ 9,733,523</u>	<u>\$ 22,915,762</u>	<u>\$ 20,422,854</u>

Statement of Activities

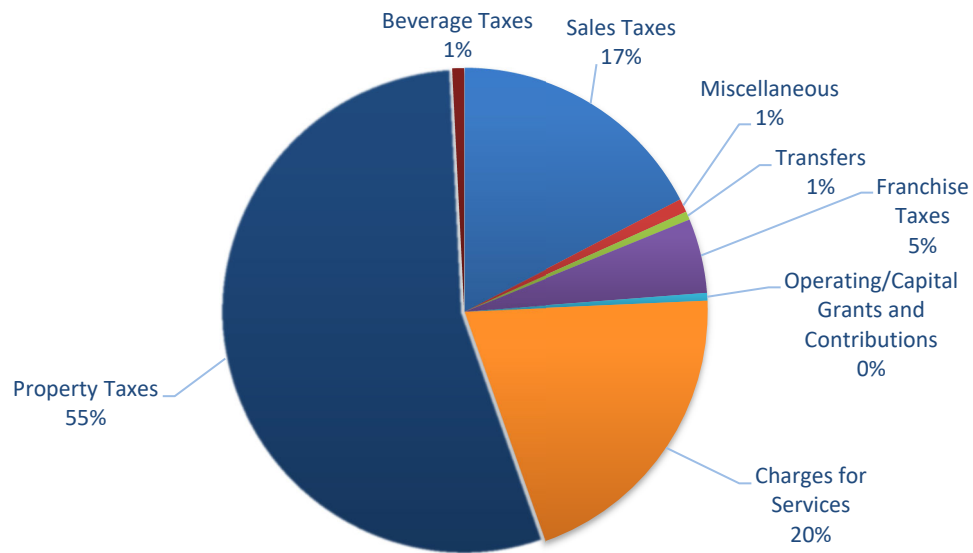
At September 30, 2021, the governmental activities ended with an overall increase in net position of \$1,744,305. Property taxes account for approximately 55% of governmental activities revenues and increased in the current year due to increase property tax valuations.

The net position in the business-type activities increased by \$748,603. The net position provides for the operation and maintenance of the City's water distribution and sanitary sewer systems and for the provision of water and sewer services to its customers.

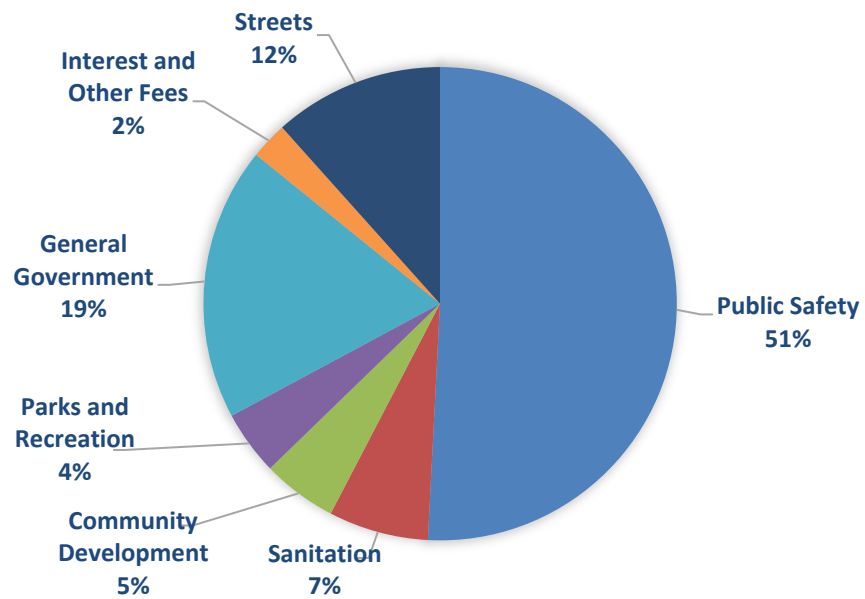
Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 2,564,120	\$ 2,470,453	\$ 4,383,508	\$ 3,736,134	\$ 6,947,628	\$ 6,206,587
Operating grants and contributions	64,251	80,525	-	-	64,251	80,525
General revenues:						
Property taxes	6,892,837	6,697,396	-	-	6,892,837	6,697,396
Sales taxes	2,194,576	1,981,009	-	-	2,194,576	1,981,009
Franchise taxes	623,915	643,265	-	-	623,915	643,265
Beverage taxes	99,634	76,441	-	-	99,634	76,441
Unrestricted investment earnings	12,881	125,524	2,512	21,268	15,393	146,792
Miscellaneous	99,756	81,246	6,360	2,977	106,116	84,223
Total revenues	<u>12,551,970</u>	<u>12,155,859</u>	<u>4,392,380</u>	<u>3,760,379</u>	<u>16,944,350</u>	<u>15,916,238</u>
EXPENSES						
General government	2,031,697	1,977,702	-	-	2,031,697	1,977,702
Public safety	5,529,038	5,823,235	-	-	5,529,038	5,823,235
Streets	1,264,934	1,147,982	-	-	1,264,934	1,147,982
Sanitation	742,085	742,724	-	-	742,085	742,724
Community development	555,975	480,802	-	-	555,975	480,802
Parks and recreation	477,915	494,042	-	-	477,915	494,042
Interest and other fees	276,822	130,050	-	-	276,822	130,050
Utility	-	-	3,572,976	3,217,649	3,572,976	3,217,649
Total expenses	<u>10,878,466</u>	<u>10,796,537</u>	<u>3,572,976</u>	<u>3,217,649</u>	<u>14,451,442</u>	<u>14,014,186</u>
Increase (decrease) in net position before transfers	1,673,504	1,359,322	819,404	542,730	2,492,908	1,902,052
TRANSFERS	<u>70,801</u>	<u>70,801</u>	<u>(70,801)</u>	<u>(70,801)</u>	<u>-</u>	<u>-</u>
Change in net position	1,744,305	1,430,123	748,603	471,929	2,492,908	1,902,052
NET POSITION - BEGINNING	<u>10,689,331</u>	<u>9,259,208</u>	<u>9,733,523</u>	<u>9,261,594</u>	<u>20,422,854</u>	<u>18,520,802</u>
NET POSITION - ENDING	<u>\$ 12,433,636</u>	<u>\$ 10,689,331</u>	<u>\$ 10,482,126</u>	<u>\$ 9,733,523</u>	<u>\$ 22,915,762</u>	<u>\$ 20,422,854</u>

Revenues by Source – Governmental Activities



Expenses by Function – Governmental Activities



Financial Analysis of the Governmental Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The City reported the general fund and the capital projects fund as major governmental funds. The general fund is the chief operating fund of the City. The primary source of revenue in the general fund consists of property taxes. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$5,770,612 compared to \$5,653,691 in 2020, an increase of \$116,921. This change was due to the increase in ad valorem collections, sales, and franchise tax revenues during the year. The fund balance reflects a point in time and the effect of the tax cycle.

The City's capital projects fund had a change in fund balance of \$14,118,268 because the City issued bonds in the amount of \$13,170,000 along with transfers from the general fund of \$945,000 to assist with project costs.

The City's other governmental funds increased fund balance by \$1.1 million during the fiscal year due primarily to increased sales tax revenues for street maintenance and property tax revenues for debt service. At September 30, 2021, \$581,091 was restricted for various other governmental activities.

Proprietary Funds

As reported earlier, the primary function of the proprietary funds of the City is the utility operation. Revenues for proprietary funds amounted to \$4,392,380 and expenses were \$3,643,777. This resulted in a \$748,603 increase in net position. Primary cause of the increase in net position was due to an increase in charges for services as a result of an increase in consumption. Net position at year end was 10,482,126.

General Fund Budgetary Highlights

The revision in the budget were amounts to increase planning and development expenditures.

Total revenues were under budget by \$20,547 and expenditures were under budget by \$876,236. The savings in expenditures are across departments and mainly attributable to personnel turnover. Significant budgetary variances during the period ended September 30, 2021 included the following:

- A majority of the positive expense budget variance was attributed to personnel expense.

Capital Assets

At the end of 2021, the City's investment in capital assets for its governmental and business-type activities was (net of accumulated depreciation) \$11,366,311 and \$8,895,764, respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, furniture, office equipment, computers, infrastructure and the utility system. Depreciation expense for the year was \$1,340,760 and \$359,179 for governmental and business-type activities, respectively. For more detail on capital assets, refer to note 3 of the financial statements.

Schedule of Change in Capital Assets

Capital Assets (Net of Depreciation)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,479,580	\$ 1,479,580	\$ -	\$ -	\$ 1,479,580	\$ 1,479,580
Water rights	-	-	1,003,124	1,003,124	1,003,124	1,003,124
Construction in progress	-	-	39,900	-	39,900	-
Buildings	6,564,267	6,798,530	-	-	6,564,267	6,798,530
Infrastructure	1,516,884	2,101,374	-	-	1,516,884	2,101,374
Improvements other than buildings	1,430,666	1,566,936	-	-	1,430,666	1,566,936
Furniture, fixtures, and equipment	374,914	502,110	140,556	184,543	515,470	686,653
Utility system	-	-	7,712,184	7,996,125	7,712,184	7,996,125
Totals	<u>\$ 11,366,311</u>	<u>\$ 12,448,530</u>	<u>\$ 8,895,764</u>	<u>\$ 9,183,792</u>	<u>\$ 20,262,075</u>	<u>\$ 21,632,322</u>

Long-Term Debt

The City's long-term debt consists of general obligation bonds and compensated absences.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
General obligation	\$ 17,135,000	\$ 4,895,000	\$ 860,000	\$ 990,000	\$ 17,995,000	\$ 5,885,000
Bond premium	599,815	14,085	50,721	59,175	650,536	73,260
Compensated absences	<u>443,128</u>	<u>456,350</u>	<u>27,056</u>	<u>27,925</u>	<u>470,184</u>	<u>484,275</u>
Total debt	<u>\$ 18,177,943</u>	<u>\$ 5,365,435</u>	<u>\$ 937,777</u>	<u>\$ 1,077,100</u>	<u>\$ 19,115,720</u>	<u>\$ 6,442,535</u>

Additional details about the City's long-term debt can be found in note 3 of the financial statements.

Economic Factors

The economy in Alamo Heights, Texas is very stable because property tax, franchise tax and sales tax revenue make up 68% of the General Fund revenue. Property valuations have steadily increased and sales taxes are stable.

Request for Information

This annual comprehensive financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to Robert Galindo, Director of Finance, 6116 Broadway, San Antonio, Texas, 78209.



BASIC FINANCIAL STATEMENTS



CITY OF ALAMO HEIGHTS, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 24,935,726	\$ 2,338,357	\$ 27,274,083
Investments	-	481,493	481,493
Receivables - net of allowances for uncollectibles:			
Taxes	302,205	-	302,205
Accounts	662,098	637,775	1,299,873
Prepays	81,965	603	82,568
Restricted assets:			
Cash and cash equivalents	-	45,543	45,543
Capital assets not being depreciated			
Land	1,479,580	-	1,479,580
Water rights	-	1,003,124	1,003,124
Construction in progress	-	39,900	39,900
Capital assets - net of: Accumulated depreciation			
Buildings	6,564,267	-	6,564,267
Infrastructure	1,516,884	-	1,516,884
Improvements other than buildings	1,430,666	-	1,430,666
Utility system	-	7,712,184	7,712,184
Furniture, fixtures, and equipment	374,914	140,556	515,470
Total assets	<u>37,348,305</u>	<u>12,399,535</u>	<u>49,747,840</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows - loss on refunding	-	34,185	34,185
Deferred outflows related to TMRS pension	637,548	70,839	708,387
Deferred outflows related to TMRS OPEB	84,687	9,410	94,097
Total deferred outflows of resources	<u>722,235</u>	<u>114,434</u>	<u>836,669</u>
LIABILITIES			
Accounts payable	379,356	357,168	736,524
Other payables	16,554	29,752	46,306
Accrued payroll	89,733	9,850	99,583
Accrued interest	72,941	3,625	76,566
Unearned revenues	1,067,214	-	1,067,214
Payable from restricted assets:			
Customer deposits	-	45,543	45,543
Long-term liabilities:			
Due within one year	923,857	139,944	1,063,801
Due in more than one year	17,254,086	797,833	18,051,919
Net pension liability	4,574,502	508,278	5,082,780
OPEB liability	401,825	44,647	446,472
Total liabilities	<u>24,780,068</u>	<u>1,936,640</u>	<u>26,716,708</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to TMRS pension	812,256	90,250	902,506
Deferred inflows related to TMRS OPEB	44,580	4,953	49,533
Total deferred inflows of resources	<u>856,836</u>	<u>95,203</u>	<u>952,039</u>
NET POSITION			
Net investment in capital assets	6,881,496	8,019,228	14,900,724
Restricted for:			
Confiscated property	26,208	-	26,208
Court security	84,447	-	84,447
Community programs	20,236	-	20,236
Police training	32,943	-	32,943
Court technology	30,492	-	30,492
Animal services	17,385	-	17,385
Debt service	369,380	-	369,380
Unrestricted	4,971,049	2,462,898	7,433,947
Total net position	<u>\$ 12,433,636</u>	<u>\$ 10,482,126</u>	<u>\$ 22,915,762</u>

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

STATEMENT OF ACTIVITIES

Year ended September 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
Primary government			
Governmental activities:			
General government	\$ 2,031,697	\$ 1,513,519	\$ 47,715
Public safety	5,529,038	687,896	16,536
Streets	1,264,934	-	-
Sanitation	742,085	362,705	-
Community Development	555,975	-	-
Parks and recreation	477,915	-	-
Interest and other fees	<u>276,822</u>	<u>-</u>	<u>-</u>
Total governmental activities	10,878,466	2,564,120	64,251
Business-type activities:			
Utility	<u>3,572,976</u>	<u>4,383,508</u>	<u>-</u>
Total government	<u>\$ 14,451,442</u>	<u>\$ 6,947,628</u>	<u>\$ 64,251</u>

General revenues

Taxes:

Property taxes

Sales taxes

Franchise taxes

Beverage taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

(The accompanying notes are an integral part of these financial statements)

NET (EXPENSES) REVENUES AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
\$ (470,463)	\$ -	\$ (470,463)
(4,824,606)	-	(4,824,606)
(1,264,934)	-	(1,264,934)
(379,380)	-	(379,380)
(555,975)	-	(555,975)
(477,915)	-	(477,915)
<u>(276,822)</u>	<u>-</u>	<u>(276,822)</u>
(8,250,095)	-	(8,250,095)
<u>-</u>	<u>810,532</u>	<u>810,532</u>
<u>(8,250,095)</u>	<u>810,532</u>	<u>(7,439,563)</u>
6,892,837	-	6,892,837
2,194,576	-	2,194,576
623,915	-	623,915
99,634	-	99,634
12,881	2,512	15,393
99,756	6,360	106,116
<u>70,801</u>	<u>(70,801)</u>	<u>-</u>
<u>9,994,400</u>	<u>(61,929)</u>	<u>9,932,471</u>
1,744,305	748,603	2,492,908
<u>10,689,331</u>	<u>9,733,523</u>	<u>20,422,854</u>
<u>\$ 12,433,636</u>	<u>\$ 10,482,126</u>	<u>\$ 22,915,762</u>

CITY OF ALAMO HEIGHTS, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 5,966,891	\$ 14,312,350	\$ 4,656,485	\$ 24,935,726
Receivables - net of allowances for uncollectibles				
Taxes, net	145,772	-	156,433	302,205
Accounts, net	662,098	-	-	662,098
Prepays	81,965	-	-	81,965
Total assets	<u>\$ 6,856,726</u>	<u>\$ 14,312,350</u>	<u>\$ 4,812,918</u>	<u>\$ 25,981,994</u>
LIABILITIES				
Accounts payable	\$ 359,796	\$ 15,800	\$ 3,760	\$ 379,356
Accrued liabilities	163,590	-	-	163,590
Other liabilities	16,554	-	-	16,554
Unearned revenue	-	-	1,067,214	1,067,214
Total liabilities	<u>539,940</u>	<u>15,800</u>	<u>1,070,974</u>	<u>1,626,714</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes	137,061	-	20,612	157,673
Warrants	327,148	-	-	327,148
Total deferred inflows of resources	<u>464,209</u>	<u>-</u>	<u>20,612</u>	<u>484,821</u>
FUND BALANCES				
Non-spendable - prepaids	81,965	-	-	81,965
Restricted for:				
Confiscated property	-	-	26,208	26,208
Court security	-	-	84,447	84,447
Community programs	-	-	20,236	20,236
Police training	-	-	32,943	32,943
Court technology	-	-	30,492	30,492
Capital projects	-	13,250,000	-	13,250,000
Animal services	-	-	17,385	17,385
Debt service	-	-	369,380	369,380
Committed for:				
Capital replacement	-	-	1,547,856	1,547,856
Street maintenance	-	-	1,425,692	1,425,692
Comprehensive plan	-	-	166,693	166,693
Assigned				
Capital projects	-	1,046,550	-	1,046,550
Unassigned	5,770,612	-	-	5,770,612
Total fund balances	<u>5,852,577</u>	<u>14,296,550</u>	<u>3,721,332</u>	<u>23,870,459</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,856,726</u>	<u>\$ 14,312,350</u>	<u>\$ 4,812,918</u>	<u>\$ 25,981,994</u>

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

**RECONCILIATION OF BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

September 30, 2021

TOTAL FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 23,870,459

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. 11,366,311

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 484,821

Accrued vacation leave payable is not due and payable in the current period and, therefore not reported in the funds. (369,271)

Long-term liabilities, which includes certificates of obligation bonds, general obligation bonds, premiums and capital lease payable, are not due and payable in the current period and, therefore, not reported in the funds. (17,734,815)

Net pension liability, other postemployment benefit liability, and related deferred inflows and outflows of resources are not due and payable in the current period and, therefore, not reported in the funds. (5,110,928)

Accrued interest payable on certificates of obligation are not due and payable in the current period and, therefore, not reported in the funds. (72,941)

Net position of governmental activities - statement of net position \$ 12,433,636

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

Year ended September 30, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 8,213,982	\$ -	\$ 1,622,042	\$ 9,836,024
Licenses and permits	854,101	-	-	854,101
Intergovernmental	477,826	-	51,673	529,499
Charges for services	1,118,478	-	-	1,118,478
Fines	224,972	-	8,242	233,214
Investment earnings	12,881	-	-	12,881
Miscellaneous	<u>73,936</u>	<u>-</u>	<u>12,578</u>	<u>86,514</u>
Total revenues	<u>10,976,176</u>	<u>-</u>	<u>1,694,535</u>	<u>12,670,711</u>
EXPENDITURES				
General government	1,710,012	24,290	32,031	1,766,333
Public safety	5,705,592	-	31,995	5,737,587
Streets	586,322	-	-	586,322
Sanitation	767,307	-	-	767,307
Planning and development	575,320	-	96	575,416
Parks and recreation	299,672	-	-	299,672
Capital outlay	-	52,442	206,099	258,541
Debt service:				
Principal	-	-	565,000	565,000
Interest and fiscal charges	<u>-</u>	<u>105,080</u>	<u>174,848</u>	<u>279,928</u>
Total expenditures	<u>9,644,225</u>	<u>181,812</u>	<u>1,010,069</u>	<u>10,836,106</u>
Excess of revenues over expenditures	<u>1,331,951</u>	<u>(181,812)</u>	<u>684,466</u>	<u>1,834,605</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from refunding bond issuance	-	-	4,530,000	4,530,000
Proceeds from bond issuance	-	13,170,000	-	13,170,000
Premium on issuance of bonds	-	185,080	455,354	640,434
Other uses-payment to escrow agent	-	-	(4,916,379)	(4,916,379)
Sale of assets	-	-	25,820	25,820
Transfer out	(1,285,831)	-	-	(1,285,831)
Transfer in	<u>70,801</u>	<u>945,000</u>	<u>340,831</u>	<u>1,356,632</u>
Total other financing sources (uses)	<u>(1,215,030)</u>	<u>14,300,080</u>	<u>435,626</u>	<u>13,520,676</u>
Net change in fund balances	116,921	14,118,268	1,120,092	15,355,281
FUND BALANCES - BEGINNING	<u>5,735,656</u>	<u>178,282</u>	<u>2,601,240</u>	<u>8,515,178</u>
FUND BALANCES - ENDING	<u>\$ 5,852,577</u>	<u>\$ 14,296,550</u>	<u>\$ 3,721,332</u>	<u>\$ 23,870,459</u>

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

Year ended September 30, 2021

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 15,355,281

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. This is the amount by which depreciation expense (\$1,340,760) was less than capital outlay (\$258,541). (1,082,219)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (13,575,910)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net position. 565,000

The amortization of bond premium and losses on refunding do not require the use of current financial resources, and therefore, are not reported in the funds. 40,619

Change in net pension liability, other postemployment benefits liability, and related deferred inflows and outflows do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 460,735

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. (19,201)

Change in net position of governmental activities \$ 1,744,305

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,338,357
Investments	481,493
Receivables - net of allowance for uncollectibles	637,775
Restricted cash and cash equivalents:	
Customer deposits - restricted	45,543
Prepays	<u>603</u>
Total current assets	<u>3,503,771</u>

Noncurrent assets:

Capital assets:

Water rights	1,003,124
Construction in progress	39,900
Utility system	13,842,393
Furniture, fixtures, and equipment	<u>752,902</u>
Totals	15,638,319
Less: accumulated depreciation	<u>(6,742,555)</u>

Total capital assets - net of accumulated depreciation 8,895,764

Total noncurrent assets 8,895,764

Total assets 12,399,535

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow - loss on refunded debt	34,185
Deferred outflow - pension	70,839
Deferred outflow - OPEB	<u>9,410</u>
Total deferred outflows of resources	<u>114,434</u>

Total assets and deferred outflows of resources \$ 12,513,969

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2021

LIABILITIES

Current liabilities:

Accounts payable	\$ 357,168
Other payables	29,752
Accrued payroll	9,850
Customer deposits payable - restricted	45,543
Accrued interest payable	3,625
Compensated absences	4,944
Bonds payable due within one year	<u>135,000</u>
Total current liabilities	<u>585,882</u>

Noncurrent liabilities:

Net pension liability	508,278
OPEB liability	44,647
Compensated absences	22,112
Bonds payable due after one year	<u>775,721</u>
Total noncurrent liabilities	<u>1,350,758</u>

Total liabilities	<u>1,936,640</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflow - pension	90,250
Deferred inflow - OPEB	<u>4,953</u>
Total inflows of resources	<u>95,203</u>

NET POSITION

Net investment in capital assets	8,019,228
Unrestricted	<u>2,462,898</u>
Total net position	<u>10,482,126</u>

Total liabilities, deferred inflows of resources, and net position	<u>\$ 12,513,969</u>
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(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

Year ended September 30, 2021

OPERATING REVENUES	
Charges for services	\$ 4,383,508
Miscellaneous revenues	<u>6,360</u>
Total operating revenues	<u>4,389,868</u>
OPERATING EXPENSES	
Costs of sales and services	3,185,279
Depreciation	<u>359,179</u>
Total operating expenses	<u>3,544,458</u>
Operating income	<u>845,410</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	2,512
Interest expense	<u>(28,518)</u>
Total nonoperating revenues (expenses)	<u>(26,006)</u>
Income before transfers	819,404
TRANSFER OUT	<u>(70,801)</u>
Change in net position	748,603
NET POSITION - BEGINNING	<u>9,733,523</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 10,482,126</u></u>

(The accompanying notes are an integral part of these financial statements)

CITY OF ALAMO HEIGHTS, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,364,650
Cash paid to suppliers	(2,250,113)
Cash paid to employees	<u>(917,355)</u>
Net cash provided by operating activities	<u>1,197,182</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash paid to other funds	<u>(70,801)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(71,151)
Payment of interest on debt	(31,599)
Payments on debt	<u>(130,000)</u>
Net cash used in financing activities	<u>(232,750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investment interest	2,512
Purchase of investments	<u>(13,431)</u>
Net cash provided in investing activities	<u>(10,919)</u>
Net increase in cash and cash equivalents	882,712
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,501,188</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,383,900</u>
CASH AND CASH EQUIVALENTS - UNRESTRICTED	\$ 2,338,357
CASH AND CASH EQUIVALENTS - RESTRICTED	<u>45,543</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,383,900</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income	<u>\$ 845,410</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	359,179
Increase in accounts receivable	(17,208)
Increase in accounts payable	72,546
Increase in compensated absences	(869)
Decrease in accrued payroll	(2,671)
Change in net pension liability	(56,780)
Change in OPEB liability	5,585
Increase in customer deposits payable	<u>(8,010)</u>
Total adjustments	<u>351,772</u>
Net cash provided by operating activities	<u>\$ 1,197,182</u>
SCHEDULE OF NONCASH CAPITAL ACTIVITIES	
Amortization of bond premium and deferred loss on refunding	\$ 2,756
Actuarially determined change in:	
Net pension liability	17,447
Other postemployment benefit liability	2,775

(The accompanying notes are an integral part of these financial statements)



NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(1) Summary of significant accounting policies

Reporting entity

The City of Alamo Heights, Texas, (the City) was incorporated in 1922 and adopted its home rule charter in 1954, pursuant to the laws of the State of Texas. The City operates under a mayor-council form of government with a mayor and five council members.

The financial statements of the City have been prepared in conformance with accounting principles generally accepted in the United States of America (GAAP). The recognized standard setting body for governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the 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 or segment. 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 or segment 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 among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

Government-wide financial statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. Property and sales taxes, utility franchises, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility enterprise fund charges customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When expenditures or expenses for which both restricted and unrestricted resources are available, the City considers restricted funds to have been spent first. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The City reports the following major governmental funds:

General fund: The general fund is the City's primary operating fund. It is used to account for all activity not required to be accounted for in another type of governmental fund.

Street maintenance fund: The street maintenance fund, a capital projects fund, accounts for the recurring maintenance of all City streets that is supported by a mixture of general fund dollars and the 1/2 cent sales tax approved by the voters in November 2008.

CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

The City reports the following major proprietary fund:

Utility fund: The utility fund accounts for business-type activities of the City, where cost recovery and determination of net income are useful or necessary for sound fiscal management.

For valuation purposes, investments with remaining maturities of one (1) year or less at time of purchase are accounted for at amortized cost. All other investments are reported on the financial statements at fair value. Fair value is defined as the price at which a security would be exchanged in a current transaction between willing parties. The City uses fair values as quoted in *The Wall Street Journal* or a comparable nationally recognized publication to determine fair value.

Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand and demand deposits.

Receivables and payables

Allowance for doubtful accounts: The allowance for doubtful accounts is established as losses are estimated to have occurred though a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

Property taxes: The City levies its property taxes on October 1 of each year based upon the assessed value as of January 1 (the lien date) of that year for all real and personal property located in the City. Taxes are due on October 1 (the statement and levy date) and become delinquent on February 1 of the subsequent year.

Other assets

Restricted assets: Cash received as security deposits from customers for utility service is reported as a restricted asset. These funds are maintained in a separate account with the City's depository and are not available for appropriation.

Capital assets

Capital assets used by the primary government are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two (2) years. Such assets are recorded at cost, or estimated historical cost if actual cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. Capital lease assets are recorded at the present value of their future minimum lease payments as of the inception date. Capital assets include land, buildings and improvements, furniture and equipment, infrastructure, and the utility system.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(1) Summary of significant accounting policies (continued)

Capital assets (continued)

Infrastructure assets are those public domain assets that are immovable and have value only to the City, e.g., streets, sidewalks, traffic signs, and lights.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Assets acquired are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Records of all capital assets, including infrastructure capital assets, are maintained for both management and accountability purposes.

Depreciation of capital assets is charged as an expenditure/expense against operations. Accumulated depreciation is reported on the statement of net position. Depreciation is generally recorded on the straight-line basis over the estimated life of the assets. The estimated useful lives are as follows:

<u>ASSET</u>	<u>YEARS</u>
Buildings	40 years
Improvements other than buildings	40 years
Infrastructure	40 years
Furniture, fixtures, and equipment	3-10 years
Utility system	40 years

Compensated absences

Each eligible, full-time City employee accrues vacation on his or her anniversary date. This vacation time must be taken prior to the employee's next anniversary date. The amount of time the employee accrues depends upon the employee's length of service as follows:

1-10 years	2 weeks
10-20 years	3 weeks
Over 20 years	4 weeks

The City also permits all nonexempt employees to accrue compensatory time at a rate of 1.5 hours for each hour over the standard number of hours in the employee's pay cycle. The majority of these have typically been liquidated from the general fund in previous years.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both government-wide and fund financial statements. Prepaids of governmental funds are recorded as expenditures when consumed rather than when purchased.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(1) Summary of significant accounting policies (continued)

Deferred inflows/outflows of resources

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/deductions 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. Benefits payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits

The other postemployment benefit liability of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit Plan (SDBF) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the other postemployment benefit (OPEB) liability and deferred outflows of resources related to the other postemployment benefits, (OPEB) expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(1) Summary of significant accounting policies (continued)

Fund balance

The City implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts that can be used only for specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has by resolution (Fund Balance Policy) authorized the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

In the general fund, the City strives to maintain an unassigned fund balance equal to 25% of expenditures. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(2) Budgetary and legal compliance

An annual budget is legally adopted for the general fund, street maintenance fund, capital projects fund, comprehensive plan fund, capital replacement fund, and the debt service fund on a basis consistent with GAAP. All annual appropriations lapse at fiscal year end.

The budget preparation process begins in the last quarter of the fiscal year when the department heads meet with the city manager to discuss departmental needs. The city manager prepares a proposed budget for preliminary review by the mayor or his designee prior to the end of the fiscal year. After the mayor has approved the proposed budget, it is submitted to the city council for approval. The budget is legally enacted by city council through passage of an ordinance.

Formal budgetary account integration is used to facilitate managerial control over expenditures during the course of the year. Expenditures are monitored at the department line item level for ongoing control purposes. On a monthly basis, comparative revenue and expenditure statements are presented to the city council.

The city manager is authorized to transfer budgeted amounts between accounts within a department and from one department to another. These transfers cannot increase the overall budgeted expenditures.

(3) Detailed notes for all funds

Cash and cash equivalents

Deposits: The City uses a pooled cash system that is available for use by all funds. City monies are deposited in demand accounts. Each fund's portion of pooled cash is reflected on the statement of net position in "cash and cash equivalents". This amount also includes all highly liquid investments with original maturities of 90 days or less.

The City's deposits are held in a Federal Deposit Insurance Corporation (FDIC) insured bank. The City's depository agreement requires collateralization of all deposits with U.S. Government securities. The fair value of the collateral must be greater than the total amount on deposit.

The carrying amount of the City's deposits with financial institutions was \$782,514 and the bank balance was \$1,096,840. The deposits were fully collateralized by securities pledged in the name of the City. The City maintains \$5,070 of cash-on-hand at September 30, 2021.

Investments: The City may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas (the Act). Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the FDIC or otherwise secured; and certain repurchase agreements.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Cash and cash equivalents (continued)

The method used to value investments for financial reporting purposes is dependent upon the type of investment and the time remaining to maturity. Investments are valued at amortized cost if they have a remaining maturity at the time of purchase of one (1) year or less and the fair value of the investments is not affected by the impairment or the credit standing of the issuer or by other factors. All other investments are valued at fair value.

Local government investment pools in Texas are established under the government of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the 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 AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2a7 of the Investment Company Act of 1940 but are not registered with the SEC as investment companies. The pools use amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in this pool is the same as the value of the shares in the pool.

Texpool and Logic are both external investments tailored to meet the investment needs of Texas local governments and are valued at amortized cost. They do not have any minimum or maximum transaction or balance amounts and the investment balances are accessible on the same day as the request pending end of business time constraints. There are no limitations or restrictions on withdrawals from the pools.

The City utilizes the Texas Short Term Asset Reserve Program (TexSTAR). JPMorgan Investment Management Inc. and Hilltop Securities Inc. serve as co-administrators under an agreement with the TexSTAR board of directors to provide investment and participant services for the pool. JPMorgan Chase Bank or its subsidiaries provides custodial, fund accounting, and depository services. Boston Financial Data Services serves as the transfer agent to TexSTAR.

TexStar is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily and competitive yield. The fund is rated AAAM by Standard and Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools. The portfolio is a government-repurchase agreement pool (REPO), utilizing primarily U.S. Treasury securities, U.S. agency securities, and REPO collateralized obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the US or its agencies or its instrumentalities. The fair values of the investments in this type have been determined using the NAV per share of the investments.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Cash and cash equivalents (continued)

The City utilizes the Lone Star Investment Pool sponsored by the Texas Association of School Boards (TASB). First Public, LLC serves as the administrator under an agreement with the Lone Star board of directors to provide or contract investment and participant services for the pool. American Beacon Advisors and Mellon Investments Corp. provide investment management services. State Street Bank and Trust serves as the custodian bank for the pool.

Lone Star Liquidity Fund is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal and providing the highest possible rate of return for invested funds. The fund is rated AAAM by Standard and Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for fixed rate securities and 24 months for variable rate securities. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools. The portfolio of the pool are considered marketable and very liquid, utilizing primarily U.S. Treasury securities, U.S. agency securities, and reverse repurchase agreements, no-load money markets regulated by the SEC, the principle and interest of which are unconditionally guaranteed or insured by the full faith and credit of the US or its agencies or its instrumentalities. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. Presented below is the minimum rating required by (where applicable) the City's investment policy and the Act and the actual rating as of September 30, 2021 for each investment:

DESCRIPTION	INVESTMENT POLICY MINIMUM RATING	INVESTMENT RATING	RATING ORGANIZATION	CARRYING/FAIR VALUE	WEIGHTED AVERAGE MATURITY (YEARS)
Investments:					
Certificate of Deposit	AAA	AAA	Standard & Poor's	\$ 481,493	0.37
Total investments				<u>\$ 481,493</u>	
Cash and cash equivalents:					
TexPool	AAA	AAAM	Standard & Poor's	\$ 2,641,058	0.10
Lone Star Liquidity Fund	AAA	AAA	Standard & Poor's	18,217,595	0.09
Logic	AAA	AAA	Standard & Poor's	5,122,653	0.08
TexStar	AAA	AAAM	Standard & Poor's	1,032,231	0.06
Total cash equivalents				<u>\$ 27,013,537</u>	
Portfolio weighted average maturity					0.09

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Cash and cash equivalents (continued)

Concentration of credit risk: Disclosure is required for investments in any one issuer that represent 5% or more of total investment. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The City's investments in external investment pools exceeding 5% are excluded from this requirement.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturing of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting the City's exposure to fair value losses arising from interest rate risk, the City's investment policy limits the maximum weighted average maturity for its portfolio as a whole to 365 days. Maximum allowable stated maturities are limited by investment type as follows:

<u>INVESTMENT TYPE</u>	<u>MAXIMUM MATURITIES</u>
United States Treasury Securities	Two years
Certificates of Deposit	One year
No-Load Money Market Mutual Funds	90 days

Custodial credit risk: For an investment, this is the risk that, in the event of the failure of counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments are not exposed to custodial credit risk as they are held by financial institutions in the City's name.

Investment valuation: The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; or other observable inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities, and credit spreads; or market-corroborated inputs.
- Level 3 inputs are significant unobservable inputs.

CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Cash and cash equivalents (continued)

At September 30, 2021, the City had the following investments:

	BALANCE	LEVEL 1	LEVEL 2	LEVEL 3
Investments by fair value level:				
Certificate of Deposit	\$ 481,493	\$ -	\$ 481,493	\$ -
Total investments at fair value:	<u>481,493</u>	<u>\$ -</u>	<u>\$ 481,493</u>	<u>\$ -</u>
Investments measured at amortized cost:				
TexPool	2,641,058			
Logic	<u>5,122,653</u>			
Total investments measured at amortized cost	<u>7,763,711</u>			
Investments measured at net asset value:				
TexStar	1,032,231			
Lone Star Liquidity Fund	<u>18,217,595</u>			
Total investments measured at net asset value	<u>19,249,826</u>			
 Total investments	 <u>\$ 27,495,030</u>			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments measured at net asset value:				
TexStar	\$ 1,032,231	N/A	Daily	N/A
Lone Star liquidity fund	<u>18,217,595</u>	N/A	Daily	N/A
Total investmetns measured at NAV	<u>\$ 19,249,826</u>			

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Receivables

The following is a summary of the receivable and the allowances for uncollectible accounts:

	TAXES	ALLOWANCE FOR UNCOLLECTIBLE TAXES	NET TAXES	WARRANTS AND OTHER	ALLOWANCE FOR UNCOLLECTIBLE WARRANTS	NET WARRANTS AND OTHER	CUSTOMER RECEIVABLES	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	NET CUSTOMER RECEIVABLES
General fund	\$ 161,969	\$ (16,197)	\$ 145,772	\$ 989,246	\$ (327,148)	\$ 662,098	\$ -	\$ -	\$ -
Street maintenance	-	-	-	134,496	-	134,496	-	-	-
Utility fund	-	-	-	-	-	-	724,686	(86,911)	637,775
Other funds	<u>158,870</u>	<u>(2,437)</u>	<u>156,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 320,839</u>	<u>\$ (18,634)</u>	<u>\$ 302,205</u>	<u>\$ 1,123,742</u>	<u>\$ (327,148)</u>	<u>\$ 796,594</u>	<u>\$ 724,686</u>	<u>\$ (86,911)</u>	<u>\$ 637,775</u>

Property tax

Property taxes are levied on October 1 of each fiscal year based upon the assessed value as of January 1 (the lien date) for all real and personal property located in the City. Taxes are due on October 1 (the statement and levy date) and become delinquent on February 1 of the next year.

The appraisal of property within the City is the responsibility of the Bexar Appraisal District, which is required by state statute to assess all property within the appraisal district at 100% of its appraised value and is prohibited from applying any assessment ratios.

The total assessed value on January 1, 2020, upon which the 2021 fiscal year levy was based, is \$1,896,599,185. Tax collections during the year ended September 30, 2021, for the 2020 tax levy, were 99.36% of the total tax levy for that year. General property taxes for cities are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation. The City's tax rate for this fiscal period was \$0.386439 per \$100 of assessed valuation.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Capital assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	BALANCE AT OCTOBER 1, 2020	INCREASES	DECREASES	BALANCE AT SEPTEMBER 30, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,479,580	\$ -	\$ -	\$ 1,479,580
Capital assets being depreciated:				
Buildings	8,222,225	-	-	8,222,225
Infrastructure	14,292,091	107,312	-	14,399,403
Improvements other than buildings	1,898,315	52,442	-	1,950,757
Furniture, fixtures, and equipment	<u>6,198,984</u>	<u>98,787</u>	<u>(93,769)</u>	<u>6,204,002</u>
Total capital assets being depreciated	<u>30,611,615</u>	<u>258,541</u>	<u>(93,769)</u>	<u>30,776,387</u>
Less accumulated depreciation for:				
Buildings	(1,423,695)	(234,263)	-	(1,657,958)
Infrastructure	(12,190,717)	(691,802)	-	(12,882,519)
Improvements other than buildings	(331,379)	(188,712)	-	(520,091)
Furniture, fixtures, and equipment	<u>(5,696,874)</u>	<u>(225,983)</u>	<u>93,769</u>	<u>(5,829,088)</u>
Total accumulated depreciation	<u>(19,642,665)</u>	<u>(1,340,760)</u>	<u>93,769</u>	<u>(20,889,656)</u>
Total capital assets being depreciated - net	<u>10,968,950</u>	<u>(1,082,219)</u>	<u>-</u>	<u>9,886,731</u>
Governmental activities capital assets-net	<u>\$ 12,448,530</u>	<u>\$ (1,082,219)</u>	<u>\$ -</u>	<u>\$ 11,366,311</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 39,900	\$ -	\$ 39,900
Water rights	<u>1,003,124</u>	<u>-</u>	<u>-</u>	<u>1,003,124</u>
Total capital assets not being depreciated	<u>1,003,124</u>	<u>39,900</u>	<u>-</u>	<u>1,043,024</u>
Capital assets being depreciated:				
Utility system	13,811,142	31,251	-	13,842,393
Furniture, fixtures, and equipment	<u>752,902</u>	<u>-</u>	<u>-</u>	<u>752,902</u>
Total capital assets being depreciated	<u>14,564,044</u>	<u>31,251</u>	<u>-</u>	<u>14,595,295</u>
Less accumulated depreciation for:				
Utility system	(5,815,017)	(315,192)	-	(6,130,209)
Furniture, fixtures, and equipment	<u>(568,359)</u>	<u>(43,987)</u>	<u>-</u>	<u>(612,346)</u>
Total accumulated depreciation	<u>(6,383,376)</u>	<u>(359,179)</u>	<u>-</u>	<u>(6,742,555)</u>
Total capital assets being depreciated - net	<u>8,180,668</u>	<u>(327,928)</u>	<u>-</u>	<u>7,852,740</u>
Business-type activities capital assets-net	<u>\$ 9,183,792</u>	<u>\$ (288,028)</u>	<u>\$ -</u>	<u>\$ 8,895,764</u>

CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Capital assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 270,224
Public safety	170,859
Streets	698,053
Sanitation	8,800
Parks and recreation	<u>192,824</u>

Total depreciation expense - governmental activities	<u>\$ 1,340,760</u>
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Business-type activities:

Utility	<u>\$ 359,179</u>
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Total depreciation expense - business-type activities	<u>\$ 359,179</u>
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Interfund transfers

TRANSFER OUT	TRANSFER IN		TOTALS
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	
General fund	\$ -	\$ 1,285,831	\$ 1,285,831
Utility fund	<u>70,801</u>	<u>-</u>	<u>70,801</u>
Totals	<u>\$ 70,801</u>	<u>\$ 1,285,831</u>	<u>\$ 1,356,632</u>

Interfund transfers are for future capital replacements, street improvement projects, and public realm improvements.

Long-term liabilities

In 2012, the City issued general obligation bonds for construction of administration and public safety facilities. During fiscal year 2021 the City refunded those bonds with the issuance of general obligation refunding bonds 2020 in the amount of \$4,530,000. Also in fiscal year 2021 the City issued general obligation bonds series 2021 in the amount of \$13,170,000 for street and drainage projects.

The general obligation refunding bonds, series 2020 issued in the amount of \$4,530,000 with interest rates of 2 to 3% were issued to refund \$4,895,000 in general obligation bonds, series 2012. This refunding reduced the total debt service payments by \$297,453 over the next 11 years. The intent of this refunding was to affect a net present value savings of \$265,781 on the refunded issue.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Long-term liabilities (continued)

The City imposed a legal debt limit of 1% of assessed property valuations.

At September 30, 2021, the City's long-term debt consisted of the following:

<u>Governmental Activities:</u>	Range of Interest Rates	Unpaid Principal	Current Maturities	Long-Term Maturities
General Obligations, Refunding Bonds Series 2020	2.00-3.00%	\$ 3,965,000	\$ 315,000	\$ 3,650,000
General Obligations, Bonds Series 2021	1.65-2.625%	13,170,000	535,000	12,635,000
<u>Business-type activities:</u>	Range of Interest Rates	Unpaid Principal	Current Maturities	Long-Term Maturities
General Obligations, Refunding Bonds Series 2016	2-4.00%	\$ 860,000	\$ 135,000	\$ 725,000

Changes in the City's long-term liabilities during the fiscal year ended September 30, 2021:

	ORIGINAL AMOUNT	OUTSTANDING OCTOBER 1, 2020	ISSUED	RETIRED	BALANCE SEPTEMBER 30, 2021	AMOUNTS DUE IN ONE YEAR
GOVERNMENTAL ACTIVITIES						
Long-term debt:						
General Obligations, Bonds Series 2012	\$ 6,300,000	\$ 4,895,000	\$ -	\$ (4,895,000)	\$ -	\$ -
General Obligations, Refunding Bonds Series 2020	4,530,000	-	4,530,000	(565,000)	3,965,000	315,000
General Obligations, Bonds Series 2021	13,170,000	-	13,170,000	-	13,170,000	535,000
Bond premiums Series 2012, net		14,085	-	(14,085)	-	-
Bond premiums Series 2020 refunding, net		-	455,354	(37,946)	417,408	-
Bond premiums Series 2021, net		-	185,080	(2,673)	182,407	-
Total long-term debt		4,909,085	18,340,434	(5,514,704)	17,734,815	850,000
Other long-term liabilities:						
Compensated absences		456,350	47,713	(60,935)	443,128	73,857
Total governmental activities		<u>\$ 5,365,435</u>	<u>\$ 18,388,147</u>	<u>\$ (5,575,639)</u>	<u>\$ 18,177,943</u>	<u>\$ 923,857</u>
BUSINESS-TYPE ACTIVITIES						
Long-term debt:						
General Obligations, Refunding Bonds Series 2016	\$ 1,370,000	\$ 990,000	\$ -	\$ (130,000)	\$ 860,000	\$ 135,000
Bond premium, net		59,175	-	(8,454)	50,721	-
Total long-term debt		1,049,175	-	(138,454)	910,721	135,000
Other long-term liabilities:						
Compensated absences		27,925	4,013	(4,882)	27,056	4,944
Total business-type activities		<u>1,077,100</u>	<u>4,013</u>	<u>(143,336)</u>	<u>937,777</u>	<u>139,944</u>
Total changes in long-term liabilities		<u>\$ 6,442,535</u>	<u>\$ 18,392,160</u>	<u>\$ (5,718,975)</u>	<u>\$ 19,115,720</u>	<u>\$ 1,063,801</u>

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(3) Detailed notes for all funds (continued)

Long-term liabilities (continued)

The compensated absences attributable to the governmental activities will be liquidated primarily by the general fund.

Annual debt service requirements as of September 30, 2021, for revenue bonds are as follows:

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2022	\$ 850,000	\$ 409,183	\$ 1,259,183	\$ 135,000	\$ 29,000	\$ 164,000
2023	915,000	364,513	1,279,513	135,000	26,300	161,300
2024	960,000	342,613	1,302,613	140,000	23,600	163,600
2025	990,000	323,163	1,313,163	145,000	18,000	163,000
2026	1,025,000	303,063	1,328,063	150,000	12,200	162,200
2027-2031	5,670,000	1,137,233	6,807,233	155,000	6,200	161,200
2032-2036	2,650,000	613,206	3,263,206	-	-	-
2037-2041	1,915,000	398,396	2,313,396	-	-	-
2042-2046	<u>2,160,000</u>	<u>144,769</u>	<u>2,304,769</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 17,135,000</u>	<u>\$ 4,036,139</u>	<u>\$ 21,171,139</u>	<u>\$ 860,000</u>	<u>\$ 115,300</u>	<u>\$ 975,300</u>

(4) Other information

Risk management

The City is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from the City provide its employees with health and life insurance coverage purchased from independent third parties. The City also maintains a cafeteria plan in accordance with Internal Revenue Code Section 125. This plan enables employees to add dependent coverage to their health insurance, as well as select additional types of insurance coverage. The costs of these benefits are recovered through payroll deductions. In the last three years the amount of settlement did not exceed insurance coverage.

(5) Employee retirement system

Plan description

The City participates as one of 895 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of the system with a six-member, Governor appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (Annual Report) that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(5) Employee retirement system (continued)

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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits with interest. The retiring members may select one of seven monthly benefit payment 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 total member's contribution and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service or with twenty (20) years of service regardless of age. A member is vested after five (5) years. The contribution rate for the employees is 7%, and the City matching percent is currently 2 to 1.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to but not yet receiving benefits	88
Active employees	<u>96</u>
	<u>270</u>

Contributions

The contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 City's contribution rate is based on the actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.47% and 16.91% for calendar years 2021 and 2020 respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$976,810 and were equal to the required contributions.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(5) Employee retirement system (continued)

Net pension liability

The City's net pension liability (NPL) was measured as of December 31, 2020, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return*	6.75%, net of pension plan investment expense, including inflation

* presented net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and annuity purchase rates (APRs) are 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).

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(5) Employee retirement system (continued)

Net pension liability (continued)

The target allocation and best estimate of real rates of return for each major asset class in fiscal year 2021 are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount rate

The discount rate used to measure the total pension asset 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.

Changes in the net pension liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2019	\$ 28,570,089	\$ 23,121,733	\$ 5,448,356
Changes for the year:			
Service cost	943,099	-	943,099
Interest	1,914,876	-	1,914,876
Change of benefit terms	-	-	-
Difference between expected and actual experience	(128,709)	-	(128,709)
Changes of assumptions	-	-	-
Contributions - employer	-	955,530	(955,530)
Contributions - employee	-	395,548	(395,548)
Net investment income	-	1,755,564	(1,755,564)
Benefit payments, including refunds of employee contributions	(1,346,200)	(1,346,200)	-
Administrative expense	-	(11,357)	11,357
Other changes	-	(443)	443
Net changes	1,383,066	1,748,642	(365,576)
Balance at December 31, 2020	\$ 29,953,155	\$ 24,870,375	\$ 5,082,780

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(5) Employee retirement system (continued)

Net pension liability (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:

<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
<u>\$ 9,399,267</u>	<u>\$ 5,082,780</u>	<u>\$ 1,565,162</u>

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.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2021, the City recognized a pension expense of \$436,770.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ 250,233
Changes in actuarial assumptions	1,586	-
Differences between projected and actual investment earnings	-	652,273
Contributions subsequent to the measurement date	<u>706,801</u>	<u>-</u>
Total	<u>\$ 708,387</u>	<u>\$ 902,506</u>

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(5) Employee retirement system (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

The City reported \$706,801 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Amortization Expense
2022	\$ (401,854)
2023	(57,878)
2024	(402,217)
2025	(38,971)
2026	-
Thereafter	-
Total	<u>\$ (900,920)</u>

(6) Other postemployment benefits

Plan description

The City participates in a single-employer defined benefit plan, which operates like a group-term life insurance plan, operated by 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 members. 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.

Benefits provided

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 postemployment benefit" or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2021

(6) Other postemployment benefits (continued)

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

The contribution rates for the City were 0.24% and 0.22% for calendar years 2021 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$13,812 and were equal to the required contributions.

Employees covered by benefit terms

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

Inactive employees currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>96</u>
	<u>171</u>

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(6) Other postemployment benefits (continued)

Other postemployment benefits (OPEB) liability

The City's total OPEB liability of \$446,472 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.50% to 11.5% including inflation
Discount rate *	2.00%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through 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 addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(6) Other postemployment benefits (continued)

Changes in the total OPEB liability:

Balance at December 31, 2019	\$ 390,617
Changes for the year:	
Service cost	14,692
Interest on the total OPEB liability	10,897
Changes of benefit terms	-
Difference between expected and actual experience	(21,304)
Change of assumptions	54,960
Benefit payments	<u>(3,390)</u>
Net changes	<u>55,855</u>
Balance at December 31, 2020	<u><u>\$ 446,472</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
	<u> </u>	<u> </u>	<u> </u>
City's OPEB liability	<u>\$ 535,967</u>	<u>\$ 446,472</u>	<u>\$ 375,052</u>

CITY OF ALAMO HEIGHTS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

(6) Other postemployment benefits (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$35,505.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ -	\$ 39,901
Changes in actuarial assumptions	87,660	9,632
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	<u>6,437</u>	<u>-</u>
Total	<u>\$ 94,097</u>	<u>\$ 49,533</u>

The City reported \$10,299 as deferred outflows of resources related to the total OPEB liability resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to the total OPEB liability will be recognized in pension expense as follows:

Year Ended September 30,	Amortization Expense
2022	\$ 9,916
2023	5,692
2024	12,747
2025	7,866
2026	1,906
Thereafter	<u>-</u>
Total	<u>\$ 38,127</u>

(7) Subsequent event

The City has evaluated subsequent events through April 11, 2022, the date which the financial statements were available to be issued. There are no subsequent events required for disclosure.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALAMO HEIGHTS, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Year ended September 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Property	\$ 6,087,163	\$ 6,087,163	\$ 6,003,359	\$ (83,804)
Sales	1,315,719	1,315,719	1,463,050	147,331
Beverage	80,769	80,769	99,634	18,865
Franchise	709,017	709,017	623,915	(85,102)
PUC right of way fees	15,000	15,000	24,024	9,024
Total taxes	<u>8,207,668</u>	<u>8,207,668</u>	<u>8,213,982</u>	<u>6,314</u>
Licenses and permits:				
Building	300,600	300,600	538,035	237,435
Electric	35,000	35,000	53,518	18,518
Liquor and food	17,000	17,000	20,223	3,223
Planning and zoning	10,000	10,000	11,805	1,805
Plumbing	42,000	42,000	60,030	18,030
Signs	3,000	3,000	4,920	1,920
Permits	97,900	97,900	109,264	11,364
Certificate of occupancy	3,000	3,000	4,850	1,850
Other	23,000	23,000	51,456	28,456
Total licenses and permits	<u>531,500</u>	<u>531,500</u>	<u>854,101</u>	<u>322,601</u>
Intergovernmental:				
Dispatch	270,174	270,174	264,688	(5,486)
EMS	205,176	205,176	190,014	(15,162)
Student resource officer	59,743	59,743	23,124	(36,619)
Total intergovernmental	<u>535,093</u>	<u>535,093</u>	<u>477,826</u>	<u>(57,267)</u>
Charges for services:				
EMS	226,000	226,000	201,828	(24,172)
Court	250,000	250,000	149,773	(100,227)
Garbage	363,000	363,000	362,705	(295)
Telecom lease	348,562	348,562	404,172	55,610
Total charges for services	<u>1,187,562</u>	<u>1,187,562</u>	<u>1,118,478</u>	<u>(69,084)</u>
Fines	<u>290,000</u>	<u>290,000</u>	<u>224,972</u>	<u>(65,028)</u>
Investment earnings	<u>150,000</u>	<u>150,000</u>	<u>12,881</u>	<u>(137,119)</u>
Miscellaneous	<u>94,900</u>	<u>94,900</u>	<u>73,936</u>	<u>(20,964)</u>
Total revenues	<u>10,996,723</u>	<u>10,996,723</u>	<u>10,976,176</u>	<u>(20,547)</u>

(continued)

CITY OF ALAMO HEIGHTS, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Year ended September 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES				
General government				
Public works administration:				
Personnel	\$ 85,037	\$ 85,037	\$ 92,499	\$ (7,462)
Commodities	9,620	9,620	5,264	4,356
Contractual	16,050	16,050	834	15,216
Total public works administration	110,707	110,707	98,597	12,110
Court:				
Personnel	130,359	130,359	116,500	13,859
Commodities	5,382	5,382	3,147	2,235
Contractual	81,779	81,779	90,499	(8,720)
Total court	217,520	217,520	210,146	7,374
Administration:				
Personnel	696,943	696,943	667,737	29,206
Commodities	358,724	358,724	293,963	64,761
Contractual	198,428	198,428	155,384	43,044
Total administration	1,254,095	1,254,095	1,117,084	137,011
Information systems:				
Commodities	123,519	123,519	95,466	28,053
Contractual	185,139	185,139	188,719	(3,580)
Total information systems	308,658	308,658	284,185	24,473
Total general government	1,890,980	1,890,980	1,710,012	180,968
Public safety				
Police:				
Personnel	2,342,580	2,342,580	2,119,235	223,345
Commodities	145,833	145,833	121,540	24,293
Contractual	99,574	99,574	78,894	20,680
Total police	2,587,987	2,587,987	2,319,669	268,318
Police dispatch:				
Personnel	710,509	710,509	687,128	23,381
Commodities	20,584	20,584	8,710	11,874
Contractual	1,824	1,824	2,004	(180)
Total police dispatch	732,917	732,917	697,842	35,075

(continued)

CITY OF ALAMO HEIGHTS, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Year ended September 30, 2021

EXPENDITURES (CONTINUED)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Public safety (continued):				
Fire:				
Personnel	\$ 2,023,546	\$ 2,023,546	\$ 1,938,969	\$ 84,577
Commodities	75,019	75,019	57,935	17,084
Contractual	<u>31,130</u>	<u>31,130</u>	<u>26,316</u>	<u>4,814</u>
Total fire	<u>2,129,695</u>	<u>2,129,695</u>	<u>2,023,220</u>	<u>106,475</u>
EMS:				
Personnel	647,596	647,596	600,429	47,167
Commodities	68,074	68,074	53,191	14,883
Contractual	<u>25,350</u>	<u>25,350</u>	<u>11,241</u>	<u>14,109</u>
Total EMS	<u>741,020</u>	<u>741,020</u>	<u>664,861</u>	<u>76,159</u>
Total public safety	<u>6,191,619</u>	<u>6,191,619</u>	<u>5,705,592</u>	<u>486,027</u>
Streets:				
Personnel	392,894	392,894	377,763	15,131
Commodities	204,921	204,921	205,779	(858)
Contractual	<u>18,500</u>	<u>18,500</u>	<u>2,780</u>	<u>15,720</u>
Total streets	<u>616,315</u>	<u>616,315</u>	<u>586,322</u>	<u>29,993</u>
Sanitation:				
Personnel	519,699	519,699	452,488	67,211
Commodities	121,100	121,100	123,165	(2,065)
Contractual	<u>150,000</u>	<u>150,000</u>	<u>191,654</u>	<u>(41,654)</u>
Total sanitation	<u>790,799</u>	<u>790,799</u>	<u>767,307</u>	<u>23,492</u>
Planning and development				
Personnel	466,454	466,454	445,842	20,612
Commodities	13,480	13,480	9,362	4,118
Contractual	<u>125,950</u>	<u>193,950</u>	<u>120,116</u>	<u>73,834</u>
Total planning and development	<u>605,884</u>	<u>673,884</u>	<u>575,320</u>	<u>98,564</u>

(continued)

CITY OF ALAMO HEIGHTS, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Year ended September 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (CONTINUED)				
Parks and recreation:				
Personnel	\$ 287,744	\$ 287,744	\$ 260,723	\$ 27,021
Commodities	35,200	35,200	21,417	13,783
Contractual	<u>33,920</u>	<u>33,920</u>	<u>17,532</u>	<u>16,388</u>
Total parks and recreation	<u>356,864</u>	<u>356,864</u>	<u>299,672</u>	<u>57,192</u>
Total expenditures	<u>10,452,461</u>	<u>10,520,461</u>	<u>9,644,225</u>	<u>876,236</u>
Excess of revenue over expenditures	544,262	476,262	1,331,951	855,689
OTHER FINANCING SOURCES (USES)				
Sale of assets	1,000	1,000	-	(1,000)
Transfer in	70,801	70,801	70,801	-
Transfer out	<u>(440,831)</u>	<u>(440,831)</u>	<u>(1,285,831)</u>	<u>(845,000)</u>
Total other financing sources (uses)	<u>(369,030)</u>	<u>(369,030)</u>	<u>(1,215,030)</u>	<u>(846,000)</u>
Net change in fund balance	<u>\$ 175,232</u>	<u>\$ 107,232</u>	116,921	9,689
FUND BALANCE AT OCTOBER 1, 2020			<u>5,735,656</u>	
FUND BALANCE AT SEPTEMBER 30, 2021			<u>\$ 5,852,577</u>	
SUMMARY OF GENERAL FUND EXPENDITURES BY COST CATEGORY				
Personnel	\$ 8,303,361	\$ 8,303,361	\$ 7,759,313	\$ 544,048
Commodities	1,181,456	1,181,456	998,939	182,517
Contractual	<u>967,644</u>	<u>1,035,644</u>	<u>885,973</u>	<u>149,671</u>
Total expenditures	<u>\$ 10,452,461</u>	<u>\$ 10,520,461</u>	<u>\$ 9,644,225</u>	<u>\$ 876,236</u>

CITY OF ALAMO HEIGHTS, TEXAS

TEXAS MUNICIPAL RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

September 30, 2021

***For the last 10 fiscal years**

	For the measurement year ended			
	2020	2019	2018	2017
Total Pension Liability				
Service cost	\$ 943,099	\$ 965,347	\$ 914,894	\$ 903,080
Interest (on the total pension liability)	1,914,876	1,829,540	1,744,593	1,659,113
Changes of benefit terms	-	-	-	311,550
Difference between expected and actual experience	(128,709)	(283,325)	(279,511)	(185,041)
Change of assumptions	-	3,866	-	-
Benefit payments, including refunds of employee contributions	<u>(1,346,200)</u>	<u>(1,133,936)</u>	<u>(1,159,507)</u>	<u>(1,073,882)</u>
Net change in total pension liability	1,383,066	1,381,492	1,220,469	1,614,820
Total pension liability - beginning	<u>28,570,089</u>	<u>27,188,597</u>	<u>25,968,128</u>	<u>24,353,308</u>
Total pension liability - ending (a)	<u>\$ 29,953,155</u>	<u>\$ 28,570,089</u>	<u>\$ 27,188,597</u>	<u>\$ 25,968,128</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 955,530	\$ 963,058	\$ 918,155	\$ 953,702
Contributions - employee	395,548	400,322	380,526	338,009
Net investment income	1,755,564	3,068,397	(608,873)	2,448,963
Benefit payments, including refunds of employee contributions	(1,346,200)	(1,133,936)	(1,159,507)	(1,073,882)
Administrative expense	(11,357)	(17,333)	(11,766)	(12,692)
Other	<u>(443)</u>	<u>(521)</u>	<u>(615)</u>	<u>(643)</u>
Net change in plan fiduciary net position	1,748,642	3,279,987	(482,080)	2,653,458
Plan fiduciary net position - beginning	<u>23,121,733</u>	<u>19,841,746</u>	<u>20,323,826</u>	<u>17,670,368</u>
Plan fiduciary net position - ending (b)	<u>\$ 24,870,375</u>	<u>\$ 23,121,733</u>	<u>\$ 19,841,746</u>	<u>\$ 20,323,826</u>
Net pension liability (a) - (b)	<u>\$ 5,082,780</u>	<u>\$ 5,448,356</u>	<u>\$ 7,346,851</u>	<u>\$ 5,644,302</u>
Plan fiduciary net position as a percentage of total pension liability	83.03%	80.93%	72.98%	78.26%
Covered payroll	<u>\$ 5,650,683</u>	<u>\$ 5,718,879</u>	<u>\$ 5,436,088</u>	<u>\$ 5,520,051</u>
Net pension liability as a percentage of total covered payroll	89.95%	95.27%	135.15%	102.25%

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

December 31,		
2016	2015	2014
\$ 868,087	\$ 861,551	\$ 761,031
1,535,466	1,497,685	1,441,488
-	-	-
159,597	(129,805)	(515,272)
-	104,869	-
<u>(1,046,879)</u>	<u>(923,983)</u>	<u>(945,389)</u>
1,516,271	1,410,317	741,858
<u>22,837,037</u>	<u>21,426,720</u>	<u>20,684,862</u>
<u>\$ 24,353,308</u>	<u>\$ 22,837,037</u>	<u>\$ 21,426,720</u>
\$ 900,335	\$ 924,993	\$ 736,438
317,206	319,883	290,127
1,108,388	23,719	865,999
(1,046,879)	(923,983)	(945,389)
(12,521)	(14,447)	(9,041)
<u>(675)</u>	<u>(714)</u>	<u>(743)</u>
1,265,854	329,451	937,391
<u>16,404,514</u>	<u>16,075,063</u>	<u>15,137,672</u>
<u>\$ 17,670,368</u>	<u>\$ 16,404,514</u>	<u>\$ 16,075,063</u>
<u>\$ 6,682,940</u>	<u>\$ 6,432,523</u>	<u>\$ 5,351,657</u>
72.56%	71.83%	75.02%
<u>\$ 5,286,764</u>	<u>\$ 5,331,379</u>	<u>\$ 4,835,449</u>
126.41%	120.65%	110.68%

CITY OF ALAMO HEIGHTS, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS – PENSION

For the year ended September 30, 2021

***For the last 10 fiscal years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 976,810	\$ 962,071	\$ 948,916	\$ 920,196
Contributions in relation to the actuarially determined contributions	<u>976,810</u>	<u>962,071</u>	<u>948,916</u>	<u>920,196</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,888,184</u>	<u>\$ 5,696,162</u>	<u>\$ 5,626,955</u>	<u>\$ 5,444,475</u>
Contributions as a percentage of covered payroll	16.59%	16.89%	16.86%	16.90%

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 945,091	\$ 905,858	\$ 850,395
<u>945,091</u>	<u>905,858</u>	<u>850,395</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 5,575,888</u>	<u>\$ 5,290,913</u>	<u>\$ 5,023,828</u>
16.95%	17.12%	16.93%

CITY OF ALAMO HEIGHTS, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS LIABILITY
(OPEB) AND RELATED RATIOS

September 30, 2021

***Last 10 fiscal years**

For the measurement year ended December 31,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability				
Service cost	\$ 14,692	\$ 14,297	\$ 13,590	\$ 12,144
Interest on the total OPEB liability	10,897	12,228	11,927	11,796
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(21,304)	(16,207)	(29,942)	-
Change of assumptions	54,960	59,848	(22,766)	27,438
Benefit payments	<u>(3,390)</u>	<u>(4,003)</u>	<u>(3,805)</u>	<u>(3,864)</u>
Net change in total OPEB liability	55,855	66,163	(30,996)	47,514
Total OPEB liability - beginning	<u>390,617</u>	<u>324,454</u>	<u>355,450</u>	<u>307,936</u>
Total OPEB liability - ending	<u>\$ 446,472</u>	<u>\$ 390,617</u>	<u>\$ 324,454</u>	<u>\$ 355,450</u>
Covered payroll	<u>\$ 5,650,683</u>	<u>\$ 5,718,879</u>	<u>\$ 5,436,088</u>	<u>\$ 5,520,051</u>
Total OPEB liability as a percentage of covered payroll	7.90%	6.83%	5.97%	6.44%

GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the fourth year of implementation of GASB 75. The City will develop the schedule prospectively.

CITY OF ALAMO HEIGHTS, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For the year ended September 30, 2021

***Last 10 fiscal years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 13,812	\$ 12,367	\$ 11,099	\$ 10,733
Contributions in relation to the actuarially determined contributions	<u>13,812</u>	<u>12,367</u>	<u>11,099</u>	<u>10,733</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,888,184</u>	<u>\$ 5,696,162</u>	<u>\$ 5,626,955</u>	<u>\$ 5,444,475</u>
Contributions as a percentage of covered payroll	0.23%	0.22%	0.20%	0.20%

GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the fourth year of implementation of GASB 75. This City will develop the schedule prospectively.

CITY OF ALAMO HEIGHTS, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2021

(1) Budgetary information

The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year end.

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

(2) Schedule of contributions

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Valuation date :

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

Methods and assumption used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed market, 12% soft corridor
Actuarial assumption:	
Inflation	2.50%
Salary increases	3.5% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the public safety table used for males and the general employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information:

There were no benefit changes during the year.

OTHER SUPPLEMENTARY INFORMATION

CITY OF ALAMO HEIGHTS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	SPECIAL REVENUE				
	CONFISCATED PROPERTY	COURT SECURITY	COMMUNITY BENEFIT	LEOSE EMPLOYEE CENTER EDUCATION	COURT TECHNOLOGY
ASSETS					
Cash	\$ 26,208	\$ 84,447	\$ 20,236	\$ 32,943	\$ 30,492
Receivables - net of allowances for uncollectibles	-	-	-	-	-
Other receivables					
Total assets	<u>\$ 26,208</u>	<u>\$ 84,447</u>	<u>\$ 20,236</u>	<u>\$ 32,943</u>	<u>\$ 30,492</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue - taxes	-	-	-	-	-
FUND BALANCES					
Restricted for:					
Confiscated property	26,208	-	-	-	-
Court security	-	84,447	-	-	-
Community programs	-	-	20,236	-	-
Police training	-	-	-	32,943	-
Court technology	-	-	-	-	30,492
TNR Foster	-	-	-	-	-
Debt service	-	-	-	-	-
Animal services	-	-	-	-	-
Committed for:					
Capital replacement	-	-	-	-	-
Street maintenance	-	-	-	-	-
Comprehensive plans	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Total fund balances	<u>26,208</u>	<u>84,447</u>	<u>20,236</u>	<u>32,943</u>	<u>30,492</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,208</u>	<u>\$ 84,447</u>	<u>\$ 20,236</u>	<u>\$ 32,943</u>	<u>\$ 30,492</u>

FUNDS							
COMPREHENSIVE PLAN	PRIVATE CONTRIBUTIONS	TNR GRANT	ARP GRANT	DEBT SERVICE	STREET MAINTENANCE	CAPITAL REPLACEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 166,693	\$ 17,385	\$ -	\$ 1,067,214	\$ 368,055	\$ 1,294,956	\$ 1,547,856	\$ 4,656,485
-	-	-	-	21,937	134,496	-	156,433
<u>\$ 166,693</u>	<u>\$ 17,385</u>	<u>\$ -</u>	<u>\$ 1,067,214</u>	<u>\$ 389,992</u>	<u>\$ 1,429,452</u>	<u>\$ 1,547,856</u>	<u>\$ 4,812,918</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,760	\$ -	\$ 3,760
-	-	-	1,067,214	-	-	-	1,067,214
-	-	-	1,067,214	-	3,760	-	1,070,974
-	-	-	-	20,612	-	-	20,612
-	-	-	-	-	-	-	26,208
-	-	-	-	-	-	-	84,447
-	-	-	-	-	-	-	20,236
-	-	-	-	-	-	-	32,943
-	-	-	-	-	-	-	30,492
-	-	-	-	-	-	-	-
-	-	-	-	369,380	-	-	369,380
-	17,385	-	-	-	-	-	17,385
-	-	-	-	-	-	1,547,856	1,547,856
-	-	-	-	-	1,425,692	-	1,425,692
<u>166,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,693</u>
-	-	-	-	-	-	-	-
<u>166,693</u>	<u>17,385</u>	<u>-</u>	<u>-</u>	<u>369,380</u>	<u>1,425,692</u>	<u>1,547,856</u>	<u>3,721,332</u>
<u>\$ 166,693</u>	<u>\$ 17,385</u>	<u>\$ -</u>	<u>\$ 1,067,214</u>	<u>\$ 389,992</u>	<u>\$ 1,429,452</u>	<u>\$ 1,547,856</u>	<u>\$ 4,812,918</u>

CITY OF ALAMO HEIGHTS, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Year ended September 30, 2021

	SPECIAL REVENUE				
	CONFISCATED PROPERTY	COURT SECURITY	COMMUNITY BENEFIT	LEOSE EMPLOYEE CENTER EDUCATION	COURT TECHNOLOGY
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	9,782	12,365	4,171	9,355
Property forfeitures	8,242	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>8,242</u>	<u>9,782</u>	<u>12,365</u>	<u>4,171</u>	<u>9,355</u>
EXPENDITURES					
Current					
General government	-	-	-	4,615	4,790
Public safety	6,323	-	25,392	-	-
Planning and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>6,323</u>	<u>-</u>	<u>25,392</u>	<u>4,615</u>	<u>4,790</u>
Excess (deficiency) of revenues over (under) expenditures	1,919	9,782	(13,027)	(444)	4,565
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	-	-
Sale of assets	-	-	-	-	-
Refunding bond issuance	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Other uses-payment to escrow agent	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,919	9,782	(13,027)	(444)	4,565
FUND BALANCES AT BEGINNING OF YEAR	<u>24,289</u>	<u>74,665</u>	<u>33,263</u>	<u>33,387</u>	<u>25,927</u>
FUND BALANCES AT END OF YEAR	<u>\$ 26,208</u>	<u>\$ 84,447</u>	<u>\$ 20,236</u>	<u>\$ 32,943</u>	<u>\$ 30,492</u>

F U N D S

COMPREHENSIVE PLAN	PRIVATE CONTRIBUTIONS	TNR GRANT	ARP GRANT	DEBT SERVICE	STREET MAINTENANCE	CAPITAL REPLACEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ 890,516	\$ 731,526	\$ -	\$ 1,622,042
16,000	-	-	-	-	-	-	51,673
-	-	-	-	-	-	-	8,242
-	12,578	-	-	-	-	-	12,578
16,000	12,578	-	-	890,516	731,526	-	1,694,535
-	3,296	-	-	-	-	19,330	32,031
-	-	280	-	-	-	-	31,995
96	-	-	-	-	-	-	96
-	-	-	-	-	107,312	98,787	206,099
-	-	-	-	565,000	-	-	565,000
-	-	-	-	174,848	-	-	174,848
96	3,296	280	-	739,848	107,312	118,117	1,010,069
15,904	9,282	(280)	-	150,668	624,214	(118,117)	684,466
-	-	-	-	-	-	340,831	340,831
-	-	-	-	-	-	25,820	25,820
-	-	-	-	4,530,000	-	-	4,530,000
-	-	-	-	455,354	-	-	455,354
-	-	-	-	(4,916,379)	-	-	(4,916,379)
-	-	-	-	68,975	-	366,651	435,626
15,904	9,282	(280)	-	219,643	624,214	248,534	1,120,092
150,789	8,103	280	-	149,737	801,478	1,299,322	2,601,240
\$ 166,693	\$ 17,385	\$ -	\$ -	\$ 369,380	\$ 1,425,692	\$ 1,547,856	\$ 3,721,332

CITY OF ALAMO HEIGHTS, TEXAS

**STREET MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

Year ended September 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUE				
Sales taxes	\$ 657,860	\$ 657,860	\$ 731,526	\$ 73,666
Total revenues	<u>657,860</u>	<u>657,860</u>	<u>731,526</u>	<u>73,666</u>
EXPENDITURES				
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>107,312</u>	<u>892,688</u>
Excess (deficiency) of revenues over (under) expenditures	(342,140)	(342,140)	624,214	966,354
Net change in fund balance	<u>\$ (342,140)</u>	<u>\$ (342,140)</u>	624,214	<u>\$ 966,354</u>
FUND BALANCE AT OCTOBER 1, 2020			<u>801,478</u>	
FUND BALANCE AT SEPTEMBER 30, 2021			<u>\$ 1,425,692</u>	

CITY OF ALAMO HEIGHTS, TEXAS

**CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

Year Ended September 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES				
General government	\$ 25,000	\$ 25,000	\$ 24,290	\$ 710
Capital outlay	75,000	75,000	52,442	22,558
Bond issue cost	<u>-</u>	<u>-</u>	<u>105,080</u>	<u>(105,080)</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>181,812</u>	<u>(81,812)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>(181,812)</u>	<u>81,812</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from bond issuance	-	-	13,170,000	(13,170,000)
Premium on issuance of bonds	-	-	185,080	(185,080)
Transfer in	<u>-</u>	<u>-</u>	<u>945,000</u>	<u>(945,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,300,080</u>	<u>(14,300,080)</u>
Net change in fund balance	<u><u>\$ (100,000)</u></u>	<u><u>\$ (100,000)</u></u>	14,118,268	<u><u>\$ 81,812</u></u>
FUND BALANCE AT OCTOBER 1, 2020			<u>178,282</u>	
FUND BALANCE AT SEPTEMBER 30, 2021			<u><u>\$ 14,296,550</u></u>	

CITY OF ALAMO HEIGHTS, TEXAS

**COMPREHENSIVE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

Year ended September 30, 2021

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUE				
Intergovernmental	\$ -	\$ -	\$ 16,000	\$ 16,000
EXPENDITURES				
Planning and development	<u>105,000</u>	<u>105,000</u>	<u>96</u>	<u>104,904</u>
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>96</u>	<u>104,904</u>
Excess (deficiency) of revenues over (under) expenditures	(105,000)	(105,000)	15,904	(88,904)
OTHER SOURCES (USES)				
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (105,000)</u></u>	<u><u>\$ (105,000)</u></u>	15,904	<u><u>\$ 120,904</u></u>
FUND BALANCE AT OCTOBER 1, 2020			<u>150,789</u>	
FUND BALANCE AT SEPTEMBER 30, 2021			<u><u>\$ 166,693</u></u>	

CITY OF ALAMO HEIGHTS, TEXAS

**CAPITAL REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

Year ended September 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General government	-	-	19,330	(19,330)
Capital outlay	<u>354,831</u>	<u>354,831</u>	<u>98,787</u>	<u>256,044</u>
Total expenditures	<u>354,831</u>	<u>354,831</u>	<u>118,117</u>	<u>236,714</u>
Excess (deficiency) of revenues over (under) expenditures	(354,831)	(354,831)	(118,117)	(236,714)
OTHER SOURCES (USES)				
Sale of assets	-	-	25,820	25,820
Transfer in	<u>340,831</u>	<u>403,049</u>	<u>340,831</u>	<u>(62,218)</u>
Total other sources (uses)	<u>340,831</u>	<u>403,049</u>	<u>366,651</u>	<u>(36,398)</u>
Net change in fund balance	<u>\$ (14,000)</u>	<u>\$ 48,218</u>	248,534	<u>\$ 200,316</u>
FUND BALANCE AT OCTOBER 1, 2020			<u>1,299,322</u>	
FUND BALANCE AT SEPTEMBER 30, 2021			<u>\$ 1,547,856</u>	

CITY OF ALAMO HEIGHTS, TEXAS

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

Year ended September 30, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE				
Property taxes	\$ 903,719	\$ 903,719	\$ 890,516	\$ (13,203)
EXPENDITURES				
Principal payment	720,000	720,000	565,000	155,000
Interest and fiscal charges	<u>122,094</u>	<u>122,094</u>	<u>174,848</u>	<u>(52,754)</u>
Total expenditures	<u>842,094</u>	<u>842,094</u>	<u>739,848</u>	<u>102,246</u>
Excess (deficiency) of revenues over (under) expenditures	61,625	61,625	150,668	(115,449)
<u>OTHER FINANCING SOURCES (USES)</u>				
Refunding Bond Proceeds	-	-	4,530,000	(4,530,000)
Premium on Issuance of Bonds	-	-	455,354	(455,354)
Other Uses-Payment to Escrow Agent	<u>-</u>	<u>-</u>	<u>(4,916,379)</u>	<u>4,916,379</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>68,975</u>	<u>(68,975)</u>
Net Change in Fund Balance	<u>\$ 61,625</u>	<u>\$ 61,625</u>	219,643	<u>\$ 20,068</u>
FUND BALANCE AT OCTOBER 1, 2020			<u>149,736</u>	
FUND BALANCE AT SEPTEMBER 30, 2021			<u>\$ 369,379</u>	

CITY OF ALAMO HEIGHTS, TEXAS

STATISTICAL SECTION

This part of the City of Alamo Heights annual comprehensive 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.

Contents

Tables

Financial Trends

1 through 4

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

Revenue Capacity

5 through 8

These tables contain information to help readers assess the City's most significant local revenue source – its property tax.

Debt Capacity

9 through 11

These tables present information to help readers 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

12 through 13

These tables offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

Operating Information

14 through 16

These tables contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Except where noted, the information in these tables is derived from the City of Alamo Heights comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2005; tables presenting government-wide information include information beginning that year.

CITY OF ALAMO HEIGHTS, TEXAS

NET POSITION, BY COMPONENT

LAST TEN FISCAL PERIODS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GOVERNMENTAL ACTIVITIES:				
Net investment in capital assets	\$ 6,881,496	\$ 7,539,445	\$ 5,348,886	\$ 3,795,534
Restricted	581,091	349,371	369,015	1,375,530
Unrestricted	<u>4,971,049</u>	<u>2,800,515</u>	<u>3,541,307</u>	<u>2,593,935</u>
 Total governmental activities net position	 <u>\$ 12,433,636</u>	 <u>\$ 10,689,331</u>	 <u>\$ 9,259,208</u>	 <u>\$ 7,764,999</u>
BUSINESS-TYPE ACTIVITIES:				
Net investment in capital assets	\$ 8,019,228	\$ 8,174,500	\$ 7,959,240	\$ 8,137,876
Unrestricted	<u>2,462,898</u>	<u>1,559,023</u>	<u>1,302,354</u>	<u>976,720</u>
 Total business-type activities net position	 <u>\$ 10,482,126</u>	 <u>\$ 9,733,523</u>	 <u>\$ 9,261,594</u>	 <u>\$ 9,114,596</u>
PRIMARY GOVERNMENT:				
Net investment in capital assets	\$ 14,900,724	\$ 15,713,945	\$ 13,308,126	\$ 11,933,410
Restricted	581,091	349,371	369,015	1,375,530
Unrestricted	<u>7,433,947</u>	<u>4,359,538</u>	<u>4,843,661</u>	<u>3,570,655</u>
 Total primary government net position	 <u>\$ 22,915,762</u>	 <u>\$ 20,422,854</u>	 <u>\$ 18,520,802</u>	 <u>\$ 16,879,595</u>

Note:

* In fiscal year September 30, 2015, the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27", resulted in a significant decrease in unrestricted net position in Business-type and Governmental activities.

TABLE 1

2017	2016	2015*	2014	2013	2012
\$ 3,840,789	\$ 3,346,580	\$ 3,385,358	\$ 2,011,074	\$ 1,638,290	\$ 1,638,290
340,397	369,349	331,787	780,392	933,600	933,600
<u>2,143,435</u>	<u>1,728,809</u>	<u>881,015</u>	<u>6,137,390</u>	<u>5,804,824</u>	<u>5,804,824</u>
<u>\$ 6,324,621</u>	<u>\$ 5,444,738</u>	<u>\$ 4,598,160</u>	<u>\$ 8,928,856</u>	<u>\$ 8,376,714</u>	<u>\$ 8,376,714</u>
\$ 8,092,277	\$ 8,072,064	\$ 8,292,081	\$ 7,480,502	\$ 6,486,583	\$ 6,486,583
<u>799,592</u>	<u>748,423</u>	<u>414,360</u>	<u>1,897,524</u>	<u>2,060,818</u>	<u>2,060,818</u>
<u>\$ 8,891,869</u>	<u>\$ 8,820,487</u>	<u>\$ 8,706,441</u>	<u>\$ 9,378,026</u>	<u>\$ 8,547,401</u>	<u>\$ 8,547,401</u>
\$ 11,933,066	\$ 11,418,644	\$ 11,677,439	\$ 9,491,576	\$ 8,124,873	\$ 8,124,873
340,397	369,349	331,787	780,392	933,600	933,600
<u>2,943,027</u>	<u>2,477,232</u>	<u>1,295,375</u>	<u>8,034,914</u>	<u>7,865,642</u>	<u>7,865,642</u>
<u>\$ 15,216,490</u>	<u>\$ 14,265,225</u>	<u>\$ 13,304,601</u>	<u>\$ 18,306,882</u>	<u>\$ 16,924,115</u>	<u>\$ 16,924,115</u>

CITY OF ALAMO HEIGHTS, TEXAS

CHANGES IN NET POSITION LAST TEN FISCAL PERIODS (ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
EXPENSES				
Governmental activities:				
General government	\$ 2,031,697	\$ 1,977,702	\$ 2,028,929	\$ 1,961,412
Public safety	5,529,038	5,823,235	5,933,177	5,742,935
Streets	1,264,934	1,147,982	1,411,531	1,013,595
Sanitation	742,085	742,724	837,197	831,282
Planning and development	555,975	480,802	423,144	400,675
Parks and recreation	477,915	494,042	344,389	333,293
Interest on debt	<u>276,822</u>	<u>130,050</u>	<u>129,228</u>	<u>127,671</u>
Total governmental activities	<u>10,878,466</u>	<u>10,796,537</u>	<u>11,107,595</u>	<u>10,410,863</u>
Business-type activities:				
Utility	<u>3,572,976</u>	<u>3,217,649</u>	<u>3,328,956</u>	<u>3,352,294</u>
Total business-type activities	<u>3,572,976</u>	<u>3,217,649</u>	<u>3,328,956</u>	<u>3,352,294</u>
Total primary government expenses	<u>14,451,442</u>	<u>14,014,186</u>	<u>14,436,551</u>	<u>13,763,157</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for service				
General government	659,418	631,752	908,928	777,764
Public safety	687,896	723,564	714,163	709,102
Streets	-	-	-	-
Sanitation	362,705	364,368	363,380	361,944
Planning and development	854,101	750,769	959,826	652,681
Parks and recreation	-	-	-	-
Capital grants and contributions:				
General government	-	-	-	553,374
Operating grants and contributions:				
General government	<u>64,251</u>	<u>80,525</u>	<u>49,255</u>	<u>49,261</u>
Total governmental activities program revenues	<u>2,628,371</u>	<u>2,550,978</u>	<u>2,995,552</u>	<u>3,104,126</u>
Business-type activities:				
Charges for service				
Utility	<u>4,383,508</u>	<u>3,736,134</u>	<u>3,495,304</u>	<u>3,523,432</u>
Total business-type activities program revenues	<u>4,383,508</u>	<u>3,736,134</u>	<u>3,495,304</u>	<u>3,523,432</u>
Total primary government program revenues	<u>7,011,879</u>	<u>6,287,112</u>	<u>6,490,856</u>	<u>6,627,558</u>

TABLE 2

2017	2016	2015	2014	2013	2012
\$ 1,895,152	\$ 1,837,698	\$ 1,812,948	\$ 1,549,460	\$ 1,480,953	\$ 1,600,557
5,647,734	5,538,340	5,194,754	5,344,641	4,886,648	4,944,862
1,218,412	1,155,238	1,506,114	1,267,014	1,548,142	1,420,341
823,454	723,504	717,951	704,509	676,655	645,802
387,742	366,567	308,311	282,541	297,919	301,920
334,285	295,882	272,363	248,282	247,616	277,653
158,604	234,167	243,462	263,262	321,589	245,713
<u>10,465,383</u>	<u>10,151,396</u>	<u>10,055,903</u>	<u>9,659,709</u>	<u>9,459,522</u>	<u>9,436,848</u>
<u>3,236,496</u>	<u>3,063,239</u>	<u>3,154,421</u>	<u>2,977,031</u>	<u>2,782,642</u>	<u>2,846,898</u>
<u>3,236,496</u>	<u>3,063,239</u>	<u>3,154,421</u>	<u>2,977,031</u>	<u>2,782,642</u>	<u>2,846,898</u>
<u>13,701,879</u>	<u>13,214,635</u>	<u>13,210,324</u>	<u>12,636,740</u>	<u>12,242,164</u>	<u>12,283,746</u>
984,217	1,220,246	928,930	905,045	1,524,322	1,500,258
655,989	685,288	685,288	672,670	614,482	667,720
-	-	-	-	216,597	209,469
362,903	364,221	360,087	390,448	358,913	337,969
640,550	557,398	538,131	609,163	-	-
-	-	-	-	45,380	36,040
40,000	-	-	415,005	-	-
<u>86,395</u>	<u>68,757</u>	<u>328,437</u>	<u>48,733</u>	<u>-</u>	<u>1,050,935</u>
<u>2,770,054</u>	<u>2,895,910</u>	<u>2,840,873</u>	<u>3,041,064</u>	<u>2,759,694</u>	<u>3,802,391</u>
<u>3,378,349</u>	<u>3,223,824</u>	<u>3,084,542</u>	<u>3,203,337</u>	<u>3,507,512</u>	<u>3,269,362</u>
<u>3,378,349</u>	<u>3,223,824</u>	<u>3,084,542</u>	<u>3,203,337</u>	<u>3,507,512</u>	<u>3,269,362</u>
<u>6,148,403</u>	<u>6,119,734</u>	<u>5,925,415</u>	<u>6,244,401</u>	<u>6,267,206</u>	<u>7,071,753</u>

(continued)

CITY OF ALAMO HEIGHTS, TEXAS

**CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL PERIODS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (expense) revenues				
Governmental activities	\$ (8,250,095)	\$ (8,245,559)	\$ (8,112,043)	\$ (7,306,737)
Business-type activities	<u>810,532</u>	<u>518,485</u>	<u>166,348</u>	<u>171,138</u>
Total primary government net expenses	<u>(7,439,563)</u>	<u>(7,727,074)</u>	<u>(7,945,695)</u>	<u>(7,135,599)</u>
GOVERNMENTAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	6,892,837	6,697,396	6,596,419	6,292,204
Sales taxes	2,194,576	1,981,009	1,787,661	1,687,696
Other taxes	723,549	719,706	769,782	804,079
Unrestricted investment earnings	12,881	125,524	245,377	156,228
Miscellaneous	99,756	81,246	136,212	73,777
Proceeds from sale of assets	-	-	-	6,508
Special item	-	-	-	-
Transfers	<u>70,801</u>	<u>70,801</u>	<u>(70,801)</u>	<u>66,246</u>
Total governmental activities	<u>9,994,400</u>	<u>9,675,682</u>	<u>9,464,650</u>	<u>9,086,738</u>
Business-type activities:				
Interest and investment earnings	2,512	21,268	36,803	23,451
Miscellaneous	6,360	2,977	14,648	118,245
Transfers	<u>(70,801)</u>	<u>(70,801)</u>	<u>70,801</u>	<u>(66,246)</u>
Total business-type activities	<u>(61,929)</u>	<u>(46,556)</u>	<u>122,252</u>	<u>75,450</u>
CHANGES IN NET POSITION				
Governmental activities	1,744,305	1,430,123	1,352,607	1,780,001
Business-type activities	<u>748,603</u>	<u>471,929</u>	<u>288,600</u>	<u>246,588</u>
Total primary government	<u>\$ 2,492,908</u>	<u>\$ 1,902,052</u>	<u>\$ 1,641,207</u>	<u>\$ 2,026,589</u>

TABLE 2

2017	2016	2015	2014	2013	2012
\$ (7,695,329)	\$ (7,263,846)	\$ (7,215,630)	\$ (6,618,645)	\$ (6,699,828)	\$ (6,556,663)
<u>141,853</u>	<u>160,585</u>	<u>(69,879)</u>	<u>226,306</u>	<u>724,870</u>	<u>1,108,528</u>
<u>(7,553,476)</u>	<u>(7,103,261)</u>	<u>(7,285,509)</u>	<u>(6,392,339)</u>	<u>(5,974,958)</u>	<u>(5,448,135)</u>
6,177,119	5,870,136	5,455,046	5,259,723	5,174,711	4,646,692
1,274,518	1,262,914	946,872	940,436	864,538	835,133
796,226	790,662	806,607	733,572	620,797	621,035
57,456	26,569	24,742	26,225	30,244	23,530
94,553	93,897	82,606	113,682	84,222	77,093
-	-	-	-	-	-
-	-	(56,776)	-	-	-
<u>70,471</u>	<u>66,246</u>	<u>66,246</u>	<u>59,662</u>	<u>56,518</u>	<u>57,382</u>
<u>8,470,343</u>	<u>8,110,424</u>	<u>7,325,343</u>	<u>7,133,300</u>	<u>6,831,030</u>	<u>6,260,865</u>
-	-	-	-	-	-
-	19,707	13,354	1,751	4,306	10
<u>(70,471)</u>	<u>(66,246)</u>	<u>(66,246)</u>	<u>(59,662)</u>	<u>(56,518)</u>	<u>(57,382)</u>
<u>(70,471)</u>	<u>(46,539)</u>	<u>(52,892)</u>	<u>(57,911)</u>	<u>(52,212)</u>	<u>(57,372)</u>
775,014	846,578	109,713	514,655	131,202	(295,798)
<u>71,382</u>	<u>114,046</u>	<u>(122,771)</u>	<u>168,395</u>	<u>672,658</u>	<u>1,051,156</u>
<u>\$ 846,396</u>	<u>\$ 960,624</u>	<u>\$ (13,058)</u>	<u>\$ 683,050</u>	<u>\$ 803,860</u>	<u>\$ 755,358</u>

CITY OF ALAMO HEIGHTS, TEXAS

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL PERIODS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GENERAL FUND				
Non-spendable - prepaids	\$ 81,965	\$ 81,965	\$ 89,599	\$ 89,599
Unassigned	5,770,612	5,653,691	5,374,977	4,487,739
Reserved	-	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total general fund	 <u>\$ 5,852,577</u>	 <u>\$ 5,735,656</u>	 <u>\$ 5,464,576</u>	 <u>\$ 4,577,338</u>
 ALL OTHER GOVERNMENTAL FUNDS				
Restricted for:				
Confiscated property	\$ 26,208	\$ 24,289	\$ 31,411	\$ 26,071
Court security	84,447	74,665	117,145	114,808
Community programs	20,236	33,263	34,063	25,237
Police training	32,943	33,387	31,154	31,667
Court technology	30,492	25,927	24,702	11,868
Comprehensive plan	-	-	-	-
Street maintenance	-	-	-	1,039,019
Animal services	17,385	-	-	-
TNR foster	-	8,383	4,766	9,336
Debt service	369,380	149,737	125,774	117,524
Capital projects	14,118,268	-	-	-
Committed for:				
Capital replacement	1,547,856	1,299,322	1,382,447	1,112,340
Street maintenance	1,425,692	801,478	741,092	869,536
Comprehensive plans	166,693	150,789	82,178	80,077
Private contributions	-	-	-	-
Assigned				
Capital projects	178,282	178,282	1,093,256	866,083
Unassigned	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported In:				
Special revenue funds	-	-	-	-
Capital project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total all other governmental funds	 <u>\$ 18,017,882</u>	 <u>\$ 2,779,522</u>	 <u>\$ 3,667,988</u>	 <u>\$ 4,303,566</u>

TABLE 3

2017	2016	2015	2014	2013	2012
\$ 85,601	\$ 86,642	\$ 78,982	\$ 87,663	\$ 86,209	\$ 75,920
3,830,544	3,545,922	3,257,254	3,341,248	3,142,289	3,045,170
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,916,145</u>	<u>\$ 3,632,564</u>	<u>\$ 3,336,236</u>	<u>\$ 3,428,911</u>	<u>\$ 3,228,498</u>	<u>\$ 3,121,090</u>
\$ 10,688	\$ 11,977	\$ 12,654	\$ 31,083	\$ 27,177	\$ 29,077
106,438	97,208	86,406	121,374	112,123	101,870
65,041	96,233	110,074	101,110	100,452	91,169
32,483	31,403	30,777	32,739	30,738	30,738
15,709	27,806	18,592	19,732	34,541	21,080
-	9,743	9,393	17,136	23,539	31,080
-	9,868	-	284,795	91,605	522,216
-	-	-	-	-	-
4,687	12,034	8,035	5,834	7,917	89
105,351	73,077	55,856	166,589	186,690	106,281
-	-	-	613,859	6,315,190	6,787,194
872,058	659,640	527,378	440,692	595,448	532,004
569,536	396,763	26,763	765,000	565,000	265,000
72,114	20,000	20,000	20,000	20,000	72,114
-	-	-	-	-	-
908,077	961,694	955,423	1,050,936	1,050,936	262,734
-	-	-	3,426	2,042	(71)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,762,182</u>	<u>\$ 2,407,446</u>	<u>\$ 1,861,351</u>	<u>\$ 3,674,305</u>	<u>\$ 9,163,398</u>	<u>\$ 8,852,575</u>

CITY OF ALAMO HEIGHTS, TEXAS

**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL PERIODS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2021	2020	2019	2018
REVENUES				
Taxes	\$ 9,836,024	\$ 9,424,483	\$ 9,159,134	\$ 8,834,234
Licenses and permits	854,101	750,769	959,826	652,681
Intergovernmental	529,499	509,179	465,276	500,077
CIED revenue	-	-	-	-
Charges for services	1,118,478	1,084,287	1,294,874	1,237,709
Fines	233,214	219,708	288,131	279,653
Property forfeitures	-	-	-	-
Investment earnings	12,881	125,524	245,377	156,228
Miscellaneous	<u>86,514</u>	<u>110,599</u>	<u>144,960</u>	<u>618,541</u>
Total revenues	<u>12,670,711</u>	<u>12,224,549</u>	<u>12,557,578</u>	<u>12,279,123</u>
EXPENDITURES				
General government	1,766,333	1,684,692	1,731,575	1,699,236
Public safety	5,737,587	5,514,703	5,512,769	5,307,108
Streets	586,322	514,674	493,911	495,929
Sanitation	767,307	722,133	802,680	780,094
Planning and development	575,416	479,211	412,467	388,666
Parks and recreation	299,672	311,440	313,016	296,819
Capital outlay	258,541	2,827,622	2,181,720	260,318
Debt service:				
Principal	565,000	746,600	789,660	767,711
Interest and fiscal charges	279,928	122,786	138,921	154,583
Bond issuance cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,836,106</u>	<u>12,923,861</u>	<u>12,376,719</u>	<u>10,150,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,834,605</u>	<u>(699,312)</u>	<u>180,859</u>	<u>2,128,659</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	(1,285,831)	(1,285,329)	(1,094,409)	(780,254)
Transfers out	1,356,632	1,356,130	1,165,210	846,500
Sale of assets	25,820	-	-	-
Capital lease obligation	-	11,125	-	-
Bond proceeds	17,700,000	-	-	-
Bond premiums issued	640,434	-	-	-
Proceeds from insurance settlement	-	-	-	-
Payment to escrow agent	<u>(4,916,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>13,520,676</u>	<u>81,926</u>	<u>70,801</u>	<u>66,246</u>
Net change in fund balances	<u>\$ 15,355,281</u>	<u>\$ (617,386)</u>	<u>\$ 251,660</u>	<u>\$ 2,194,905</u>
Debt service as a percentage of noncapital expenditures	7.99%	8.61%	9.11%	9.33%

TABLE 4

2017	2016	2015	2014	2013	2012
\$ 8,264,472	\$ 7,962,696	\$ 7,326,071	\$ 6,875,122	\$ 6,658,836	\$ 6,103,019
640,550	557,398	538,131	609,163	681,468	662,687
554,490	501,461	740,041	900,143	640,877	656,151
-	-	-	-	788,202	262,734
1,223,119	1,400,679	1,184,844	1,186,961	1,188,092	1,179,384
284,287	300,570	270,080	229,579	257,425	270,141
-	-	-	-	-	-
57,456	26,569	24,742	26,225	30,244	23,530
103,519	106,847	89,804	89,286	84,222	77,093
<u>11,127,893</u>	<u>10,856,220</u>	<u>10,173,713</u>	<u>9,916,479</u>	<u>10,329,366</u>	<u>9,234,739</u>
1,714,263	1,615,661	1,604,852	1,502,037	1,401,356	1,492,486
5,283,630	5,222,337	5,005,896	4,844,906	4,577,375	4,656,160
487,630	527,469	475,997	381,888	359,306	406,039
786,960	677,438	690,782	653,466	653,829	622,976
379,662	360,546	310,386	282,541	299,420	304,561
302,840	280,127	263,406	237,043	238,372	268,689
870,337	527,414	2,864,168	6,911,167	1,533,213	384,076
742,690	645,000	625,000	600,000	505,000	335,000
174,367	191,655	248,325	268,014	347,668	164,272
-	<u>38,625</u>	-	-	-	<u>73,476</u>
<u>10,742,379</u>	<u>10,086,272</u>	<u>12,088,812</u>	<u>15,681,062</u>	<u>9,915,539</u>	<u>8,707,735</u>
<u>385,514</u>	<u>769,948</u>	<u>(1,915,099)</u>	<u>(5,764,583)</u>	<u>413,827</u>	<u>527,004</u>
(830,000)	(823,082)	(797,191)	(536,008)	(706,007)	(548,653)
900,471	889,328	863,437	595,670	762,525	606,035
-	-	-	-	-	-
77,463	-	-	360,000	-	-
-	1,605,000	-	-	-	6,323,476
-	108,941	-	-	-	-
-	-	(56,776)	56,241	-	-
-	<u>(1,707,712)</u>	-	-	-	-
<u>147,934</u>	<u>72,475</u>	<u>9,470</u>	<u>475,903</u>	<u>56,518</u>	<u>6,380,858</u>
<u>\$ 533,448</u>	<u>\$ 842,423</u>	<u>\$ (1,905,629)</u>	<u>\$ (5,288,680)</u>	<u>\$ 470,345</u>	<u>\$ 6,907,862</u>
9.29%	8.75%	9.47%	9.90%	10.17%	6.00%

CITY OF ALAMO HEIGHTS, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL PERIODS

TABLE 5

	TAXABLE ASSESSED VALUE PERSONAL PROPERTY	TAXABLE ASSESSED VALUE REAL PROPERTY	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE
Year ended September 30, 2021	\$ 27,566,705	\$ 1,747,497,993	\$ 1,775,064,698	0.386439
Year ended September 30, 2020	27,821,192	1,842,246,293	1,870,067,485	0.386439
Year ended September 30, 2019	27,682,663	1,799,802,432	1,827,485,095	0.386439
Year ended September 30, 2018	38,867,712	1,692,308,676	1,731,176,388	0.386439
Year ended September 30, 2017	38,406,710	1,638,595,415	1,677,002,125	0.389900
Year ended September 30, 2016	36,295,321	1,551,854,285	1,588,149,606	0.390262
Year ended September 30, 2015	34,135,262	1,421,781,934	1,455,917,196	0.390262
Year ended September 30, 2014	33,326,092	1,395,181,683	1,428,507,775	0.390262
Year ended September 30, 2013	30,592,813	1,369,899,848	1,400,492,661	0.390262
Year ended September 30, 2012	29,760,154	1,322,404,572	1,352,164,726	0.355662

Notes:

Source: Bexar County Appraisal District

Property in the City of Alamo Heights 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.

CITY OF ALAMO HEIGHTS, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL PERIODS

TABLE 6

FISCAL PERIOD	CITY DIRECT RATES			OVERLAPPING RATES					
	M & O	I & S	TOTAL CITY	ALAMO HEIGHTS ISD	BEXAR COUNTY	COMMUNITY COLLEGE DISTRICT	HOSPITAL	OTHER	TOTAL
2021	0.336439	0.050000	0.386439	1.1964	0.27743	0.14915	0.276235	0.04225	2.32790
2020	0.336439	0.050000	0.386439	1.1964	0.27743	0.14915	0.276235	0.04225	2.23790
2019	0.336439	0.050000	0.386439	1.1950	0.27743	0.14915	0.276235	0.04225	2.32650
2018	0.336439	0.050000	0.386439	1.2550	0.27743	0.14915	0.276235	0.04225	2.38650
2017	0.332900	0.057000	0.389900	1.1950	0.29325	0.14915	0.276235	0.03299	2.33653
2016	0.330762	0.059500	0.390262	1.1950	0.29750	0.14915	0.276235	0.03429	2.34244
2015	0.336486	0.053776	0.390262	1.1950	0.29750	0.14915	0.276235	0.04820	2.35635
2014	0.325762	0.064500	0.390262	1.2050	0.28380	0.14915	0.276235	0.04820	2.35265
2013	0.319454	0.070808	0.390262	1.2180	0.29620	0.14915	0.276235	0.04805	2.37790
2012	0.316157	0.039505	0.355662	1.2180	0.29620	0.14915	0.276235	0.04805	2.34330

Notes:

Source: Bexar County Appraisal District

Overlapping rates are those of local and county governments that apply within the City of Alamo Heights.

CITY OF ALAMO HEIGHTS, TEXAS

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT PERIOD AND NINE PERIODS AGO**

TABLE 7

TAXPAYERS	2021			2022		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
ALAMO HEIGHTS URBAN LP	\$ 32,621,640	1	1.70%	N/A	N/A	N/A
HEB GROCERY COMPANY LP	14,189,987	2	0.74%	12,165,380	1	0.86%
ALAMO HEIGHTS TREEHOUSE LTD	8,450,000	3	0.44%	6,000,400	4	0.42%
GLENN H HUDDLESTON	8,036,440	4	0.42%	4,346,990	7	0.31%
CHRISTOPHER GOLDSBURY JR	6,650,000	5	0.35%	7,897,840	3	0.56%
5307 BROADWAY LTD	6,500,000	6	0.34%	3,300,000	9	0.23%
STEWART CENTER INC	6,201,700	7	0.32%	N/A	N/A	N/A
200 AUSTIN HWY LTD	5,935,000	8	0.31%	3,300,000	9	0.23%
SOUTHWESTERN BELL TELEPHONE	5,610,845	9	0.29%	8,917,530	2	0.63%
GEORGE A GEIS	5,433,250	10	0.28%	4,832,613	6	0.34%
WILLIAM MICHAEL BARNES	N/A			5,103,337	5	0.36%
PAUL AND MARGARET PACE	N/A			3,470,000	8	0.25%
JEFFERY A. and ANNE Z. ROCHELLE	N/A			3,300,000	9	0.23%
LYNDA G. MCCOMBS	N/A		-	3,300,000	10	0.77%
TOTAL	\$ 99,628,862		5.20%	\$ 65,934,090		5.19%

Note:

Source: Bexar County Appraisal District

CITY OF ALAMO HEIGHTS, TEXAS

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL PERIODS
(IN THOUSANDS)**

TABLE 8

	TAXES LEVIED FOR THE FISCAL PERIOD		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE				
			AMOUNT	PERCENTAGE		AMOUNT	PERCENTAGE			
				OF LEVY			OF LEVY			
2021	\$	6,867	\$	6,826	99.40%	\$	-	\$	6,826	99.30%
2020		6,727		6,680	99.3		23		6,680	99.3
2019		6,593		6,548	99.32		23		6,571	99.32
2018		6,291		6,248	99.32		24		6,272	99.60
2017		6,160		6,115	99.27		30		6,145	99.72
2016		5,875		5,819	99.05		43		5,862	99.74
2015		5,449		5,415	99.38		20		5,435	99.72
2014		5,208		5,123	98.37		76		5,199	99.81
2013		5,122		5,089	99.36		25		5,114	99.82
2012		4,619		4,582	99.20		30		4,612	99.83

Note:

Source: Bexar Appraisal District

CITY OF ALAMO HEIGHTS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL PERIODS

TABLE 9

FISCAL PERIOD	GOVERNMENT AL			BUSINESS-TYPE			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ^d	PER CAPITA ^d
	ACTIVITIES ^a			ACTIVITIES ^a					
	COMBINATION TAX AND REVENUE BONDS CO's ^b	GENERAL OBLIGATION BONDS ^c	CAPITAL LEASES	COMBINATION TAX AND REVENUE BONDS CO's ^b	GENERAL OBLIGATION BONDS ^c				
2021	\$ -	\$ 17,734,815	\$ -	\$ -	\$ 910,721	\$ 18,645,536	2.32%	2,165	
2020	-	4,909,085	-	-	1,049,175	5,958,260	0.74%	692	
2019	-	5,673,836	26,600	-	1,187,629	6,888,065	0.89%	802	
2018	-	6,401,798	111,260	-	1,321,083	7,834,141	1.22%	975	
2017	-	7,114,760	165,574	-	1,449,536	8,729,870	1.54	1,086	
2016	490,000	7,337,722	231,544	110,000	1,462,990	9,632,256	1.65	1,160	
2015	2,575,000	5,799,158	214,352	1,610,000	-	10,198,510	1.85	1,306	
2014	3,010,000	5,990,332	323,894	1,715,000	-	11,039,226	2.42	1,570	
2013	3,415,000	6,186,506	-	1,815,000	-	11,416,506	2.50	1,624	
2012	3,785,000	6,322,680	-	1,910,000	-	12,017,680	2.63	1,706	

Notes:

- Details regarding the City's outstanding debt can be found in note 3 in the financial statements.
- The City issued \$6,300,000 of Tax and Revenue Bonds Certificates of Obligation in 2012.
- The City refunded \$2,850,000 of the Combination Tax and Revenue Certificates of Obligations, Series 2007 in 2016.
- See Table 11 for personal income and population data for the City. These ratios are calculated only using personal income and population for the year.

CITY OF ALAMO HEIGHTS, TEXAS

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL PERIODS**

TABLE 10

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2021	\$ 17,734,815	\$ 369,380	\$ 17,365,435	0.32%	\$ 2,016
2020	4,909,085	149,737	4,759,348	0.32	554
2019	5,673,836	125,774	5,548,062	0.32	690
2018	6,401,798	117,524	6,284,274	0.38	782
2017	7,114,760	105,351	7,009,409	0.41	898
2016	7,827,722	73,077	7,754,645	0.48	993
2015	8,374,158	55,856	8,318,302	0.57	1,066
2014	9,000,332	166,589	8,833,743	0.62	1,256
2013	9,601,506	186,690	9,414,816	0.67	1,339
2012	10,107,680	106,281	10,001,399	0.74	1,422

CITY OF ALAMO HEIGHTS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF

September 30, 2021

TABLE 11

GOVERNMENTAL UNIT	DEBT OUTSTANDING	AS OF	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes				
Alamo Community College District	\$ 578,325,000 *	9/30/2021	0.97 %	\$ 5,609,753
Alamo Heights Independent School District	182,780,000 *	9/30/2021	23.76	43,428,528
Bexar County	1,896,160,000 *	9/30/2021	0.97	18,392,752
Bexar County Hospital District	902,130,000 *	9/30/2021	0.97	<u>8,750,661</u>
Total Overlapping Debt:				<u>76,181,694</u>
City of Alamo Heights				<u>17,135,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT				<u>\$ 93,316,694</u>
TOTAL DIRECT AND OVERLAPPING DEBT % OF A.V.:				4.75%
TOTAL DIRECT AND OVERLAPPING DEBT PER CAPITA:				\$ 10,933

* Gross Debt

The overlapping debt was received from the Municipal Advisory Council of Texas, except the Alamo Heights Independent School District which was obtained directly. Details regarding the City's outstanding debt can be found in note 3 to the current financial statements.

CITY OF ALAMO HEIGHTS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL PERIODS

TABLE 12

<u>YEAR</u>	<u>POPULATION</u>	<u>PERSONAL INCOME</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>MEDIAN AGE</u>	<u>EDUCATION LEVEL IN YEARS OF SCHOOLING</u>	<u>SCHOOL ENROLLMENT</u>	<u>UNEMPLOYMENT RATE</u>
2021	8,614	\$ 802,316,574	\$ 93,141	44	74.4%	4,786	4.50%
2020	8,593	800,360,613	93,141	44	74.4	4,917	7.70
2019	8,038	727,808,748	90,546	43	70.5	4,786	2.90
2018	8,038	643,562,470	80,065	44	73.6	4,808	3.10
2017	8,038	566,687,038	70,501	44	73.6	4,808	3.20
2016	7,806	550,330,806	70,501	45	71.4 *	4,808	3.80
2015	7,031	495,411,291	70,461	44	15.7	4,800	3.70
2014	7,031	456,916,566	64,986	40	15.7	4,800	4.30
2013	7,031	456,916,566	64,986	40	15.7	4,800	5.30
2012	7,031	456,916,566	64,986	40	15.7	4,793	6.00

Notes:

* In fiscal year 2016, City started to use percentage of persons with a bachelor's degree.

Sources: Various city departments, Alamo Heights Independent School District, and Texas Workforce Commission.

CITY OF ALAMO HEIGHTS, TEXAS

PRINCIPAL EMPLOYERS CURRENT PERIOD AND NINE YEARS AGO

TABLE 13

EMPLOYER	2021			2012		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (1)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (2)
Lackland Air Force Base	37,097	1	3.43%	37,097	1	4.12%
United Services Automobile Assoc	32,000	2	2.95%	15,000	3	1.67%
Fort Sam Houston	30,000	3	2.77%	32,000	2	3.55%
H.E.B. Food Stores	15,000	4	1.39%	14,588	4	1.62%
City of San Antonio	13,000	5	1.20%	9,145	8	1.02%
Northside Independent School Dist	12,900	6	1.19%	12,751	5	1.42%
Randolph Air Force Base	11,068	7	1.02%	11,068	6	1.23%
Methodist Healthcare System	9,761	8	0.90%	7,747	8	0.86%
North East Independent School Dist	8,789	9	0.81%	10,522	7	1.17%
San Antonio Independent School District	7,000	10	0.65%	7,000	10	0.78%
Totals	<u>176,615</u>		<u>16.31%</u>	<u>156,918</u>		<u>17.44%</u>

Notes:

Statistics for the San Antonio Metropolitan area are relevant to the City of Alamo Heights which is landlocked by the City of San Antonio.

Source: Economic Development Division, City of San Antonio, Texas, Greater San Antonio Chamber of Commerce, Economic Development Foundation, and San Antonio Business Journal Book of Lists.

CITY OF ALAMO HEIGHTS, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL PERIODS

TABLE 14

<u>FUNCTION/PROGRAM</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government											
Administration	8	7	7	7	7	7	8	8	9	9	9
Municipal court*	1	1	1	1	1	1	1	1	1	1	1
Planning and development	5	5	5	4	4	4	3	3	3	3	3
Public safety											
Police**	23	23	23	23	23	25	24	24	24	24	23
Communications center	10	10	10	10	10	10	10	9	9	9	9
Fire	18	18	18	18	18	20	20	20	20	20	20
EMS***	6	6	6	6	6	8	8	9	9	9	9
Public works											
Public works administration	1	1	1	1	1	1	1	1	1	1	2
Parks	4	4	4	4	4	4	4	4	4	4	4
Streets	5	5	5	5	5	5	4	4	4	4	4
Solid waste	10	10	10	10	10	10	10	10	10	10	10
Utilities	10	10	10	10	10	10	8	8	8	8	8
Totals	<u>101</u>	<u>100</u>	<u>100</u>	<u>99</u>	<u>99</u>	<u>105</u>	<u>101</u>	<u>101</u>	<u>102</u>	<u>102</u>	<u>102</u>

Note:

* Municipal Court has appointed positions for two judges and a prosecutor

** Police has one part-time animal care services position

*** EMS has one part-time administrative position

CITY OF ALAMO HEIGHTS, TEXAS

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL PERIODS**

FUNCTION/PROGRAM	2021	2020	2019	2018
General government				
Building permits issued	657	421	244	249
Police				
Arrests	255	187	368	282
Parking violations	368	223	371	361
Traffic violations	2,644	1,335	5,168	5,552
Fire				
Number of calls answered	1,693	1,367	1,663	1,406
Number of fire responses	694	484	614	489
Number of EMS responses	999	883	1,049	917
Number of inspections	103	160	288	284
Number of training classes	1,170	857	713	531
Water				
Total consumption (gallons)	500,734,695	652,249,000	606,513,000	579,934,834
Daily average consumption (gallons)	1,371,876	1,786,984	1,661,679	1,588,863
Number of service connections	3,156	3,058	3,131	3,077
Average daily use per connection	435	584	531	516
Sewer				
Total customers	2,658	2,648	2,766	2,784

Note:

Source: Various City Departments

TABLE 15

2017	2016	2015	2014	2013	2012
242	172	132	267	298	360
379	249	249	205	224	261
357	428	428	303	269	528
4,246	5,538	5,392	6,169	5,622	5,964
1,399	1,502	1,400	1,500	1,255	1,495
452	581	526	652	483	587
947	921	874	848	772	908
209	190	372	484	414	824
708	899	1009	752	725	376
593,338,470	660,050,100	552,095,866	644,466,602	682,036,363	564,345,957
1,625,585	1,808,356	1,512,591	1,765,662	1,868,592	1,567,628
3,037	3,055	3,046	2,963	2,940	2,938
535	592	497	596	636	534
2,772	2,755	2,746	2,688	2,686	2,686

CITY OF ALAMO HEIGHTS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL PERIODS

FUNCTION/PROGRAM	2021	2020	2019	2018
Police				
Stations	1	1	1	1
Patrol units	8	8	8	7
Fire				
Stations	1	1	1	1
Training facility	2	2	2	2
Fire apparatus	2	2	2	2
EMS				
Ambulance	3	3	3	3
Sanitation				
Garbage trucks	6	6	6	6
Streets				
Streets paved (miles)	41.40	41.40	41.40	41.40
Lane miles	1,048.00	1,048.00	1,048.00	1,048.00
Parks				
Swimming pools	1	1	1	1
Baseball/softball diamonds	2	2	2	2
Animal control				
Control vehicle	2	1	1	1
Water				
Number of reservoirs	1	1	1	1
Number of pump stations	6	6	6	6
Number of water mains (miles)	44	44	44.2	44.2
Sewer				
Sanitary sewers (miles)	32	32	32	32

Note:

Source: City asset listing and various City departments

TABLE 16

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
1	1	1	1	1	1
7	7	7	7	7	7
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
3	3	3	3	3	3
6	6	6	6	6	6
41.40	41.40	40.25	40.25	40.25	40.25
1,048.00	1,048.00	1,018.90	1,018.90	1,018.90	1,018.90
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
6	6	6	6	6	6
44.2	44.2	44.2	44.2	44.2	44.2
32	32	32	32	32	32