

CITY OF SCHERTZ, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020



OFFICIALS ISSUING REPORT

James M. Browne
City Manager

James Walters
Director of Finance

CITY OF SCHERTZ, TEXAS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iv
City Officials.....	v
Organizational Chart	vi
Certificate of Achievement	vii
FINANCIAL SECTION	
Independent Auditor’s Report.....	1 - 3
Management Discussion and Analysis	4 - 12
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position.....	13 - 14
Statement of Activities.....	15 - 16
Fund Financial Statements:	
Governmental Funds	
Balance Sheet.....	17 - 18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20 - 21
Reconciliation of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds to the Statement of Activities.....	22
Proprietary Funds	
Statement of Net Position.....	23 - 24
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	25
Statement of Cash Flows.....	26 - 27
Notes to the Financial Statements	28 - 54

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual	55 - 56
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Economic Development Corporation – Budget and Actual.....	57
Notes to Budgetary Schedules	58
Schedule of Changes in Net Pension Liability and Related Ratios.....	59 - 60
Schedule of Pension Contributions.....	61 - 62
Schedule of Changes – TMRS Other Post-Employment Benefit Liability and Related Ratios.....	63
Schedule of Changes – City Retiree Health Other Post-Employment Benefit Liability and Related Ratios.....	64
Combining and Individual Fund Statements and Schedules	
Comparative Balance Sheets – General Fund	65
Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balance – General Fund.....	66
Comparative Balance Sheets – Economic Development Corporation	67
Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balance – Economic Development Corporation	68
Comparative Balance Sheets – Debt Service Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	70
Comparative Balance Sheets – Capital Projects Fund	71
Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balance – Capital Projects Fund.....	72
Combining Balance Sheet – Nonmajor Governmental Funds	73 - 74
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	75 - 76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel Occupancy Fund	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Park Fund.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Tree Mitigation Fund	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Treasury Forfeitures Fund.....	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Justice Forfeitures Fund	81

Schedule of Revenues, Expenditures, and Changes in Fund Balance - State Forfeitures Fund		82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Library Advisory Board Fund		83
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Historical Committee Fund		84
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Capital Recovery Roadways		85

STATISTICAL SECTION

Net Position by Component	1	86 - 87
Change in Net Position	2	88 - 91
Fund Balances of Governmental Funds	3	92 - 93
Changes in Fund Balances, Governmental Funds.....	4	94 - 95
Tax Revenue by Source – Governmental Funds	5	96 - 97
Total Water and Sewer Consumption and Rates.....	6	98
Principal Water and Sewer Consumers.....	7	99
Direct and Overlapping Property Tax Rates	8	100
Principal Property Taxpayers	9	101
Property Tax Levies and Collections	10	102
Taxable Assessed Value.....	11	103 - 104
Ratios of Outstanding Debt by Type	12	105 - 106
Ratios of General Bonded Debt Outstanding	13	107
Direct and Overlapping Governmental Activities Debt	14	108
Debt Margin Information.....	15	109
Pledged Revenue Coverage	16	110
Demographic and Economic Statistics.....	17	111
Top Ten Principal Employers.....	18	112
Full-Time Equivalent City Governmental Employers by Function.....	19	113 - 114
Operating Indicators by Function/Program	20	115 - 118
Capital Asset Statistics by Function/Program	21	119 - 120

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INTRODUCTORY SECTION

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March 19, 2021

To the Honorable Mayor, City Council, and the Citizens of Schertz:

State law requires that local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Schertz for the fiscal year ended September 30, 2020.

This report consists of management's representations concerning the finances of the City of Schertz. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Schertz has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Schertz's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Schertz comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Schertz's financial statements have been audited by Pattillo, Brown & Hill, LLP a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Schertz for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Schertz's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Schertz's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Schertz, incorporated in 1958, is located in the central part of Texas, which is considered to be a top growth area in the state, and one of the top growth areas in the country. The City of Schertz currently occupies a land area of 32.21 square miles with a population of 41,199 in 2019 according to the US Census Bureau. The City of Schertz is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Schertz has operated under the council-manager form of government since November 30, 1972. Policymaking and legislative authority are vested in a City Council consisting of the Mayor and seven at-large



councilmembers. The City Council is responsible for establishing public policy on City matters by the passage of appropriate ordinances and resolutions. The City Manager is responsible for overseeing the day-to-day operations of the government, implementing policy established by City Council, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve three-year staggered terms, with two council members elected every three years and then three council members elected the final three years in the cycle. The mayor is elected to serve a three-year term.

The City of Schertz provides a full range of services, including police and fire protection, EMS services, library services, the construction and maintenance of streets, recreational facilities, cultural events, and water and sewer services.

The annual budget and five-year forecast serve as the foundation for the City of Schertz's financial planning and control. All city departments are required to submit requests for appropriation to the City Manager by June of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the council for review in early August. The council then holds public hearings and community meetings on the proposed budget and to adopt a final budget by September 30th. The fiscal year for Schertz is from October 1 through September 30. The appropriated budget is prepared by each department (e.g. police). The City Manager may make transfers of appropriations within a department. The City Manager may make transfers between departments and funds with City Council approval. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 55-56 as part of the required supplementary information.

Factors Affecting Financial Condition

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

Local economy. Economic growth in Schertz remained strong in 2020. The surrounding metro area saw some contractions evidenced by the Federal Reserve Bank of Dallas reporting the San Antonio Business-Cycle Index decreased 4.33% year over year for September 2020. This Index potentially indicates a new period of economic contraction around the state. As of September 2020, the unemployment rate for Texas was 8.3% and several metro areas including Austin, Dallas-Fort Worth, and San Antonio, are below the state average. Schertz in particular had an **unemployment rate of 6.2 percent during this time.**

Despite these indicators for the surrounding area, the City of Schertz realized a **15.3% increase year-over-year in sales tax collections** during the fiscal year. Despite the pandemic, Schertz' retail outlets and restaurants remained open and doing business during the pandemic. The businesses in the industrial complex also remained open, many of whom reworked their product lines to assist with creations of masks and other goods needed during the pandemic.

Further showcasing Schertz' economic resilience, it also saw a diverse range of new products developed its real estate and land markets with approximately 270,000 square feet of new commercial and industrial space. Nexus Medical's new facility located on Schertz Parkway. The 36,450 sf building a project is host to 100 employees. Other new facilities included Casa Mechanical's new facility (71,255 sf) located on 7770 FM 482 and Ryder Truck's facility expansion (19,226 sf) on 9993 Doerr Ln. The industrial vacancy rate decreased from 9.4% to 9.0% from the previous quarter.

Long-term financial planning. The community approved bond propositions in November 2010 for quality of life projects which included an aquatics facility, improvements to the baseball fields and soccer fields, building a new animal adoption facility, and improvements to Main Street. The only remaining project are the Main Street improvements.



In November 2015, the City placed 2 bond propositions before the voters totaling \$15 million. \$7 million was for FM roadways which the City will partner with the Texas Department of Transportation, who will provide matching funds, and \$8 million for a new Fire Station located in the southern portion of Schertz. \$2 million for the FM roadways have been issued and sent to the Texas Department of Transportation for improvements on FM 1103 as of July 2018. In June 2018, the second \$4 million was issued for the Fire Station to begin construction. The fire station was completed in November 2020.

Current Year Budget Initiatives. For FY 2020-21, the City is using the momentum from the previous year and is putting an additional \$500,000 into city infrastructure from the General Fund Fund Balance and undergoing a new Comprehensive Land Use Plan. Due to growing needs the City will also hire a Police Captain and Senior Planner.

Financial Information:

Internal Control. Management is responsible for establishing and maintaining internal controls designed to ensure that assets of the City are protected from loss, theft or misuse and to provide adequate accounting information compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA). The internal control system is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of an internal control should not exceed the benefits derived from the internal control. The City utilizes financial accounting software which is designed with a system of internal controls. These controls are continually being reevaluated to provide reasonable, but not absolute, assurances.

Budget Controls. The City also utilizes budgetary controls. Legally expenditures cannot exceed the appropriated amount. The objective of these budgetary controls is to ensure compliance with the adopted budget approved by the City Council as mandated by the city charter and state law. The levels of budgetary control are established at the line-item basis and at the fund level. Staff believes these controls help monitor and direct approved expenditures to a level within the budget parameters which directly results in a strong financial performance.

Financial Results. Assets and fund balances continue to grow as the City grows and financial results remain strong. While additional debt was issued during the year, Staff closely monitors and plans the amount of issuance to keep steady debt ratios per capita, per revenue, and per operations tax rate to the debt tax rate. Examples of these ratios can be found in the Statistical Section on pages 121, 123, 125, and 127. A more detailed summary of the City's Financial Performance is available in the Management Discussion and Analysis section on page 4.

Independent Audit. Every year an independent audit is performed of the general ledger, accounts, financial records, and transactions of all city departments. The audit is completed by an independent certified public accounting firm selected by the City Council. The City is in compliance with this requirement and the independent auditor's report by Pattillo, Brown & Hill, LLP. Certified Public Accountants, has been included in this report.

Awards and Acknowledgements

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 Schertz for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 35th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual 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 our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

In conclusion, we would have none of the success we have enjoyed without the assistance of each and every staff member, as well as the support and strategic direction from the Mayor and the City Council during the strategic planning, pre-budget, and budget approval process.

Respectfully submitted,



James M. Browne
City Manager



James P. Walters
Finance Director

CITY OF SCHERTZ, TEXAS

CITY OFFICIALS

MAYOR

RALPH GUTIERREZ

MAYOR PRO-TEM

ROSEMARY SCOTT

CITY COUNCIL

MARK E. DAVIS

SCOTT LARSON

MICHAEL DAHLE

DAVID SCAGLIOLA

ALLISON HEYWARD

TIM BROWN

CITY MANAGER

JAMES M. BROWNE

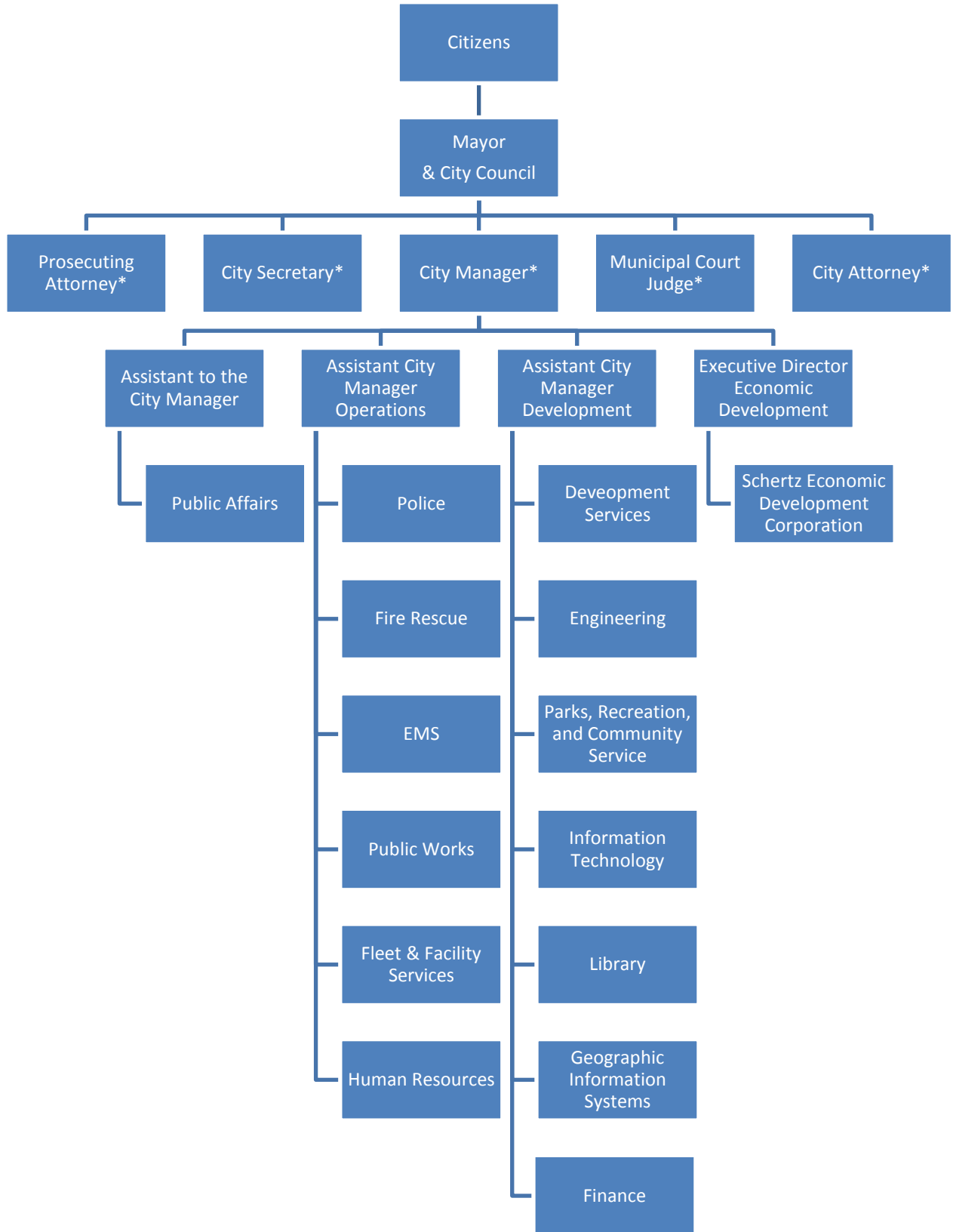
DIRECTOR OF FINANCE

JAMES WALTERS

CITY ATTORNEY

CHARLES ZECH, DENTON, NAVARRO, ROCHA, BERNAL & ZECH, P.C.

CITY OF SCHERTZ ORGANIZATIONAL CHART FY 2019-20



*Appointed by City Council



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Schertz
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Schertz, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Schertz, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Schertz, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Schertz-Seguin Local Government Corporation or the Cibolo Valley Local Government Corporation, which collectively represent 10.0 percent and 11.9 percent, respectively, of the assets and net position of the Water and Sewer Fund, and 9.7 percent and 11.8 percent, respectively, of the assets and net position of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Schertz-Seguin Local Government Corporation and Cibolo Valley Local Government Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Opinions

In our opinion, based on our audit and the reports of other auditors, 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 Schertz, Texas, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Schertz, Texas' fiscal year 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Schertz, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021, on our consideration of the City of Schertz, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Schertz, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 19, 2021

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Schertz, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Schertz for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets and deferred outflows of the City of Schertz exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$243,392,976 (net position). Of this amount, \$34,728,518 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by \$7,756,417. The primary reason for this increase was a decrease in the City's net pension liability of approximately \$4.1 million from the prior year.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$50,993,654, a decrease of \$5,840,724 in comparison with the prior year. The primary cause of this decrease was a payment of \$3.7 million by the City of Schertz Economic Development Corporation to Schertz 312, LLC related to an economic development performance agreement.

At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$12,098,536 which is 35.51% of the general fund expenditures not including capital outlay. The fund balance policy is to reserve at least a 26% balance.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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, in a manner similar to a private-sector business.

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 of Schertz 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 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 (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Schertz that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Schertz include general government, public safety, streets and parks, health, and culture and recreation. The business-type activities of the City of Schertz include a water and sewer department and an emergency medical services department.

Fund financial statements. 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 of Schertz, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City of Schertz can be divided into two categories: governmental and proprietary.

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

The City of Schertz maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the economic development corporation and the capital projects fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City of Schertz 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 of Schertz uses enterprise funds to account for its water and sewer department and for its emergency medical services department.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer department and for the emergency medical services department, both of which are considered to be major funds of the City of Schertz.

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 supplementary information concerning the City's general fund budgetary schedule. The City of Schertz adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The economic development corporation also adopts an annual budget, and a comparison schedule for it also is provided in the required supplementary information.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Schertz, assets and deferred outflows exceeded liabilities and deferred inflows by \$243,392,976 at the close of the most recent fiscal year. The largest portion of the City's total net position (68%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding, plus bond proceeds that have not yet been signed. The City of Schertz uses these capital assets to provide services to citizens; consequently, these assets are not available for operational type of future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's total net position (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$34,728,518, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Schertz is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

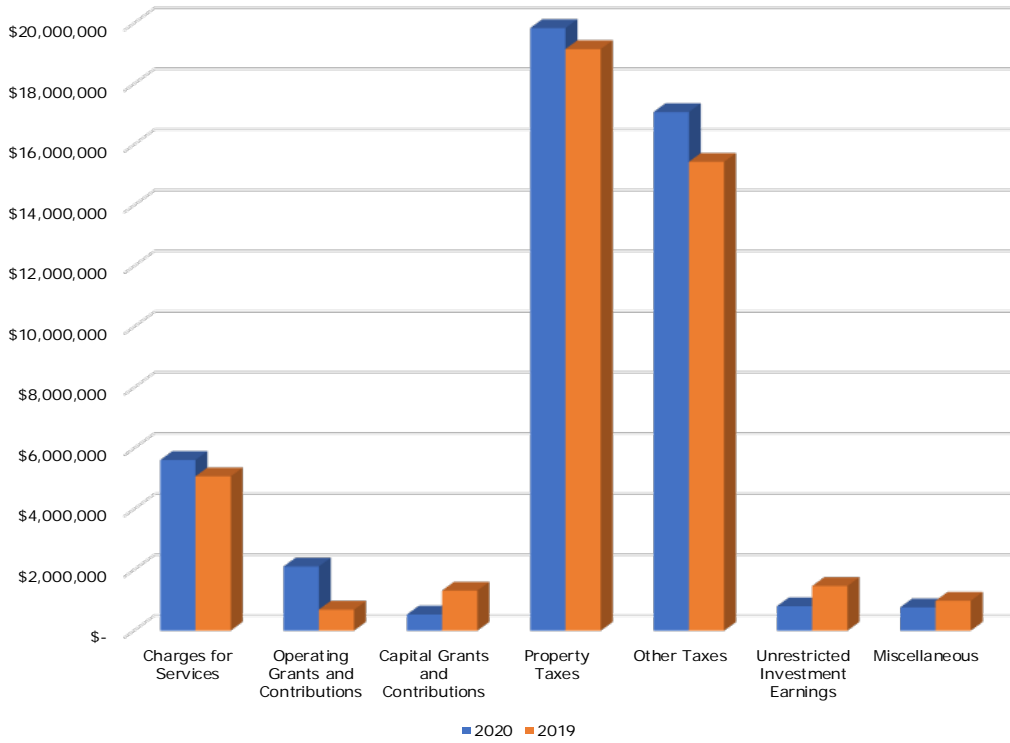
**City of Schertz's Net Position
Government-Wide**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 62,199,597	\$ 62,483,126	\$ 54,664,167	\$ 55,115,512	\$ 116,863,764	\$ 117,598,638
Capital assets	<u>144,079,930</u>	<u>143,800,297</u>	<u>92,643,825</u>	<u>86,809,556</u>	<u>236,723,755</u>	<u>230,609,853</u>
Total assets	<u>206,279,527</u>	<u>206,283,423</u>	<u>147,307,992</u>	<u>141,925,068</u>	<u>353,587,519</u>	<u>348,208,491</u>
Deferred outflows of resources	<u>3,267,540</u>	<u>5,026,512</u>	<u>806,262</u>	<u>1,307,526</u>	<u>4,073,802</u>	<u>6,334,038</u>
Current liabilities	12,527,345	8,595,801	5,245,378	4,792,951	17,772,723	13,388,752
Long-term liabilities	<u>73,002,458</u>	<u>81,400,396</u>	<u>20,706,167</u>	<u>23,649,513</u>	<u>93,708,625</u>	<u>105,049,909</u>
Total liabilities	<u>85,529,803</u>	<u>89,996,197</u>	<u>25,951,545</u>	<u>28,442,464</u>	<u>111,481,348</u>	<u>118,438,661</u>
Deferred inflows of resources	<u>2,235,923</u>	<u>434,900</u>	<u>551,074</u>	<u>32,409</u>	<u>2,786,997</u>	<u>467,309</u>
Net position:						
Net investment in capital assets	88,959,102	89,869,766	75,969,319	68,271,075	164,928,421	158,140,841
Restricted	28,664,438	28,088,355	15,071,599	13,232,638	43,736,037	41,320,993
Unrestricted	<u>4,157,801</u>	<u>2,920,717</u>	<u>30,570,717</u>	<u>33,254,008</u>	<u>34,728,518</u>	<u>36,174,725</u>
Total net position	<u>\$ 121,781,341</u>	<u>\$ 120,878,838</u>	<u>\$ 121,611,635</u>	<u>\$ 114,757,721</u>	<u>\$ 243,392,976</u>	<u>\$ 235,636,559</u>

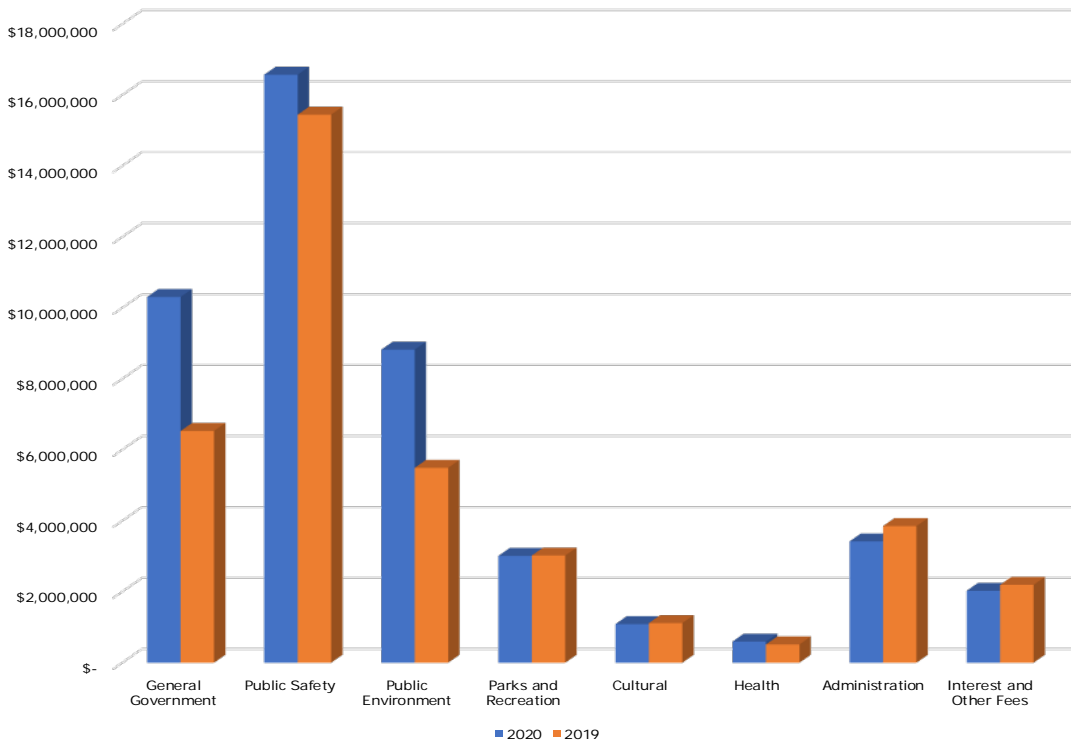
The government's net position increased by \$7,756,417 during the current fiscal year. Approximately \$4.1 million of this increase represents a decrease in the City's net pension liability from the previous year. The following table indicates changes in net position for governmental and business-type activities followed by graphs displaying total revenues and expenses by type:

	City of Schertz's Changes in Net Position Government-Wide					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,619,998	\$ 5,080,958	\$ 35,824,170	\$ 33,930,093	\$ 41,444,168	\$ 39,011,051
Operating grants & contributions	2,113,673	692,042	-	-	2,113,673	692,042
Capital contributions	531,096	1,319,793	292,408	1,975,524	823,504	3,295,317
General revenues:						
Property taxes	19,844,912	19,151,005	-	-	19,844,912	19,151,005
Other taxes	17,076,462	15,439,226	-	-	17,076,462	15,439,226
Investment earnings	804,674	1,470,258	431,555	855,216	1,236,229	2,325,474
Miscellaneous	767,799	984,257	706,296	267,788	1,474,095	1,252,045
Total revenues	<u>46,758,614</u>	<u>44,137,539</u>	<u>37,254,429</u>	<u>37,028,621</u>	<u>84,013,043</u>	<u>81,166,160</u>
Expenses:						
General government	10,310,363	6,534,013	-	-	10,310,363	6,534,013
Public safety	16,575,191	15,448,886	-	-	16,575,191	15,448,886
Public environment	8,825,099	5,495,192	-	-	8,825,099	5,495,192
Parks and recreation	3,012,134	3,022,278	-	-	3,012,134	3,022,278
Cultural	1,089,564	1,119,650	-	-	1,089,564	1,119,650
Health	596,288	516,890	-	-	596,288	516,890
Administration	3,419,407	3,853,255	-	-	3,419,407	3,853,255
Interest and other fees	2,028,065	2,196,180	-	-	2,028,065	2,196,180
Water and sewer	-	-	24,349,219	25,608,390	24,349,219	25,608,390
EMS	-	-	6,051,296	6,529,631	6,051,296	6,529,631
Total expenses	<u>45,856,111</u>	<u>38,186,344</u>	<u>30,400,515</u>	<u>32,138,021</u>	<u>76,256,626</u>	<u>70,324,365</u>
Increase in net position before transfers	<u>902,503</u>	<u>5,951,195</u>	<u>6,853,914</u>	<u>4,890,600</u>	<u>7,756,417</u>	<u>10,841,795</u>
Transfers	-	(81,525)	-	81,525	-	-
Change in net position	<u>902,503</u>	<u>5,869,670</u>	<u>6,853,914</u>	<u>4,972,125</u>	<u>7,756,417</u>	<u>10,841,795</u>
Net position - beginning of year	<u>120,878,838</u>	<u>115,009,168</u>	<u>114,757,721</u>	<u>98,368,826</u>	<u>235,636,559</u>	<u>213,377,994</u>
Prior period adjustment	-	-	-	11,416,770	-	11,416,770
Net position - end of year	<u>\$ 121,781,341</u>	<u>\$ 120,878,838</u>	<u>\$ 121,611,635</u>	<u>\$ 114,757,721</u>	<u>\$ 243,392,976</u>	<u>\$ 235,636,559</u>

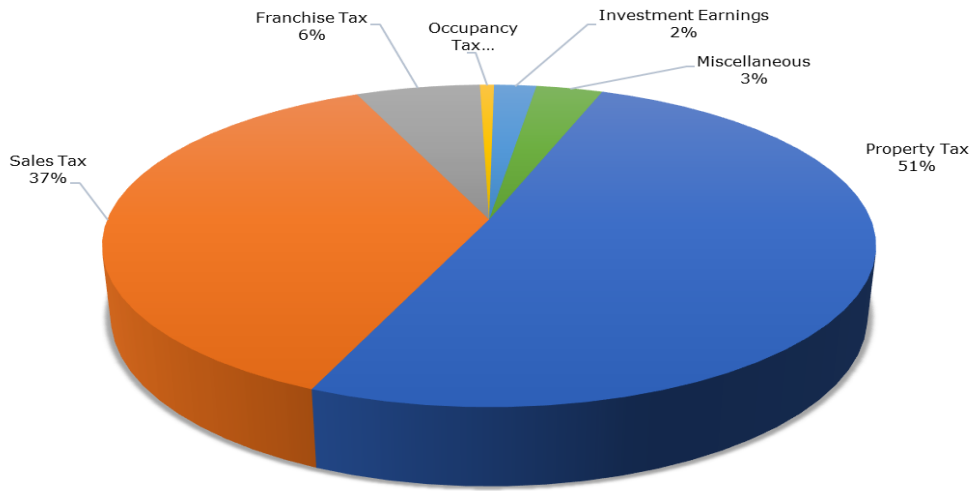
TOTAL REVENUES – GOVERNMENT-WIDE



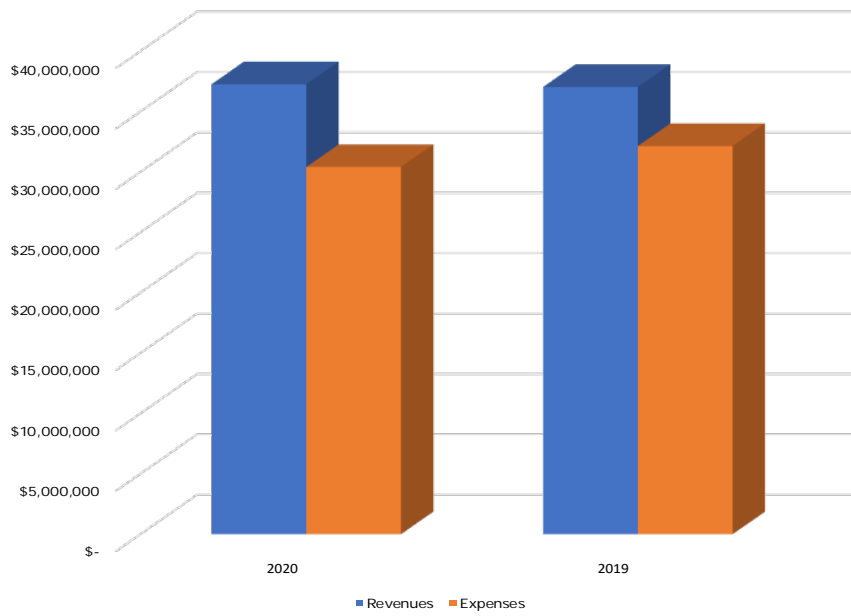
TOTAL EXPENSES – GOVERNMENT-WIDE



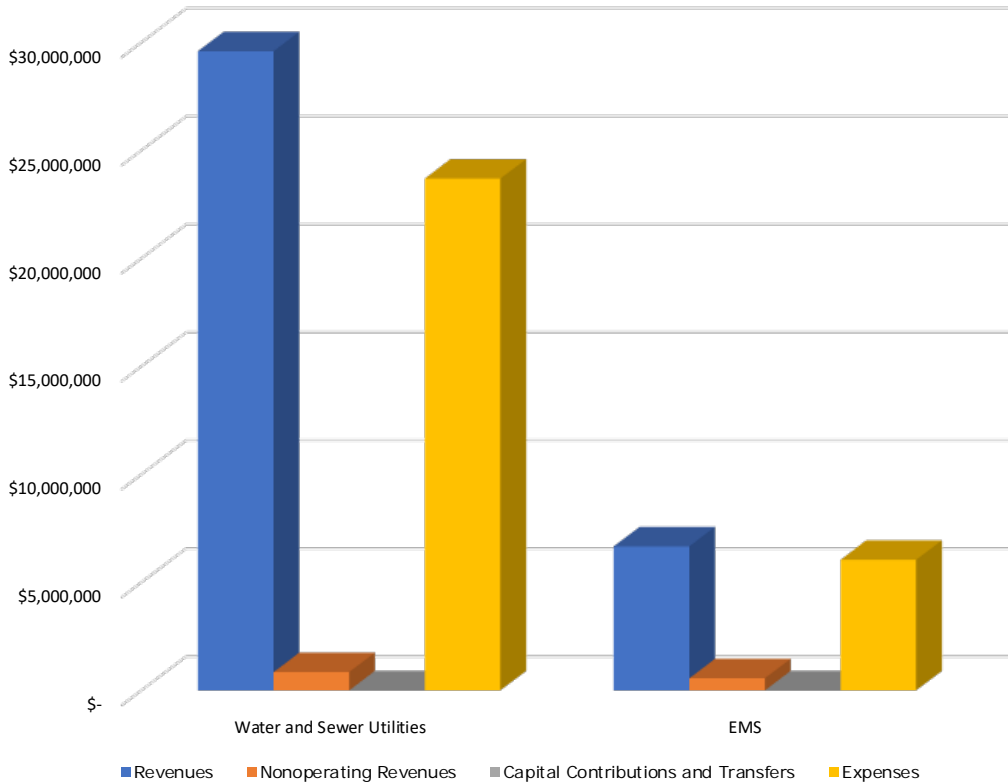
GENERAL REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



TOTAL REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



BUSINESS-TYPE REVENUES AND EXPENSES



Financial Analysis of the Government's Funds

As noted earlier, the City of Schertz 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 fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$50,993,654. Of this total amount, \$10,126,057 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, or assigned to indicate that it is not available for new spending because it has already been committed to pay debt service, for capital improvement projects, and other assigned purposes.

The general fund is the chief operating fund of the City of Schertz. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,126,057, while total fund balance was \$14,897,460, a decrease of \$2,568,208 from the prior year. Overall, the decrease was caused by a large budgeted transfer out for capital projects, but the fund also experienced increases in property and sales tax revenues in spite of the COVID-19 pandemic. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35.51% of total general fund expenditures, not including capital outlay.

The debt service fund has a total fund balance of \$785,919, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$216,307. This decrease was due to regular principal and interest payments on long-term debt exceeding interest and sinking property tax revenue during the year. Over time, however, the debt service fund has sufficient cash and equivalents on hand to remain liquid.

The capital projects fund has a total fund balance of \$10,137,558, a decrease of \$3,050,113. This decrease was caused by the expenditure of accumulated funds for planned capital projects, which were supplemented by amounts transferred from the general and Economic Development Corporation funds.

The Economic Development Fund presents the activities of the Schertz Economic Development Corporation (the "EDC"), which promotes economic development activities using a portion of the City's sales tax revenue. At year end, the EDC fund reported an ending fund balance of \$21,018,626, which is a decrease of \$758,630 compared to the prior year. The primary cause of this change was a planned use of fund balance that was less than the \$3 million budgeted.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer fund at the end of the year amounted to \$29,368,969 and those for the Schertz EMS fund amounted to \$1,201,748, which are 124% and 20% of fund operating costs, respectively.

General Fund Budgetary Highlights

The General Fund expenditures were \$2,129,055 less than the \$31,816,758 budget. This was the result of cost savings across most of the General Fund due to decreased demand for services. Generally, activities citywide decreased because of the COVID-19 pandemic beginning in March 2020. Revenues were \$592,075 more than budgeted, primarily due to increased property and sales tax revenues over the budgeted amount. Overall, ending fund balance in the general fund was \$2,326,686 higher than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$236,723,755 (net of accumulated depreciation). Developers contributed \$823,504 in infrastructure during the year. The City also has several projects in progress from voter approved bonds.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 8,074,199	\$ 8,073,199	\$ 1,844,488	\$ 1,696,942	\$ 9,918,687	\$ 9,770,141
Water rights	-	-	70,245	70,245	70,245	70,245
Buildings and improvements	44,447,749	46,367,441	3,635,532	5,489,184	48,083,281	51,856,625
Machinery, equipment, and vehicles	14,552,416	12,958,097	5,976,040	6,007,550	20,528,456	18,965,647
Infrastructure	119,945,442	117,414,346	100,588,293	100,295,885	220,533,735	217,710,231
Construction in progress	24,826,910	21,045,668	17,266,273	9,248,439	42,093,183	30,294,107
Accumulated depreciation	(67,766,786)	(62,058,454)	(36,737,046)	(35,998,689)	(104,503,832)	(98,057,143)
TOTALS	\$ 144,079,930	\$ 143,800,297	\$ 92,643,825	\$ 86,809,556	\$ 236,723,755	\$ 230,609,853

Significant capital asset activity for the year included continued construction on the Corbett Elevated Tank project for \$2.5 million, various sewer system improvements amounting to \$3.6 million, and an additional \$1 million spent on the new Fire Station 3.

Additional information on the City's capital assets can be found in the notes to the basic financial statements.

LONG TERM DEBT

At the end of the current fiscal year, the City of Schertz had total long-term debt outstanding of \$79,905,573. The related principal and interest payment for the bonds are backed by an annual ad valorem tax levied against all taxable property within the City. The City of Schertz maintains a "AA+" rating from Standard and Poors.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 44,620,000	\$ 48,320,000	\$ 3,685,000	\$ 4,445,000	\$ 48,305,000	\$ 52,765,000
Certificates of obligation	15,235,000	16,235,000	11,505,000	12,330,000	26,740,000	28,565,000
Tax notes and leases	362,134	555,699	282,468	659,421	644,602	1,215,120
Premium on bonds	2,170,381	2,338,297	828,781	871,608	2,999,162	3,209,905
Compensated absences	967,540	1,226,399	249,269	336,139	1,216,809	1,562,538
TOTALS	\$ 63,355,055	\$ 68,675,395	\$ 16,550,518	\$ 18,642,168	\$ 79,905,573	\$ 87,317,563

Total debt decreased compared to the prior year due to continued payment on existing debt without any additional issuances. Additional information on the City's long-term debt can be found in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

At the end of the last fiscal year, the assigned and unassigned fund balance in the general fund increased to \$14.2 million. The City of Schertz has appropriated \$1.1 million of this amount for spending in the 2021 fiscal year budget in accordance to the City's fund balance policy. The approved tax rate decreased from \$0.5146 to \$0.5087 per \$100 of valuation.

The City also considered the effects of the ongoing COVID-19 pandemic. Although the pandemic has resulted in an economic downturn and presents significant future uncertainty, the City's property tax revenues were not significantly affected, as those tax revenues were due in January before the pandemic began. Each year the City updates its five-year budgeting forecast and has implemented a long-term debt model to assist management in making informed financial decisions that will impact the community now and in the future.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Schertz, 1400 Schertz Parkway, Schertz, Texas 78154.

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**BASIC
FINANCIAL STATEMENTS**

CITY OF SCHERTZ, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 48,999,891	\$ 13,084,856	\$ 62,084,747
Investments	4,677,758	1,139,981	5,817,739
Receivables, net of allowances:			
Taxes	3,332,944	-	3,332,944
Accounts and other	3,420,493	6,538,364	9,958,857
Service concession arrangement receivable	90,909	-	90,909
Accrued interest	-	6,324	6,324
Inventories	99,871	236,682	336,553
Prepays	14,916	2,311	17,227
Internal balances	(16,139)	16,139	-
Total Current Assets	<u>60,620,643</u>	<u>21,024,657</u>	<u>81,645,300</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	867,708	17,504,886	18,372,594
Investments	-	1,831,586	1,831,586
Service concession arrangement receivable	711,246	-	711,246
Investment in joint venture	-	14,303,038	14,303,038
Capital assets:			
Land	8,074,199	1,844,488	9,918,687
Water rights	-	70,245	70,245
Buildings and improvements	44,447,749	3,635,532	48,083,281
Equipment and vehicles	14,552,416	5,976,040	20,528,456
Infrastructure	119,945,442	100,588,293	220,533,735
Construction in progress	24,826,910	17,266,273	42,093,183
Accumulated depreciation	(67,766,786)	(36,737,046)	(104,503,832)
Total Noncurrent Assets	<u>145,658,884</u>	<u>126,283,335</u>	<u>271,942,219</u>
Total Assets	<u>206,279,527</u>	<u>147,307,992</u>	<u>353,587,519</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on debt refunding	591,766	40,743	632,509
Deferred OPEB related outflows	464,967	133,129	598,096
Deferred pension related outflows	2,210,807	632,390	2,843,197
Total Deferred Outflows of Resources	<u>3,267,540</u>	<u>806,262</u>	<u>4,073,802</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,446,713	3,491,409	8,938,122
Accrued liabilities	1,209,493	321,460	1,530,953
Retainage payable	111,135	332,514	443,649
Due to other governments	123,911	-	123,911
Unearned revenue	39,159	444,762	483,921
Accrued interest payable	328,322	95,042	423,364
Customer deposits	7,040	560,191	567,231
Total Current Liabilities	<u>7,265,773</u>	<u>5,245,378</u>	<u>12,511,151</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS
STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES (continued)			
Noncurrent liabilities:			
Current Portion:			
Compensated absences	\$ 193,508	\$ 56,048	\$ 249,556
Total OPEB liability	49,258	14,087	63,345
Service concession arrangement	55,241	-	55,241
Long-term debt	4,963,565	1,856,953	6,820,518
Long-term liabilities:			
Compensated absences	774,032	224,190	998,222
Total OPEB liability	2,263,331	647,333	2,910,664
Net pension liability	12,108,954	3,463,260	15,572,214
Service concession arrangement	432,191	-	432,191
Long-term debt	57,423,950	14,444,296	71,868,246
Total Non Current liabilities	<u>78,264,030</u>	<u>20,706,167</u>	<u>98,970,197</u>
Total Liabilities	<u>85,529,803</u>	<u>25,951,545</u>	<u>111,481,348</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement	314,723	-	314,723
Deferred OPEB related inflows	390,190	111,750	501,940
Deferred pension related inflows	1,531,010	439,324	1,970,334
Total Deferred Inflows of Resources	<u>2,235,923</u>	<u>551,074</u>	<u>2,786,997</u>
NET POSITION			
Net investment in capital assets	88,959,102	75,969,319	164,928,421
Restricted for:			
Police and municipal court	2,008,135	-	2,008,135
PEG capital fees	807,140	-	807,140
Tourism development	2,116,464	-	2,116,464
Economic development	21,018,626	-	21,018,626
Parks and tree mitigation	755,464	-	755,464
Debt service	906,735	-	906,735
Scholarships and other purposes	1,051,874	-	1,051,874
Construction	-	15,071,599	15,071,599
Unrestricted	<u>4,157,801</u>	<u>30,570,717</u>	<u>34,728,518</u>
Total Net Position	<u>\$ 121,781,341</u>	<u>\$ 121,611,635</u>	<u>\$ 243,392,976</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 10,310,363	\$ 836,246	\$ -	\$ -
Public safety	16,575,191	3,276,129	2,100,164	-
Public environment	8,825,099	850,201	-	531,096
Parks and recreation	3,012,134	331,174	-	-
Cultural	1,089,564	299,944	13,509	-
Health	596,288	26,304	-	-
Administration	3,419,407	-	-	-
Interest	2,028,065	-	-	-
Total Governmental Activities	<u>45,856,111</u>	<u>5,619,998</u>	<u>2,113,673</u>	<u>531,096</u>
Business-type activities:				
Water and sewer	24,349,219	29,709,279	-	292,408
EMS	6,051,296	6,114,891	-	-
Total Business-Type Activities	<u>30,400,515</u>	<u>35,824,170</u>	<u>-</u>	<u>292,408</u>
Total Primary Government	<u>\$ 76,256,626</u>	<u>\$ 41,444,168</u>	<u>\$ 2,113,673</u>	<u>\$ 823,504</u>

General revenues:

 Taxes:

 Ad valorem

 Sales

 Franchise fees

 Hotel/motel

 Mixed drink

 Investment earnings

 Miscellaneous

 Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$(9,474,117)	\$ -	\$(9,474,117)
(11,198,898)	-	(11,198,898)
(7,443,802)	-	(7,443,802)
(2,680,960)	-	(2,680,960)
(776,111)	-	(776,111)
(569,984)	-	(569,984)
(3,419,407)	-	(3,419,407)
(2,028,065)	-	(2,028,065)
<u>(37,591,344)</u>	<u>-</u>	<u>(37,591,344)</u>
-	5,652,468	5,652,468
-	<u>63,595</u>	<u>63,595</u>
-	<u>5,716,063</u>	<u>5,716,063</u>
<u>(37,591,344)</u>	<u>5,716,063</u>	<u>(31,875,281)</u>
19,844,912	-	19,844,912
14,432,152	-	14,432,152
2,305,225	-	2,305,225
268,946	-	268,946
70,139	-	70,139
804,674	431,555	1,236,229
<u>767,799</u>	<u>706,296</u>	<u>1,474,095</u>
<u>38,493,847</u>	<u>1,137,851</u>	<u>39,631,698</u>
<u>902,503</u>	<u>6,853,914</u>	<u>7,756,417</u>
<u>120,878,838</u>	<u>114,757,721</u>	<u>235,636,559</u>
<u>\$ 121,781,341</u>	<u>\$ 121,611,635</u>	<u>\$ 243,392,976</u>

CITY OF SCHERTZ, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	General Fund	Capital Projects Fund	Debt Service Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 11,379,721	\$ 10,677,080	\$ 785,919
Investments	2,507,998	-	-
Receivables (net of allowances)			
Taxes	2,393,311	-	120,816
Accounts and other	3,381,019	-	-
Inventory	99,871	-	-
Prepaid items	14,916	-	-
Restricted assets:			
Cash and cash equivalents	<u>867,708</u>	<u>-</u>	<u>-</u>
Total Assets	<u>20,644,544</u>	<u>10,677,080</u>	<u>906,735</u>
LIABILITIES			
Accounts payable	1,005,821	428,387	-
Accrued salaries and benefits	1,209,493	-	-
Retainage payable	-	111,135	-
Customer deposits	7,040	-	-
Due to other governments	123,911	-	-
Due to other funds	16,139	-	-
Unearned revenues	<u>39,159</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,401,563</u>	<u>539,522</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	<u>3,345,521</u>	<u>-</u>	<u>120,816</u>
Total Deferred Inflows of Resources	<u>3,345,521</u>	<u>-</u>	<u>120,816</u>
FUND BALANCES			
Nonspendable for:			
Inventory	99,871	-	-
Prepaid items	14,916	-	-
Restricted for:			
Police and public safety/municipal court	226,092	-	-
Municipal court	823,452	-	-
PEG capital fees	807,140	-	-
Capital improvement	-	6,065,616	-
Debt service	-	-	785,919
Tourism development	-	-	-
Parks and tree mitigation	-	-	-
Historical Committee and library	-	-	-
Economic development	-	-	-
Animal control	33,408	-	-
Veterans	2,109	-	-
Scholarships	104,156	-	-
Committed for:			
Capital Projects	-	4,071,942	-
Civic Center/CIED	687,780	-	-
Assigned for:			
Property replacement	891,319	-	-
Subsequent year's budget	1,081,160	-	-
Unassigned	<u>10,126,057</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>14,897,460</u>	<u>10,137,558</u>	<u>785,919</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>20,644,544</u>	\$ <u>10,677,080</u>	\$ <u>906,735</u>

The accompanying notes are an integral part of these financial statements.

Economic Development Corporation	Nonmajor Governmental Funds	Total Governmental Funds
\$ 22,032,946	\$ 4,124,225	\$ 48,999,891
2,169,760	-	4,677,758
818,817	-	3,332,944
7,949	31,525	3,420,493
-	-	99,871
-	-	14,916
-	-	867,708
<u>25,029,472</u>	<u>4,155,750</u>	<u>61,413,581</u>
4,010,846	1,659	5,446,713
-	-	1,209,493
-	-	111,135
-	-	7,040
-	-	123,911
-	-	16,139
-	-	39,159
<u>4,010,846</u>	<u>1,659</u>	<u>6,953,590</u>
-	-	3,466,337
-	-	3,466,337
-	-	99,871
-	-	14,916
-	255,787	481,879
-	-	823,452
-	-	807,140
-	937,627	7,003,243
-	-	785,919
-	2,116,464	2,116,464
-	755,464	755,464
-	88,749	88,749
21,018,626	-	21,018,626
-	-	33,408
-	-	2,109
-	-	104,156
-	-	4,071,942
-	-	687,780
-	-	891,319
-	-	1,081,160
-	-	10,126,057
<u>21,018,626</u>	<u>4,154,091</u>	<u>50,993,654</u>
\$ <u>25,029,472</u>	\$ <u>4,155,750</u>	\$ <u>61,413,581</u>

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CITY OF SCHERTZ, TEXAS

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

SEPTEMBER 30, 2020

Total Fund Balances - Governmental Funds	\$	50,993,654
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		144,079,930
Bonds payable and accrued compensated absences will not be liquidated with current financial resources and, therefore, have not been included in the fund financial statements.	(	61,184,674)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	(	328,322)
Premiums on bond issuances and deferred losses on bond refunding are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.		
Premiums	(	2,170,381)
Deferred loss		591,766
Receivables from grants, property taxes and fines and fees are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the fund financial statements.		3,466,337
Included in the items related to debt is the recognition of the City's net pension liability, total OPEB liability, and related deferred outflows and inflows of resources.		
Net pension liability	(	12,108,954)
Deferred outflows related to pensions		2,210,807
Deferred inflows related to pensions	(	1,531,010)
Total OPEB liability	(	2,312,589)
Deferred outflows related to OPEB		464,967
Deferred inflows related to OPEB	(	<u>390,190</u>)
Net Position of Governmental Activities	\$	<u>121,781,341</u>

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Capital Projects Fund	Debt Service Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 25,000,163	\$ -	\$ 6,714,516
Permits and fees	1,750,837	-	-
Service fees	1,724,150	-	-
Fines and fees	833,148	-	-
Intergovernmental	951,604	-	-
Investment earnings	300,369	154,977	19,900
Miscellaneous	559,393	132,901	75,000
Total Revenues	<u>31,119,664</u>	<u>287,878</u>	<u>6,809,416</u>
EXPENDITURES			
Current:			
General government	5,381,790	-	-
Public safety	15,324,530	-	-
Public environment	1,270,894	-	-
Parks and recreation	2,067,649	-	-
Cultural	1,034,435	-	-
Health	589,616	-	-
Administration	2,799,004	-	-
Capital outlay	1,175,241	7,837,991	-
Debt service:			
Principal	44,544	-	4,885,000
Interest and fiscal charges	-	-	2,136,523
Bond issue costs	-	-	4,200
Total Expenditures	<u>29,687,703</u>	<u>7,837,991</u>	<u>7,025,723</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,431,961</u>	<u>(7,550,113)</u>	<u>(216,307)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,500,000	-
Transfers out	<u>(4,000,169)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,000,169)</u>	<u>4,500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(2,568,208)</u>	<u>(3,050,113)</u>	<u>(216,307)</u>
FUND BALANCES - BEGINNING	<u>17,465,668</u>	<u>13,187,671</u>	<u>1,002,226</u>
FUND BALANCES - ENDING	<u>\$ 14,897,460</u>	<u>\$ 10,137,558</u>	<u>\$ 785,919</u>

Economic Development Corporation	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,819,288	\$ 268,946	\$ 36,802,913
-	56,427	1,807,264
-	859,448	2,583,598
-	47,509	880,657
-	-	951,604
288,740	40,688	804,674
-	505	767,799
<u>5,108,028</u>	<u>1,273,523</u>	<u>44,598,509</u>
4,886,456	96,123	10,364,369
-	42,063	15,366,593
-	-	1,270,894
-	34,434	2,102,083
-	10,456	1,044,891
-	-	589,616
480,202	74,428	3,353,634
-	263,654	9,276,886
-	-	4,929,544
-	-	2,136,523
-	-	4,200
<u>5,366,658</u>	<u>521,158</u>	<u>50,439,233</u>
(258,630)	752,365	(5,840,724)
-	169	4,500,169
(500,000)	-	(4,500,169)
(500,000)	169	-
(758,630)	752,534	(5,840,724)
<u>21,777,256</u>	<u>3,401,557</u>	<u>56,834,378</u>
\$ <u>21,018,626</u>	\$ <u>4,154,091</u>	\$ <u>50,993,654</u>

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net Changes in Fund Balances - Governmental Funds \$(5,840,724)

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

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

Capital outlay	6,893,784
Depreciation expense	(6,612,811)

The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, or donations) is to decrease net position. (1,340)

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

Grants	1,526,256
Property taxes	(15,708)
Court fines	118,461

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Repayment of principal of long-term debt	5,061,481
Amortization of:	
Loss on refunding	(80,729)

Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	258,859
Net pension liability	(263,110)
Total OPEB liability	(167,387)

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.

25,471

Change in Net Position of Governmental Activities \$ 902,503

CITY OF SCHERTZ, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise Fund	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,686,996	\$ 1,397,860	\$ 13,084,856	\$ -
Investments	1,139,981	-	1,139,981	-
Accounts receivable, net of allowance:				-
Customer accounts	4,052,754	2,485,610	6,538,364	-
Due from other funds	-	16,139	16,139	-
Accrued interest	6,324	-	6,324	-
Inventory	112,717	123,965	236,682	-
Prepays	-	2,311	2,311	-
Total Current Assets	<u>16,998,772</u>	<u>4,025,885</u>	<u>21,024,657</u>	<u>-</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	17,504,886	-	17,504,886	-
Investments	1,831,586	-	1,831,586	-
Investment in joint ventures	14,303,038	-	14,303,038	-
Capital assets:				
Land	1,844,488	-	1,844,488	-
Water rights	70,245	-	70,245	-
Buildings and improvements	3,635,532	-	3,635,532	-
Machinery, equipment, and vehicles	3,231,083	2,744,957	5,976,040	-
Infrastructure	100,588,293	-	100,588,293	-
Construction in progress	17,266,273	-	17,266,273	-
Less: accumulated depreciation	(34,684,251)	(2,052,795)	(36,737,046)	-
Total Noncurrent Assets	<u>125,591,173</u>	<u>692,162</u>	<u>126,283,335</u>	<u>-</u>
Total Assets	<u>142,589,945</u>	<u>4,718,047</u>	<u>147,307,992</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	40,743	-	40,743	-
Deferred OPEB related outflows	76,987	56,142	133,129	-
Deferred pension related outflows	235,622	396,768	632,390	-
Total Deferred Outflows of Resources	<u>353,352</u>	<u>452,910</u>	<u>806,262</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise Fund	Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,415,313	\$ 76,096	\$ 3,491,409	\$ -
Accrued liabilities	110,467	210,993	321,460	-
Retainage payable	332,514	-	332,514	-
Customer deposits	560,191	-	560,191	-
Accrued interest	92,897	2,145	95,042	-
Unearned revenue	444,738	24	444,762	-
Current portion of long-term liabilities:				
Compensated absences	25,206	30,842	56,048	-
Total OPEB liability	5,289	8,798	14,087	-
Long-term debt	<u>1,680,000</u>	<u>176,953</u>	<u>1,856,953</u>	<u>-</u>
Total Current Liabilities	<u>6,666,615</u>	<u>505,851</u>	<u>7,172,466</u>	<u>-</u>
Noncurrent liabilities:				
Compensated absences	100,823	123,367	224,190	-
Total OPEB liability	347,542	299,791	647,333	-
Net pension liability	1,300,280	2,162,980	3,463,260	-
Long-term debt	<u>14,256,021</u>	<u>188,275</u>	<u>14,444,296</u>	<u>-</u>
Total Noncurrent Liabilities	<u>16,004,666</u>	<u>2,774,413</u>	<u>18,779,079</u>	<u>-</u>
Total Liabilities	<u>22,671,281</u>	<u>3,280,264</u>	<u>25,951,545</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred OPEB related inflows	55,943	55,807	111,750	-
Deferred pension related inflows	<u>133,120</u>	<u>306,204</u>	<u>439,324</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>189,063</u>	<u>362,011</u>	<u>551,074</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	75,642,385	326,934	75,969,319	-
Restricted for construction	15,071,599	-	15,071,599	-
Unrestricted	<u>29,368,969</u>	<u>1,201,748</u>	<u>30,570,717</u>	<u>-</u>
Total Net Position	<u>\$ 120,082,953</u>	<u>\$ 1,528,682</u>	<u>\$ 121,611,635</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES				
Fees charged to users	\$ 29,354,240	\$ 6,114,891	\$ 35,469,131	\$ -
Charges for premiums	-	-	-	3,367,441
Other charges	82,921	-	82,921	-
Miscellaneous	154,344	551,952	706,296	-
Total Operating Revenues	<u>29,591,505</u>	<u>6,666,843</u>	<u>36,258,348</u>	<u>3,367,441</u>
OPERATING EXPENSES				
Personnel services	2,544,981	4,106,827	6,651,808	3,367,441
General and administrative	2,944,215	564,911	3,509,126	-
Contractual services	14,809,760	674,540	15,484,300	-
Supplies and maintenance	892,011	371,259	1,263,270	-
Depreciation	2,504,881	329,218	2,834,099	-
Total Operating Costs	<u>23,695,848</u>	<u>6,046,755</u>	<u>29,742,603</u>	<u>3,367,441</u>
Operating Income (Loss)	<u>5,895,657</u>	<u>620,088</u>	<u>6,515,745</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment revenue	420,916	10,639	431,555	-
Lease revenue	272,118	-	272,118	-
Interest expense	(653,371)	(4,541)	(657,912)	-
Total Non-Operating Revenues (Expenses)	<u>39,663</u>	<u>6,098</u>	<u>45,761</u>	<u>-</u>
Income before contributions	5,935,320	626,186	6,561,506	-
Capital contributions	<u>292,408</u>	<u>-</u>	<u>292,408</u>	<u>-</u>
CHANGE IN NET POSITION	<u>6,227,728</u>	<u>626,186</u>	<u>6,853,914</u>	<u>-</u>
NET POSITION - BEGINNING	<u>113,855,225</u>	<u>902,496</u>	<u>114,757,721</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 120,082,953</u>	<u>\$ 1,528,682</u>	<u>\$ 121,611,635</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise	Internal Service Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 29,475,501	\$ 7,028,440	\$ 36,503,941	\$ -
Cash received from interfund services	-	-	-	3,367,441
Cash paid to employees for services	(2,256,072)	(4,301,834)	(6,557,906)	(3,367,441)
Cash paid to suppliers for goods and services	(21,121,676)	(1,624,259)	(22,745,935)	-
Net Cash Provided By operating Activities	<u>6,097,753</u>	<u>1,102,347</u>	<u>7,200,100</u>	<u>-</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(8,300,305)	(84,138)	(8,384,443)	-
Interest paid on long-term debt	(394,102)	5,879	(388,223)	-
Principal paid on long-term debt	(1,895,000)	(360,133)	(2,255,133)	-
Net Cash Used in Capital and Related Financing Activities	<u>(10,589,407)</u>	<u>(438,392)</u>	<u>(11,027,799)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	27,577,692	616,919	28,194,611	-
Payments from leases	272,118	-	272,118	-
Interest and investment earnings	<u>420,916</u>	<u>10,639</u>	<u>431,555</u>	<u>-</u>
Net Cash Provided By (Used in) Investing Activities	<u>28,270,726</u>	<u>627,558</u>	<u>28,898,284</u>	<u>-</u>
Net (Decrease) Increase in Cash and Cash Equivalents	23,779,072	1,291,513	25,070,585	-
Cash and cash equivalents at beginning of year:				
Cash and cash equivalents	1,955,132	106,347	2,061,479	-
Restricted cash and cash equivalents	<u>3,457,678</u>	<u>-</u>	<u>3,457,678</u>	<u>-</u>
	5,412,810	106,347	5,519,157	-
Cash and cash equivalents at end of year:				
Cash and cash equivalents	11,686,996	1,397,860	13,084,856	-
Restricted cash and cash equivalents	<u>17,504,886</u>	<u>-</u>	<u>17,504,886</u>	<u>-</u>
	<u>\$ 29,191,882</u>	<u>\$ 1,397,860</u>	<u>\$ 30,589,742</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET				
CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 5,895,657	\$ 620,088	\$ 6,515,745	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,504,881	329,218	2,834,099	-
Change in investment in joint venture	(2,886,268)	-	(2,886,268)	-
Decrease (increase) in accounts receivable	(57,065)	362,724	305,659	-
Decrease (increase) in inventory	(27,702)	(62,059)	(89,761)	-
Decrease (increase) in prepaids	-	(2,311)	(2,311)	-
Increase (decrease) in deferred pension outflows	166,030	392,631	558,661	-
Increase (decrease) in deferred OPEB outflows	(57,969)	(18,764)	(76,733)	-
Increase (decrease) in accounts payable	438,280	50,821	489,101	-
Increase (decrease) in accrued liabilities	31,875	-	31,875	-
Increase (decrease) in customer deposits	(72,589)	(1,135)	(73,724)	-
Increase (decrease) in unearned revenue	13,650	8	13,658	-
Increase (decrease) in compensated absences	6,329	(62,230)	(55,901)	-
Increase (decrease) in net pension liability	(178,259)	(742,911)	(921,170)	-
Increase (decrease) in deferred OPEB inflows	46,950	38,133	85,083	-
Increase (decrease) in deferred pension inflows	131,184	302,398	433,582	-
Increase (decrease) in total OPEB liability	<u>142,769</u>	<u>(104,264)</u>	<u>38,505</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 6,097,753</u>	<u>\$ 1,102,347</u>	<u>\$ 7,200,100</u>	<u>\$ -</u>
SCHEDULE OF NON-CASH CAPITAL ACTIVITIES				
Developer contributions of capital assets	<u>292,408</u>	<u>-</u>	<u>292,408</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCHERTZ, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Schertz is a municipal corporation governed by an elected mayor and five-member council. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. Reporting Entity

Component Units - As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units are be combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. The City reports the following component unit:

Schertz Economic Development Corporation - The Corporation was organized for the purpose of promoting economic development in order to eliminate unemployment and underemployment and to promote and encourage employment and public welfare of, for, and on behalf of the City. The board of directors consists of seven (7) members appointed by the city council. The City is financially accountable for the Corporation because the city council approves the Corporation's budget and appoints all board members. For financial reporting purposes, the SEDC is reported as a blended component unit due to the City having operational responsibility for the component unit, and that any debt issued by SEDC would be expected to be paid using City resources. Thus, SEDC is presented as a special revenue fund within the City's financial statements. Complete financial statements for the Schertz Economic Development Corporation may be obtained from City Hall.

Joint Ventures - A joint venture is a legally separate entity that results from a contractual arrangement and that is owned, operated, or governed by two or more participating governments. The following entities meet the criteria as joint ventures. Separate financial statements for these entities may be obtained at City Hall.

Schertz/Seguin Local Government Corporation - is a public, nonprofit corporation organized to aid, assist, and act on behalf of the cities of Schertz and Seguin in acquiring, constructing, maintaining, and operating a water utility system. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations.

Cibolo Valley Local Government Corporation - is a public, nonprofit corporation organized July 28, 2011 to aid, assist, and act on behalf of the cities of Cibolo, Converse and Schertz in acquiring, constructing, maintaining, and operating a water utility system. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges of 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Nonexchange revenues that are measurable but not available are recorded as unavailable revenue (a deferred inflow of resources). These revenues are generally property taxes and warrants outstanding. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Exchange revenues (payments for services) received in advance of the service being provided are recorded as unearned revenue.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the acquisition and construction of major capital facilities financed from bond proceeds, grants, and transfers from other funds.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Economic Development Corporation collects sales taxes to support business development and expansion within the City.

The City reports the following major enterprise funds:

The Water and Sewer System Fund accounts for the water and sewer services provided to the citizens through user charges.

The EMS Fund accounts for the emergency medical services provided to the citizens of the City and other participating governments through user charges.

Additionally, the City reports the following fund types:

Internal Service Fund accounts for the City's group medical insurance program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are charges between the City's general government function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes and investment earnings.

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 water and sewer enterprise fund and the EMS enterprise fund are charges to 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 both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand and demand deposits. Cash is reported as restricted when it has restrictions on its use narrower than the purpose of the fund in which it is reported. This can result in differences in presentation between fund statements and government-wide statements.

For purposes of the statement of cash flows, the City considers cash and other investments with maturities of three months or less from the date of purchase to be cash and cash equivalents.

E. Investments

The City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated of not less than "AA" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, or secured by obligations mentioned above; and (6) fully collateralized direct repurchase agreements having a defined termination date. In addition, the City is authorized to invest in local government investment pools. The investment pools operate in accordance with appropriate state laws and regulations and have regulatory oversight from the Texas Public Funds Investment Act Sec. 2256.0016.

Investments for the City are reported at fair value, except for the position in investment pools, which are reported at net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quotes prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. Receivables and Payables

Activities between the funds that are representative of inter-fund loans outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based upon experience and historical trends.

Property taxes for the City are levied each October 1 on the taxable value as of the preceding January 1, the date a lien attaches, for all taxable real and personal property located in the City. Taxes are due by January 31 following the October 1 assessment date and become delinquent on February 1, at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date; therefore, the City did not record a receivable for accrual of future taxes at year end. Accordingly, no current taxes receivable are reported. Delinquent taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Tax revenues are recognized as they become available. Accordingly, an amount equal to taxes not yet available has been reported as unavailable revenue (a deferred inflow of resources) at the government fund level.

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements and in the fund financial statements are offset by a nonspendable fund balance which indicates they do not represent "available spendable resources".

H. Restricted Assets

Certain proceeds from bonds, resources set aside for their repayment, and other restrictive agreements are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants and/or contractual arrangements.

I. Capital Assets

Capital assets, which include land, buildings and improvements, machinery, equipment, vehicles, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated cost where no records exist. Donated capital assets, donated works of art and similar items received as part of a service concession arrangement are reported at acquisition value, rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction will not be capitalized in the governmental activities on the government-wide financial statements; however, capitalization of interest is required for business-type activities. There was no capitalized interest during the current fiscal year.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

<u>Assets</u>	<u>Use Lives (Years)</u>
Buildings and improvements	10 - 50
Machinery, equipment, and vehicles	2 - 20
Infrastructure	15 - 30

J. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in expected and actual pension and OPEB experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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. The City has the following types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension and OPEB experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensatory time benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation and compensatory time pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The general fund, water and sewer fund and the EMS fund are used to liquidate compensated absences.

L. Pensions

The net pension liability, deferred inflows, and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Post-Employment Benefits (OPEB)

Supplemental Death Benefits Fund. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

N. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and losses on defeasance are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Losses on defeasance are reported as deferred outflows of resources. Bond issuance costs are expensed as incurred.

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

O. Fund Balance

Fund balances in governmental funds are classified as follows:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose because of a formal action by the government's highest level of decision-making authority: an ordinance adopted by City Council prior to the end of the fiscal year. 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 - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council may make assignments through formal documentation in the minutes. The City Council authorized (by way of policy) the City Manager to also make assignments. The City Manager's assignments do not require formal action; however, the City Manager has not assigned any funds at this time.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City. Only the General Fund reports positive unassigned fund balances; if another fund were to have unassigned fund balance, it would be in the event of a deficit.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second, and assigned third.

P. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed by creditors, grantors, or laws or regulations of other governments.

Q. Estimates

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

R. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the library grant special revenue fund, police department forfeiture special revenue fund and the capital projects fund, which adopts project-length budgets.

S. Reclassifications

Certain reclassifications have been made in the presentation of the September 30, 2020 financial statements. All comparative information for prior periods has been reclassified to match the new presentation. The changes in presentation had no impact on the changes in net position or fund balance.

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Cash, Cash Equivalents and Investments

As of September 30, 2020, the City had the following cash, cash equivalents and investments:

	<u>Reported Value</u>	<u>Weighted Average Maturity (days)</u>
Investment type:		
LOGIC	\$ 16,517,388	52
Lone Star Investment Pool	26,805,191	40
Texas CLASS	28,316,948	56
Certificates of Deposit	4,352,113	111
U.S. Agency Securities	<u>3,297,212</u>	389
Subtotal	79,288,852	
Plus: depository and petty cash	<u>8,822,544</u>	
Total cash and investments	<u>\$ 88,111,396</u>	

LOGIC, Lone Star Investment Pool and Texas CLASS are recorded as cash equivalents in the financial statements. All of the pools have redemption notice periods of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pools' liquidity.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to highly liquid investments to meet unanticipated cash requirements, and/or to redeploy cash into other investments expected to outperform current holdings.

Credit Risk. State law limits investments in certificates of deposit to guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union Share Insurance Fund, or its successor and investment pools continuously rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The City's investment policy does not further limit its investment choices. As of September 30, 2020, the City's investments in the pooled investment funds were rated AAAM by Standard & Poor's. The City has also invested in debt securities provided by the Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Banks, and U.S Treasury Notes. As of September 30, 2020, the City's investments in debt securities were rated BBB+ by Standard & Poor's.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2020, the City's cash and cash equivalents (including certificates of deposit, and component unit holdings) were fully collateralized by the City's depository by a combination of pledged collateral and FDIC insurance. All collateral is held in the City's name.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the government securities owned by the City are held by its agent in the City's name.

Restricted Cash - Cash is restricted in the Proprietary fund for construction projects, impact fees and customer deposits.

B. Property Taxes

Taxes are levied on and payable as of October 1. The City has contracted with the Guadalupe County Tax Assessor-Collector to collect taxes on its behalf. Current taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action. The total taxable value as of October 1, 2019, upon which the fiscal 2020 levy was based, was \$3,794,711,341 (i.e., market value less exemptions). The estimated market value was \$5,135,969,482, making the taxable value 73.9% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt for the year ended September 30, 2020, was \$0.5087 per \$100 of assessed value, which means that the City has a tax margin of \$1.9913 for each \$100 value and could increase its annual tax levy by approximately \$75,564,087 based upon the present assessed valuation before the limit is reached.

However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding a public hearing. The Property Tax Code subjects an increase in the effective tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's effective tax rate.

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

C. Receivables

Receivables as September 30, 2020 for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities				Business-type Activities	
	General Fund	Economic Development	Debt Service	Nonmajor Funds	Water and Sewer Fund	Schertz EMS
Receivables:						
Property taxes	\$ 256,219	\$ -	\$ 128,527	\$ -	\$ -	\$ -
Sales tax	1,637,634	818,817	-	-	-	-
Occupancy taxes	-	-	-	31,525	-	-
Franchise taxes	493,400	-	-	-	-	-
Customers	2,236	-	-	-	4,183,673	4,850,568
Court fines	3,878,178	-	-	-	-	-
Grants	1,500,854	-	-	-	-	-
Other	<u>328,344</u>	<u>7,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,189</u>
Gross receivables	8,096,865	826,766	128,527	31,525	4,183,673	4,962,757
Less: allowance for uncollectible accounts	<u>(2,322,535)</u>	<u>-</u>	<u>(7,711)</u>	<u>-</u>	<u>(35,029)</u>	<u>(2,477,147)</u>
Net receivables	<u>\$ 5,774,330</u>	<u>\$ 826,766</u>	<u>\$ 120,816</u>	<u>\$ 31,525</u>	<u>\$ 4,148,644</u>	<u>\$ 2,485,610</u>

D. Deferred Inflows and Outflows of Resources

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue and unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
General Fund	
Grants	\$ 1,526,256
Delinquent property taxes receivable	240,847
Court fines	<u>1,578,418</u>
Total General Fund	<u>3,345,521</u>
Debt Service Fund	
Delinquent property taxes receivable	<u>120,816</u>
Total Debt Service Fund	<u>120,816</u>
Total Governmental Funds	<u>\$ 3,466,337</u>

Additionally, the proprietary funds and governmental activities statements of net position report various deferred outflows and inflows of resources, primarily due to pensions and OPEB, that are summarized by column. The following table presents the disaggregated amounts.

	Governmental Activities	Business-type Activities		Totals
		Water/ Sewer	EMS	
Deferred outflows:				
Charge on refunding	\$ 591,766	\$ 40,743	\$ -	\$ 632,509
Related to pensions	2,210,807	235,622	396,768	2,843,197
Related to OPEB - SDBF	176,022	17,839	32,554	226,415
Related to OPEB - Retiree Health Plan	<u>288,945</u>	<u>28,962</u>	<u>53,774</u>	<u>371,681</u>
Total deferred outflow	<u>\$ 3,267,540</u>	<u>\$ 323,166</u>	<u>\$ 483,096</u>	<u>\$ 4,073,802</u>
Deferred inflows:				
Service concession arrangement	\$ 314,723	\$ -	\$ -	314,723
Related to pensions	1,531,010	133,120	306,204	1,970,334
Related to OPEB - SDBF	100,508	10,039	18,741	129,288
Related to OPEB - Retiree Health plan	<u>289,682</u>	<u>28,533</u>	<u>54,437</u>	<u>372,652</u>
Total deferred inflow	<u>\$ 2,235,923</u>	<u>\$ 171,692</u>	<u>\$ 379,382</u>	<u>\$ 2,786,997</u>

E. Interfund Balances and Transfers

The composition of interfund balances as of September 30, 2020 is as follows:

Due From	Due To	Amount	Purpose
EMS	General	\$ 16,139	Short-term pool cash loan

The following schedule briefly summarizes the City's transfer activity for the year ending September 30, 2020:

Transfer From	Transfer To	Amount	Purpose
General	Nonmajor governmental	\$ 169	Supplement funds sources
General	Capital Projects	4,000,000	Funding for various capital projects
EDC	Capital Projects	500,000	Funding for various capital projects

F. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,073,199	\$ 1,000	\$ -	\$ 8,074,199
Construction in progress	<u>21,045,668</u>	<u>3,864,741</u>	<u>(83,499)</u>	<u>24,826,910</u>
Total capital assets not being depreciated	<u>29,118,867</u>	<u>3,865,741</u>	<u>(83,499)</u>	<u>32,901,109</u>
Capital assets being depreciated:				
Buildings and improvements	46,367,441	-	(1,919,692)	44,447,749
Machinery, equipment, and vehicles	12,958,097	2,496,947	(902,628)	14,552,416
Street and infrastructure	<u>117,414,346</u>	<u>531,096</u>	<u>2,000,000</u>	<u>119,945,442</u>
Total assets being depreciated	<u>176,739,884</u>	<u>3,028,043</u>	<u>(822,320)</u>	<u>178,945,607</u>
Less accumulated depreciation for:				
Buildings and improvements	(15,113,305)	(1,569,679)	(140,652)	(16,823,636)
Machinery, equipment, and vehicles	(7,142,846)	(1,177,719)	889,747	(7,430,818)
Street and infrastructure	<u>(39,802,303)</u>	<u>(3,865,413)</u>	<u>155,384</u>	<u>(43,512,332)</u>
Total accumulated depreciation	<u>(62,058,454)</u>	<u>(6,612,811)</u>	<u>904,479</u>	<u>(67,766,786)</u>
Total capital assets being depreciated, net	<u>114,681,430</u>	<u>(3,584,768)</u>	<u>82,159</u>	<u>111,178,821</u>
Governmental activities capital assets, net	<u>\$ 143,800,297</u>	<u>\$ 280,973</u>	<u>\$ (1,340)</u>	<u>\$ 144,079,930</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,696,942	\$ 147,546	\$ -	\$ 1,844,488
Water rights	70,245	-	-	70,245
Construction in progress	<u>9,248,439</u>	<u>8,017,834</u>	<u>-</u>	<u>17,266,273</u>
Total capital assets, not being depreciated	<u>11,015,626</u>	<u>8,165,380</u>	<u>-</u>	<u>19,181,006</u>
Capital assets being depreciated:				
Buildings and improvements	5,489,184	-	(1,853,652)	3,635,532
Machinery, equipment, and vehicles	6,007,550	237,865	(269,375)	5,976,040
Infrastructure	<u>100,295,885</u>	<u>292,408</u>	<u>-</u>	<u>100,588,293</u>
Total assets being depreciated	<u>111,792,619</u>	<u>530,273</u>	<u>(2,123,027)</u>	<u>110,199,865</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,696,375)	(152,395)	1,880,059	(968,711)
Machinery, equipment, and vehicles	(5,352,311)	(622,266)	215,683	(5,758,894)
Infrastructure	<u>(27,950,003)</u>	<u>(2,059,438)</u>	<u>-</u>	<u>(30,009,441)</u>
Total accumulated depreciation	<u>(35,998,689)</u>	<u>(2,834,099)</u>	<u>2,095,742</u>	<u>(36,737,046)</u>
Total capital assets being depreciated, net	<u>75,793,930</u>	<u>(2,303,826)</u>	<u>(27,285)</u>	<u>73,462,819</u>
Business-type activities capital assets, net	<u>\$ 86,809,556</u>	<u>\$ 5,861,554</u>	<u>\$ (27,285)</u>	<u>\$ 92,643,825</u>

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

Governmental activities:	
General government	\$ 685,676
Public safety	1,081,765
Public environment	3,902,377
Parks and recreation	893,563
Cultural	42,377
Administration	<u>7,053</u>
Total	<u>\$ 6,612,811</u>
Business-type activities:	
Water and sewer system	\$ 2,504,881
EMS	<u>329,218</u>
Total	<u>\$ 2,834,099</u>
Total Depreciation	\$ 9,446,910

G. Operating Leases

The City has agreements with several telecommunication companies to place cellular towers on City water towers. The following schedule represents the future minimum lease payments.

Year Ending September 30,	Total
2021	\$ 238,749
2022	250,687
2023	263,221
2024	276,382
2025	290,201
2026-2028	<u>960,602</u>
	<u>\$ 2,279,842</u>

H. Long-Term Debt

Changes in long-term debt for the year ending September 30, 2020 are as follows:

	Beginning Balance	Issued	Refunded/ Retired	Ending Balance	Amount Due Within One Year
Governmental activities:					
General Obligation Bonds	\$ 36,965,000	\$ -	\$(2,350,000)	\$ 34,615,000	\$ 2,350,000
Certificates of Obligation	16,235,000	-	(1,000,000)	15,235,000	1,035,000
General Obligation Bonds- Private Placement	11,355,000	-	(1,350,000)	10,005,000	1,380,000
Tax Notes- Private Placement	530,000	-	(185,000)	345,000	190,000
Premium from Debt	2,338,297	-	(167,916)	2,170,381	-
Capital Lease	25,699	-	(8,565)	17,134	8,565
Compensated Absences	<u>1,226,399</u>	<u>182,752</u>	<u>(441,611)</u>	<u>967,540</u>	<u>193,508</u>
Total governmental	\$ <u>68,675,395</u>	\$ <u>182,752</u>	<u>\$(5,503,092)</u>	\$ <u>63,355,055</u>	\$ <u>5,157,073</u>
Business-type activities:					
General Obligation Bonds	\$ 3,215,000	\$ -	\$(570,000)	\$ 2,645,000	\$ 590,000
Certificates of Obligation	12,330,000	-	(825,000)	11,505,000	850,000
General Obligation Bonds- Private Placement	1,230,000	-	(190,000)	1,040,000	200,000
Tax Notes- Private Placement	460,000	-	(310,000)	150,000	150,000
Unamortized Premium	871,608	-	(42,827)	828,781	-
Capital Lease	199,421	-	(66,953)	132,468	66,953
Compensated Absences	<u>336,139</u>	<u>47,894</u>	<u>(134,764)</u>	<u>249,269</u>	<u>49,854</u>
Total business-type	\$ <u>18,642,168</u>	\$ <u>47,894</u>	<u>\$(2,139,544)</u>	\$ <u>16,550,518</u>	\$ <u>1,906,807</u>

Bonds Payable

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental activities. These instruments include general obligation bonds, certificates of obligation, and tax notes. These debt obligations are secured by primarily future property tax revenues. In some cases, these bonds are also secured by a pledge of net revenues from the utility system, emergency medical services and economic development sales taxes. However, the amount of the formal pledge is generally limited to \$1,000. Proprietary operating revenues for the year exceeded \$36.3 million and sales tax revenue was \$14.4 million.

Additionally, certain obligations that were marketed as private placements have been separately identified; however, the terms of these obligations are not significantly different than other obligations and do not have substantive acceleration clauses. Should the City default on these bonds, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make payment.

A summary of the terms of long-term debt outstanding at September 30, 2020, is as follows:

	Issue Amount	Maturity	Rate	Balance
<u>Governmental Activities</u>				
General Obligation Bonds				
2011 Series	\$ 8,250,000	2036	3.0% - 6.0%	\$ 6,320,000
2012 Series	7,625,000	2032	2.00%	5,085,000
2014 Series, Refunding	8,450,000	2030	2.0% - 4.0%	7,900,000
2015 Series, Refunding	4,185,000	2031	2.0% - 3.25%	1,830,000
2016 Series	5,880,000	2036	2.0% - 4.0%	4,830,000
2017 Series	3,935,000	2037	2.0% - 4.0%	3,495,000
2018 Series, Refunding	5,830,000	2033	3.125% - 5%	5,155,000
Private Placement obligations				
2007 Series GO	6,000,000	2027	4.07%	2,590,000
2011A Series GO Refunding	6,745,000	2024	2.33%	2,490,000
2018 Series GO Refunding	6,035,000	2028	2.12%	4,925,000
2015 Tax Notes	245,000	2021	1.75%	40,000
2015A Tax Notes	1,020,000	2023	1.54%	305,000
Certificates of Obligation				
2016 Series A	2,375,000	2036	2.0% - 4.0%	1,685,000
2016 Series B	1,475,000	2036	3.0% - 3.75%	1,250,000
2017 Series	4,935,000	2037	3.0% - 3.75%	4,120,000
2018 Series	4,845,000	2038	3.0% - 5.0%	4,415,000
2019 Series	4,015,000	2039	2.5% - 5%	<u>3,765,000</u>
Total Governmental Long-Term Obligations				\$ <u>60,200,000</u>
	Issue Amount	Maturity	Rate	Balance
<u>Business-type Activities</u>				
General Obligation Bonds				
2011 Series, Refunding	\$ 2,675,000	2021	2.0% - 3.0%	\$ 240,000
2018 Series, Refunding	2,740,000	2026	3.125% - 5%	2,405,000
Certificates of Obligation				
2013 Series	4,965,000	2033	2.0% - 4.0%	2,690,000
2017 Series	540,000	2022	3.0% - 3.75%	225,000
2018 Series	5,595,000	2028	3.0% - 5.0%	5,235,000
2019 Series	3,480,000	2039	2.5% - 5%	3,355,000
Private Placement obligations				
2013 Series GO Refunding	2,130,000	2025	2.58%	1,040,000
2015 Tax Notes	1,880,000	2021	1.75%	<u>150,000</u>
Total Business-Type Long-Term Obligations				\$ <u>15,340,000</u>

Annual future debt service requirements of bonded debt as of September 30, 2020, are as follows:

Governmental activities:

Year Ended September 30,	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,350,000	\$ 1,199,709	\$ 3,549,709	\$ 1,035,000	\$ 510,519	\$ 1,545,519
2022	2,005,000	1,119,576	3,124,576	1,070,000	472,219	1,542,219
2023	2,090,000	1,046,890	3,136,890	1,120,000	432,319	1,552,319
2024	2,195,000	970,158	3,165,158	1,010,000	391,244	1,401,244
2025	2,250,000	889,602	3,139,602	905,000	352,719	1,257,719
2026-2030	13,290,000	3,108,828	16,398,828	3,680,000	1,329,200	5,009,200
2031-2035	9,000,000	889,983	9,889,983	4,115,000	706,353	4,821,353
2036-2040	1,435,000	30,613	1,465,613	2,300,000	109,431	2,409,431
Total	<u>\$ 34,615,000</u>	<u>\$ 9,255,360</u>	<u>\$ 43,870,360</u>	<u>\$ 15,235,000</u>	<u>\$ 4,304,003</u>	<u>\$ 19,539,003</u>

Year Ended September 30,	General Obligation Bonds			Tax Notes		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,380,000	\$ 249,534	\$ 1,629,534	\$ 190,000	\$ 5,397	\$ 195,397
2022	1,595,000	210,303	1,805,303	155,000	2,387	157,387
2023	1,625,000	167,982	1,792,982	-	-	-
2024	1,640,000	124,903	1,764,903	-	-	-
2025	1,010,000	88,758	1,098,758	-	-	-
2026-2030	2,755,000	95,698	2,850,698	-	-	-
Total	<u>\$ 10,005,000</u>	<u>\$ 937,178</u>	<u>\$ 10,942,178</u>	<u>\$ 345,000</u>	<u>\$ 7,784</u>	<u>\$ 352,784</u>

Business-type activities:

Year Ended September 30,	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 590,000	\$ 118,700	\$ 708,700	\$ 850,000	\$ 404,675	\$ 1,254,675
2022	370,000	93,500	463,500	605,000	378,775	983,775
2023	390,000	74,500	464,500	510,000	356,300	866,300
2024	410,000	54,500	464,500	530,000	333,613	863,613
2025	435,000	33,375	468,375	550,000	310,250	860,250
2026-2030	450,000	11,250	461,250	3,155,000	1,165,962	4,320,962
2031-2035	-	-	-	3,290,000	547,025	3,837,025
2036-2040	-	-	-	2,015,000	89,944	2,104,944
Total	<u>\$ 2,645,000</u>	<u>\$ 385,825</u>	<u>\$ 3,030,825</u>	<u>\$ 11,505,000</u>	<u>\$ 3,586,544</u>	<u>\$ 15,091,544</u>

Year Ended September 30,	General Obligation Bonds			Tax Notes		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 200,000	\$ 24,252	\$ 224,252	\$ 150,000	\$ 2,625	\$ 152,625
2022	205,000	19,028	224,028	-	-	-
2023	205,000	13,739	218,739	-	-	-
2024	215,000	8,321	223,321	-	-	-
2025	215,000	2,774	217,774	-	-	-
2026-2030	-	-	-	-	-	-
Total	<u>\$ 1,040,000</u>	<u>\$ 68,112</u>	<u>\$ 1,108,112</u>	<u>\$ 150,000</u>	<u>\$ 2,625</u>	<u>\$ 152,625</u>

Capital Leases

The City enters into various lease agreements to finance machinery and equipment; they are classified as capital leases due to bargain-purchase options. Therefore, capital assets and a related capital lease obligation have been recorded at the present value of the future minimum lease payments at the inception date. The lease obligations are secured by the purchased equipment. The assets acquired through capital lease are reported in capital assets with the following accumulated depreciation at September 30, 2020:

Assets:	Governmental Activities	Business-type Activities
Equipment	\$ 54,275	\$ 332,967
Less: accumulated depreciation	(28,433)	(198,305)
Total	<u>\$ 25,842</u>	<u>\$ 134,662</u>

Future minimum lease payments are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2021	\$ 8,565	\$ 67,313
2022	<u>8,569</u>	<u>65,875</u>
Total payments	17,134	133,188
Less: amount representing interest	<u>-</u>	<u>(720)</u>
Present value of minimum lease payments	<u>\$ 17,134</u>	<u>\$ 132,468</u>

I. Net Pension and Total OPEB Liabilities and Expenses

Amounts are aggregated into a single net pension liability and total OPEB liability, and expenses for certain columns. Below is the detail of net pension liability and total OPEB liability and expenses for governmental and business-type activities.

	Governmental Activities	Business-type Activities		Totals
		Water/ Sewer	EMS	
Net pension liability	<u>\$ 12,108,954</u>	<u>\$ 1,300,280</u>	<u>\$ 2,162,980</u>	<u>\$ 15,572,214</u>
Total OPEB liability:				
Due within one year:				
TMRS SDBF	\$ 3,068	\$ 329	\$ 548	\$ 3,945
Retiree health plan	<u>46,190</u>	<u>4,960</u>	<u>8,250</u>	<u>59,400</u>
Total due within one year	<u>49,258</u>	<u>5,289</u>	<u>8,798</u>	<u>63,345</u>
Due in within more than one year:				
TMRS SDBF	626,855	171,814	7,472	806,141
Retiree health plan	<u>1,636,476</u>	<u>175,728</u>	<u>292,319</u>	<u>2,104,523</u>
Total due in more than one year	<u>2,263,331</u>	<u>347,542</u>	<u>299,791</u>	<u>2,910,664</u>
Total OPEB liability	<u>\$ 2,312,589</u>	<u>\$ 352,831</u>	<u>\$ 308,589</u>	<u>\$ 2,974,009</u>
		Business-type Activities		
	Governmental Activities	Water/ Sewer	EMS	Totals
Pension expense	<u>\$ 2,515,909</u>	<u>\$ 270,162</u>	<u>\$ 449,408</u>	<u>\$ 3,235,479</u>
OPEB expense:				
TMRS SDBF	\$ 61,569	\$ 12,184	\$ 5,169	\$ 78,922
Retiree Health Plan	<u>156,298</u>	<u>33,234</u>	<u>10,710</u>	<u>200,242</u>
Total OPEB expense	<u>\$ 217,867</u>	<u>\$ 45,418</u>	<u>\$ 15,879</u>	<u>\$ 279,164</u>

III. OTHER INFORMATION

A. Retirement Plan

Plan Description. The City of Schertz participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Service Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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 member's deposits and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2008, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2008, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

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

Inactive employees or beneficiaries currently receiving benefits	116
Inactive employees entitled to but not yet receiving benefits	209
Active employees	344
Total	<u>669</u>

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.92% and 16.04% in calendar years 2020 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$3,235,479 and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The net pension liability is typically liquidated through the General Fund and Enterprise Funds.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases 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 will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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).

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 Estate	10.00%	3.85%
Real Return	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	<u>10.00%</u>	7.75%
Total	100.0%	

Discount Rate

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

The below schedule presents the changes in the Net Pension Liability as of December 31, 2019:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2018	\$ 71,981,331	\$ 52,293,723	\$ 19,687,608
Changes for the year:			
Service cost	3,421,878	-	3,421,878
Interest	4,898,478	-	4,898,478
Difference between expected and actual experience	(108,478)	-	(108,478)
Change in assumptions	263,015	-	263,015
Contributions - employer	-	3,163,340	(3,163,340)
Contributions - employee	-	1,380,585	(1,380,585)
Net investment income	-	8,093,416	(8,093,416)
Benefit payments, including refunds of employee contributions	(2,244,447)	(2,244,447)	-
Administrative expense	-	(45,681)	45,681
Other changes	-	(1,373)	1,373
Net changes	<u>6,230,446</u>	<u>10,345,840</u>	<u>(4,115,394)</u>
Balance at 12/31/2019	<u>\$ 78,211,777</u>	<u>\$ 62,639,563</u>	<u>\$ 15,572,214</u>

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:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 28,805,341	\$ 15,572,214	\$ 4,920,053

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions. For the year ended September 30, 2020, the City recognized pension expense of \$3,569,490. Also, as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 293,422	\$ 94,103
Changes in actuarial assumptions	222,869	
Difference between projected and actual investment earnings	-	1,876,231
Contributions subsequent to the measurement date	<u>2,326,906</u>	<u>-</u>
Total	<u>\$ 2,843,197</u>	<u>\$ 1,970,334</u>

\$2,326,906 reported 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year</u> <u>Ended September 30,</u>		
2021	\$(	373,727)
2022	(	393,997)
2023		186,999
2024	(	879,260)
2025		5,942

B. Other Post-Employment Benefits

The City participates in two defined-benefit other post-employment benefit (OPEB) plans: the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), and its own single-employer retiree health plan. Both are described in detail below.

The total OPEB liabilities of both plans are typically liquidated through the General Fund and Enterprise Funds.

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City’s pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

Membership in the plan at December 31, 2019, the valuation and measurement date, consisted of:

Inactive employees or beneficiaries currently receiving benefits	90
Inactive employees entitled to but not yet receiving benefits	59
Active employees	<u>344</u>
Total	<u>493</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.12% for 2020 and 0.12% for 2019, of which 0.02% represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees’ entire careers. The City’s contributions to the SDBF for the years ended September 30, 2020 were \$4,080 representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability. The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and inputs:

Measurement year ended December 31,	2019
Inflation rate	2.50% per annum
Discount rate	2.75%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.50% to 11.5% including inflation
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 bases 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 with scale UMP to account for future mortality improvements subject to the floor.

Changes in assumptions reflect the annual change in the municipal bond rate. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.71% was used to measure the total OPEB liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.75%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total SDB OPEB Liability	\$ 1,012,834	\$ 810,086	\$ 657,204

Changes in the Total OPEB Liability. Total City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2019, the measurement and actuarial valuation date, was calculated as follows:

	<u>Total OPEB Liability</u>
Balance at 12/31/2018	\$ 710,387
Changes for the year:	
Service cost	33,528
Interest	26,904
Difference between expected and actual experience	(105,282)
Changes of assumptions or other inputs	148,494
Benefit payments, including refunds of employee contributions	(3,945)
Net changes	<u>99,699</u>
Balance at 12/31/2019	<u>\$ 810,086</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.71% to 2.75%.

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB. For the year ended September 30, 2020, the City recognized OPEB expense of \$78,922. Also, as of September 30, 2020, the City reported deferred outflows and inflows of resources related to the TMRS OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 62,704	\$ 90,023
Changes in actuarial assumptions	160,764	39,265
Contributions subsequent to the measurement date	<u>2,947</u>	<u>-</u>
Total	<u>\$ 226,415</u>	<u>\$ 129,288</u>

\$2,947 reported as deferred outflows of resources related to OPEB 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to the TMRS OPEB will be recognized in OPEB expense in future periods as follows:

<u>For the Year Ended September 30,</u>	
2021	\$ 18,490
2022	18,490
2023	18,490
2024	18,490
2025	13,171
Thereafter	7,049

City of Schertz Retiree Health Other Post-Employment Benefit Plan

In addition to the TMRS OPEB, The City administers a single employer defined benefit healthcare plan for retirees, established under legal authority of the City Charter. The City is the only employer participating in the Plan. The Plan does not issue a publicly available financial report.

The City provides post-employment benefits for eligible participants enrolled in City-sponsored plans. The benefits are provided in the form of an implicit rate subsidy where the City contributes towards the retiree health premiums before achieving Medicare eligibility. While the Plan offers retiree only rates, a very small implicit liability still exists. Membership in the plan as of December 31, 2019, the valuation date, consisted of:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>332</u>
Total	<u><u>340</u></u>

Current active employees must be eligible for service retirement under the Texas Municipal Retirement System. To attain this eligibility active employees must be at least age 60 with 5 years of service or have at least 20 years of employment with the City. When a regular, full-time employee retires, they are eligible to maintain their coverage in the City's group health coverage. The City does not provide an explicit subsidy for retiree medical insurance. The liability for the City is due to the implicit rate.

The City made no direct contributions for monthly premiums. The retirees pay 102% of the monthly premiums which range based on the type of plan from \$508 for retiree only to \$1,796 for a retiree and their family.

The City's Retiree Health OPEB Liability (TOL) as of December 31, 2019, was calculated as follows:

	<u>Total OPEB Liability</u>
Balance at 12/31/2018	\$ 2,086,718
Changes for the year:	
Service cost	125,648
Interest	78,646
Difference between expected and actual experience	(343,086)
Changes of assumptions or other inputs	275,398
Benefit payments, including refunds of employee contributions	<u>(59,401)</u>
Net changes	<u>77,205</u>
Balance at 12/31/2019	<u><u>\$ 2,163,923</u></u>

The actuarial valuation was performed as of December 31, 2019. Changes of assumptions reflect a change in the discount rate from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019, revised TMRS demographic assumptions, and updates to both the health care trend and participation assumptions.

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

	<u>1% Decrease in Discount Rate (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase in Discount Rate (3.75%)</u>
Total OPEB liability - retiree health	\$ 2,371,845	\$ 2,163,923	\$ 1,973,066

The following presents what the total OPEB liability of the City would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (6% decreasing to 3.5%) or 1-percentage point higher (8% decreasing to 5.5%) than the current healthcare cost trends:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Total OPEB liability - retiree health	\$ 1,906,398	\$ 2,163,923	\$ 2,469,777

For the year ended September 30, 2020, the City recognized OPEB expense of \$200,242. Also, as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 12,008	\$ 307,562
Changes in actuarial assumptions	314,511	65,090
Contributions subsequent to the measurement date	<u>45,162</u>	<u>-</u>
Total	<u>\$ 371,681</u>	<u>\$ 372,652</u>

\$45,162 reported as deferred outflows of resources related to OPEB 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to the City's Retiree Health OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2021	\$(4,051)
2022	(4,051)
2023	(4,051)
2024	(4,051)
2025	(4,051)
Thereafter	(25,878)

C. Joint Ventures

Schertz/Seguin Local Government Corporation

The Schertz/Seguin Local Government Corporation is a public, nonprofit corporation organized to aid, assist, and act on behalf of the cities of Schertz and Seguin in acquiring, constructing, maintaining, and operating a water utility system. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations. Payments to the corporation are generally for the purchase of water treatment and for covering the Corporation's debt service requirements; they are reflected as "operating expenses" in the water and sewer fund and totaled \$6,942,912 for the year ended September 30, 2020. Separate financial statements for the Schertz/Seguin Local Government Corporation may be obtained from the City of Seguin, 210 East Gonzales Street, Seguin, Texas 78156.

The City of Schertz is jointly liable, together with the City of Seguin, for operating deficits and long-term debt of the Schertz/Seguin Local Government Corporation. The Corporation had net revenue bonds outstanding in the amount of \$161,747,682 (as of September 30, 2020) to provide funds to build, improve, extend, enlarge and repair the Corporation's utility system, fund a reserve, and pay the costs of bond issuance. The bond resolution pledges intergovernmental contract revenues from the cities of Schertz and Seguin (the participating governments) to bond holders. Under the intergovernmental water supply contract, the participating governments are unconditionally obligated to pay their respective shares of annual contract revenue bond debt service from the operation of their respective utility systems.

The organizing documents for the Corporation provide that, in the event of dissolution, the net assets of the Corporation will be equally divided among the Cities of Schertz and Seguin. As such, the City's net investment in the joint venture has been recorded in the Water and Sewer Fund in the amount of \$13,189,181. This amount reflects the City's portion of the net position of SSLGC as of September 30, 2019, the most recent fiscal year for which information is available.

Cibolo Valley Local Government Corporation

The Cibolo Valley Local Government Corporation (CVLGC) is a public nonprofit corporation incorporated in March 2012 to assist and act on behalf of the cities of Schertz and Cibolo to obtain additional water sources. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations. Payments to the corporation are generally for the purchase of wastewater treatment and for covering the Corporation's debt service requirements; they are reflected as "operating expenses" in the water and sewer fund and totaled \$100,000 for the year ended September 30, 2020. Separate financial statements for the CVLGC may be obtained from the City of Seguin, 210 East Gonzales Street, Seguin, Texas 78156.

The City of Schertz is jointly liable, together with the City of Cibolo, for operating deficits and long-term debt of CVLGC. In the event of dissolution, the net assets of the Corporation will be equally divided among the Cities of Schertz and Cibolo. As such, the City's net investment in the joint venture has been recorded in the Water and Sewer Fund in the amount of \$1,113,857 as of September 30, 2020.

D. Commitments and Contingencies

Tax Increment Financing (the "Zone")

The City is a principal in the City of Schertz Tax Increment Reinvestment Zone #2, pursuant to Chapter 311 of the Texas Tax Code. Under the terms of the Zone agreement, the City of Schertz, Bexar County, and San Antonio River Authority are funding infrastructure improvements through tax increment financing to the Sedona Development Project.

At the time the Zone was created, the property tax base was "frozen" and increment taxes resulting from the increases to property tax base are being used to finance Zone improvements. The total projected cost is a combined figure of \$45,000,000. Project costs of the developer will be funded up to 100% of the tax increment generated by the City of Schertz, Bexar County, and San Antonio River Authority (SARA). The City of Schertz (combined with SARA) have committed up to \$32,877,000 of the total \$45,000,000. The Zone has a statutory termination date of December 31, 2027. The TIRZ has collected \$2,844,145 from taxing entities (net of administrative reimbursements) and remitted \$2,000,000 to the developer as of September 30, 2020.

380 Agreements

The Chapter 380 Incentive program, authorized by Chapter 380 of the Texas Local Government Code, enables the City of Schertz to provide grants or reimbursements from the City's general fund. To become eligible for Chapter 380 Incentives, projects must: create at least of \$100 million in new real and personal property; or generate at least \$35 million in gross sales that is subject to the collection of local sales and use tax. Businesses that have a 380 Incentive agreement with the City are eligible to receive a reimbursement of taxes paid for the year if they have met the requirements outlined in the agreement by a certain date each year. For the fiscal year ended September 30, 2020, the City reimbursed \$1,223,379 in property taxes paid.

Economic Development Incentive Agreements

The City of Schertz Economic Development Corporation (the SEDC) negotiates economic development incentive agreement on behalf of the SEDC and the City of Schertz (the City) on an individual basis. As of September 30, 2020, the City had nine active incentive agreements.

On May 2, 2017, the City and the Corporation approved the Schertz Incentive Policy which outlines the City's primary tools to attract commercial investment and promote economic development. Projects are selected on a case-by-case basis in accordance current policy and state laws at the discretion of the governing body. All incentive agreements are formalized through a performance agreement with specified terms and recapture criteria.

The SEDC Incentive program, authorized by Chapters 501, 502 and 505 of the Texas Local Government Code, enables the Corporation to fund allowable projects from the collection of one-half of one percent of sales tax proceeds collected in the City of Schertz. In accordance with state law, the SEDC Incentive Policy establishes grants and loans for businesses that create Primary Jobs for the following categories: Existing Businesses (3 years of operation within City), Small Businesses (fewer than 50 full-time jobs or annual sales less than \$10 million), Large Impact Businesses (Up to \$100 million in taxable property), and Extra Large Businesses (over \$100 million in taxable property).

The City and Corporation’s outstanding incentive agreement grants are as follows:

	<u>FY 2019-20 Amt.</u>	<u>Est. Remaining Grant</u>
City of Schertz - LGC 380.001	\$ 420,050	\$ 200,000
SEDC - LGC 501.101	811,445	522,819
SEDC - LGC 201.103	4,722,292	3,534,167

Service Concession Arrangements

The City entered into an agreement with Young Men’s Christian Association of Greater San Antonio (“YMCA”), under which YMCA will operate and collect user fees from the Natatorium and Outdoor Pools for the next 20 years. YMCA will pay the city \$100,000 annually over the course of the arrangement to cover costs of debt service related to the facility; the present value of these installment payments is estimated to be \$820,141. The City will approve the rates and services that YMCA will provide, however, YMCA will retain all revenues earned from the operation of the Natatorium. The YMCA will remit all revenues received from operating the Outdoor Pools to the City with the exception of revenues earned from YMCA specific programs. As of September 30, 2019, the Natatorium is still under construction and is reported by the City as Construction in Progress. The City reports the Outdoor Pools and related equipment as capital assets recorded at historical cost. The City reports a receivable in the amount of \$820,141 on the government-wide statements at year-end pursuant to the service concession arrangement, and a liability of \$498,361 for the present value of maintenance costs estimated over the life of the Service Concession arrangement. The balance of these two amounts is recorded as a deferred inflow of resources.

Litigation

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City’s liability in these cases, if decided adversely to the City, will not have a material effect on the City’s financial position.

Cibolo Creek Municipal Authority

The Cibolo Creek Municipal Authority (CCMA) provides sewage treatment for the area in and around the City. In Fiscal year 2014, the City entered into an agreement with CCMA to construct a sewage treatment facility in the southern portion of the City to primarily serve citizens of the City but also neighboring Cities and future development. Because the City would be the primary customer at this time, the agreement stipulates that the City will pay all future debt service on the bonds issued by CCMA to finance the project. The City is the sole member at this time, so it is responsible for 100% of the project costs. Should other members join, the City’s share of the costs would be reduced.

Future debt service on the CCMA bonds are as follows:

Year Ended September 30,	Principal	Interest	Total
2021	\$ 160,000	\$ 250,950	\$ 410,950
2022	165,000	247,750	412,750
2023	170,000	242,800	412,800
2024	175,000	237,700	412,700
2025	180,000	232,450	412,450
2026-2030	1,010,000	1,048,850	2,058,850
2031-2035	1,225,000	830,250	2,055,250
2036-2040	1,540,000	519,250	2,059,250
2041-2044	<u>1,490,000</u>	<u>152,000</u>	<u>1,642,000</u>
Total	<u>\$ 6,115,000</u>	<u>\$ 3,762,000</u>	<u>\$ 9,877,000</u>

Construction Commitments

The City of Schertz has entered into commitments for various projects as follows:

<i>Primary Government:</i>	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
Governmental Activities:			
FM 78 and Main Street	\$ 1,000,000	\$ 235,006	\$ 764,994
Fire Station 3	8,480,775	8,480,775	-
Building Improvements	1,600,000	72,560	1,527,440
Main Street Improvements	407,057	-	407,057
FM 1518 Street Improvements	5,000,000	600,656	4,399,344
Pedestrian Routes Project	350,000	149,234	200,766
Senior Center	800,000	793,181	6,819
YMCA-Bathroom Reovation	540,500	505,707	34,793
Window Replacement-Recreation Center	<u>1,152,264</u>	<u>792,198</u>	<u>360,066</u>
Total Governmental Commitments	<u>19,330,596</u>	<u>11,629,317</u>	<u>7,701,279</u>
Business-Type Activities:			
Woman Hollering WasteWater	5,940,424	1,211,157	4,729,267
Corbett Ground Storage Tank & Pumps	1,650,000	930	1,649,070
Corbett Elevated Water Tank	5,500,000	4,892,528	607,472
Trainer Hale Road Distribution Main	500,000	-	500,000
Scenic Hills/Greenridge	73,252	12,495	60,757
Oil-Water Separator	120,000	79,883	40,117
E Dietz Creek De-Silting	573,055	508,834	64,221
FM1103 Utility Relocation	<u>1,315,000</u>	<u>1,265,958</u>	<u>49,042</u>
Total Business-Type Activities	<u>15,671,731</u>	<u>7,971,785</u>	<u>7,699,946</u>
Total Estimated Future Commitments	<u>\$ 35,002,327</u>	<u>\$ 19,601,102</u>	<u>\$ 15,401,225</u>

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City contracts with the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program providing insurance coverage in the following areas: general liability, automobile liability and physical damage, law enforcement liability, worker's compensation, real and personal property, mobile equipment, and errors and omissions liability. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. There were no significant increases or decreases in coverage from the prior year. For the past three fiscal years, no claims or settlements have exceeded deductible amounts.

E. Subsequent Event

In November 2020, the City issued General Obligation Refunding Bonds, Series 2020 in the amount of \$7,555,000. These bonds have interest rates ranging from 1.50% and 4.00% and will mature in February 2036. These bonds will be used to refund the General Obligation Refunding Bonds, Series 2011 to provide a present value savings and are secured by the City's ad valorem tax revenue.

F. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

Statement No. 84, *Fiduciary Activities* – This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus is generally on whether a government is controlling the assets of the fiduciary activity and on the beneficiaries with whom a fiduciary relationship exists. This Statement will become effective for the City in fiscal year 2021.

Statement No. 87, *Leases* – This Statement will improve the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities previously classified as operating leases. It establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under the Statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resource, enhancing the relevance and consistency of information about leasing activities. This Statement will become effective for the City in fiscal year 2022.

G. COVID-19

In early March 2020, the COVID-19 virus was declared a global pandemic, and it continues to cause market fluctuations. Business continuity and financial markets, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 24,085,050	\$ 24,085,050	\$ 25,000,163	\$ 915,113
Permits and fees	1,799,110	1,799,110	1,750,837	(48,273)
Service fees	1,901,742	1,901,742	1,724,150	(177,592)
Fines and fees	902,728	902,728	833,148	(69,580)
Intergovernmental	756,100	756,100	951,604	195,504
Investment earnings	480,000	480,000	300,369	(179,631)
Miscellaneous	570,760	602,859	559,393	(43,466)
Total Revenues	<u>30,495,490</u>	<u>30,527,589</u>	<u>31,119,664</u>	<u>592,075</u>
EXPENDITURES				
General government:				
Council	108,837	129,542	110,886	18,656
City manager	1,194,870	1,194,870	1,168,026	26,844
Municipal court	340,383	340,383	324,431	15,952
311 customer relations	107,747	107,747	110,238	(2,491)
Planning & zoning	253,322	253,322	182,849	70,473
Legal	150,000	150,000	107,721	42,279
City secretary	201,461	201,461	206,458	(4,997)
Nondepartmental	2,015,010	1,851,617	1,446,148	405,469
Public affairs	596,624	596,625	557,107	39,518
Engineering	767,011	767,011	659,373	107,638
Geographic information systems	182,674	182,674	187,173	(4,499)
Citizens assistance	330,000	330,000	287,962	42,038
Special events	24,510	29,510	31,690	(2,180)
Total General Government	<u>6,272,449</u>	<u>6,134,762</u>	<u>5,380,062</u>	<u>754,700</u>
Public safety:				
Police department	9,079,001	9,079,001	7,604,159	1,474,842
Fire department	5,458,243	5,595,724	5,056,610	539,114
Inspection	999,402	999,402	903,194	96,208
Total Public Safety	<u>15,536,646</u>	<u>15,674,127</u>	<u>13,563,963</u>	<u>2,110,164</u>
Public environment:				
Streets	1,522,166	1,749,074	1,521,425	227,649
Total Public Environment	<u>1,522,166</u>	<u>1,749,074</u>	<u>1,521,425</u>	<u>227,649</u>
Parks and recreation:				
Parks	1,553,939	1,620,028	1,312,154	307,874
Pools	569,878	569,878	471,528	98,350
Community/Civic Center	395,017	395,018	320,481	74,537
Total Parks and Recreation	<u>2,518,834</u>	<u>2,584,924</u>	<u>2,104,163</u>	<u>480,761</u>
Cultural:				
Library	1,025,736	1,025,897	1,034,435	(8,538)
Total Cultural	<u>1,025,736</u>	<u>1,025,897</u>	<u>1,034,435</u>	<u>(8,538)</u>

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)				
Health:				
Animal control	\$ 669,982	\$ 699,826	\$ 648,503	\$ 51,323
Total Health	<u>669,982</u>	<u>699,826</u>	<u>648,503</u>	<u>51,323</u>
Administration:				
Information technology	2,455,137	2,470,537	1,821,502	649,035
Human resources	639,174	704,174	668,638	35,536
Finance	608,893	608,893	634,266	(25,373)
Purchasing & asset management	233,183	233,183	235,505	(2,322)
Building maintenance	1,491,682	1,608,197	1,432,015	176,182
Fleet service	1,046,481	1,046,481	913,883	132,598
Interfund charges	<u>(2,723,317)</u>	<u>(2,723,317)</u>	<u>(2,703,943)</u>	<u>(19,374)</u>
Total Administration	<u>3,751,233</u>	<u>3,948,148</u>	<u>3,001,866</u>	<u>946,282</u>
Total Expenditures - general fund	<u>31,297,046</u>	<u>31,816,758</u>	<u>27,254,417</u>	<u>4,562,341</u>
Grant fund - sub-fund 405	<u>-</u>	<u>-</u>	<u>2,433,286</u>	<u>(2,433,286)</u>
Total Expenditures	<u>31,297,046</u>	<u>31,816,758</u>	<u>29,687,703</u>	<u>2,129,055</u>
Excess of revenues over expenditures	(801,556)	(1,289,169)	1,431,961	2,721,130
OTHER FINANCING SOURCES (USES)				
Transfers in	95,000	405,025	-	(405,025)
Transfers out	<u>(4,010,750)</u>	<u>(4,010,750)</u>	<u>(4,000,169)</u>	<u>10,581</u>
Total Other Financing Sources (Uses)	<u>(3,915,750)</u>	<u>(3,605,725)</u>	<u>(4,000,169)</u>	<u>(394,444)</u>
NET CHANGE IN FUND BALANCE	(4,717,306)	(4,894,894)	(2,568,208)	2,326,686
FUND BALANCE - BEGINNING	<u>17,465,668</u>	<u>17,465,668</u>	<u>17,465,668</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 12,748,362</u>	<u>\$ 12,570,774</u>	<u>\$ 14,897,460</u>	<u>\$ 2,326,686</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 4,412,283	\$ 4,412,283	\$ 4,819,288	\$ 407,005
Investment income	430,000	430,000	288,740	(141,260)
Total Revenues	<u>4,842,283</u>	<u>4,842,283</u>	<u>5,108,028</u>	<u>265,745</u>
EXPENDITURES				
Current:				
General government	6,922,995	6,929,900	4,886,456	2,043,444
Administration	529,936	523,031	480,202	42,829
Total Expenditures	<u>7,452,931</u>	<u>7,452,931</u>	<u>5,366,658</u>	<u>2,086,273</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(3,110,648)</u>	<u>(3,110,648)</u>	<u>(758,630)</u>	<u>2,352,018</u>
FUND BALANCE - BEGINNING	<u>21,777,256</u>	<u>21,777,256</u>	<u>21,777,256</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 18,666,608</u>	<u>\$ 18,666,608</u>	<u>\$ 21,018,626</u>	<u>\$ 2,352,018</u>

CITY OF SCHERTZ, TEXAS

NOTES TO BUDGETARY SCHEDULES

SEPTEMBER 30, 2020

Budgetary Information - The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for the general fund; debt service fund; hotel motel tax, park fund, tree mitigation; police forfeiture fund, library advisory board fund, and the historical committee fund. Project-length financial plans are adopted for capital projects funds. Of these budgets, only the General Fund, Debt Service and Economic Development Corporation are legally adopted. A Grant sub-fund is included in the General Fund for financial reporting purposes, and was not included in the legally adopted budget of the General Fund. Therefore, the amount of the Grant sub-fund is presented as a reconciling item between the budgetary General Fund actual amounts and the General Fund amounts presented in the basic financial statements.

Budgetary preparation and control are exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end.

For the fiscal year ended September 30, 2020, actual expenditures did not exceed budgeted expenditures at the fund level for any of the City's funds.

Encumbrance accounting, in which appropriations are recorded as budgetary expenditures, is not utilized by the City.

CITY OF SCHERTZ, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Date December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 3,421,878	\$ 3,301,265	\$ 3,073,538
Interest on total pension liability	4,898,478	4,505,483	4,111,517
Difference between expected and actual experience	(108,478)	34,393	416,585
Change of assumptions	263,015	-	-
Benefit payments/refunds of contributions	<u>(2,244,447)</u>	<u>(1,914,159)</u>	<u>(1,843,774)</u>
Net Change in Total Pension Liability	6,230,446	5,926,982	5,757,866
Total Pension Liability, Beginning	<u>71,981,331</u>	<u>66,054,349</u>	<u>60,296,483</u>
Total Pension Liability, Ending (a)	\$ <u>78,211,777</u>	\$ <u>71,981,331</u>	\$ <u>66,054,349</u>
Plan fiduciary net position			
Contributions - employer	\$ 3,163,340	\$ 3,033,936	\$ 2,793,644
Contributions - employee	1,380,585	1,326,518	1,232,232
Net investment income	8,093,416	(1,540,890)	5,999,805
Benefit payments/refunds of contributions	(2,244,447)	(1,914,159)	(1,843,774)
Administrative expenses	(45,681)	(29,768)	(31,080)
Other	<u>(1,373)</u>	<u>(1,554)</u>	<u>(1,575)</u>
Net Change in Fiduciary Position	10,345,840	874,083	8,149,252
Fiduciary Net Position, Beginning	<u>52,293,723</u>	<u>51,419,640</u>	<u>43,270,388</u>
Fiduciary Net Position, Ending (b)	<u>62,639,563</u>	<u>52,293,723</u>	<u>51,419,640</u>
Net pension liability = (a)-(b)	\$ <u>15,572,214</u>	\$ <u>19,687,608</u>	\$ <u>14,634,709</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	80.09%	72.65%	77.84%
Covered Payroll	\$ 19,722,641	\$ 18,896,766	\$ 17,603,310
Net Pension Liability as a Percentage of Covered Payroll	78.96%	104.19%	83.14%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of year-end, all years are not available. Additional years will be added in the future as the information becomes available.

	2016	2015	2014
\$	2,855,745	\$ 2,724,337	\$ 2,558,743
	3,763,562	3,556,428	3,245,266
	139,216	120,434	(122,286)
	-	59,193	-
(	<u>1,581,272</u>)	<u>(1,570,211)</u>	<u>(1,068,487)</u>
	5,177,251	4,890,181	4,613,236
	<u>55,119,232</u>	<u>50,229,051</u>	<u>45,615,815</u>
\$	<u>60,296,483</u>	\$ <u>55,119,232</u>	\$ <u>50,229,051</u>
\$	2,627,335	\$ 2,542,565	\$ 2,403,929
	1,152,864	1,095,260	1,077,097
	2,602,572	53,742	1,841,586
(	<u>1,581,272</u>)	<u>(1,570,211)</u>	<u>(1,068,487)</u>
(	29,385)	(32,727)	(19,219)
(	<u>1,583</u>)	<u>(1,616)</u>	<u>(1,580)</u>
	4,770,531	2,087,013	4,233,326
	<u>38,499,857</u>	<u>36,412,844</u>	<u>32,179,518</u>
	<u>43,270,388</u>	<u>38,499,857</u>	<u>36,412,844</u>
\$	<u>17,026,095</u>	\$ <u>16,619,375</u>	\$ <u>13,816,207</u>
	71.76%	69.85%	72.49%
\$	16,478,620	\$ 15,648,114	\$ 15,389,154
	103.32%	106.21%	89.78%

CITY OF SCHERTZ, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Fiscal Year Ended September 30,	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 3,235,479	\$ 3,129,413
Contributions in relation to the actuarially determined contribution	<u>3,235,479</u>	<u>3,129,413</u>
Contribution deficiency (excess)	-	-
Covered payroll	20,401,412	19,520,269
Contributions as a percentage of covered payroll	15.86%	16.03%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of year-end, all years are not available. Additional years will be added in the future as the information becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective on January 1st, 13 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% 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.

2018	2017	2016	2015
\$ 2,971,592	\$ 2,756,511	\$ 2,592,593	\$ 2,487,856
<u>2,971,592</u>	<u>2,756,511</u>	<u>2,592,593</u>	<u>2,487,856</u>
-	-	-	-
18,605,654	17,347,849	16,175,988	15,486,735
15.97%	15.89%	16.03%	16.06%

CITY OF SCHERTZ, TEXAS

SCHEDULE OF CHANGES IN TMRS OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Date December 31,	2019	2018	2017
Total OPEB liability			
Service cost	\$ 33,528	\$ 37,794	\$ 29,926
Interest on total OPEB liability	26,904	21,182	20,123
Differences in actuarial experience	(105,282)	86,276	-
Change of assumptions	148,494	(54,027)	57,257
Benefit payments	(3,945)	(3,779)	(3,521)
Net change in total OPEB liability	99,699	87,446	103,785
Total OPEB liability, beginning	<u>710,387</u>	<u>622,941</u>	<u>519,156</u>
Total OPEB liability, ending (a)	\$ <u>810,086</u>	\$ <u>710,387</u>	\$ <u>622,941</u>
Covered-employee payroll	\$ 19,722,641	\$ 18,896,766	\$ 17,603,310
Total OPEB liability as a percentage of covered-employee payroll	4.11%	3.76%	3.54%

Note: 10 years of data is required to be provided in this schedule. As of year-end, all years are not available. Additional years will be added in the future as the information becomes available.

NOTES TO SCHEDULE

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective on January 1st, 13 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%
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 setforward 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 3% floor.
Other information	No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

Changes in actuarial assumptions reflect changes in the discount rate and, in 2019, changes in assumptions adopted from review of plan provisions.

CITY OF SCHERTZ, TEXAS

SCHEDULE OF CHANGES IN CITY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT
LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Date December 31,	2020	2019	2018
Total OPEB liability			
Service cost	\$ 125,648	\$ 121,821	\$ 107,517
Interest on total OPEB liability	78,646	67,947	69,435
Difference in actuarial experience	(343,086)	14,962	
Change of assumptions	275,398	(81,106)	96,092
Benefit payments	<u>(59,401)</u>	<u>(57,530)</u>	<u>(42,189)</u>
Net change in total OPEB liability	77,205	66,094	230,855
Total OPEB liability, beginning	<u>2,086,718</u>	<u>2,020,624</u>	<u>1,789,769</u>
Total OPEB liability, ending (a)	\$ <u>2,163,923</u>	\$ <u>2,086,718</u>	\$ <u>2,020,624</u>
Covered payroll	\$ 19,521,924	\$ 18,974,951	\$ 16,068,891
Total OPEB liability as a percentage of covered payroll	11.08%	11.00%	12.57%

Note: 10 years of data is required to be provided in this schedule. As of year-end, all years are not available. Additional years will be added in the future as the information becomes available.

NOTES TO SCHEDULE

Valuation Date: December 31, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Individual entry-age
Discount rate	2.75% as of December 31, 2019
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health care trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years.
Participation rates	For all non-Medicare retirees, 30% if retiring from age 50 to 59, and 35% if retiring from age 60 to 64.
Other information	The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study. Both the participation assumption and health care trend rates were updated to reflect the plan's anticipated experience.

SUPPLEMENTARY INFORMATION

Comparative Schedules – Governmental Funds

General Fund
Economic Development Corporation
Debt Service Fund
Capital Projects Fund

Combining Statements and Individual Fund Schedules - Nonmajor Governmental Funds

Hotel Occupancy Fund - will account for proceeds of hotel occupancy taxes to be used strictly for those kinds of programs that promote the tourism industry.

Park Fund - will account for revenues from developers' fees (in lieu of park land dedication), grants, and donations and is designed to monitor and manage improvement of the City's park system.

Tree Mitigation Fund - will account for revenues from permits, grants and donations to preserve and replace trees in the City.

Treasury Forfeitures Fund - will account for revenue received from drug related cases in conjunction with other law enforcement agencies within the jurisdiction of the U.S. Treasury department.

Justice Forfeitures Fund - will account for revenue received from drug related cases in conjunction with other law enforcement agencies within the jurisdiction of the US Department of Justice.

State Forfeitures Fund - will account for revenue received from drug related cases in conjunction with other law enforcement agencies within the jurisdiction of the State Forfeiture Program.

Library Advisory Board - to account for certain fees generated at the library to be used by the Board for general improvements to the Library.

Historical Committee Fund - will account for funds received for the preservation of the history of the City.

Capital Recovery Roadways Fund - to account for a fee assessed for capital recovery on new construction.

CITY OF SCHERTZ, TEXAS

COMPARATIVE BALANCE SHEETS
GENERAL FUND

SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 11,379,721	\$ 1,211,660
Investments	2,507,998	15,105,396
Receivables (net of allowances)		
Taxes	2,393,311	2,134,563
Accounts and other	3,381,019	1,775,482
Inventory	99,871	117,009
Prepays	14,916	14,916
Restricted assets:		
Cash and cash equivalents	<u>867,708</u>	<u>785,708</u>
Total Assets	<u>20,644,544</u>	<u>21,144,734</u>
LIABILITIES		
Accounts payable	1,005,821	685,560
Accrued salaries and benefits	1,209,493	970,679
Customer deposits	7,040	22,251
Due to other governments	123,911	123,116
Due to other funds	16,139	16,139
Unearned revenues	<u>39,159</u>	<u>33,314</u>
Total Liabilities	<u>2,401,563</u>	<u>1,851,059</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	<u>3,345,521</u>	<u>1,754,646</u>
Total Deferred Inflows of Resources	<u>3,345,521</u>	<u>1,754,646</u>
FUND BALANCES		
Nonspendable for:		
Inventory	114,787	131,925
Restricted for:		
Police and public safety/municipal court	226,092	226,093
Municipal court	823,452	823,451
PEG capital fees	807,140	723,353
Animal control	33,408	33,408
Veterans	2,109	2,109
Scholarships	104,156	101,673
Committed for:		
Civic Center/CIED	687,780	687,779
Assigned for:		
Property replacement	891,319	891,321
Subsequent year's budget	1,081,160	4,689,305
Unassigned	<u>10,126,057</u>	<u>9,228,612</u>
Total Fund Balances	<u>14,897,460</u>	<u>17,539,029</u>
Total Liabilities, Deferred inflows of Resources, and Fund Balances	\$ <u>20,644,544</u>	\$ <u>21,144,734</u>

CITY OF SCHERTZ, TEXAS

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Taxes	\$ 25,000,163	\$ 23,488,223
Permits and fees	1,750,837	1,605,299
Service fees	1,724,150	1,909,300
Fines and fees	833,148	926,657
Intergovernmental	951,604	965,768
Investment earnings	300,369	489,051
Miscellaneous	<u>559,393</u>	<u>684,882</u>
Total Revenues	<u>31,119,664</u>	<u>30,069,180</u>
EXPENDITURES		
Current:		
General government	5,381,790	5,389,701
Public safety	15,324,530	13,926,364
Public environment	1,270,894	1,112,041
Parks and recreation	2,067,649	2,350,370
Cultural	1,034,435	998,445
Health	589,616	498,871
Administration	2,799,004	3,231,294
Capital outlay	1,175,241	649,055
Debt service:		
Principal	<u>44,544</u>	<u>-</u>
Total Expenditures	<u>29,687,703</u>	<u>28,156,141</u>
Excess (Deficiency) of Revenues Over Expenditures	1,431,961	1,913,039
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>(4,000,169)</u>	<u>(4,463)</u>
Total Other Financing Sources (Uses)	<u>(4,000,169)</u>	<u>(4,463)</u>
NET CHANGE IN FUND BALANCE	<u>(2,568,208)</u>	1,908,576
FUND BALANCES - BEGINNING	<u>17,465,668</u>	<u>15,630,453</u>
FUND BALANCES - ENDING	<u>\$ 14,897,460</u>	<u>\$ 17,539,029</u>

CITY OF SCHERTZ, TEXAS

COMPARATIVE BALANCE SHEETS

ECONOMIC DEVELOPMENT CORPORATION

SEPTEMBER 30, 2020

(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 22,032,946	\$ 224,144
Investments	2,169,760	20,824,561
Receivables, net of allowances:		
Taxes	818,817	739,361
Accounts and other	<u>7,949</u>	<u>8,448</u>
Total Assets	<u>25,029,472</u>	<u>21,796,514</u>
LIABILITIES		
Accounts payable	<u>4,010,846</u>	<u>19,258</u>
Total Liabilities	<u>4,010,846</u>	<u>19,258</u>
FUND BALANCES		
Restricted for:		
Economic development	<u>21,018,626</u>	<u>21,777,256</u>
Total Fund Balances	<u>21,018,626</u>	<u>21,777,256</u>
Total Liabilities and Fund Balances	<u>\$ 25,029,472</u>	<u>\$ 21,796,514</u>

CITY OF SCHERTZ, TEXAS

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Taxes	\$ 4,819,288	\$ 4,172,238
Investment earnings	288,740	452,214
Miscellaneous	<u>-</u>	<u>196,003</u>
Total Revenues	<u>5,108,028</u>	<u>4,820,455</u>
EXPENDITURES		
Current:		
General government	4,886,456	358,810
Administration	<u>480,202</u>	<u>496,357</u>
Total Expenditures	<u>5,366,658</u>	<u>855,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,630)	3,965,288
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>(500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(758,630)	3,965,288
FUND BALANCES - BEGINNING	<u>21,777,256</u>	<u>17,811,968</u>
FUND BALANCES - ENDING	<u>\$ 21,018,626</u>	<u>\$ 21,777,256</u>

CITY OF SCHERTZ, TEXAS

**COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND**

SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 785,919	\$ 91,510
Investments	-	910,716
Receivables, net of allowances: Taxes	<u>120,816</u>	<u>82,682</u>
Total Assets	<u>906,735</u>	<u>1,084,908</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	<u>120,816</u>	<u>82,682</u>
Total Deferred Inflows of Resources	<u>120,816</u>	<u>82,682</u>
FUND BALANCES		
Restricted for: Debt service	<u>785,919</u>	<u>1,002,226</u>
Total Fund Balances	<u>785,919</u>	<u>1,002,226</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 906,735</u>	<u>\$ 1,084,908</u>

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Property taxes	\$ 6,733,000	\$ 6,733,000	\$ 6,714,516	\$(18,484)	\$ 6,414,868
Investment income	50,000	50,000	19,900	(30,100)	70,318
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>75,000</u>	<u>(25,000)</u>	<u>100,277</u>
Total Revenue	<u>6,883,000</u>	<u>6,883,000</u>	<u>6,809,416</u>	<u>(73,584)</u>	<u>6,585,463</u>
EXPENDITURES					
Debt service:					
Principal	4,952,413	4,952,413	4,885,000	67,413	4,565,000
Interest and fiscal charges	2,069,590	2,069,590	2,136,523	(66,933)	2,069,215
Bond issue costs	5,000	5,000	4,200	800	120,869
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,489,912</u>
Total Expenditures	<u>7,027,003</u>	<u>7,027,003</u>	<u>7,025,723</u>	<u>1,280</u>	<u>12,244,996</u>
Excess (Deficiency) of Revenues over Expenditures	(144,003)	(144,003)	(216,307)	(74,864)	(5,659,533)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	-	-	-	-	5,225,000
Premiums from issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,901</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,561,901</u>
NET CHANGE IN FUND BALANCE	(144,003)	(144,003)	(216,307)	(72,304)	(97,632)
FUND BALANCE - BEGINNING	<u>1,002,226</u>	<u>1,002,226</u>	<u>1,002,226</u>	<u>-</u>	<u>1,099,858</u>
FUND BALANCE - ENDING	<u>\$ 858,223</u>	<u>\$ 858,223</u>	<u>\$ 785,919</u>	<u>\$(72,304)</u>	<u>\$ 1,002,226</u>

CITY OF SCHERTZ, TEXAS

COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND

SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 10,677,080	\$ 34,120
Investments	-	14,147,499
Accounts receivable	-	52,248
Total Assets	<u>10,677,080</u>	<u>14,233,867</u>
LIABILITIES		
Accounts payable	428,387	825,769
Retainage payable	111,135	293,788
Total Liabilities	<u>539,522</u>	<u>1,119,557</u>
FUND BALANCES		
Restricted for:		
Capital improvement	<u>6,065,616</u>	<u>13,114,310</u>
Total Fund Balances	<u>6,065,616</u>	<u>13,114,310</u>
Total Liabilities and Fund Balance	<u>\$ 6,605,138</u>	<u>\$ 14,233,867</u>

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CITY OF SCHERTZ, TEXAS

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

(WITH COMPARTIVE TOTALS FOR THE YEAR ENDED 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ -	\$ 91,913
Investment earnings	154,977	382,850
Miscellaneous	<u>132,901</u>	<u>-</u>
Total Revenues	<u>287,878</u>	<u>474,763</u>
EXPENDITURES		
Capital outlay	7,837,991	8,308,326
Debt service:		
Bond issue costs	<u>-</u>	<u>68,213</u>
Total Expenditures	<u>7,837,991</u>	<u>8,376,539</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,550,113)	(7,901,776)
OTHER FINANCING SOURCES (USES)		
Issuance of debt	-	4,620,000
Premiums from issuance of debt	-	303,214
Transfers in	4,500,000	117,632
Transfers out	<u>-</u>	<u>(81,525)</u>
Total Other Financing Sources (Uses)	<u>4,500,000</u>	<u>4,959,321</u>
NET CHANGE IN FUND BALANCE	(3,050,113)	(2,942,455)
FUND BALANCES - BEGINNING	<u>13,187,671</u>	<u>16,056,765</u>
FUND BALANCES - ENDING	\$ <u>10,137,558</u>	\$ <u>13,114,310</u>

CITY OF SCHERTZ, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue Funds			
	Hotel Occupancy Fund	Park Fund	Tree Mitigation	Treasury Forfeitures
ASSETS				
Cash and cash equivalents	\$ 2,084,939	\$ 292,236	\$ 464,828	\$ 32,560
Accounts receivable, net of allowance	31,525	-	-	-
Total Assets	<u>2,116,464</u>	<u>292,236</u>	<u>464,828</u>	<u>32,560</u>
LIABILITIES				
Accounts payable	-	-	1,600	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,600</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Tourism development	2,116,464	-	-	-
Tree mitigation	-	-	463,228	-
Parks	-	292,236	-	-
Police forfeiture	-	-	-	32,560
Roadways	-	-	-	-
Library	-	-	-	-
Historical committee	-	-	-	-
Total Fund Balances	<u>2,116,464</u>	<u>292,236</u>	<u>463,228</u>	<u>32,560</u>
Total Liabilities and Fund Balances	\$ <u>2,116,464</u>	\$ <u>292,236</u>	\$ <u>464,828</u>	\$ <u>32,560</u>

Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
Justice Forfeitures	State Forfeitures	Library Advisory Board	Historical Committee Fund	Capital Recovery Roadways	
\$ 210,453	\$ 12,774	\$ 75,103	\$ 13,705	\$ 937,627	\$ 4,124,225
-	-	-	-	-	31,525
<u>210,453</u>	<u>12,774</u>	<u>75,103</u>	<u>13,705</u>	<u>937,627</u>	<u>4,155,750</u>
-	-	59	-	-	1,659
-	-	<u>59</u>	-	-	<u>1,659</u>
-	-	-	-	-	2,116,464
-	-	-	-	-	463,228
-	-	-	-	-	292,236
210,453	12,774	-	-	-	255,787
-	-	-	-	937,627	937,627
-	-	75,044	-	-	75,044
-	-	-	13,705	-	13,705
<u>210,453</u>	<u>12,774</u>	<u>75,044</u>	<u>13,705</u>	<u>937,627</u>	<u>4,154,091</u>
\$ <u>210,453</u>	\$ <u>12,774</u>	\$ <u>75,103</u>	\$ <u>13,705</u>	\$ <u>937,627</u>	\$ <u>4,155,750</u>

CITY OF SCHERTZ, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			
	Hotel Occupancy Fund	Park Fund	Tree Mitigation	Treasury Forfeiture
REVENUES				
Occupancy tax	\$ 268,946	\$ -	\$ -	\$ -
Permits and fees	-	4,000	52,427	-
Service fees	-	-	-	-
Fines and fees	-	-	-	4,400
Investment earnings	26,224	3,325	5,569	-
Miscellaneous	-	1	500	-
Total Revenues	<u>295,170</u>	<u>7,326</u>	<u>58,496</u>	<u>4,400</u>
EXPENDITURES				
Current:				
General government	95,954	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	5,760	28,674	-
Cultural	-	-	-	-
Administration	74,428	-	-	-
Capital outlay	<u>223,189</u>	-	-	-
Total Expenditures	<u>393,571</u>	<u>5,760</u>	<u>28,674</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(98,401)</u>	<u>1,566</u>	<u>29,822</u>	<u>4,400</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(98,401)</u>	<u>1,566</u>	<u>29,822</u>	<u>4,400</u>
FUND BALANCES - BEGINNING	<u>2,214,865</u>	<u>290,670</u>	<u>433,406</u>	<u>28,160</u>
FUND BALANCES - ENDING	<u>\$ 2,116,464</u>	<u>\$ 292,236</u>	<u>\$ 463,228</u>	<u>\$ 32,560</u>

Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
Justice Forfeitures	State Forfeitures	Library Advisory Board	Historical Committee Fund	Capital Recovery Roadways	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268,946
-	-	-	-	-	56,427
-	-	9,204	43	850,201	859,448
35,444	7,665	-	-	-	47,509
2,747	-	850	-	1,973	40,688
-	-	4	-	-	505
<u>38,191</u>	<u>7,665</u>	<u>10,058</u>	<u>43</u>	<u>852,174</u>	<u>1,273,523</u>
-	-	-	169	-	96,123
42,063	-	-	-	-	42,063
-	-	-	-	-	34,434
-	-	10,456	-	-	10,456
-	-	-	-	-	74,428
<u>40,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,654</u>
<u>82,528</u>	<u>-</u>	<u>10,456</u>	<u>169</u>	<u>-</u>	<u>521,158</u>
<u>(44,337)</u>	<u>7,665</u>	<u>(398)</u>	<u>(126)</u>	<u>852,174</u>	<u>752,365</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>169</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>169</u>
<u>(44,337)</u>	<u>7,665</u>	<u>(398)</u>	<u>43</u>	<u>852,174</u>	<u>752,534</u>
<u>254,790</u>	<u>5,109</u>	<u>75,442</u>	<u>13,662</u>	<u>85,453</u>	<u>3,401,557</u>
<u>\$ 210,453</u>	<u>\$ 12,774</u>	<u>\$ 75,044</u>	<u>\$ 13,705</u>	<u>\$ 937,627</u>	<u>\$ 4,154,091</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOTEL OCCUPANCY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Occupancy tax	\$ 500,000	\$ 500,000	\$ 268,946	\$(231,054)	\$ 514,679
Investment earnings	53,000	53,000	26,224	(26,776)	48,015
Miscellaneous	-	-	-	-	3,071
Total Revenues	<u>553,000</u>	<u>553,000</u>	<u>295,170</u>	<u>(257,830)</u>	<u>565,765</u>
EXPENDITURES					
Current:					
General government	181,466	181,466	95,954	85,512	130,265
Administration	74,428	74,428	74,428	-	67,582
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>223,189</u>	<u>26,811</u>	<u>-</u>
Total Expenditures	<u>505,894</u>	<u>505,894</u>	<u>393,571</u>	<u>112,323</u>	<u>197,847</u>
NET CHANGE IN FUND BALANCE	<u>47,106</u>	<u>47,106</u>	<u>(98,401)</u>	<u>(145,507)</u>	<u>367,918</u>
FUND BALANCE - BEGINNING	<u>2,214,865</u>	<u>2,214,865</u>	<u>2,214,865</u>	<u>-</u>	<u>1,846,947</u>
FUND BALANCE - ENDING	<u>\$ 2,261,971</u>	<u>\$ 2,261,971</u>	<u>\$ 2,116,464</u>	<u>\$(145,507)</u>	<u>\$ 2,214,865</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARK FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Licenses and permits	\$ 70,000	\$ 70,000	\$ 4,000	\$(66,000)	\$ 11,000
Investment earnings	8,000	8,000	3,325	(4,675)	7,600
Investment earnings	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>7,600</u>
Total Revenues	<u>78,000</u>	<u>78,000</u>	<u>7,326</u>	<u>(70,674)</u>	<u>18,600</u>
EXPENDITURES					
Current:					
Parks and recreation	-	-	5,760	(5,760)	15,250
Capital outlay	<u>177,000</u>	<u>177,000</u>	<u>-</u>	<u>177,000</u>	<u>86,841</u>
Total Expenditures	<u>177,000</u>	<u>177,000</u>	<u>5,760</u>	<u>171,240</u>	<u>102,091</u>
NET CHANGE IN FUND BALANCE	<u>(99,000)</u>	<u>(99,000)</u>	<u>1,566</u>	<u>100,566</u>	<u>(83,491)</u>
FUND BALANCE - BEGINNING	<u>290,670</u>	<u>290,670</u>	<u>290,670</u>	<u>-</u>	<u>374,161</u>
FUND BALANCE - ENDING	<u>\$ 191,670</u>	<u>\$ 191,670</u>	<u>\$ 292,236</u>	<u>\$ 100,566</u>	<u>\$ 290,670</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TREE MITITGATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Licenses and permits	\$ 70,000	\$ 70,000	\$ 52,427	\$(17,573)	\$ 19,162
Investment earnings	8,750	8,750	5,569	(3,181)	10,306
Miscellaneous	-	-	500	500	-
Total Revenues	<u>78,750</u>	<u>78,750</u>	<u>58,496</u>	<u>(20,254)</u>	<u>29,468</u>
EXPENDITURES					
Current:					
Parks and recreation	-	75,000	28,674	46,326	27,867
Total Expenditures	<u>-</u>	<u>75,000</u>	<u>28,674</u>	<u>46,326</u>	<u>27,867</u>
NET CHANGE IN FUND BALANCE	<u>78,750</u>	<u>3,750</u>	<u>29,822</u>	<u>26,072</u>	<u>1,601</u>
FUND BALANCE - BEGINNING	<u>433,406</u>	<u>433,406</u>	<u>433,406</u>	<u>-</u>	<u>431,805</u>
FUND BALANCE - ENDING	<u>\$ 512,156</u>	<u>\$ 437,156</u>	<u>\$ 463,228</u>	<u>\$ 26,072</u>	<u>\$ 433,406</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

TREASURY FORFEITURES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Fines and fees	\$ 4,400	\$ 900
Investment earnings	<u>-</u>	<u>-</u>
Total Revenues	<u>4,400</u>	<u>900</u>
EXPENDITURES		
Capital outlay	<u>-</u>	<u>206</u>
Total Expenditures	<u>-</u>	<u>206</u>
NET CHANGE IN FUND BALANCE	<u>4,400</u>	<u>694</u>
FUND BALANCE - BEGINNING	<u>28,160</u>	<u>27,466</u>
FUND BALANCE - ENDING	<u>\$ 32,560</u>	<u>\$ 28,160</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUSTICE FORFEITURES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Fines and fees	\$ -	\$ -	\$ 35,444	\$ 35,444	\$ 23,509
Investment earnings	<u>-</u>	<u>-</u>	<u>2,747</u>	<u>2,747</u>	<u>6,600</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>38,191</u>	<u>38,191</u>	<u>30,109</u>
EXPENDITURES					
Current:					
Public safety	-	-	42,063	(42,063)	50,306
Capital outlay	<u>-</u>	<u>-</u>	<u>40,465</u>	<u>(40,465)</u>	<u>39,144</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>82,528</u>	<u>(82,528)</u>	<u>89,450</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(44,337)</u>	<u>(44,337)</u>	<u>(59,341)</u>
FUND BALANCE - BEGINNING	<u>254,790</u>	<u>254,790</u>	<u>254,790</u>	<u>-</u>	<u>314,131</u>
FUND BALANCE - ENDING	<u>\$ 254,790</u>	<u>\$ 254,790</u>	<u>\$ 210,453</u>	<u>\$ (44,337)</u>	<u>\$ 314,131</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

STATE FORFEITURES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Fines and fees	\$ 7,665	\$ 2,548
Investment earnings	<u>-</u>	<u>-</u>
Total Revenues	<u>7,665</u>	<u>2,548</u>
EXPENDITURES		
Current:		
Public safety	<u>-</u>	<u>8,773</u>
Total Expenditures	<u>-</u>	<u>8,773</u>
NET CHANGE IN FUND BALANCE	<u>7,665</u>	<u>(6,225)</u>
FUND BALANCE - BEGINNING	<u>5,109</u>	<u>11,334</u>
FUND BALANCE - ENDING	<u>\$ 12,774</u>	<u>\$ 5,109</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY ADVISORY BOARD

FOR THE YEAR ENDED SEPTEMBER 30, 2020

(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Service fees	\$ 20,000	\$ 20,000	\$ 9,204	\$(10,796)	\$ 21,365
Investment earnings	1,550	1,550	850	(700)	1,853
Miscellaneous	200	200	4	(196)	7
Total Revenues	<u>21,750</u>	<u>21,750</u>	<u>10,058</u>	<u>(11,692)</u>	<u>23,225</u>
EXPENDITURES					
Current:					
Cultural	21,200	21,200	10,456	10,744	19,664
Total Expenditures	<u>21,200</u>	<u>21,200</u>	<u>10,456</u>	<u>10,744</u>	<u>19,664</u>
NET CHANGE IN FUND BALANCE	<u>550</u>	<u>550</u>	<u>(398)</u>	<u>(948)</u>	<u>3,561</u>
FUND BALANCE - BEGINNING	<u>75,442</u>	<u>75,442</u>	<u>75,442</u>	<u>-</u>	<u>71,881</u>
FUND BALANCE - ENDING	<u>\$ 75,992</u>	<u>\$ 75,992</u>	<u>\$ 75,044</u>	<u>\$(948)</u>	<u>\$ 75,442</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HISTORICAL COMMITTEE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Original Budget	Final Budget	2020 Actual Amounts	Variance With Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Sale of merchandise	\$ 1,000	\$ 1,000	\$ 43	\$(957)	\$ 708
Miscellaneous	-	-	-	-	17
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>43</u>	<u>(957)</u>	<u>725</u>
EXPENDITURES					
Current:					
General government	<u>11,750</u>	<u>11,750</u>	<u>169</u>	<u>11,581</u>	<u>2,871</u>
Total Expenditures	<u>11,750</u>	<u>11,750</u>	<u>169</u>	<u>11,581</u>	<u>2,871</u>
Excess of Revenues Over Expenditures	<u>(10,750)</u>	<u>(10,750)</u>	<u>(126)</u>	<u>10,624</u>	<u>(2,146)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>10,750</u>	<u>10,750</u>	<u>169</u>	<u>(10,581)</u>	<u>2,871</u>
Total Other Financing Sources (Uses)	<u>10,750</u>	<u>10,750</u>	<u>169</u>	<u>(10,581)</u>	<u>2,871</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>	<u>725</u>
FUND BALANCE - BEGINNING	<u>13,662</u>	<u>13,662</u>	<u>13,662</u>	<u>-</u>	<u>12,937</u>
FUND BALANCE - ENDING	<u>\$ 13,662</u>	<u>\$ 13,662</u>	<u>\$ 13,705</u>	<u>\$ 43</u>	<u>\$ 13,662</u>

CITY OF SCHERTZ, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

CAPITAL RECOVERY ROADWAYS

FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Service fees	\$ 850,201	\$ 138,920
Investment earnings	<u>1,973</u>	<u>1,451</u>
Total Revenues	<u>852,174</u>	<u>140,371</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>-</u>	(<u>116,040</u>)
Total Other Financing Sources (Uses)	<u>-</u>	(<u>116,040</u>)
NET CHANGE IN FUND BALANCE	<u>852,174</u>	<u>24,331</u>
FUND BALANCE - BEGINNING	<u>85,453</u>	<u>61,122</u>
FUND BALANCE - ENDING	<u>\$ 937,627</u>	<u>\$ 85,453</u>

STATISTICAL SECTION

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**STATISTICAL SECTION
(Unaudited)**

This part of the City of Schertz, Texas Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	86 – 95
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	96 - 104
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	105 - 110
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	111 - 114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	115 - 120

CITY OF SCHERTZ, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 55,415,699	\$ 56,616,809	\$ 57,543,618	\$ 62,792,671
Restricted	2,089,971	1,917,098	7,788,354	10,401,728
Unrestricted	<u>7,370,101</u>	<u>8,907,326</u>	<u>6,645,418</u>	<u>8,613,239</u>
Total Governmental Activities Net Position	<u>\$ 64,875,771</u>	<u>\$ 67,441,233</u>	<u>\$ 71,977,390</u>	<u>\$ 81,807,638</u>
Business-type activities				
Net investment in capital assets	\$ 51,838,589	\$ 50,161,157	\$ 53,071,836	\$ 53,674,437
Restricted	-	-	-	-
Unrestricted	<u>7,441,722</u>	<u>11,577,645</u>	<u>11,902,282</u>	<u>16,450,988</u>
Total Business-Type Activities Net Position	<u>\$ 59,280,311</u>	<u>\$ 61,738,802</u>	<u>\$ 64,974,118</u>	<u>\$ 70,125,425</u>
Primary government				
Net investment in capital assets	\$ 107,254,288	\$ 106,777,966	\$ 110,615,454	\$ 116,467,108
Restricted	2,089,971	1,917,098	7,788,354	10,401,728
Unrestricted	<u>14,811,823</u>	<u>20,484,971</u>	<u>18,547,700</u>	<u>25,064,227</u>
Total Primary Government Net Position	<u>\$ 124,156,082</u>	<u>\$ 129,180,035</u>	<u>\$ 136,951,508</u>	<u>\$ 151,933,063</u>

TABLE 1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 68,125,738	\$ 74,237,004	\$ 84,537,238	\$ 89,266,885	\$ 89,869,766	\$ 88,959,102
13,343,280	17,095,325	20,437,116	23,391,047	28,088,355	28,664,438
<u>1,640,519</u>	<u>2,231,341</u>	<u>1,673,567</u>	<u>2,351,236</u>	<u>2,920,717</u>	<u>4,157,801</u>
<u>\$ 83,109,537</u>	<u>\$ 93,563,670</u>	<u>\$ 106,647,921</u>	<u>\$ 115,009,168</u>	<u>\$ 120,878,838</u>	<u>\$ 121,781,341</u>
\$ 59,625,205	\$ 64,210,231	\$ 70,361,035	\$ 64,871,629	\$ 68,271,075	\$ 75,969,319
-	-	10,565,463	12,626,526	13,232,638	15,071,599
<u>14,243,922</u>	<u>15,737,470</u>	<u>20,781,291</u>	<u>20,870,671</u>	<u>33,254,008</u>	<u>30,570,717</u>
<u>\$ 73,869,127</u>	<u>\$ 79,947,701</u>	<u>\$ 101,707,789</u>	<u>\$ 98,368,826</u>	<u>\$ 114,757,721</u>	<u>\$ 121,611,635</u>
\$ 127,750,943	\$ 138,447,235	\$ 154,898,273	\$ 154,138,514	\$ 158,140,841	\$ 164,928,421
13,343,280	17,095,325	20,437,116	23,391,047	41,320,993	43,736,037
<u>15,884,441</u>	<u>17,968,811</u>	<u>22,454,858</u>	<u>35,848,433</u>	<u>36,174,725</u>	<u>34,728,518</u>
<u>\$ 156,978,664</u>	<u>\$ 173,511,371</u>	<u>\$ 197,790,247</u>	<u>\$ 213,377,994</u>	<u>\$ 235,636,559</u>	<u>\$ 243,392,976</u>

CITY OF SCHERTZ, TEXAS

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 8,112,954	\$ 7,802,092	\$ 7,066,087	\$ 6,958,530
Public safety	8,390,740	9,103,676	9,567,595	10,025,703
Public environment	3,152,119	3,586,087	3,622,834	3,740,538
Parks and recreation	1,673,098	1,584,605	1,807,559	1,807,136
Cultural	876,339	916,967	907,676	870,159
Health	374,516	357,658	344,647	407,114
Administration	1,321,055	1,117,044	1,180,656	1,942,312
Interest and other fees	<u>2,251,472</u>	<u>2,302,912</u>	<u>3,340,951</u>	<u>2,352,856</u>
Total Governmental Activities Expenses	<u>26,152,293</u>	<u>26,771,041</u>	<u>27,838,005</u>	<u>28,104,348</u>
Business-type activities:				
Water and sewer	15,280,871	16,349,967	16,954,871	17,762,116
EMS	<u>3,659,031</u>	<u>3,758,425</u>	<u>3,959,445</u>	<u>4,268,125</u>
Total Business-Type Activities Expenses	<u>18,939,902</u>	<u>20,108,392</u>	<u>20,914,316</u>	<u>22,030,241</u>
Total Primary Government Expenses	<u>45,092,195</u>	<u>46,879,433</u>	<u>48,752,321</u>	<u>50,134,589</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	1,495,563	2,286,488	2,230,800	1,974,637
Public safety	2,815,029	2,216,385	2,516,547	2,536,476
Public environment	-	-	-	-
Parks and recreation	524,443	541,512	721,222	917,639
Cultural	228,242	279,267	305,932	309,897
Health	39,743	36,746	38,149	32,429
Operating grants and contributions	717,105	764,997	234,084	220,264
Capital grants and contributions	<u>2,998,115</u>	<u>1,178,573</u>	<u>1,531,740</u>	<u>5,756,456</u>
Total Governmental Activities Program Revenues	<u>8,818,240</u>	<u>7,303,968</u>	<u>7,578,474</u>	<u>11,747,798</u>
Business-type activities:				
Charges for services:				
Water and sewer	17,073,075	17,411,568	17,696,327	19,147,872
EMS	3,564,852	3,561,114	4,459,600	4,533,753
Capital grants and contributions	<u>2,175,889</u>	<u>828,853</u>	<u>1,301,235</u>	<u>2,809,110</u>
Total Business-Type Activities Program Revenues	<u>22,813,816</u>	<u>21,801,535</u>	<u>23,457,162</u>	<u>26,490,735</u>
Total Primary Government Program Revenues	<u>31,632,056</u>	<u>29,105,503</u>	<u>31,035,636</u>	<u>38,238,533</u>
Net (expense) revenue:				
Governmental activities	(17,334,053)	(19,467,073)	(20,259,531)	(16,356,550)
Business-type activities	<u>3,873,914</u>	<u>1,693,143</u>	<u>2,542,846</u>	<u>4,460,494</u>
Total Primary Government Net Expense	<u>(13,460,139)</u>	<u>(17,773,930)</u>	<u>(17,716,685)</u>	<u>(11,896,056)</u>

TABLE 2

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	6,443,227	\$	6,557,778	\$	6,253,926	\$	7,421,918	\$	6,534,013	\$	10,310,363
	10,836,712		12,141,968		13,061,120		13,899,278		15,448,886		16,575,191
	3,876,644		4,147,653		4,460,540		4,930,723		5,495,192		8,825,099
	2,164,604		2,034,964		2,859,974		2,707,292		3,022,278		3,012,134
	892,194		954,871		1,004,747		1,042,085		1,119,650		1,089,564
	470,468		570,204		776,494		724,780		516,890		596,288
	1,845,877		1,954,276		3,052,102		3,067,983		3,853,255		3,419,407
	<u>2,226,635</u>		<u>2,240,783</u>		<u>2,355,714</u>		<u>2,125,687</u>		<u>2,196,180</u>		<u>2,028,065</u>
	<u>28,756,361</u>		<u>30,602,497</u>		<u>33,824,617</u>		<u>35,919,746</u>		<u>38,186,344</u>		<u>45,856,111</u>
	18,440,959		20,269,111		21,346,078		23,579,854		25,608,390		24,349,219
	<u>4,719,526</u>		<u>5,004,110</u>		<u>6,006,178</u>		<u>6,110,407</u>		<u>6,529,631</u>		<u>6,051,296</u>
	<u>23,160,485</u>		<u>25,273,221</u>		<u>27,352,256</u>		<u>29,690,261</u>		<u>32,138,021</u>		<u>30,400,515</u>
	<u>51,916,846</u>		<u>55,875,718</u>		<u>61,176,873</u>		<u>65,610,007</u>		<u>70,324,365</u>		<u>76,256,626</u>
	1,840,547		1,507,252		874,737		1,013,698		947,538		836,246
	2,603,476		2,415,537		4,131,548		4,104,911		3,177,329		3,276,129
	-		-		-		-		138,920		850,201
	794,003		788,727		544,460		640,231		484,495		331,174
	325,178		326,079		330,412		313,668		311,575		299,944
	26,744		30,308		29,742		27,930		21,101		26,304
	336,252		342,485		552,878		776,942		692,042		2,113,673
	<u>5,509,530</u>		<u>6,227,664</u>		<u>10,043,483</u>		<u>4,744,489</u>		<u>1,319,793</u>		<u>531,096</u>
	<u>11,435,730</u>		<u>11,638,052</u>		<u>16,507,260</u>		<u>11,621,869</u>		<u>7,092,793</u>		<u>8,264,767</u>
	20,700,369		22,003,794		25,390,713		27,099,237		27,333,475		29,709,279
	4,415,126		5,921,223		6,366,894		6,092,559		6,596,618		6,114,891
	<u>4,158,552</u>		<u>2,831,126</u>		<u>6,111,474</u>		<u>3,132,348</u>		<u>1,975,524</u>		<u>292,408</u>
	<u>29,274,047</u>		<u>30,756,143</u>		<u>37,869,081</u>		<u>36,324,144</u>		<u>35,905,617</u>		<u>36,116,578</u>
	<u>40,709,777</u>		<u>42,394,195</u>		<u>54,376,341</u>		<u>47,946,013</u>		<u>42,998,410</u>		<u>44,381,345</u>
(	17,320,631)	(	18,964,445)	(	17,317,357)	(	24,297,877)	(	31,093,551)	(	37,591,344)
	<u>6,113,562</u>		<u>5,482,922</u>		<u>10,516,825</u>		<u>6,633,883</u>		<u>3,767,596</u>		<u>5,716,063</u>
(	<u>11,207,069</u>)	(	<u>13,481,523</u>)	(	<u>6,800,532</u>)	(	<u>17,663,994</u>)	(	<u>27,325,955</u>)	(	<u>31,875,281</u>)

CITY OF SCHERTZ, TEXAS

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Ad valorem	\$ 10,280,768	\$ 11,298,204	\$ 12,359,146	\$ 12,794,172
Sales	7,054,394	7,968,212	9,637,097	10,553,382
Franchise fees	1,542,046	1,647,712	1,681,079	2,073,162
Hotel/motel	391,181	470,290	503,267	552,570
Mixed drink	33,630	28,586	30,421	39,917
Bingo	2,173	-	-	-
Investment income	48,235	60,265	54,270	43,279
Miscellaneous	316,840	621,560	505,268	180,316
Transfers	84,235	(62,294)	25,140	(50,000)
Total Governmental Activities	<u>19,753,502</u>	<u>22,032,535</u>	<u>24,795,688</u>	<u>26,186,798</u>
Business-type activities:				
Interest and investment earnings	37,950	36,409	53,089	31,810
Miscellaneous	457,094	666,645	664,521	609,003
Transfers	(84,235)	62,294	(25,140)	50,000
Total Business-Type Activities	<u>410,809</u>	<u>765,348</u>	<u>692,470</u>	<u>690,813</u>
Total Primary Government	<u>20,164,311</u>	<u>22,797,883</u>	<u>25,488,158</u>	<u>26,877,611</u>
Change in Net Position				
Governmental activities	2,419,449	2,565,462	4,536,157	9,830,248
Business-type activities	<u>4,284,723</u>	<u>2,458,491</u>	<u>3,235,316</u>	<u>5,151,307</u>
Total Primary Government	<u>\$ 6,704,172</u>	<u>\$ 5,023,953</u>	<u>\$ 7,771,473</u>	<u>\$ 14,981,555</u>

Source: City financial statements

TABLE 2

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 14,139,037	\$ 15,131,997	\$ 16,166,006	\$ 17,018,950	\$ 19,151,005	\$ 19,844,912	
10,315,125	10,921,489	10,844,503	12,668,555	12,506,879	14,432,152	
2,263,783	2,250,815	2,208,373	2,393,182	2,357,150	2,305,225	
563,734	544,871	499,466	520,424	514,679	268,946	
43,656	43,073	42,699	43,395	60,518	70,139	
-	-	-	-	-	-	
56,820	187,847	448,408	909,985	1,470,258	804,674	
197,881	309,275	182,754	283,496	984,257	767,799	
(42,235)	29,211	9,399	19,186	(81,525)	-	
<u>27,537,801</u>	<u>29,418,578</u>	<u>30,401,608</u>	<u>33,857,173</u>	<u>36,963,221</u>	<u>38,493,847</u>	
47,728	102,642	211,466	532,367	855,216	431,555	
344,731	522,221	475,733	453,374	267,788	706,296	
42,235	(29,211)	(9,399)	(19,186)	81,525	-	
<u>434,694</u>	<u>595,652</u>	<u>677,800</u>	<u>966,555</u>	<u>1,204,529</u>	<u>1,137,851</u>	
<u>27,972,495</u>	<u>30,014,230</u>	<u>31,079,408</u>	<u>34,823,728</u>	<u>38,167,750</u>	<u>39,631,698</u>	
10,217,170	10,454,133	13,084,251	9,559,296	5,869,670	902,503	
6,548,256	6,078,574	11,194,625	7,600,438	4,972,125	6,853,914	
<u>\$ 16,765,426</u>	<u>\$ 16,532,707</u>	<u>\$ 24,278,876</u>	<u>\$ 17,159,734</u>	<u>\$ 10,841,795</u>	<u>\$ 7,756,417</u>	

CITY OF SCHERTZ, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2011	2012	2013	2014
Nonspendable Fund Balance:				
Inventory	\$ 43,504	\$ 63,556	\$ 50,768	\$ 88,518
Prepaid items	-	2,367	754,443	21,735
Note receivable	<u>120,080</u>	<u>120,080</u>	<u>120,080</u>	<u>-</u>
Total Nonspendable Fund Balance	<u>163,584</u>	<u>186,003</u>	<u>925,291</u>	<u>110,253</u>
Restricted Fund Balance:				
Police and public safety	403,799	338,118	496,890	529,264
Municipal court	459,244	527,513	646,422	628,459
PEG capital fees	317,453	409,870	456,175	489,509
Capital improvement	10,219,300	17,104,595	15,360,800	9,600,028
Debt service	117,250	227,674	517,199	625,435
Tourism development	301,517	390,561	470,250	501,996
Tree mitigation	173,999	217,600	157,659	359,205
Parks	84,329	90,718	136,647	304,655
Historical Committee & library	231,686	65,409	77,554	78,098
Economic Development Corporation	3,394,850	4,366,005	6,022,128	7,792,578
Animal control	-	-	-	-
Veterans	-	-	-	-
Scholarship	-	-	-	54,176
Total Restricted Fund Balance	<u>15,703,427</u>	<u>23,738,063</u>	<u>24,341,724</u>	<u>20,963,403</u>
Committed Fund Balance:				
Capital improvement	-	-	165,000	31,718
Total Nonspendable Fund Balance	<u>-</u>	<u>-</u>	<u>165,000</u>	<u>31,718</u>
Assigned Fund Balance:				
Property replacement	202,723	322,656	456,034	694,916
Special events	93,447	92,555	99,770	31,177
Capital improvement	162,113	243,546	145,167	-
Historical Committee	9,940	-	-	-
Subsequent year's budget	-	-	-	-
Youth activities	-	11,090	-	-
Total Assigned Fund Balance	<u>468,223</u>	<u>669,847</u>	<u>700,971</u>	<u>726,093</u>
Unassigned Fund Balance	<u>1,899,105</u>	<u>2,560,667</u>	<u>4,206,734</u>	<u>5,587,262</u>
Total Governmental Funds	\$ <u>18,234,339</u>	\$ <u>27,154,580</u>	\$ <u>30,339,720</u>	\$ <u>27,418,729</u>

Source: Balance Sheets - Governmental Funds in City's CAFRs.

TABLE 3

	2015	2016	2017	2018	2019	2020
\$	101,084	\$ 107,529	\$ 98,263	\$ 94,876	\$ 117,009	\$ 99,871
	16,000	112,974	-	-	14,916	14,916
	-	-	-	-	-	-
	<u>117,084</u>	<u>220,503</u>	<u>98,263</u>	<u>94,876</u>	<u>131,925</u>	<u>114,787</u>
	494,337	555,722	514,931	454,773	514,152	481,879
	683,558	714,609	728,350	728,350	823,451	823,452
	509,535	577,590	638,506	723,353	723,353	807,140
	8,924,587	11,665,693	16,915,997	16,117,887	13,199,763	7,003,243
	847,178	1,311,577	1,450,082	1,099,858	1,002,226	785,919
	848,969	1,186,062	1,503,873	1,846,947	2,214,865	2,116,464
	331,149	340,386	331,913	431,805	433,406	463,228
	341,551	441,606	367,812	374,161	290,670	292,236
	76,787	75,420	77,137	84,818	89,104	88,749
	9,821,747	12,227,179	15,069,421	17,811,968	21,777,256	21,018,626
	-	18,667	35,660	35,660	33,408	33,408
	-	4,985	4,796	4,796	2,109	2,109
	60,944	63,048	77,458	84,989	101,673	104,156
	<u>22,940,342</u>	<u>29,182,544</u>	<u>37,715,936</u>	<u>39,799,365</u>	<u>41,205,436</u>	<u>34,020,609</u>
	-	342,519	454,376	454,376	687,779	4,759,722
	<u>-</u>	<u>342,519</u>	<u>454,376</u>	<u>454,376</u>	<u>687,779</u>	<u>4,759,722</u>
	785,005	752,503	854,198	854,198	891,321	891,319
	6,657	6,743	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	2,226,359	4,689,305	1,081,160
	-	-	-	-	-	-
	<u>791,662</u>	<u>759,246</u>	<u>854,198</u>	<u>3,080,557</u>	<u>5,580,626</u>	<u>1,972,479</u>
	<u>7,280,240</u>	<u>8,509,467</u>	<u>9,976,169</u>	<u>12,548,013</u>	<u>9,228,612</u>	<u>10,126,057</u>
\$	<u>31,129,328</u>	<u>\$ 39,014,279</u>	<u>\$ 49,098,942</u>	<u>\$ 55,977,187</u>	<u>\$ 56,834,378</u>	<u>\$ 50,993,654</u>

CITY OF SCHERTZ, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Taxes	\$ 19,309,675	\$ 21,401,991	\$ 24,181,863	\$ 26,021,730
Permits and fees	1,776,292	1,363,461	1,609,954	1,805,047
Service fees	1,645,489	1,547,007	1,739,387	1,763,964
Fines and fees	1,452,610	2,027,613	1,927,744	1,750,311
Intergovernmental	1,216,211	1,000,413	492,332	221,769
Other revenue	<u>603,498</u>	<u>969,921</u>	<u>767,110</u>	<u>671,731</u>
Total Revenues	<u>26,003,775</u>	<u>28,310,406</u>	<u>30,718,390</u>	<u>32,234,552</u>
Expenditures				
Current:				
General government	7,164,667	7,094,834	6,311,276	5,981,439
Public safety	7,885,119	8,690,849	9,113,840	9,409,894
Public environment	846,150	976,327	951,528	1,012,607
Parks and recreation	1,195,171	1,398,692	1,412,329	1,338,232
Cultural	937,611	845,124	840,595	815,691
Health	360,746	346,318	341,961	394,918
Administration	1,506,831	1,249,557	1,289,078	2,270,041
Capital outlay	2,956,511	1,299,843	3,277,397	8,000,467
Debt service:				
Principal	2,371,070	2,704,898	3,217,325	3,695,597
Interest and fiscal charges	2,066,221	2,313,510	2,381,171	2,108,610
Bond issue costs	244,237	254,971	31,750	165,650
Payment to refund agent	-	-	-	-
Total Expenditures	<u>27,534,334</u>	<u>27,174,923</u>	<u>29,168,250</u>	<u>35,193,146</u>
Excess of Revenues Over (Under)				
Expenditures	(1,530,559)	1,135,483	1,550,140	(2,958,594)
Other Financing Sources (Uses)				
Bond & debt issuances	8,206,572	14,370,000	1,635,000	8,583,715
Refunding bond issuance	-	-	-	-
Premium (discount) on bond issue	283,000	175,473	-	686,137
Payment to refund agent	-	(6,698,421)	-	(9,182,250)
Transfer in	348,846	139,635	788,084	1,243,833
Transfer out	<u>(264,611)</u>	<u>(201,929)</u>	<u>(788,084)</u>	<u>(1,293,832)</u>
Net Other Financing Sources (Uses)	<u>8,573,807</u>	<u>7,784,758</u>	<u>1,635,000</u>	<u>37,603</u>
Net Change in Fund Balances	\$ <u>7,043,248</u>	\$ <u>8,920,241</u>	\$ <u>3,185,140</u>	\$ <u>(2,920,991)</u>
Debt Service as a Percentage of				
Noncapital Expenditures	<u>17.4%</u>	<u>19.5%</u>	<u>21.6%</u>	<u>21.3%</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds.

TABLE 4

	2015	2016	2017	2018	2019	2020
\$	27,348,297	\$ 28,865,727	\$ 29,720,578	\$ 32,632,702	\$ 34,590,008	\$ 36,802,913
	1,731,302	1,493,336	2,540,045	2,557,056	1,635,461	1,807,264
	1,797,151	1,789,321	2,132,299	2,159,193	2,070,293	2,583,598
	1,534,588	1,441,474	1,217,621	1,049,989	953,614	880,657
	393,607	401,494	397,073	609,131	1,057,681	951,604
	689,805	1,741,436	1,897,153	1,761,285	2,454,515	1,572,473
	<u>33,494,750</u>	<u>35,732,788</u>	<u>37,904,769</u>	<u>40,769,356</u>	<u>42,761,572</u>	<u>44,598,509</u>
	5,582,441	5,657,998	5,394,918	6,327,133	5,881,647	10,364,369
	10,158,401	11,048,767	11,870,636	12,728,222	13,985,443	15,366,593
	952,663	1,007,326	1,128,979	1,136,052	1,112,041	1,270,894
	1,658,197	1,528,356	1,885,915	1,697,872	2,393,487	2,102,083
	821,146	869,162	921,870	955,153	1,018,109	1,044,891
	404,008	480,175	672,934	628,054	498,871	589,616
	2,056,646	2,015,573	2,912,855	3,015,239	3,795,233	3,353,634
	2,314,668	10,192,398	5,492,196	7,708,625	9,083,572	9,276,886
	3,918,008	4,040,975	4,473,174	4,744,116	4,565,000	4,929,544
	2,112,746	1,896,911	2,113,679	2,099,190	2,069,215	2,136,523
	7,992	449,358	214,280	129,417	189,082	4,200
	-	-	-	-	5,489,912	-
	<u>29,986,916</u>	<u>39,186,999</u>	<u>37,081,436</u>	<u>41,169,073</u>	<u>50,081,612</u>	<u>50,439,233</u>
	3,507,834	(3,454,211)	823,333	(399,717)	(7,320,040)	(5,840,724)
	245,000	10,750,000	8,870,000	4,887,829	4,620,000	-
	-	4,185,000	-	6,035,000	5,225,000	-
	-	590,432	381,931	269,212	640,115	-
	-	(4,215,482)	-	(6,159,623)	-	-
	989,120	863,583	438,803	777,487	120,503	4,500,169
	(1,031,355)	(834,371)	(429,404)	(758,302)	(202,028)	(4,500,169)
	<u>202,765</u>	<u>11,339,162</u>	<u>9,261,330</u>	<u>5,051,603</u>	<u>10,403,590</u>	<u>-</u>
\$	<u>3,710,599</u>	<u>\$ 7,884,951</u>	<u>\$ 10,084,663</u>	<u>\$ 4,651,886</u>	<u>\$ 3,083,550</u>	<u>\$ (5,840,724)</u>
	<u>21.3%</u>	<u>20.5%</u>	<u>20.4%</u>	<u>22.2%</u>	<u>17.3%</u>	<u>16.2%</u>

CITY OF SCHERTZ, TEXAS

GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales & Use Tax</u>	<u>Franchise Tax</u>	<u>Mixed Beverage</u>
2011	\$ 10,286,251	\$ 7,054,394	\$ 1,542,046	\$ 33,630
2012	11,287,191	7,968,212	1,647,712	28,586
2013	12,329,999	9,637,097	1,681,079	30,421
2014	12,802,668	10,553,382	2,073,162	39,917
2015	14,161,999	10,315,125	2,263,783	43,553
2016	15,105,480	10,921,489	2,250,815	43,072
2017	16,125,537	10,844,503	2,208,373	42,668
2018	17,007,148	12,668,555	2,393,182	43,384
2019	19,150,782	12,506,879	2,357,150	60,518
2020	19,726,451	14,432,152	2,305,225	70,139

TABLE 5

<u>Bingo</u>	<u>Hotel Occupancy</u>	<u>Total</u>
\$ 2,173	\$ 391,181	\$ 19,309,675
-	470,290	21,401,991
-	503,267	24,181,863
31	552,570	26,021,730
103	563,734	27,348,297
1	544,870	28,865,727
31	499,466	29,720,578
11	520,424	32,632,704
24	514,679	34,590,032
24	268,946	36,802,937

CITY OF SCHERTZ, TEXAS

TABLE 6

TOTAL WATER AND SEWER CONSUMPTION AND RATES

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Total Water & Sewer Consumption (In Gallons)</u>	<u>Water & Sewer Base Rate</u>	<u>Water & Sewer Initial Rate Per 1,000 Gallons</u>
2020	1,982,664,200	38.15	6.97
2019	1,622,930,500	37.15	6.84
2018	1,583,312,400	35.61	6.53
2017	1,583,462,300	34.35	6.21
2016	1,509,250,000	30.11	5.73
2015	1,472,948,300	26.54	5.43
2014	1,543,351,600	24.38	5.17
2013	1,550,039,700	22.69	4.84
2012	1,604,952,300	22.69	4.84
2011	1,676,323,900	22.69	4.75

CITY OF SCHERTZ, TEXAS

TABLE 7

PRINCIPAL WATER AND SEWER CONSUMERS

LAST TEN FISCAL YEARS

TAXPAYERS	2020			2011		
	Total Water Consumption (In Gallons)	Rank	Percentage of Total City Water Consumption	Total Water Consumption (In Gallons)	Rank	Percentage of Total City Water Consumption
Caterpillar Inc.	169,429,600	1	8.55%			
Beck Readymix Concrete	117,018,500	2	5.90%	87,304,700	1	
Sycamore Creek Apartments	113,447,200	3	5.72%			0.00%
SA WFR Partners, LLC	84,070,100	4	4.24%	60,814,100	2	4.94%
IPT San Antonio Logistics CTR	82,032,700	5	4.14%			
Sebastian Apartments	76,545,800	6	3.86%	35,899,500	3	2.92%
Val Verde 6561	66,374,900	7	3.35%	27,988,600	5	
Sysco / Cooling Tower	65,618,600	8	3.31%			0.00%
Legacy Oaks Apartments	64,797,000	9	3.27%			
Pecan Grove TXLLC	61,635,700	10	3.11%	24,208,400	6	1.97%
Wal-Mart Supermarket #3391 spk				23,437,100	7	1.90%
Sedona Master Community, INC				29,971,700	4	2.43%
Lowe's Home Improvement Warehouse				22,409,900	8	1.82%
CCMA				22,123,100	9	1.80%
				20,585,900	10	1.67%
TOTAL	<u>900,970,100</u>		45.44%	<u>354,743,000</u>		19.45%
Total City Water Consumption	1,982,664,200			1,231,376,600		

CITY OF SCHERTZ, TEXAS

TABLE 8

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	City Direct Rates			Overlapping School Districts	
	Basic Rate	Debt Service	Total	Schertz-Cibolo-Universal City ISD	Comal ISD
2020	0.3496	0.1650	0.5146	1.4200	1.3200
2019	0.3497	0.1649	0.5146	1.4900	1.3200
2018	0.3248	0.1662	0.4910	1.4900	1.3900
2017	0.3168	0.1743	0.4911	1.4700	1.3900
2016	0.3159	0.1752	0.4911	1.4900	1.3900
2015	0.3164	0.1810	0.4974	1.4900	1.3900
2014	0.3010	0.1964	0.4974	1.4900	1.4300
2013	0.2993	0.2006	0.4999	1.4600	1.4300
2012	0.2993	0.1850	0.4843	1.4350	1.4300
2011	0.2993	0.1500	0.4493	1.4350	1.3700

Fiscal Year	Overlapping Counties				Comal County	Guadalupe County
	Bexar County	Hospital District	River Authority	Community College District		
2020	0.2774	0.2762	0.0186	0.1492	0.3224	0.3319
2019	0.2774	0.2762	0.0186	0.1492	0.2952	0.3319
2018	0.2928	0.2762	0.0173	0.1492	0.3078	0.3799
2017	0.2928	0.2762	0.0173	0.1492	0.2928	0.3851
2016	0.2929	0.2762	0.0173	0.1492	0.2929	0.3851
2015	0.2929	0.2762	0.0178	0.1492	0.2929	0.3941
2014	0.2782	0.2762	0.0174	0.1492	0.2782	0.3999
2013	0.3052	0.2762	0.0174	0.1416	0.3504	0.4036
2012	0.3269	0.2762	0.0167	0.1416	0.3340	0.4036
2011	0.3269	0.2662	0.0160	0.1359	0.3130	0.3999

CITY OF SCHERTZ, TEXAS

TABLE 9

PRINCIPAL PROPERTY OF TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Caterpillar Inc.	\$ 120,824,839	1	2.91%			
SYSCO San Antonio, Inc.	107,425,724	2	2.59%			
Amazon Com Services Inc	74,629,384	3	1.80%			
US Real Estate LP	59,963,917	4	1.44%			
Republic Beverage Company	58,711,000	5	1.41%	\$ 51,762,770	1	2.21%
Colfin 2018-3 Industrial Owner LLC	57,353,060	6	1.38%			
Shell US Gas and Power LLC	37,942,000	7	0.91%			
SA WFR Partners LLC	25,352,359	8	0.61%			
EM Limited Partnership	22,655,200	9	0.55%	9,857,599	9	0.42%
GE Oil & Gas INC	<u>19,515,060</u>	10	<u>0.47%</u>			
AOH-Vantage at Schertz LLC				17,367,333	2	0.74%
San Antonio MTA LP				17,153,935	3	0.73%
Wal-Mart Real Estate Business Trust				14,529,843	4	0.62%
City Bank				14,108,720	5	0.60%
Eye Care Centers of America Inc.				13,293,056	6	0.57%
H.E.Butt Grocery Co.				12,040,678	7	0.51%
Atlantic Financial Group LTD				10,313,859	8	0.44%
Lowe's Home Center Inc.				<u>8,284,756</u>	10	<u>0.35%</u>
TOTALS	\$ <u>584,372,543</u>		<u>14.07%</u>	\$ <u>168,712,549</u>		<u>7.20%</u>
TOTAL TAXABLE ASSESSED VALUE	\$ <u>4,152,459,607</u>			\$ <u>2,342,355,490</u>		

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CITY OF SCHERTZ, TEXAS

TABLE 10

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2020	\$ 20,854,329	\$ 20,758,493	99.54%	68,692	\$ 20,827,185	99.87%
2019	19,922,568	19,825,244	99.51%	85,062	19,910,306	99.94%
2018	18,010,824	17,899,825	99.38%	-	17,899,825	99.38%
2017	17,356,822	17,241,556	99.34%	72,675	17,314,231	99.75%
2016	16,238,180	16,160,248	99.52%	57,835	16,218,083	99.88%
2015	14,793,867	14,738,760	99.63%	44,730	14,783,490	99.93%
2014	13,383,759	13,297,258	99.35%	68,412	13,365,670	99.86%
2013	12,536,540	12,455,336	99.35%	71,432	12,526,768	99.92%
2012	11,239,572	11,159,974	99.29%	71,740	11,231,714	99.93%
2011	9,978,430	9,895,240	99.17%	74,770	9,970,010	99.92%

CITY OF SCHERTZ, TEXAS

TAXABLE ASSESSED VALUE

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended September 30,</u>	<u>Taxable Value January 1,</u>	<u>Residential Property</u>	<u>Commercial Property</u>
2020	2019	\$ 3,004,686,341	\$ 1,613,615,732
2019	2018	2,860,333,982	1,401,636,211
2018	2017	2,049,067,806	2,344,365,139
2017	2016	1,895,085,016	2,269,590,522
2016	2015	1,702,601,947	2,087,223,204
2015	2014	1,568,651,309	1,793,803,709
2014	2013	1,445,731,509	1,540,565,195
2013	2012	1,383,423,359	1,396,349,905
2012	2011	1,337,223,390	1,233,687,039
2011	2010	1,272,970,256	1,253,600,729

*Taxable Assessed Value is before any applicable freeze adjustments.

Source: Bexar, Comal and Guadalupe County Appraisal Districts.

TABLE 11

Tax-Exempt Property	Other Property	Total Taxable Assessed Value*	Total Direct Tax Rate
\$(716,028,336)	\$ 250,185,870	\$ 4,152,459,607	0.5146
(621,773,006)	260,571,835	3,900,769,022	0.5146
(757,265,921)	146,860,809	3,647,504,903	0.4911
(649,173,041)	132,002,406	3,375,850,131	0.4911
(544,328,535)	130,353,515	3,037,267,611	0.4974
(460,271,461)	135,084,054	2,752,562,574	0.4974
(340,747,650)	107,013,520	2,600,365,551	0.4999
(285,245,142)	105,837,429	2,411,270,623	0.4843
(262,591,896)	102,952,090	2,363,893,708	0.4493
(280,015,063)	117,337,786	2,342,355,490	0.4342

CITY OF SCHERTZ, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Governmental Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Lease	Revenue Bonds	Certificates of Obligation
2020	\$ 46,223,908	\$ 15,801,473	\$ 345,000	\$ 17,134	\$ -	\$ 12,067,332
2019	49,960,772	16,834,029	530,000	25,699	-	12,919,712
2018	52,752,896	13,636,966	715,000	34,264	-	13,211,178
2017	56,613,614	9,011,415	1,230,000	25,147	-	8,174,779
2016	56,352,272	4,057,189	1,740,000	58,321	-	8,331,966
2015	53,410,128	277,801	1,210,000	91,495	-	8,946,153
2014	56,487,433	543,934	1,585,000	123,370	-	9,561,204
2013	58,693,750	801,767	2,155,000	22,398	2,215,000	5,048,233
2012	60,878,759	1,581,300	190,000	60,190	2,342,656	5,383,700
2011	48,035,253	8,615,077	250,000	97,188	2,476,681	5,704,200

TABLE 12

Business-Type Activities							
	Public Facility Loan	General Obligation Bonds	Capital Lease	Tax Notes	Total Primary Government	Percent of Gross Income	Per Capita
\$	-	\$ 3,951,449	\$ 132,468	\$ 150,000	\$ 78,688,764	5.60%	1,841
	-	4,727,188	199,421	460,000	85,656,821	5.60%	2,042
	-	2,127,657	289,553	765,000	83,532,514	5.98%	2,028
	-	2,533,626	92,721	1,065,000	75,076,605	6.22%	1,996
	-	3,014,595	162,262	1,360,000	75,076,605	6.39%	1,979
	-	3,490,564	231,803	1,640,000	69,297,944	5.99%	1,830
	-	3,966,533	347,705	65,000	72,680,179	6.35%	1,992
	-	2,127,502	-	130,000	71,193,650	6.50%	1,982
	-	2,413,471	-	190,000	73,040,076	8.15%	2,117
	-	2,684,440	-	250,000	68,112,839	8.01%	2,031

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Amounts Available for Debt Service	Total		
2020	\$ 50,175,357	\$ 15,801,473	\$(1,051,874)	\$ 64,924,956	1.56%	1,577
2019	54,687,960	16,834,029	(1,084,908)	70,437,081	1.81%	1,785
2018	54,880,553	13,636,966	(809,427)	67,708,092	1.86%	1,785
2017	59,147,240	9,011,415	(924,989)	67,233,666	1.99%	1,776
2016	59,366,867	4,057,189	(813,306)	62,610,750	2.06%	1,716
2015	56,900,692	277,801	(847,178)	56,331,315	2.05%	1,568
2014	60,453,966	543,934	(517,199)	60,480,701	2.33%	1,753
2013	60,821,252	801,767	(227,674)	61,395,345	2.55%	1,830
2012	63,292,230	1,581,300	(117,250)	64,756,280	2.74%	2,418
2011	50,719,693	8,615,077	(286,215)	59,048,555	2.52%	2,231

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

CURRENT YEAR

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<i>Debt repaid with property taxes:</i>			
Alamo CCD	\$ 437,790,000	0.30%	\$ 1,313,370
Bexar County	1,944,900,000	0.30%	5,834,700
Bexar County Hospital District	932,030,000	0.30%	2,796,090
Comal County	140,350,000	4.31%	6,049,085
Comal ISD	722,510,179	4.42%	31,934,950
Guadalupe County	9,405,000	20.03%	1,883,822
Schertz-Cibolo-Universal ISD	397,644,650	48.57%	<u>193,136,006</u>
Subtotal, Overlapping Debt			242,948,022
City Governmental Activities Direct Debt			<u>62,370,381</u>
TOTAL NET OVERLAPPING DEBT			<u>\$ 305,318,403</u>

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

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

DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

Assessed Value, 2019 Tax Roll \$ 4,152,459,607

Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value. \$ 415,245,961

Amount of Applicable Debt:

General Bonded Debt	\$	62,370,381	
Less Debt Service Net Position	(	1,051,874)	<u>61,318,507</u>

DEBT MARGIN \$ 353,927,454

Total Net Debt as a Percentage of Debt Margin 17.33%

	Fiscal Year		
	2016	2017	2018
Assessed Value	\$ 3,375,850,131	\$ 3,647,504,903	\$ 3,783,027,833
Debt Limit	337,585,013	364,750,490	378,302,783
Total Net Debt Applicable to Limit	<u>61,181,169</u>	<u>65,792,916</u>	<u>66,329,699</u>
Total Debt Margin	\$ <u>276,403,844</u>	\$ <u>298,957,574</u>	\$ <u>311,973,084</u>
	2013	2014	2015
Assessed Value	\$ 2,600,365,551	\$ 2,752,562,574	\$ 3,037,267,611
Debt Limit	260,036,555	275,256,257	303,726,761
Total Net Debt Applicable to Limit	<u>60,499,568</u>	<u>56,803,499</u>	<u>53,424,303</u>
Total Debt Margin	\$ <u>199,536,987</u>	\$ <u>218,452,758</u>	\$ <u>250,302,458</u>
	2010	2011	2012
Assessed Value	\$ 2,363,893,708	\$ 2,411,270,623	\$ 2,600,365,551
Debt Limit	236,389,371	241,127,062	260,036,555
Total Net Debt Applicable to Limit	<u>55,298,550</u>	<u>60,973,626</u>	<u>60,499,568</u>
Total Debt Margin	\$ <u>181,090,821</u>	\$ <u>180,153,436</u>	\$ <u>199,536,987</u>

CITY OF SCHERTZ, TEXAS

TABLE 16

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2020	\$ 29,735,911	\$ 24,032,772	5,703,139	\$ 1,961,953	\$ 612,643	2.22	
2019	27,246,250	22,622,986	4,623,264	1,845,132	561,880	1.92	
2018	27,099,237	20,802,263	6,296,974	1,671,134	391,609	3.05	
2017	25,390,713	18,697,162	6,693,551	1,554,541	368,390	3.48	
2016	22,003,794	17,603,487	4,400,307	1,441,741	417,346	2.37	
2015	20,700,369	15,916,597	4,783,772	1,448,407	428,912	2.55	
2014	19,147,872	15,246,653	3,901,219	1,010,500	426,100	2.72	
2013	17,696,327	14,553,274	3,143,053	728,800	359,680	2.89	
2012	17,411,568	14,185,126	3,226,442	697,100	396,968	2.95	
2011	16,843,780	13,229,037	3,614,743	577,824	409,801	3.66	

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

CITY OF SCHERTZ, TEXAS

TABLE 17

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2020	42,734	\$ 1,680,129,944	\$ 39,316	37.4	16.2	15,675	5.1%
2019	41,948	1,473,255,708	35,121	38.0	16.2	15,925	2.7%
2018	41,182	1,396,481,620	33,910	37.3	15.9	15,817	3.2%
2017	39,453	1,266,046,770	32,090	37.2	15.9	15,497	3.8%
2016	37,938	1,175,319,240	30,980	36.9	15.8	15,460	3.4%
2015	37,865	1,157,835,970	30,578	36.1	15.6	15,009	3.2%
2014	36,477	1,144,465,875	31,375	36.9	15.4	14,515	5.1%
2013	35,929	1,095,331,494	30,486	37.1	15.4	14,058	5.5%
2012	34,499	895,739,206	25,964	36.8	15.4	13,016	5.6%
2011	33,544	850,069,800	25,342	37.8	15.4	12,533	5.7%

Sources: Population, personal income, median age and education level information provided by City Economic Development Corporation. School enrollment provided by Schertz-Cibolo-Universal City Independent School District. Unemployment data provided by Texas Workforce Commission.

TOP TEN PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2020		2011	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Amazon	2,000	10.67%	1,615	10.39%
Schertz-Cibolo-Universal City ISD	1,953	10.42%		
Sysco	783	4.18%		
Fed Ex Ground	600	3.20%	220	1.42%
Republic National Distributing Company	569	3.04%		
Brandt Companies	408	2.18%	320	2.06%
City of Schertz	404	2.16%	120	0.77%
FedEx Freight	325	1.73%		
Hollingsworth	262	1.40%	154	0.99%
Caterpillar	191	1.02%		
Builders First Source	140	0.75%		
Quality Custom Distribution	130	0.69%	120	0.77%
Manco	91	0.49%	350	2.25%
Wal-mart Stores			321	2.07%
EyeCare Centers of America			300	1.93%
H.E.B Grocery Co.			200	1.29%
Valero Energy		-	125	0.80%
Theis Distributing Co.				
TOTAL	<u>7,856</u>	<u>41.93%</u>	<u>3,845</u>	<u>24.74%</u>

Source: City Economic Development Corporation

CITY OF SCHERTZ, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of September 30,			
	2011	2012	2013	2014
<u>General Government</u>				
City Manager	6	7	7	6
Court Support	-	-	-	-
Municipal Court	5	6	6	6
Customer Relations	5	5	5	5
Planning and Zoning	4	3	3	3
General Services	15	15	13	13
City Secretary	2	2	2	2
Public Affairs	3	4	4	4
Records Management	1	1	1	1
Schertz Magazine	2	2	2	2
Engineer	2	4	3	3
GIS	2	2	2	2
Information Technology	4	4	6	6
Human Resources	4	4	4	4
Finance	6	6	6	6
Purchasing	5	5	4	3
Fleet Service	4	4	4	4
Building Maintenance	-	-	2	2
Facility Services	-	-	-	-
<u>Public Safety</u>				
Police	65	70	75	75
Fire	32	32	32	33
Inspections	7	7	7	8
Marshal Services	8	8	8	8
<u>Health</u>				
Animal Control	6	6	6	7
Environmental Health	-	-	-	-
<u>Parks and Culture</u>				
Parks	9	9	9	9
Pools	-	-	-	-
Event Facilities	1	1	1	1
Library	14	14	14	14
<u>Public Environment</u>				
Streets	14	14	14	14
<u>Public Works</u>				
Public Works	4	4	6	6
Business Office	10	10	10	10
<u>Water and Sewer</u>	17	17	16	16
<u>Drainage</u>	7	7	8	8
<u>EMS</u>	34	35	35	36
<u>Economic Development</u>	3	4	4	4
TOTAL	299	311	318	320

TABLE 19

Full-Time Equivalent Employees as of September 30,						
2015	2016	2017	2018	2019	2020	
6	5	5	5	5	5	5
-	-	-	-	-	-	-
6	6	6	6	6	4	4
5	5	5	5	5	3	3
3	4	4	4	4	3	3
13	-	-	-	-	-	-
2	2	2	2	2	2	2
4	4	4	4	5	5	5
1	1	1	1	-	-	-
2	2	2	2	-	-	-
3	7	7	7	7	7	8
2	2	2	2	2	2	2
6	6	7	8	8	8	8
4	5	5	5	5	5	5
8	8	8	8	8	7	7
3	3	3	3	3	3	3
6	6	6	6	6	7	8
3	-	-	-	-	-	-
-	16	16	17	17	10	10
75	78	81	86	86	86	87
33	36	39	45	45	45	46
9	8	8	11	12	12	12
8	8	5	-	-	-	-
7	8	8	7	7	7	8
-	3	3	4	4	4	4
9	9	10	12	11	11	11
-	-	-	-	-	-	-
1	1	1	1	5	5	5
14	14	14	15	14	14	14
14	14	14	14	14	14	17
6	4	4	4	4	4	4
10	10	10	10	9	9	9
16	16	16	19	19	19	19
8	6	6	8	8	8	8
37	39	41	45	45	45	45
4	4	4	4	4	4	4
<u>327</u>	<u>339</u>	<u>346</u>	<u>366</u>	<u>357</u>	<u>365</u>	

CITY OF SCHERTZ, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2011	2012	2013	2014
<u>General Government</u>				
Building Permits Issued	4,950	2,643	3,054	2,869
<u>Schertz Tales</u>				
Number of Magazines Printed	168,000	168,000	168,000	180,000
<u>Police</u>				
CFS	26,205	19,434	19,894	19,067
Arrests	762	666	800	776
Traffic Violations	13,231	20,881	19,335	15,077
Accidents	1,575	1,665	1,960	1,823
<u>Fire</u>				
Number of Rescue/Other Responses	1,657	1,799	2,046	1,759
Number of Fire Responses	110	74	108	110
Number of Inspections	616	429	332	252
Number of Training Classes Conducted	142	168	132	125
Number of Pre-Plan Inspections	536	714	729	735
<u>EMS</u>				
Requests for Transport	7,443	7,545	8,391	8,840
Actual Transports	4,801	4,766	5,451	5,713
EMT Students	85	79	116	87
<u>Marshal Service</u>				
Warrants Issued	4,141	2,888	3,344	2,354
Warrants Cleared	3,985	4,118	4,687	3,781
Food Establishment Permits	118	123	127	82
Food Establishment Inspection	244	180	281	218
Foster/Adoption Inspections	18	14	24	16
<u>Parks</u>				
Facility Reservations	237	234	258	301
<u>Community and Civic Centers</u>				
Civic Center	354	325	444	458
Community Center Rentals	666	816	735	437
North Community Center Rentals	241	307	288	244

TABLE 20

Fiscal Year					
2015	2016	2017	2018	2019	2020
3,087	5,919	4,800	5,251	4,748	2,993
180,000	180,000	180,000	180,000	180,000	187,500
36,138	39,064	34,428	45,190	41,327	57,149
595	603	423	624	603	527
12,306	8,960	8,001	11,359	12,541	8,326
2,040	2,119	2,057	2,244	2,304	1,752
2,167	2,327	2,758	3,055	3,804	3,953
99	67	86	161	100	108
698	440	519	562	528	30
150	460	340	600	804	763
980	867	922	788	865	814
9,286	9,723	9,956	10,059	10,759	10,713
6,118	6,123	6,201	6,165	6,738	6,549
84	89	90	90	90	84
3,798	2,587	2,816	1,598	2,036	1,738
3,691	3,492	2,822	2,022	1,834	664
135	145	201	181	55	189
136	153	13	211	96	209
22	21	21	18	8	10
275	240	251	248	241	75
478	483	590	516	441	293
455	370	455	381	326	193
209	185	230	235	188	92

CITY OF SCHERTZ, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2011	2012	2013	2014
<u>Animal Services</u>				
Number of Animals Handled	1,802	1,463	1,326	1,218
Number of Adoptions	257	291	362	309
Number of Return to Owners	313	149	231	222
Number of Transfers	300	312	301	316
<u>Library</u>				
Annual Circulation	414,074	410,312	404,691	395,998
Library Visits	254,934	256,349	254,633	253,237
Library Program Attendance	13,767	16,035	12,581	15,048
Registered Users	28,589	30,475	31,658	30,759
<u>Water</u>				
New Connections	439	271	168	235
Water Main Breaks	76	52	38	45
Total Consumption (Thousands of Gallons)	16,763,239	16,131,415	15,500,413	15,497,071
Daily Average Consumption (Thousands of Gallons)	45,927	44,196	42,466	42,458
Peak Daily Consumption (Thousands of Gallons)	11,000	9,290	9,483	10,089
Total Customers	12,234	12,557	12,757	13,324
Average Use Per Connection	5,725	5,517	5,905	5,467
<u>Sewer</u>				
Total Customers	10,907	10,988	11,456	11,578
<u>Facilities Maintenance</u>				
Number of Buildings Maintained	19	19	19	19
Square Footage	166,591	166,591	166,591	166,591

TABLE 20

Fiscal Year					
2015	2016	2017	2018	2019	2020
1,304	1,313	1,283	926	1,157	1,015
357	410	348	319	366	450
213	205	228	218	233	335
296	316	326	297	227	188
394,766	399,622	385,206	414,790	447,379	254,643
259,413	255,109	235,428	258,695	237,821	102,297
13,825	15,282	16,814	16,945	18,412	6,524
31,138	30,702	31,432	30,806	33,104	31,296
369	213	303	235	300	357
45	45	45	50	52	65
14,757,134	16,097,931	15,222,373	15,833,124	17,602,330	1,976,687
40,431	43,942	41,705	43,378	48,225	54,155
8,385	10,985	11,000	9,083	11,094	14,011
13,570	13,877	14,124	14,678	16,434	13,683
5,135	5,352	5,244	5,294	4,587	5,600
11,413	12,282	12,398	12,866	12,853	13,112
21	21	21	25	26	27
234,202	234,202	234,202	245,218	257,218	301,656

CITY OF SCHERTZ, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2011	2012	2013	2014
<u>Police</u>				
Stations	1	1	1	1
Patrol Units	42	42	42	42
<u>Fire</u>				
Stations	2	2	2	2
Training Facility	-	-	-	-
Fire Vehicles	13	13	13	15
<u>EMS</u>				
Ambulances	6	6	7	7
<u>Marshal Service</u>				
Vehicles	8	8	7	7
<u>Streets</u>				
Streets, Paved (Miles)	132	134	137	141
Streets, Unpaved (Miles)	5	5	5	5
<u>Parks and Recreation</u>				
Parks - Developed	17	17	13	13
Parks - Undeveloped	4	4	8	8
Playground	15	15	16	16
Swimming Pools	2	2	2	2
Baby Pools	2	2	2	2
Baseball/Softball Diamonds	9	9	12	12
Soccer Fields	12	12	12	12
Community Centers	4	4	4	4
<u>Animal Control</u>				
Control Vehicle	3	3	3	3
<u>Library</u>				
Facility	1	1	1	1
Volumes in Collection	73,904	81,468	86,221	100,478
<u>Water</u>				
Number of Reservoirs	-	-	-	-
Number of Pump Stations	5	5	5	5
Water Mains (Miles)	192	192	197	199
<u>Sewer</u>				
Sanitary Sewers (Miles)	84	85	87	90
Storm Sewers (Miles)	10	10	11	11
<u>Facilities Maintenance</u>				
Vehicles	5	4	5	5
Generators	3	3	3	3

TABLE 21

Fiscal Year						
2015	2016	2017	2018	2019	2020	
1	1	1	1	1	1	1
48	50	64	69	68	72	72
2	2	2	3	3	3	3
-	-	-	-	0	0	0
16	16	16	18	19	20	20
9	9	8	8	9	9	9
7	7	7	7	7	7	7
149	153	159	153	165.4	165	165
5	5	5	5	5	5	5
14	15	20	21	21	21	21
9	10	4	4	4	4	21
18	19	19	19	20	20	4
2	2	4	4	4	4	21
2	2	2	2	2	2	4
15	15	15	15	15	15	2
12	12	12	12	12	12	15
4	4	4	4	4	4	12
3	4	3	4	4	4	4
1	1	1	1	1	1	1
113,085	97,412	107,382	110,266	150,972	139,447	139,447
-	-	-	0	0	0	0
5	5	5	5	5	5	6
210	211	221	225	228	228.5	228.5
96	98	110	113	116	116.2	116.2
12	12	12	13.6	13.8	13.8	13.8
6	6	6	11	11	10	10
4	4	4	7	10	7	7

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