

**CITY OF SCHERTZ, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2021**



**OFFICIALS ISSUING REPORT**

James M. Browne  
City Manager

James Walters  
Director of Finance



**CITY OF SCHERTZ, TEXAS**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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## **INTRODUCTORY SECTION**

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March 08, 2022

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 annual comprehensive financial report of the City of Schertz for the fiscal year ended September 30, 2021.

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, 2021, 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, 2021, 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 42,002 in 2020 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 30<sup>th</sup>. 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 2021. The surrounding metro area saw growth evidenced by the Federal Reserve Bank of Dallas reporting the San Antonio Business-Cycle Index increase 6.1% year over year for September 2021. This Index potentially indicates a new period of economic growth around the state. As of September 2021, the unemployment rate for Texas was 4.9% 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 3.8% during this time.**

As another indicated of economic growth, the City of Schertz realized a **16.7% increase year-over-year** in sales tax collections during the fiscal year. While Schertz continued to see growth during the pandemic, as other economies start to recover Schertz continues strong.

Further showcasing Schertz’ economic fortitude, it also saw a diverse range of new products developed its real estate and land markets with approximately 2,373,899 square feet of new commercial and industrial space that will become available. CORES is working with the City to provide 1.7 million sq ft of speculative industrial space in the southern area of Schertz. In the North, Titan Development, EastGroup, and Phelan-Bennet are adding 573,899 sq ft of industrial warehouse space that is currently under development.

**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 2021-22, the City is using the momentum from the previous year and is putting an additional \$500,000 into replacing the City’s financial software and funding an estimated \$350,000 to fix the HVAC system in the Animal Adoption Facility. Due to growing needs the City will also hire a Police Officer, an Evidence Technician and a Plumber as well as expand the existing facilities cleaning contract to include public safety buildings and parks restrooms. The EMS Fund will hire an additional 2 Paramedics and the Water & Sewer Fund will hire a SCADA Technician.

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 105-110. 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 annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the 36th 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive 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

JILL WHITTAKER

MICHAEL DAHLE

DAVID SCAGLIOLA

ALLISON HEYWARD

TIM BROWN

CITY MANAGER

JAMES M. BROWNE

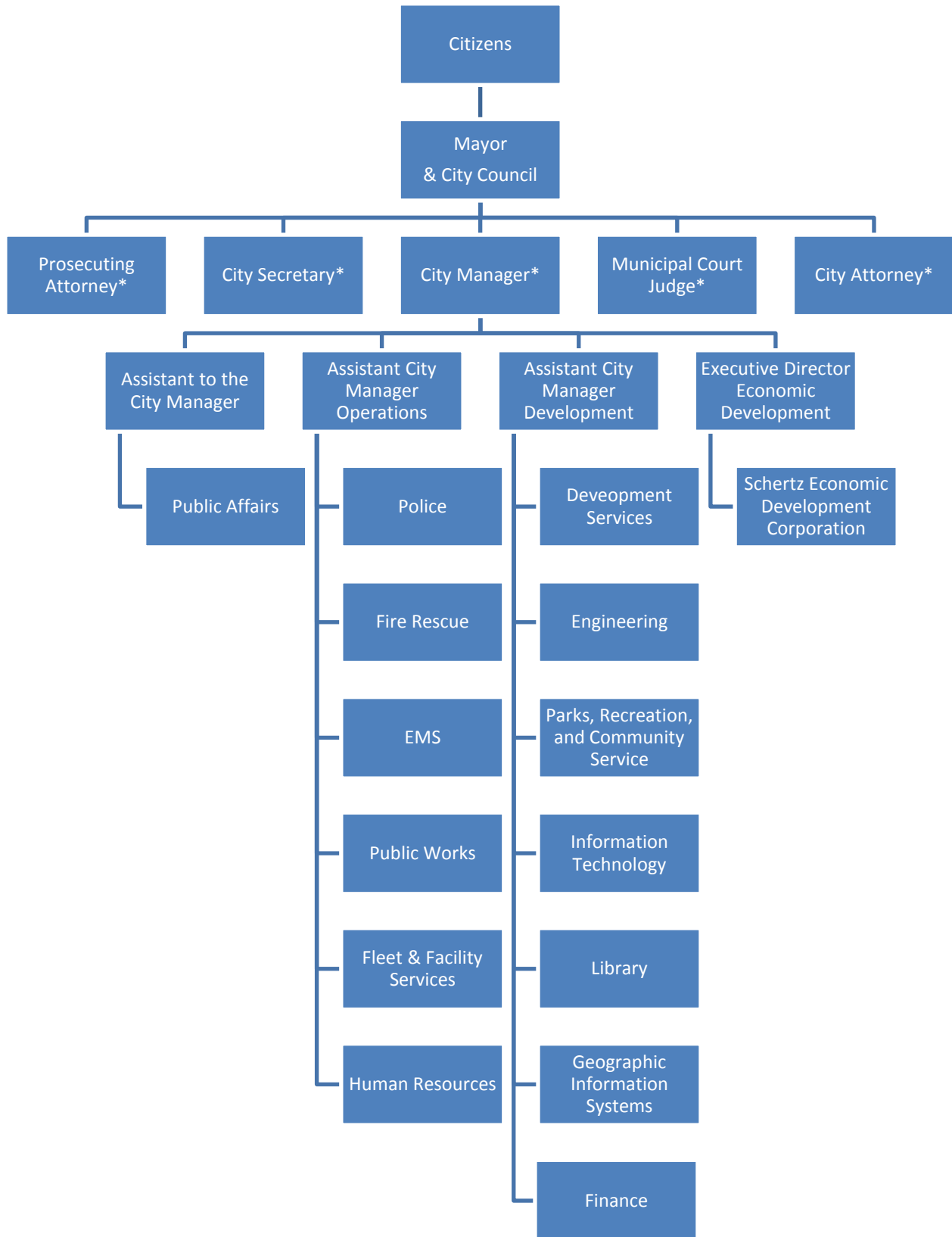
DIRECTOR OF FINANCE

JAMES WALTERS

CITY ATTORNEY

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

# CITY OF SCHERTZ ORGANIZATIONAL CHART FY 2020-21



\*Appointed by City Council



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Schertz  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

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, 2021, 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 11.2 percent and 12.9 percent, respectively, of the assets and net position of the Water and Sewer Fund, and 10.8 percent and 12.7 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.

## **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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the City of Schertz, Texas' fiscal year 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020 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 4, 2022, 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 4, 2022

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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 \$269,248,695 (net position). Of this amount, \$50,150,925 (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 \$25,855,719. The primary reason for this increase was an increase in capital contributions of approximately \$12 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 \$57,119,032, an increase of \$6,125,378 in comparison with the prior year. The primary cause of this increase was a increases in property and sales tax revenues that exceeded expenditure growth.

At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$13,257,017 which is 36.79% 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, deferred outflows, liabilities, and deferred inflows, with the difference between the former two and latter 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 fifteen 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, the capital projects fund, and the American Recovery Plan Act fund, all of which are considered to be major funds. Data from the other ten 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 two types of proprietary funds. 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. The City also maintains an internal service fund to account for internal charges for medical premiums.

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, as well as the internal service fund.

**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 \$269,248,695 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 spent. 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 (14%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$50,150,925, 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 67,416,673	\$ 62,199,597	\$ 56,132,860	\$ 54,664,167	\$ 123,549,533	\$ 116,863,764
Capital assets	<u>149,570,599</u>	<u>144,079,930</u>	<u>98,743,525</u>	<u>92,643,825</u>	<u>248,314,124</u>	<u>236,723,755</u>
Total assets	<u>216,987,272</u>	<u>206,279,527</u>	<u>154,876,385</u>	<u>147,307,992</u>	<u>371,863,657</u>	<u>353,587,519</u>
Deferred outflows of resources	<u>3,488,506</u>	<u>3,267,540</u>	<u>954,384</u>	<u>806,262</u>	<u>4,442,890</u>	<u>4,073,802</u>
Current liabilities	12,946,000	12,527,345	5,316,572	5,245,378	18,262,572	17,772,723
Long-term liabilities	<u>67,867,628</u>	<u>73,002,458</u>	<u>18,214,795</u>	<u>20,706,167</u>	<u>86,082,423</u>	<u>93,708,625</u>
Total liabilities	<u>80,813,628</u>	<u>85,529,803</u>	<u>23,531,367</u>	<u>25,951,545</u>	<u>104,344,995</u>	<u>111,481,348</u>
Deferred inflows of resources	<u>2,130,871</u>	<u>2,235,923</u>	<u>581,986</u>	<u>551,074</u>	<u>2,712,857</u>	<u>2,786,997</u>
Net position:						
Net investment in capital assets	98,444,714	88,959,102	83,941,882	75,969,319	182,386,596	164,928,421
Restricted	28,342,438	28,664,438	8,368,736	15,071,599	36,711,174	43,736,037
Unrestricted	<u>10,744,127</u>	<u>4,157,801</u>	<u>39,406,798</u>	<u>30,570,717</u>	<u>50,150,925</u>	<u>34,728,518</u>
Total net position	<u>\$ 137,531,279</u>	<u>\$ 121,781,341</u>	<u>\$ 131,717,416</u>	<u>\$ 121,611,635</u>	<u>\$ 269,248,695</u>	<u>\$ 243,392,976</u>

The government's net position increased by \$25,855,719 during the current fiscal year. The primary cause for the increase was increased revenues; the City recognized approximately \$12 million of capital contribution revenue related to dedicated infrastructure assets and also experienced sharp increases in property and sales taxes. These increases stem from the City's continued rapid population growth; continued new housing and business developments resulted in increased assessed value for property taxes and resulted in the creation of infrastructure that was dedicated to the City. The related population increases resulted in increased economic activity that increased sales tax revenues.

Additionally, expenses influenced the change in net position from the following notable factors:

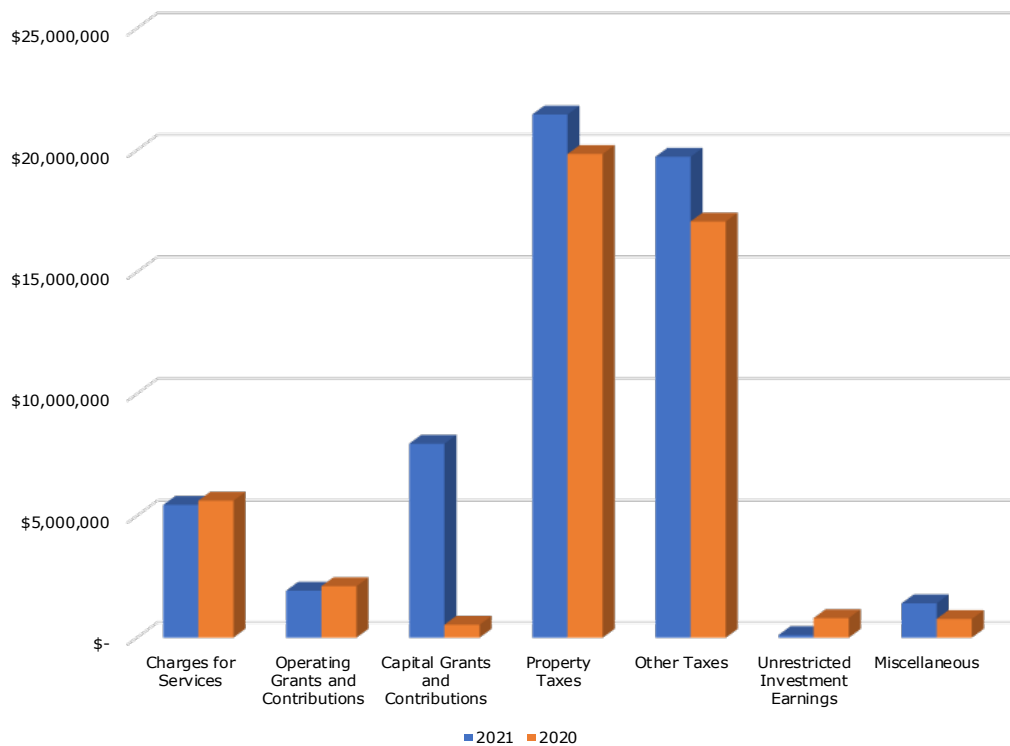
- General government expenses decreased compared to the prior year; in fiscal year 2020, Schertz EDC made a planned \$3.7 million incentive payment for developers meeting performance obligations.
- Public Safety expenses increased over \$2 million due to increases to police and fire salaries. In 2020, the City completed a comprehensive compensation study that resulted in significant pay raises to maintain competitive against market wages.
- Public works expenses decreased over \$3.5 million, primarily due to one-time project expenditures in the prior year that did not qualify as capital construction.

The following table indicates changes in net position for governmental and business-type activities followed by graphs displaying total revenues and expenses by type:

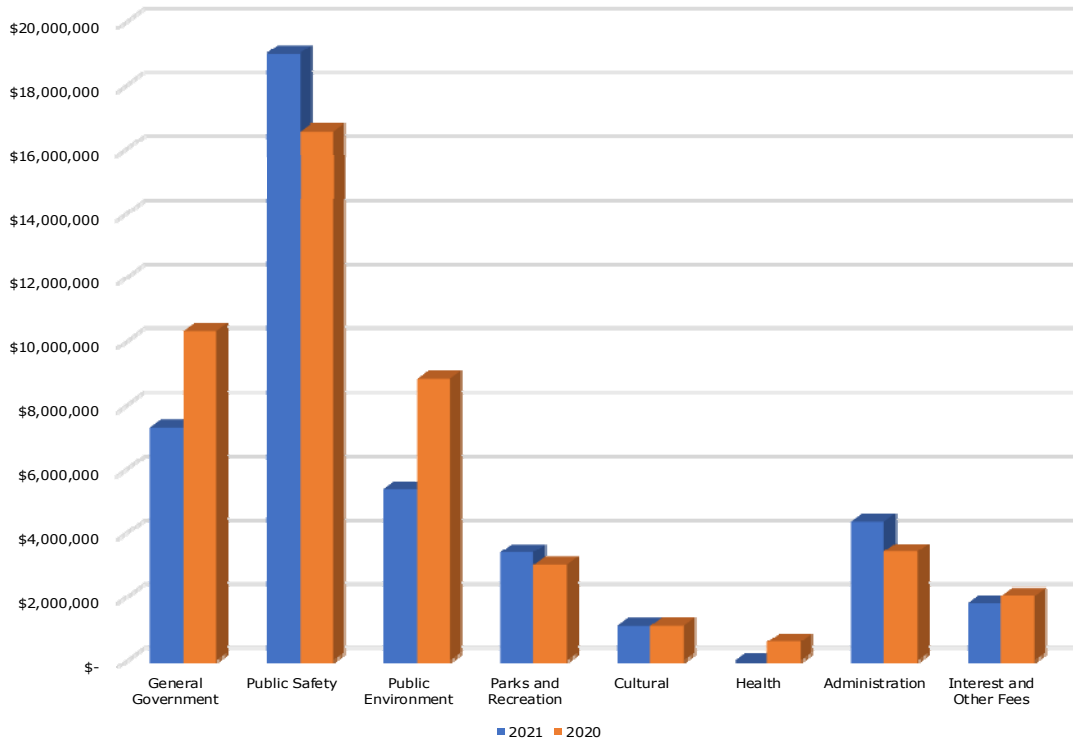
**City of Schertz's Changes in Net Position  
Government-Wide**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,448,546	\$ 5,619,998	\$ 35,433,956	\$ 35,824,170	\$ 40,882,502	\$ 41,444,168
Operating grants & contributions	1,925,939	2,113,673	-	-	1,925,939	2,113,673
Capital contributions	7,959,576	531,096	6,935,191	292,408	14,894,767	823,504
General revenues:						
Property taxes	21,463,804	19,844,912	-	-	21,463,804	19,844,912
Other taxes	19,731,490	17,076,462	-	-	19,731,490	17,076,462
Investment earnings	104,613	804,674	68,354	431,555	172,967	1,236,229
Miscellaneous	1,408,270	767,799	754,268	706,296	2,162,538	1,474,095
<b>Total revenues</b>	<b>58,042,238</b>	<b>46,758,614</b>	<b>43,191,769</b>	<b>37,254,429</b>	<b>101,234,007</b>	<b>84,013,043</b>
<b>Expenses:</b>						
General government	7,298,193	10,310,363	-	-	7,298,193	10,310,363
Public safety	19,008,871	16,575,191	-	-	19,008,871	16,575,191
Public environment	5,364,408	8,825,099	-	-	5,364,408	8,825,099
Parks and recreation	3,395,458	3,012,134	-	-	3,395,458	3,012,134
Cultural	1,087,975	1,089,564	-	-	1,087,975	1,089,564
Health	-	596,288	-	-	-	596,288
Administration	4,360,229	3,419,407	-	-	4,360,229	3,419,407
Interest and other fees	1,797,520	2,028,065	-	-	1,797,520	2,028,065
Water and sewer	-	-	25,280,964	24,349,219	25,280,964	24,349,219
EMS	-	-	7,784,670	6,051,296	7,784,670	6,051,296
<b>Total expenses</b>	<b>42,312,654</b>	<b>45,856,111</b>	<b>33,065,634</b>	<b>30,400,515</b>	<b>75,378,288</b>	<b>76,256,626</b>
Increase in net position before transfers	15,729,584	902,503	10,126,135	6,853,914	25,855,719	7,756,417
Transfers	20,354	-	(20,354)	-	-	-
Change in net position	15,749,938	902,503	10,105,781	6,853,914	25,855,719	7,756,417
Net position - beginning of year	121,781,341	120,878,838	121,611,635	114,757,721	243,392,976	235,636,559
Net position - end of year	\$ 137,531,279	\$ 121,781,341	\$ 131,717,416	\$ 121,611,635	\$ 269,248,695	\$ 243,392,976

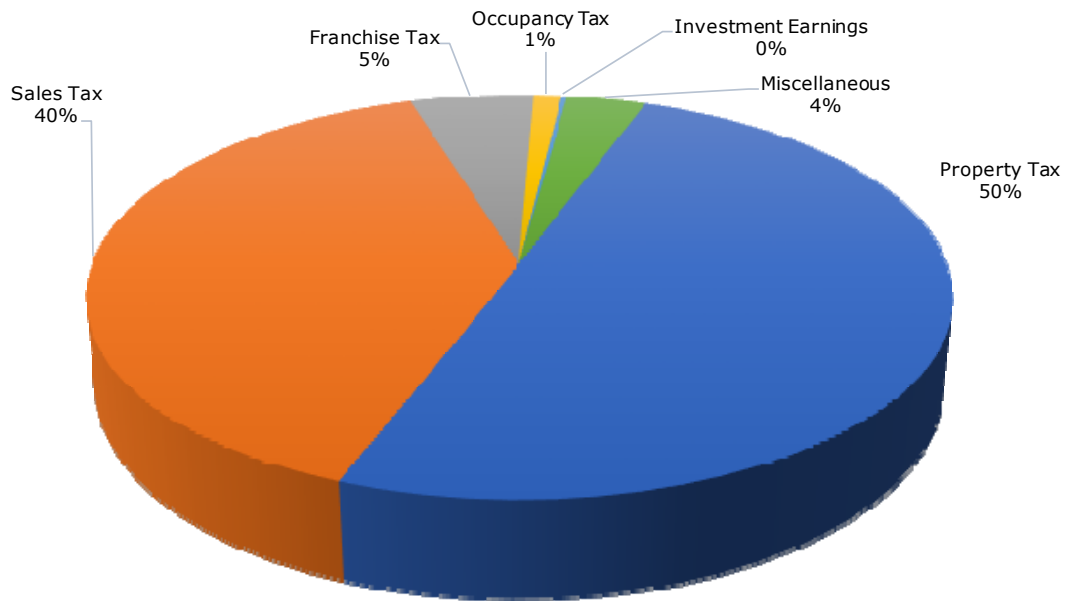
**TOTAL REVENUES – GOVERNMENT-WIDE**



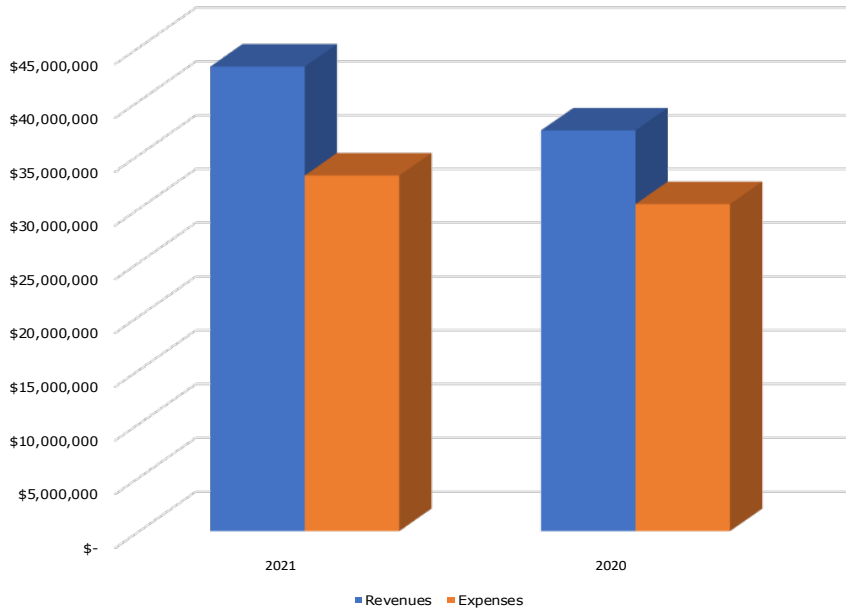
TOTAL EXPENSES – GOVERNMENT-WIDE



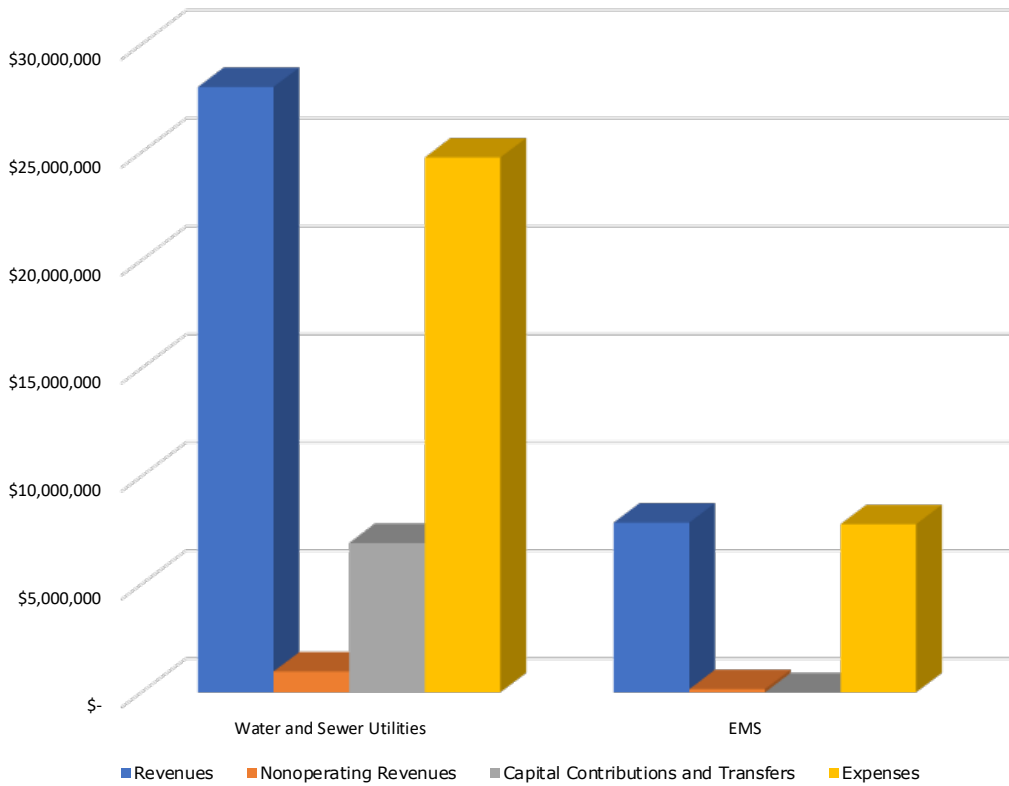
GENERAL REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



### 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 \$57,119,032. Of this total amount, \$11,080,576 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed, 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 \$11,755,619, while total fund balance was \$16,478,567, a decrease of \$490,411 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 36.79% of total general fund expenditures, not including capital outlay.

The debt service fund has a total fund balance of \$1,087,376, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$301,457. This increase was due to regular principal and interest payments on long-term debt being exceeded by 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 if tax revenues decrease.

The capital projects fund has a total fund balance of \$13,170,964, an increase of \$3,033,406. This was caused by the supplementation of revenue 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 \$21,806,231, which is an increase of \$787,605 compared to the prior year. The primary cause of this change was sales tax revenue growing faster than expenditures.

The American Rescue Plan Act Fund has a total fund balance of \$243, which consists of interest earned on the \$5,208,951 received from the first tranche of the Coronavirus Local Fiscal Recovery Fund grant program. The City had spent \$303,000 of this amount as of yearend, and the remaining \$4,905,708 is presented as unearned revenue until it is spent in accordance with the terms of the grant agreement in future years.

**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 \$38,332,979 and those for the Schertz EMS fund amounted to \$1,073,819, which are 155% and 14% of fund operating costs, respectively.

The water and sewer fund reported an increase in net position of \$10 million. Approximately half of this increase related to revenue recognized for contributed infrastructure assets; the remaining portion of the increase was from operating income, which was consistent with the prior year. Management's intent is to accumulate operating surplus to fund construction of new water and sewer infrastructure in future years with less reliance on bonded debt.

The Schertz EMS fund increased net position by \$77,921. Revenues and expenses both increased by approximately \$1.6 million compared to the prior year. Revenues increased due to increased number of ambulance runs caused by the the growth in the population of the EMS service area. Expenses increased primarily from increased salaries that resulted from the compensation study discussed previously.

## General Fund Budgetary Highlights

The general fund expenditures were \$1,738,423 less than the \$34,254,845 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 \$1,519,574 less than budgeted, primarily due to increased property and sales tax revenues that fell short of the budgeted amount. Overall, ending fund balance in the general fund was \$3,241,694 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, 2021, amounts to \$248,314,124 (net of accumulated depreciation), including several projects in progress from voter approved bonds.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 8,310,986	\$ 8,074,199	\$ 1,844,488	\$ 1,844,488	\$ 10,155,474	\$ 9,918,687
Water rights	-	-	70,245	70,245	70,245	70,245
Buildings and improvements	44,588,777	44,447,749	3,609,126	3,635,532	48,197,903	48,083,281
Machinery, equipment, and vehicles	14,833,547	14,552,416	6,214,967	5,976,040	21,048,514	20,528,456
Infrastructure	129,206,285	119,945,442	105,832,113	100,588,293	235,038,398	220,533,735
Construction in progress	26,695,151	24,826,910	19,942,794	17,266,273	46,637,945	42,093,183
Accumulated depreciation	( 74,064,147)	( 67,766,786)	( 38,770,208)	( 36,737,046)	( 112,834,355)	( 104,503,832)
TOTALS	\$ 149,570,599	\$ 144,079,930	\$ 98,743,525	\$ 92,643,825	\$ 248,314,124	\$ 236,723,755

Significant capital asset activity for the year included improvements to streets and infrastructure of \$9.2 million and various equipment and technology purchases of \$726,000, including \$344,000 of vehicles.

Additional information on the City's capital assets can be found in note II.F. 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 \$73,724,518. 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 40,390,000	\$ 44,620,000	\$ 2,895,000	\$ 3,685,000	\$ 43,285,000	\$ 48,305,000
Certificates of obligation	14,200,000	15,235,000	10,655,000	11,505,000	24,855,000	26,740,000
Tax notes and leases	291,535	362,134	475,121	282,468	766,656	644,602
Premium on bonds	2,502,146	2,170,381	772,802	828,781	3,274,948	2,999,162
Compensated absences	1,178,062	967,540	364,852	249,269	1,542,914	1,216,809
TOTALS	\$ 58,561,743	\$ 63,355,055	\$ 15,162,775	\$ 16,550,518	\$ 73,724,518	\$ 79,905,573

Total debt decreased compared to the prior year due to continued payment on existing debt without any additional new issuances. However, the City did issue refunding debt of \$7,555,000 in the current year to pay off existing bonds and reduce future debt service.

Additional information on the City's long-term debt can be found in note II.H. 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 decreased to \$13.2 million in a planned decrease of fund balance. The decrease was \$490,411 but was budgeted to be \$1 million in the original adopted budget. The City of Schertz has appropriated \$598,549 of this amount for spending in the 2022 fiscal year budget in accordance to the City's fund balance policy. The approved tax rate remained the same at \$0.5121 per \$100 of valuation.

The City has not seen lasting effects of the ongoing COVID-19 pandemic. The City's property tax revenues were not negatively affected, with rising property values and continued construction of new homes and business showing growth in the tax base instead. 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 54,740,108	\$ 9,456,846	\$ 64,196,954
Investments	4,720,194	1,163,351	5,883,545
Receivables, net of allowances:			
Taxes	4,112,464	-	4,112,464
Accounts and other	1,967,768	6,459,527	8,427,295
Accrued interest	-	6,324	6,324
Inventories	134,373	184,455	318,828
Prepays	29,080	2,311	31,391
Internal balances	( 16,139)	16,139	-
Restricted assets:			
Cash and cash equivalents	946,454	20,271,954	21,218,408
Investments	-	1,830,287	1,830,287
Service concession arrangement receivable:			
Due within one year	90,909	-	90,909
Due in more than one year	691,462	-	691,462
Investment in joint venture	-	16,741,666	16,741,666
Capital assets:			
Land	8,310,986	1,844,488	10,155,474
Water rights	-	70,245	70,245
Buildings and improvements	44,588,777	3,609,126	48,197,903
Equipment and vehicles	14,833,547	6,214,967	21,048,514
Infrastructure	129,206,285	105,832,113	235,038,398
Construction in progress	26,695,151	19,942,794	46,637,945
Accumulated depreciation	( 74,064,147)	( 38,770,208)	( 112,834,355)
Total Assets	<u>216,987,272</u>	<u>154,876,385</u>	<u>371,863,657</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on debt refunding	564,011	25,027	589,038
Deferred OPEB related outflows	622,588	194,848	817,436
Deferred pension related outflows	2,301,907	734,509	3,036,416
Total Deferred Outflows of Resources	<u>3,488,506</u>	<u>954,384</u>	<u>4,442,890</u>
<b>LIABILITIES</b>			
Accounts payable	1,141,700	2,356,880	3,498,580
Accrued liabilities	1,180,560	370,077	1,550,637
Retainage payable	154,437	28,747	183,184
Due to other governments	60,492	-	60,492
Unearned revenue	4,946,298	456,575	5,402,873
Accrued interest payable	286,255	60,113	346,368
Customer deposits	1,007	627,152	628,159

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

**CITY OF SCHERTZ, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES (continued)</b>			
Noncurrent liabilities:			
Due within one year:			
Compensated absences	\$ 235,612	\$ 72,971	\$ 308,583
Total OPEB liability	52,091	16,621	68,712
Service concession arrangement	55,241	-	55,241
Long-term debt	4,832,307	1,327,436	6,159,743
Due in more than one year:			
Compensated absences	942,450	291,881	1,234,331
Total OPEB liability	2,600,981	829,941	3,430,922
Net pension liability	11,352,654	3,622,486	14,975,140
Service concession arrangement	420,169	-	420,169
Long-term debt	52,551,374	13,470,487	66,021,861
Total Liabilities	<u>80,813,628</u>	<u>23,531,367</u>	<u>104,344,995</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement	306,961	-	306,961
Deferred OPEB related inflows	333,199	106,320	439,519
Deferred pension related inflows	1,490,711	475,666	1,966,377
Total Deferred Inflows of Resources	<u>2,130,871</u>	<u>581,986</u>	<u>2,712,857</u>
<b>NET POSITION</b>			
Net investment in capital assets	98,444,714	83,941,882	182,386,596
Restricted for:			
Police and municipal court	421,362	-	421,362
PEG capital fees	889,139	-	889,139
Tourism development	2,301,716	-	2,301,716
Economic development	21,806,474	-	21,806,474
Parks and tree mitigation	934,913	-	934,913
Debt service	934,899	-	934,899
Scholarships and other purposes	1,053,935	-	1,053,935
Construction	-	8,368,736	8,368,736
Unrestricted	<u>10,744,127</u>	<u>39,406,798</u>	<u>50,150,925</u>
Total Net Position	<u>\$ 137,531,279</u>	<u>\$ 131,717,416</u>	<u>\$ 269,248,695</u>

**CITY OF SCHERTZ, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,298,193	\$ 651,211	\$ 1,367,592	\$ -
Public safety	19,008,871	3,079,945	538,523	-
Public environment	5,364,408	902,712	-	7,959,576
Parks and recreation	3,395,458	528,886	-	-
Cultural	1,087,975	285,792	19,824	-
Administration	4,360,229	-	-	-
Interest	1,797,520	-	-	-
Total Governmental Activities	<u>42,312,654</u>	<u>5,448,546</u>	<u>1,925,939</u>	<u>7,959,576</u>
Business-type activities:				
Water and sewer	25,280,964	27,724,929	-	6,935,191
EMS	7,784,670	7,709,027	-	-
Total Business-Type Activities	<u>33,065,634</u>	<u>35,433,956</u>	<u>-</u>	<u>6,935,191</u>
Total Primary Government	<u>\$ 75,378,288</u>	<u>\$ 40,882,502</u>	<u>\$ 1,925,939</u>	<u>\$ 14,894,767</u>

General revenues:

  Taxes:

    Ad valorem

    Sales

    Franchise fees

    Hotel/motel

    Mixed drink

  Investment earnings

  Miscellaneous

Transfers

  Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$( 5,279,390)	\$ -	\$( 5,279,390)
( 15,390,403)	-	( 15,390,403)
3,497,880	-	3,497,880
( 2,866,572)	-	( 2,866,572)
( 782,359)	-	( 782,359)
( 4,360,229)	-	( 4,360,229)
( 1,797,520)	-	( 1,797,520)
( 26,978,593)	-	( 26,978,593)
-	9,379,156	9,379,156
-	( 75,643)	( 75,643)
-	9,303,513	9,303,513
( 26,978,593)	9,303,513	( 17,675,080)
21,463,804	-	21,463,804
16,838,731	-	16,838,731
2,305,108	-	2,305,108
518,921	-	518,921
68,730	-	68,730
104,613	68,354	172,967
1,408,270	754,268	2,162,538
20,354	( 20,354)	-
42,728,531	802,268	43,530,799
15,749,938	10,105,781	25,855,719
121,781,341	121,611,635	243,392,976
\$ 137,531,279	\$ 131,717,416	\$ 269,248,695

**CITY OF SCHERTZ, TEXAS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	General Fund	Capital Projects Fund	Debt Service Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,733,703	\$ 13,229,954	\$ 1,087,376
Investments	2,514,059	-	-
Receivables (net of allowances)			
Taxes	2,924,472	-	133,778
Accounts and other	1,636,735	258,142	-
Due from other funds	678,444	-	-
Inventory	134,373	-	-
Prepaid items	28,090	-	-
Restricted assets:			
Cash and cash equivalents	<u>946,454</u>	<u>-</u>	<u>-</u>
Total Assets	<u>20,596,330</u>	<u>13,488,096</u>	<u>1,221,154</u>
<b>LIABILITIES</b>			
Accounts payable	921,978	162,695	-
Accrued salaries and benefits	1,180,560	-	-
Retainage payable	-	154,437	-
Customer deposits	1,007	-	-
Due to other governments	60,492	-	-
Due to other funds	16,139	-	-
Unearned revenues	<u>40,589</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,220,765</u>	<u>317,132</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	<u>1,896,998</u>	<u>-</u>	<u>133,778</u>
Total Deferred Inflows of Resources	<u>1,896,998</u>	<u>-</u>	<u>133,778</u>
<b>FUND BALANCES</b>			
Nonspendable for:			
Inventory	134,373	-	-
Prepaid items	28,090	-	-
Restricted for:			
Police and public safety/municipal court	287,199	-	-
Municipal court	816,152	-	-
PEG capital fees	889,139	-	-
Capital improvement	-	5,185,166	-
Debt service	-	-	1,087,376
Tourism development	-	-	-
Parks and tree mitigation	-	-	-
Historical Committee and library	-	-	-
Economic development	-	-	-
Animal control	42,416	-	-
Scholarships	116,505	-	-
Committed for:			
Capital Projects	-	7,985,798	-
Civic Center/CIED	907,676	-	-
Assigned for:			
Property replacement	902,849	-	-
Subsequent year's budget	598,549	-	-
Unassigned	<u>11,755,619</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>16,478,567</u>	<u>13,170,964</u>	<u>1,087,376</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,596,330</u>	<u>\$ 13,488,096</u>	<u>\$ 1,221,154</u>

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

Economic Development Corporation	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 18,542,752	\$ 4,905,952	\$ 5,240,371	\$ 54,740,108
2,206,135	-	-	4,720,194
1,054,214	-	-	4,112,464
7,949	-	64,942	1,967,768
-	-	-	678,444
-	-	-	134,373
990	-	-	29,080
-	-	-	946,454
<u>21,812,040</u>	<u>4,905,952</u>	<u>5,305,313</u>	<u>67,328,885</u>
5,809	-	51,218	1,141,700
-	-	-	1,180,560
-	-	-	154,437
-	-	-	1,007
-	-	-	60,492
-	-	678,444	694,583
-	4,905,709	-	4,946,298
<u>5,809</u>	<u>4,905,709</u>	<u>729,662</u>	<u>8,179,077</u>
-	-	-	2,030,776
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,030,776</u>
-	-	-	134,373
-	-	-	28,090
-	-	134,163	421,362
-	-	-	816,152
-	-	-	889,139
-	-	1,801,040	6,986,206
-	-	-	1,087,376
-	-	2,301,716	2,301,716
-	-	934,913	934,913
-	-	78,862	78,862
21,806,231	243	-	21,806,474
-	-	-	42,416
-	-	-	116,505
-	-	-	7,985,798
-	-	-	907,676
-	-	-	902,849
-	-	-	598,549
-	-	( 675,043)	11,080,576
<u>21,806,231</u>	<u>243</u>	<u>4,575,651</u>	<u>57,119,032</u>
\$ <u>21,812,040</u>	\$ <u>4,905,952</u>	\$ <u>5,305,313</u>	\$ <u>67,328,885</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, 2021

Total Fund Balances - Governmental Funds	\$	57,119,032
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.		149,570,599
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.	(	56,059,597)
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.	(	286,255)
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	(	2,502,146)
Deferred loss		564,011
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.		2,030,776
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	(	11,352,654)
Deferred outflows related to pensions		2,301,907
Deferred inflows related to pensions	(	1,490,711)
Total OPEB liability	(	2,653,072)
Deferred outflows related to OPEB		622,588
Deferred inflows related to OPEB	(	<u>333,199)</u>
Net Position of Governmental Activities	\$	<u>137,531,279</u>

**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Capital Projects Fund	Debt Service Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Taxes	\$ 27,913,222	\$ -	\$ 7,102,016
Permits and fees	1,593,382	-	-
Service fees	1,628,589	-	-
Fines and fees	637,638	-	-
Intergovernmental	1,623,282	724,993	-
Investment earnings	29,147	12,333	1,593
Miscellaneous	781,333	501,922	125,000
Total Revenues	<u>34,206,593</u>	<u>1,239,248</u>	<u>7,228,609</u>
<b>EXPENDITURES</b>			
Current:			
General government	6,008,482	-	-
Public safety	17,166,400	-	-
Public environment	1,382,185	-	-
Parks and recreation	2,494,684	-	-
Cultural	1,040,276	-	-
Administration	3,858,317	-	-
Capital outlay	566,078	4,582,289	-
Debt service:			
Principal	-	-	4,955,000
Interest and fiscal charges	-	-	1,801,467
Bond issue costs	-	-	140,140
Total Expenditures	<u>32,516,422</u>	<u>4,582,289</u>	<u>6,896,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,690,171</u>	<u>( 3,343,041)</u>	<u>332,002</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of refunding debt	-	-	7,555,000
Premium on refunding debt	-	-	629,992
Payment to refunding escrow agent	-	-	( 8,223,452)
Issuance of capital lease	136,535	-	-
Transfers in	-	6,384,362	7,915
Transfers out	<u>( 2,317,117)</u>	<u>( 7,915)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>( 2,180,582)</u>	<u>6,376,447</u>	<u>( 30,545)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 490,411)</u>	<u>3,033,406</u>	<u>301,457</u>
<b>FUND BALANCES - BEGINNING</b>	<u>16,968,978</u>	<u>10,137,558</u>	<u>785,919</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 16,478,567</u>	<u>\$ 13,170,964</u>	<u>\$ 1,087,376</u>

Economic Development Corporation	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,615,928	\$ -	\$ 518,921	\$ 41,150,087
-	-	219,513	1,812,895
-	-	912,406	2,540,995
-	-	5,844	643,482
-	303,000	1,931,599	4,582,874
56,144	243	5,153	104,613
-	-	15	1,408,270
<u>5,672,072</u>	<u>303,243</u>	<u>3,593,451</u>	<u>52,243,216</u>
306,025	-	266,408	6,580,915
-	303,000	638,018	18,107,418
-	-	-	1,382,185
-	-	39,995	2,534,679
-	-	19,708	1,059,984
528,442	-	72,464	4,459,223
-	-	66,889	5,215,256
-	-	-	4,955,000
-	-	-	1,801,467
-	-	-	140,140
<u>834,467</u>	<u>303,000</u>	<u>1,103,482</u>	<u>46,236,267</u>
<u>4,837,605</u>	<u>243</u>	<u>2,489,969</u>	<u>6,006,949</u>
-	-	-	7,555,000
-	-	-	629,992
-	-	-	( 8,223,452)
-	-	-	136,535
-	-	3,109	6,395,386
( 4,050,000)	-	-	( 6,375,032)
( 4,050,000)	-	3,109	118,429
787,605	243	2,493,078	6,125,378
21,018,626	-	2,082,573	50,993,654
<u>\$ 21,806,231</u>	<u>\$ 243</u>	<u>\$ 4,575,651</u>	<u>\$ 57,119,032</u>

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**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, 2021

Net Changes in Fund Balances - Governmental Funds		\$ 6,125,378
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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.</p>		
Capital outlay		12,233,480
Depreciation expense	(	6,716,836)
<p>The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, or donations) is to decrease net position.</p>		
	(	25,975)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Grants	(	1,526,256)
Property taxes		45,488
Court fines		45,207
<p>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.</p>		
Issuance of long-term debt	(	8,321,527)
Payment to escrow agent		8,223,452
Repayment of principal of long-term debt		5,173,199
Amortization of loss on refunding	(	99,045)
<p>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.</p>		
Compensated Absences	(	210,522)
Net pension liability		887,699
Total OPEB liability	(	125,871)
<p>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.</p>		
		42,067
Change in Net Position of Governmental Activities		\$ 15,749,938

**CITY OF SCHERTZ, TEXAS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise Fund	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 8,197,023	\$ 1,259,823	\$ 9,456,846	\$ -
Investments	1,163,351	-	1,163,351	-
Accounts receivable, net of allowance:				
Customer accounts	3,273,755	3,185,772	6,459,527	-
Due from other funds	-	16,139	16,139	-
Accrued interest	6,324	-	6,324	-
Inventory	82,883	101,572	184,455	-
Prepays	-	2,311	2,311	-
Total Current Assets	<u>12,723,336</u>	<u>4,565,617</u>	<u>17,288,953</u>	<u>-</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	20,271,954	-	20,271,954	-
Investments	1,830,287	-	1,830,287	-
Investment in joint ventures	16,741,666	-	16,741,666	-
Capital assets:				
Land	1,844,488	-	1,844,488	-
Water rights	70,245	-	70,245	-
Buildings and improvements	3,609,126	-	3,609,126	-
Machinery, equipment, and vehicles	3,282,108	2,932,859	6,214,967	-
Infrastructure	105,832,113	-	105,832,113	-
Construction in progress	19,942,794	-	19,942,794	-
Less: accumulated depreciation	( 36,963,688)	( 1,806,520)	( 38,770,208)	-
Total Noncurrent Assets	<u>136,461,093</u>	<u>1,126,339</u>	<u>137,587,432</u>	<u>-</u>
Total Assets	<u>149,184,429</u>	<u>5,691,956</u>	<u>154,876,385</u>	<u>-</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	25,027	-	25,027	-
Deferred OPEB related outflows	62,568	132,280	194,848	-
Deferred pension related outflows	227,731	506,778	734,509	-
Total Deferred Outflows of Resources	<u>315,326</u>	<u>639,058</u>	<u>954,384</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, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise Fund	Internal Service Fund
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 2,223,567	\$ 133,313	\$ 2,356,880	\$ -
Accrued liabilities	100,403	269,674	370,077	-
Retainage payable	28,747	-	28,747	-
Customer deposits	627,152	-	627,152	-
Accrued interest	57,968	2,145	60,113	-
Unearned revenue	455,463	1,112	456,575	-
Current portion of long-term liabilities:				
Compensated absences	25,045	47,926	72,971	-
Total OPEB liability	5,153	11,468	16,621	-
Long-term debt	<u>1,065,000</u>	<u>262,436</u>	<u>1,327,436</u>	<u>-</u>
Total Current Liabilities	<u>4,588,498</u>	<u>728,074</u>	<u>5,316,572</u>	<u>-</u>
Noncurrent liabilities:				
Compensated absences	100,178	191,703	291,881	-
Total OPEB liability	257,320	572,621	829,941	-
Net pension liability	1,123,136	2,499,350	3,622,486	-
Long-term debt	<u>13,138,922</u>	<u>331,565</u>	<u>13,470,487</u>	<u>-</u>
Total Noncurrent Liabilities	<u>14,619,556</u>	<u>3,595,239</u>	<u>18,214,795</u>	<u>-</u>
Total Liabilities	<u>19,208,054</u>	<u>4,323,313</u>	<u>23,531,367</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred OPEB related inflows	32,964	73,356	106,320	-
Deferred pension related inflows	<u>147,478</u>	<u>328,188</u>	<u>475,666</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>180,442</u>	<u>401,544</u>	<u>581,986</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	83,409,544	532,338	83,941,882	-
Restricted for construction	8,368,736	-	8,368,736	-
Unrestricted	<u>38,332,979</u>	<u>1,073,819</u>	<u>39,406,798</u>	<u>-</u>
Total Net Position	<u>\$ 130,111,259</u>	<u>\$ 1,606,157</u>	<u>\$ 131,717,416</u>	<u>\$ -</u>

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**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise Funds	Internal Service Fund
<b>OPERATING REVENUES</b>				
Fees charged to users	\$ 27,245,602	\$ 7,709,027	\$ 34,954,629	\$ -
Charges for premiums	-	-	-	3,916,301
Other charges	182,414	-	182,414	-
Miscellaneous	602,598	151,670	754,268	-
Total Operating Revenues	<u>28,030,614</u>	<u>7,860,697</u>	<u>35,891,311</u>	<u>3,916,301</u>
<b>OPERATING EXPENSES</b>				
Personnel services	2,432,081	5,552,786	7,984,867	3,916,301
General and administrative	3,280,186	737,866	4,018,052	-
Contractual services	15,987,246	721,572	16,708,818	-
Supplies and maintenance	531,733	486,102	1,017,835	-
Depreciation	2,534,305	286,344	2,820,649	-
Total Operating Costs	<u>24,765,551</u>	<u>7,784,670</u>	<u>32,550,221</u>	<u>3,916,301</u>
Operating Income (Loss)	<u>3,265,063</u>	<u>76,027</u>	<u>3,341,090</u>	<u>-</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment revenue	66,906	1,448	68,354	-
Lease revenue	296,913	-	296,913	-
Interest expense	( 515,413)	-	( 515,413)	-
Total Non-Operating Revenues (Expenses)	<u>( 151,594)</u>	<u>1,448</u>	<u>( 150,146)</u>	<u>-</u>
Income before contributions and transfers	3,113,469	77,475	3,190,944	-
Transfers out	( 20,354)	-	( 20,354)	-
Capital contributions - impact fees	1,691,371	-	1,691,371	-
Capital contributions - dedicated assets	5,243,820	-	5,243,820	-
<b>CHANGE IN NET POSITION</b>	<u>10,028,306</u>	<u>77,475</u>	<u>10,105,781</u>	<u>-</u>
<b>NET POSITION - BEGINNING</b>	<u>120,082,953</u>	<u>1,528,682</u>	<u>121,611,635</u>	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 130,111,259</u>	<u>\$ 1,606,157</u>	<u>\$ 131,717,416</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, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 28,887,299	\$ 7,161,623	\$ 36,048,922	\$ -
Cash received from interfund services	-	-	-	3,916,301
Cash paid to employees for services	( 2,731,693)	( 5,213,104)	( 7,944,797)	( 3,916,301)
Cash paid to suppliers for goods and services	( 23,703,472)	( 1,587,773)	( 25,291,245)	-
Net Cash Provided By Operating Activities	<u>2,452,134</u>	<u>360,746</u>	<u>2,812,880</u>	<u>-</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	( 20,354)	-	( 20,354)	-
Net Cash Used in Non-Capital Financing Activities	<u>( 20,354)</u>	<u>-</u>	<u>( 20,354)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	( 2,956,008)	( 319,398)	( 3,275,406)	-
Capital contributions - impact fees	1,691,371	-	1,691,371	-
Interest paid on long-term debt	( 701,796)	( 3,880)	( 705,676)	-
Principal paid on long-term debt	( 1,530,000)	( 176,953)	( 1,706,953)	-
Net Cash Used in Capital and Related Financing Activities	<u>( 3,496,433)</u>	<u>( 500,231)</u>	<u>( 3,996,664)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale (purchase) of investments	( 22,071)	-	( 22,071)	-
Payments from leases	296,913	-	296,913	-
Interest and investment earnings	<u>66,906</u>	<u>1,448</u>	<u>68,354</u>	<u>-</u>
Net Cash Provided By (Used in) Investing Activities	<u>341,748</u>	<u>1,448</u>	<u>343,196</u>	<u>-</u>
Net (Decrease) Increase in Cash and Cash Equivalents	( 722,905)	( 138,037)	( 860,942)	-
Cash and cash equivalents at beginning 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>
	29,191,882	1,397,860	30,589,742	-
Cash and cash equivalents at end of year				
Cash and cash equivalents	8,197,023	1,259,823	9,456,846	-
Restricted cash and cash equivalents	<u>20,271,954</u>	<u>-</u>	<u>20,271,954</u>	<u>-</u>
	<u>\$ 28,468,977</u>	<u>\$ 1,259,823</u>	<u>\$ 29,728,800</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, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer System	Schertz EMS	Total Enterprise	Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</b>				
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 3,265,063	\$ 76,027	\$ 3,341,090	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,534,305	286,344	2,820,649	-
Change in investment in joint venture	( 2,438,628)	-	( 2,438,628)	-
Decrease (increase) in accounts receivable	778,999	( 700,162)	78,837	-
Decrease (increase) in inventory	29,834	22,393	52,227	-
Increase (decrease) in deferred pension outflows	7,891	( 110,010)	( 102,119)	-
Increase (decrease) in deferred OPEB outflows	14,419	( 76,138)	( 61,719)	-
Increase (decrease) in accounts payable	( 1,495,513)	335,374	( 1,160,139)	-
Increase (decrease) in accrued liabilities	( 44,993)	( 210,993)	( 255,986)	-
Increase (decrease) in customer deposits	66,961	-	66,961	-
Increase (decrease) in unearned revenue	10,725	1,088	11,813	-
Increase (decrease) in compensated absences	( 806)	85,420	84,614	-
Increase (decrease) in net pension liability	( 177,144)	336,370	159,226	-
Increase (decrease) in deferred OPEB inflows	( 22,979)	17,549	( 5,430)	-
Increase (decrease) in deferred pension inflows	14,358	21,984	36,342	-
Increase (decrease) in total OPEB liability	( 90,358)	275,500	185,142	-
Net cash provided by operating activities	<u>\$ 2,452,134</u>	<u>\$ 360,746</u>	<u>\$ 2,812,880</u>	<u>\$ -</u>
<b>SCHEDULE OF NON-CASH CAPITAL ACTIVITIES</b>				
Issuance of capital lease	\$ -	\$ 409,606	\$ 409,606	\$ -
Developer contributions of capital assets	5,243,820	-	5,243,820	-
Total non-cash capital activities	<u>\$ 5,243,820</u>	<u>\$ 409,606</u>	<u>\$ 5,653,426</u>	<u>\$ -</u>

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## CITY OF SCHERTZ, TEXAS

### NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

#### 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 American Rescue Plan Act Fund** records revenue and expenditures related to the City's COVID-19 funding from the American Rescue Plan Act.

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”. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**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.

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. Deficit Equity**

At September 30, 2021, the City has a deficit unassigned fund balance of \$681,330 in the Grant Fund. This deficit is due to timing differences between expenditures and reimbursements of grant funds.

**S. Budgetary Information**

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

**T. Reclassifications**

Certain reclassifications have been made in the presentation of the September 30, 2021 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, 2021, the City had the following cash, cash equivalents and investments:

	<u>Reported Value</u>	<u>Weighted Average Maturity (days)</u>
Investment type:		
LOGIC	\$ 19,151,617	55
Lone Star Investment Pool	26,991,728	46
Texas CLASS	29,362,606	53
Certificates of Deposit	4,416,598	118
U.S. Agency Securities	<u>3,269,952</u>	404
Subtotal	83,192,501	
Plus: depository and petty cash	<u>9,936,693</u>	
Total cash and investments	<u>\$ 93,129,194</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, 2021, 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, 2021, 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, 2021, 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, 2020, upon which the fiscal year 2021 levy was based, was \$4,070,815,340 (i.e., market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt for the year ended September 30, 2021, was \$0.5121 per \$100 of assessed value, which means that the City has a tax margin of \$1.9879 for each \$100 value and could increase its annual tax levy by approximately \$80,923,738 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, 2021 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	Capital Projects	Economic Development	Debt Service	Nonmajor Funds	Water and Sewer Fund	Schertz EMS
Receivables:							
Property taxes	\$ 290,523	\$ -	\$ -	\$ 142,317	\$ -	\$ -	\$ -
Sales tax	2,108,428	-	1,054,213	-	-	-	-
Occupancy taxes	-	-	-	-	64,942	-	-
Franchise taxes	521,521	-	-	-	-	-	-
Customers	-	-	-	-	-	3,306,756	7,081,986
Court fines	3,989,942	-	-	-	-	-	-
Grants	-	258,142	-	-	-	-	-
Other	41,394	-	7,949	-	-	-	-
Gross receivables	6,951,808	258,142	1,062,162	142,317	64,942	3,306,756	7,081,986
Less: allowance for uncollectible accounts	( 2,390,601)	-	-	( 8,539)	-	( 33,001)	( 3,896,214)
Net receivables	\$ 4,561,207	\$ 258,142	\$ 1,062,162	\$ 133,778	\$ 64,942	\$ 3,273,755	\$ 3,185,772

### 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:

	Unavailable
General Fund	
Delinquent property taxes receivable	\$ 273,092
Court fines	1,623,906
Total General Fund	1,896,998
Debt Service Fund	
Delinquent property taxes receivable	133,778
Total Debt Service Fund	133,778
Total Governmental Funds	\$ 2,030,776

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	\$ 564,011	\$ 25,027	\$ -	\$ 589,038
Related to pensions	2,301,907	227,731	506,778	3,036,416
Related to OPEB - SDBF	243,287	24,069	53,561	320,917
Related to OPEB - Retiree Health Plan	379,301	38,499	78,719	496,519
Total deferred outflow	\$ 3,488,506	\$ 315,326	\$ 639,058	\$ 4,442,890
Deferred inflows:				
Service concession arrangement	\$ 306,961	\$ -	\$ -	306,961
Related to pensions	1,490,711	147,478	328,188	1,966,377
Related to OPEB - SDBF	83,693	8,280	18,426	110,399
Related to OPEB - Retiree Health plan	249,506	24,684	54,930	329,120
Total deferred inflow	\$ 2,130,871	\$ 180,442	\$ 401,544	\$ 2,712,857

## E. Interfund Balances and Transfers

The composition of interfund balances as of September 30, 2021 is as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Purpose</u>
EMS	General	\$ 16,139	Short-term pool cash loan
General	Nonmajor Governmental	678,444	Short-term pool cash loan

The following schedule briefly summarizes the City's transfer activity for the year ending September 30, 2021:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor governmental	\$ 3,109	Supplement funds sources
General	Capital Projects	2,314,008	Funding for various capital projects
Capital Projects	Debt Service	7,915	Supplement funds sources
EDC	Capital Projects	4,050,000	Funding for various capital projects
Water and Sewer System	Capital Projects	20,354	Funding for various capital projects

## F. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,074,199	\$ 236,787	\$ -	\$ 8,310,986
Construction in progress	<u>24,826,910</u>	<u>4,024,285</u>	<u>( 2,156,044)</u>	<u>26,695,151</u>
Total capital assets not being depreciated	<u>32,901,109</u>	<u>4,261,072</u>	<u>( 2,156,044)</u>	<u>35,006,137</u>
Capital assets being depreciated:				
Buildings and improvements	44,447,749	141,028	-	44,588,777
Machinery, equipment, and vehicles	14,552,416	726,581	( 445,450)	14,833,547
Street and infrastructure	<u>119,945,442</u>	<u>7,104,799</u>	<u>2,156,044</u>	<u>129,206,285</u>
Total assets being depreciated	<u>178,945,607</u>	<u>7,972,408</u>	<u>1,710,594</u>	<u>188,628,609</u>
Less accumulated depreciation for:				
Buildings and improvements	( 16,823,636)	( 1,624,881)	-	( 18,448,517)
Machinery, equipment, and vehicles	( 7,430,818)	( 1,180,477)	445,450	( 8,165,845)
Street and infrastructure	<u>( 43,512,332)</u>	<u>( 3,937,453)</u>	<u>-</u>	<u>( 47,449,785)</u>
Total accumulated depreciation	<u>( 67,766,786)</u>	<u>( 6,742,811)</u>	<u>445,450</u>	<u>( 74,064,147)</u>
Total capital assets being depreciated, net	<u>111,178,821</u>	<u>1,229,597</u>	<u>2,156,044</u>	<u>114,564,462</u>
Governmental activities capital assets, net	\$ <u>144,079,930</u>	\$ <u>5,490,669</u>	\$ <u>-</u>	\$ <u>149,570,599</u>

	Beginning Balance	Additions	Reclassifications/ Retirements	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,844,488	\$ -	\$ -	\$ 1,844,488
Water rights	70,245	-	-	70,245
Construction in progress	<u>17,266,273</u>	<u>2,773,773</u>	<u>( 97,252)</u>	<u>19,942,794</u>
Total capital assets, not being depreciated	<u>19,181,006</u>	<u>2,773,773</u>	<u>( 97,252)</u>	<u>21,857,527</u>
Capital assets being depreciated:				
Buildings and improvements	3,635,532	-	( 26,406)	3,609,126
Machinery, equipment, and vehicles	5,976,040	1,062,704	( 823,778)	6,214,966
Infrastructure	<u>100,588,293</u>	<u>5,243,820</u>	<u>-</u>	<u>105,832,113</u>
Total assets being depreciated	<u>110,199,865</u>	<u>6,306,524</u>	<u>( 850,184)</u>	<u>115,656,205</u>
Less accumulated depreciation for:				
Buildings and improvements	( 968,711)	( 152,395)	-	( 1,121,106)
Machinery, equipment, and vehicles	( 5,758,894)	( 572,191)	787,488	( 5,543,597)
Infrastructure	<u>( 30,009,441)</u>	<u>( 2,096,063)</u>	<u>-</u>	<u>( 32,105,504)</u>
Total accumulated depreciation	<u>( 36,737,046)</u>	<u>( 2,820,649)</u>	<u>787,488</u>	<u>( 38,770,207)</u>
Total capital assets being depreciated, net	<u>73,462,819</u>	<u>3,485,875</u>	<u>( 62,696)</u>	<u>76,885,998</u>
Business-type activities capital assets, net	<u>\$ 92,643,825</u>	<u>\$ 6,259,648</u>	<u>\$ ( 159,948)</u>	<u>\$ 98,743,525</u>

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

<b>Governmental activities:</b>	
General government	\$ 702,442
Public safety	1,108,487
Public environment	3,995,466
Parks and recreation	886,986
Cultural	42,377
Administration	<u>7,053</u>
Total	<u>\$ 6,742,811</u>
<b>Business-type activities:</b>	
Water and sewer system	\$ 2,534,305
EMS	<u>286,344</u>
Total	<u>\$ 2,820,649</u>
Total Depreciation	<u>\$ 9,563,460</u>

## 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
2022	\$ 250,687
2023	263,221
2024	276,382
2025	290,201
2026	304,711
2027-2028	<u>655,891</u>
	<u>\$ 2,041,093</u>

## H. Long-Term Debt

Changes in long-term debt for the year ending September 30, 2021 are as follows:

	Beginning Balance	Issued	Refunded/ Retired	Ending Balance	Amount Due Within One Year
<b>Governmental activities:</b>					
General Obligation Bonds	\$ 34,615,000	\$ 7,555,000	\$ ( 8,400,000)	\$ 33,770,000	\$ 2,655,000
Certificates of Obligation	15,235,000	-	( 1,035,000)	14,200,000	1,070,000
General Obligation Bonds- Private Placement	10,005,000	-	( 3,385,000)	6,620,000	925,000
Tax Notes- Private Placement	345,000	-	( 190,000)	155,000	155,000
Premium from Debt	2,170,381	629,992	( 298,227)	2,502,146	-
Capital Lease	17,134	136,535	( 17,134)	136,535	27,307
Compensated Absences	967,540	597,538	( 387,016)	1,178,062	235,612
<b>Total governmental</b>	<u>\$ 63,355,055</u>	<u>\$ 8,919,065</u>	<u>\$ ( 13,712,377)</u>	<u>\$ 58,561,743</u>	<u>\$ 5,067,919</u>
<b>Business-type activities:</b>					
General Obligation Bonds	\$ 2,645,000	\$ -	\$ ( 590,000)	\$ 2,055,000	\$ 370,000
Certificates of Obligation	11,505,000	-	( 850,000)	10,655,000	605,000
General Obligation Bonds- Private Placement	1,040,000	-	( 200,000)	840,000	205,000
Tax Notes- Private Placement	150,000	-	( 150,000)	-	-
Unamortized Premium	828,781	-	( 55,979)	772,802	-
Capital Lease	132,468	409,606	( 66,953)	475,121	147,436
Compensated Absences	249,269	215,291	( 99,708)	364,852	72,971
<b>Total business-type</b>	<u>\$ 16,550,518</u>	<u>\$ 624,897</u>	<u>\$ ( 2,012,640)</u>	<u>\$ 15,162,775</u>	<u>\$ 1,400,407</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 \$37.5 million and sales tax revenue was \$16.8 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.

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% to 4.00% and will mature in February 2036. These bonds refunded the General Obligation Refunding Bonds, Series 2011 to provide net present value savings of \$1,777,441, including the City's cash contribution of \$174,800. The bonds are secured by the City's ad valorem tax revenue.

### **Prior Year Refunding of Debt**

The City defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable trusts to provide for all future debt service payments. Accordingly, the respective trust accounts and liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2021, the City does not have bonds considered defeased and outstanding.

A summary of the terms of long-term debt outstanding at September 30, 2021, is as follows:

	Issue Amount	Maturity	Rate	Balance
<b>Governmental Activities</b>				
<b>General Obligation Bonds</b>				
2012 Series	\$ 7,625,000	2032	2.00%	4,720,000
2014 Series, Refunding	8,450,000	2030	2.0% - 4.0%	7,800,000
2015 Series, Refunding	4,185,000	2031	2.0% - 3.25%	1,140,000
2016 Series	5,880,000	2036	2.0% - 4.0%	4,595,000
2017 Series	3,935,000	2037	2.0% - 4.0%	3,335,000
2018 Series, Refunding	5,830,000	2033	3.125% - 5%	4,625,000
2020 Series, Refunding	7,555,000	2036	1.5% - 4%	7,555,000
<b>Private Placement obligations</b>				
2007 Series GO	6,000,000	2027	4.07%	2,265,000
2018 Series GO Refunding	6,035,000	2028	2.12%	4,355,000
2015A Tax Notes	1,020,000	2023	1.54%	155,000
<b>Certificates of Obligation</b>				
2016 Series A	2,375,000	2036	2.0% - 4.0%	1,495,000
2016 Series B	1,475,000	2036	3.0% - 3.75%	1,190,000
2017 Series	4,935,000	2037	3.0% - 3.75%	3,825,000
2018 Series	4,845,000	2038	3.0% - 5.0%	4,180,000
2019 Series	4,015,000	2039	2.5% - 5%	3,510,000
<b>Total Governmental Long-Term Obligations</b>				<b>\$ 54,745,000</b>

	Issue Amount	Maturity	Rate	Balance
<b>Business-type Activities</b>				
<b>General Obligation Bonds</b>				
2018 Series, Refunding	2,740,000	2026	3.125% - 5%	\$ 2,055,000
<b>Certificates of Obligation</b>				
2013 Series	4,965,000	2033	2.0% - 4.0%	2,275,000
2017 Series	540,000	2022	3.0% - 3.75%	115,000
2018 Series	5,595,000	2028	3.0% - 5.0%	5,040,000
2019 Series	3,480,000	2039	2.5% - 5%	3,225,000
<b>Private Placement obligations</b>				
2013 Series GO Refunding	2,130,000	2025	2.58%	840,000
<b>Total Business-Type Long-Term Obligations</b>				<b>\$ 13,550,000</b>

Annual future debt service requirements of bonded debt as of September 30, 2021, are as follows:

*Governmental activities:*

Year Ended September 30,	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,655,000	\$ 1,341,539	\$ 3,996,539	\$ 1,070,000	\$ 472,219	\$ 1,542,219
2023	2,750,000	1,046,890	3,796,890	1,120,000	432,319	1,552,319
2024	2,850,000	970,158	3,820,158	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	2,340,000	808,430	3,148,430	825,000	319,094	1,144,094
2027-2031	14,020,000	2,619,068	16,639,068	3,630,000	1,201,041	4,831,041
2032-2036	6,645,000	597,699	7,242,699	4,245,000	575,234	4,820,234
2037-2040	260,000	4,225	264,225	1,395,000	49,616	1,444,616
Total	\$ 33,770,000	\$ 8,277,612	\$ 42,047,612	\$ 14,200,000	\$ 3,793,485	\$ 17,993,485

Private Placement Debt

Year Ended September 30,	General Obligation Bonds			Tax Notes		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 925,000	\$ 171,392	\$ 1,096,392	\$ 155,000	\$ 2,387	\$ 157,387
2023	950,000	144,740	1,094,740	-	-	-
2024	980,000	117,214	1,097,214	-	-	-
2025	1,010,000	88,758	1,098,758	-	-	-
2026	1,035,000	59,428	1,094,428	-	-	-
2027-2028	1,720,000	36,270	1,756,270	-	-	-
Total	\$ 6,620,000	\$ 617,801	\$ 7,237,801	\$ 155,000	\$ 2,387	\$ 157,387

*Business-type activities:*

Year Ended September 30,	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
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	450,000	11,250	461,250	580,000	285,788	865,788
2027-2031	-	-	-	3,280,000	1,035,775	4,315,775
2032-2036	-	-	-	3,160,000	440,841	3,600,841
2037-2040	-	-	-	1,440,000	40,528	1,480,528
Total	\$ 2,055,000	\$ 267,125	\$ 2,322,125	\$ 10,655,000	\$ 3,181,869	\$ 13,836,869

Private Placement Debt

Year Ended September 30,	General Obligation Bonds			Tax Notes		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-
Total	\$ 840,000	\$ 43,860	\$ 883,860	\$ -	\$ -	\$ -

## 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, 2021:

	Governmental Activities	Business-type Activities
Assets:		
Equipment	\$ 136,535	\$ 742,573
Less: accumulated depreciation	( 22,756)	( 331,696)
Total	\$ <u>113,779</u>	\$ <u>410,877</u>

Future minimum lease payments are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2022	\$ 27,307	\$ 147,796
2023	27,307	81,921
2024	27,307	81,921
2025	27,307	81,921
2026	<u>27,307</u>	<u>81,922</u>
Total payments	136,535	475,481
Less: amount representing interest	-	( 360)
Present value of minimum lease payments	\$ <u>136,535</u>	\$ <u>475,121</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>11,352,654</u>	\$ <u>1,123,136</u>	\$ <u>2,499,350</u>	\$ <u>14,975,140</u>
Total OPEB liability:				
Due within one year:				
TMRS SDBF	\$ 3,194	\$ 316	\$ 703	\$ 4,213
Retiree health plan	<u>48,897</u>	<u>4,837</u>	<u>10,765</u>	<u>64,499</u>
Total due within one year	<u>52,091</u>	<u>5,153</u>	<u>11,468</u>	<u>68,712</u>
Due in within more than one year:				
TMRS SDBF	779,982	77,165	171,718	1,028,865
Retiree health plan	<u>1,820,999</u>	<u>180,155</u>	<u>400,903</u>	<u>2,402,057</u>
Total due in more than one year	<u>2,600,981</u>	<u>257,320</u>	<u>572,621</u>	<u>3,430,922</u>
Total OPEB liability	\$ <u>2,653,072</u>	\$ <u>262,473</u>	\$ <u>584,089</u>	\$ <u>3,499,634</u>
	Governmental Activities	Business-type Activities		Totals
		Water/ Sewer	EMS	
Pension expense	\$ <u>2,203,776</u>	\$ <u>218,023</u>	\$ <u>485,174</u>	\$ <u>2,906,973</u>
OPEB expense:				
TMRS SDBF	71,476	1,990	40,710	114,176
Retiree Health Plan	<u>121,849</u>	( 1,772)	<u>94,777</u>	<u>214,854</u>
Total OPEB expense	\$ <u>193,325</u>	\$ <u>218</u>	\$ <u>135,487</u>	\$ <u>329,030</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 annual comprehensive financial report (ACFR) that can be obtained at [www.tmrs.com](http://www.tmrs.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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	126
Inactive employees entitled to but not yet receiving benefits	223
Active employees	354
Total	<u>703</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 16.32% and 15.92% in calendar years 2021 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$3,700,948 and were equal to the required contributions.

**Net Pension Liability.** The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The net pension liability is typically liquidated through the General Fund and Enterprise Funds.

## Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 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)
Core Fixed Income	10.00%	5.30%
Non-Core Fixed Income	20.00%	1.25%
Global Public Equity	30.00%	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, 2020:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2019	\$ 78,211,777	\$ 62,639,563	\$ 15,572,214
Changes for the year:			
Service cost	3,761,994	-	3,761,994
Interest	5,326,206	-	5,326,206
Difference between expected and actual experience	( 154,592)	-	( 154,592)
Change in assumptions	-	-	-
Contributions - employer	-	3,327,434	( 3,327,434)
Contributions - employee	-	1,474,466	( 1,474,466)
Net investment income	-	4,760,749	( 4,760,749)
Benefit payments, including refunds of employee contributions	( 2,372,023)	( 2,372,023)	-
Administrative expense	-	( 30,767)	30,767
Other changes	-	( 1,200)	1,200
Net changes	<u>6,561,585</u>	<u>7,158,659</u>	<u>( 597,074)</u>
Balance at 12/31/2020	<u>\$ 84,773,362</u>	<u>\$ 69,798,222</u>	<u>\$ 14,975,140</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	\$ 29,246,356	\$ 14,975,140	\$ 3,486,611

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions.** For the year ended September 30, 2021, the City recognized pension expense of \$2,906,973. Also, as of September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 173,183	\$ 191,035
Changes in actuarial assumptions	162,538	
Difference between projected and actual investment earnings	-	1,775,342
Contributions subsequent to the measurement date	<u>2,700,695</u>	<u>-</u>
Total	<u>\$ 3,036,416</u>	<u>\$ 1,966,377</u>

\$2,700,695 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, 2022. 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 Ended September 30,</u>	
2022	\$( 530,825)
2023	50,171
2024	( 1,016,088)
2025	( 130,884)
2026	( 3,030)

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

Inactive employees or beneficiaries currently receiving benefits	98
Inactive employees entitled to but not yet receiving benefits	65
Active employees	<u>354</u>
Total	<u><u>517</u></u>

**Contributions.** The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.13% for 2021 and 0.12% for 2020, of which 0.05% and 0.02%, respectively, 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 year ended September 30, 2021 were \$4,575 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, 2020 actuarial valuation was determined using the following actuarial assumptions and inputs:

Measurement year ended December 31,	2020
Inflation rate	2.50% per annum
Discount rate	2.00%
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 by 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, 2020 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 2.00% 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, 2020.

**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 (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total SDB OPEB Liability	\$ 1,306,428	\$ 1,033,078	\$ 829,320

**Changes in the Total OPEB Liability.** Total City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2020, the measurement and actuarial valuation date, was calculated as follows:

	<u>Total OPEB Liability</u>
Balance at 12/31/2019	\$ 810,086
Changes for the year:	
Service cost	50,554
Interest	22,915
Difference between expected and actual experience	( 4,382)
Changes of assumptions or other inputs	158,118
Benefit payments, including refunds of employee contributions	( 4,213)
Net changes	<u>222,992</u>
Balance at 12/31/2020	<u>\$ 1,033,078</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.71% to 2.00%.

**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB.** For the year ended September 30, 2021, the City recognized OPEB expense of \$114,175. Also, as of September 30, 2021, 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	\$ 50,917	\$ 78,515
Changes in actuarial assumptions	266,690	31,884
Contributions subsequent to the measurement date	<u>3,310</u>	<u>-</u>
Total	<u>\$ 320,917</u>	<u>\$ 110,399</u>

\$3,310 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, 2022. 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>	
2022	\$ 40,707
2023	40,707
2024	40,707
2025	35,388
2026	29,262
Thereafter	20,437

**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, 2020, 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>340</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, 2020, was calculated as follows:

	<u>Total OPEB Liability</u>
Balance at 12/31/2019	\$ 2,163,923
Changes for the year:	
Service cost	141,084
Interest	60,561
Difference between expected and actual experience	4,341
Changes of assumptions or other inputs	161,146
Benefit payments, including refunds of employee contributions	( 64,499)
Net changes	<u>302,633</u>
Balance at 12/31/2020	\$ <u>2,466,556</u>

The actuarial valuation was performed as of December 31, 2019, and update procedures were used to roll forward the TOL to December 31, 2020. Changes of assumptions reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020, 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 2.00% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (1.00%) and 1-percentage point higher (3.00%) than the current rate:

	<u>1% Decrease in Discount Rate (1.00%)</u>	<u>Discount Rate (2.00%)</u>	<u>1% Increase in Discount Rate (3.00%)</u>
Total OPEB liability - retiree health	\$ 2,697,077	\$ 2,466,556	\$ 2,253,746

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 or 1-percentage point higher 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	\$ 2,150,561	\$ 2,466,556	\$ 2,844,413

For the year ended September 30, 2021, the City recognized OPEB expense of \$214,856. Also, as of September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 14,419	\$ 272,039
Changes in actuarial assumptions	420,846	57,081
Contributions subsequent to the measurement date	<u>61,254</u>	<u>-</u>
Total	<u>\$ 496,519</u>	<u>\$ 329,120</u>

\$61,254 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, 2022. 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</u> <u>Ended September 30,</u>			
2022	\$	13,209	
2023		13,209	
2024		13,209	
2025		13,209	
2026		13,209	
Thereafter		40,100	

**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 \$3,908,231 for the year ended September 30, 2021. 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 \$158,006,349 (as of September 30, 2020, the most recent year for which information is available) 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 \$15,780,946. This amount reflects the City's portion of the net position of SSLGC as of September 30, 2020, 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, 2021. 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 \$960,720 as of September 30, 2021.

**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 \$3,514,642 from taxing entities (net of administrative reimbursements) and remitted \$2,625,000 to the developer as of September 30, 2021.

***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, 2021, the City reimbursed \$621,736 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, 2021, 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 2020-21 Amt.</u>		<u>Est. Remaining Grant</u>
City of Schertz - LGC 380.001	\$ 99,784	\$	99,000
SEDC - LGC 501.101	224,384		192,150
SEDC - LGC 501.103	-		3,158,000

**Service Concession Arrangement**

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 \$782,371. 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, 2021, 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 \$782,371 on the government-wide statements at year-end pursuant to the service concession arrangement, and a liability of \$475,410 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
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	185,000	225,250	410,250
2027-2031	1,050,000	1,008,450	2,058,450
2032-2036	1,280,000	778,600	2,058,600
2037-2041	1,610,000	445,650	2,055,650
2042-2044	1,140,000	92,400	1,232,400
Total	\$ 5,955,000	\$ 3,511,050	\$ 9,466,050

## Construction Commitments

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

<i>Primary Government:</i>	<u>Estimated Project Cost to City</u>	<u>Expended to Date</u>	<u>Estimated Future Commitment</u>
Governmental Activities:			
FM 78 and Main Street	\$ 1,000,000	\$ 457,027	\$ 542,973
Fire Station 3	8,601,639	8,601,639	-
Pedestrian Routes Project	1,214,002	1,214,002	-
YMCA-Bathroom Reovation	549,746	549,746	-
Elbel Road Rehabilitation	<u>1,783,000</u>	<u>125,133</u>	<u>1,657,867</u>
Total Governmental Commitments	<u>13,148,387</u>	<u>10,947,547</u>	<u>2,200,840</u>
Business-Type Activities:			
Woman Hollering WasteWater	5,940,424	1,227,281	4,713,143
Corbett Elevated Water Tank	5,500,000	5,156,942	343,058
FM1103 Utility Relocation	1,351,645	1,351,645	-
Crest Oak Sewer Line	1,000,000	16,555	983,445
Corbett Ground Storage	4,965,545	114,254	4,851,291
Aviation Heights WL Replacement	2,185,484	88,123	2,097,362
Transmission Main 16"	2,500,000	417,795	2,082,205
FM1518 Utility Relocation	<u>600,000</u>	<u>410,081</u>	<u>189,919</u>
Total Business-Type Activities	<u>24,043,098</u>	<u>8,782,675</u>	<u>15,260,423</u>
Total Estimated Future Commitments	<u>\$ 37,191,485</u>	<u>\$ 19,730,222</u>	<u>\$ 17,461,263</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 Events

In October 2021, the City issued General Obligation Refunding Bonds, Series 2021 in the amount of \$6,015,000. These bonds have interest rates ranging from 2.00% and 3.00% and will mature in February 2028. These bonds will be used to refund the General Obligation Bonds, Series 2012 and the Tax and Limited Pledge Revenue Certificates of Obligation, Series 2013 to provide a present value savings and are secured by the City's ad valorem tax revenue.

In January 2022, the City issued Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 in the amount of \$9,390,000. These certificates have interest rates ranging from 2.125% and 3.00% and will mature in February 2032. These certificates will be used to fund multiple public improvement projects and are secured by the City's ad valorem tax revenue and utility system 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. 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.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement will become effective for the City in fiscal year 2023.

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**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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 26,282,550	\$ 26,282,550	\$ 27,913,222	\$ 1,630,672
Permits and fees	1,824,110	1,824,110	1,593,382	( 230,728)
Service fees	1,834,581	1,834,581	1,628,589	( 205,992)
Fines and fees	904,028	904,028	637,638	( 266,390)
Intergovernmental	1,127,550	1,127,550	1,623,282	495,732
Investment earnings	135,000	135,000	29,147	( 105,853)
Miscellaneous	<u>579,200</u>	<u>579,200</u>	<u>781,333</u>	<u>202,133</u>
Total Revenues	<u>32,687,019</u>	<u>32,687,019</u>	<u>34,206,593</u>	<u>1,519,574</u>
<b>EXPENDITURES</b>				
General government:				
Council	134,488	134,988	105,990	28,998
City manager	1,276,356	1,279,134	1,249,953	29,181
Municipal court	367,740	368,465	343,557	24,908
311 customer relations	113,869	115,869	115,149	720
Planning & zoning	696,149	664,403	220,518	443,885
Legal	150,000	170,000	158,366	11,634
City secretary	208,840	211,340	204,992	6,348
Nondepartmental	1,974,475	1,627,428	1,831,744	( 204,316)
Public affairs	628,421	639,026	603,791	35,235
Engineering	878,126	921,126	870,161	50,965
Citizens assistance	330,000	330,000	290,617	39,383
Special events	<u>32,100</u>	<u>32,100</u>	<u>20,915</u>	<u>11,185</u>
Total General Government	<u>6,790,564</u>	<u>6,493,879</u>	<u>6,015,753</u>	<u>478,126</u>
Public safety:				
Police department	10,172,679	10,298,956	9,955,404	343,552
Fire department	6,150,356	6,684,628	6,696,315	( 11,687)
Inspection	<u>1,023,497</u>	<u>1,024,222</u>	<u>974,333</u>	<u>49,889</u>
Total Public Safety	<u>17,346,532</u>	<u>18,007,806</u>	<u>17,626,052</u>	<u>381,754</u>
Public environment:				
Streets	<u>1,567,620</u>	<u>1,569,740</u>	<u>1,413,808</u>	<u>155,932</u>
Total Public Environment	<u>1,567,620</u>	<u>1,569,740</u>	<u>1,413,808</u>	<u>155,932</u>
Parks and recreation:				
Parks	1,586,590	1,753,716	1,661,873	91,843
Pools	569,878	569,878	536,674	33,204
Community/Civic Center	<u>393,047</u>	<u>393,047</u>	<u>307,776</u>	<u>85,271</u>
Total Parks and Recreation	<u>2,549,515</u>	<u>2,716,641</u>	<u>2,506,323</u>	<u>210,318</u>
Cultural:				
Library	<u>1,062,442</u>	<u>1,074,255</u>	<u>1,040,276</u>	<u>33,979</u>
Total Cultural	<u>1,062,442</u>	<u>1,074,255</u>	<u>1,040,276</u>	<u>33,979</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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES (CONTINUED)</b>				
Administration:				
Information technology	2,637,316	2,638,646	2,517,578	121,068
Human resources	717,584	761,719	666,390	95,329
Finance	651,798	693,967	687,036	6,931
Purchasing & asset management	243,431	244,519	247,912	( 3,393)
Building maintenance	1,631,808	1,863,808	1,663,631	200,177
Fleet service	1,061,752	1,083,597	1,025,477	58,120
Interfund charges	<u>( 2,893,732)</u>	<u>( 2,893,732)</u>	<u>( 2,893,814)</u>	<u>82</u>
Total Administration	<u>4,049,957</u>	<u>4,392,524</u>	<u>3,914,210</u>	<u>478,314</u>
Total Expenditures	<u>33,366,630</u>	<u>34,254,845</u>	<u>32,516,422</u>	<u>1,738,423</u>
Excess of revenues over expenditures	( 679,611)	( 1,567,826)	1,690,171	3,257,997
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital lease	-	-	136,535	136,535
Transfers in	95,000	95,000	-	( 95,000)
Transfers out	<u>( 592,050)</u>	<u>( 2,259,279)</u>	<u>( 2,317,117)</u>	<u>( 57,838)</u>
Total Other Financing Sources (Uses)	<u>( 497,050)</u>	<u>( 2,164,279)</u>	<u>( 2,180,582)</u>	<u>( 16,303)</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 1,176,661)	( 3,732,105)	( 490,411)	3,241,694
<b>FUND BALANCE - BEGINNING</b>	<u>16,968,978</u>	<u>16,968,978</u>	<u>16,968,978</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 15,792,317</u>	<u>\$ 13,236,873</u>	<u>\$ 16,478,567</u>	<u>\$ 3,241,694</u>

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**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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,507,371	\$ 4,507,371	\$ 5,615,928	\$ 1,108,557
Investment income	<u>141,000</u>	<u>141,000</u>	<u>56,144</u>	<u>( 84,856)</u>
Total Revenues	<u>4,648,371</u>	<u>4,648,371</u>	<u>5,672,072</u>	<u>1,023,701</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,521,830	3,521,330	306,025	3,215,305
Administration	<u>572,969</u>	<u>573,469</u>	<u>528,442</u>	<u>45,027</u>
Total Expenditures	<u>4,094,799</u>	<u>4,094,799</u>	<u>834,467</u>	<u>3,260,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>( 4,050,000)</u>	<u>( 4,050,000)</u>	<u>( 4,050,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>( 4,050,000)</u>	<u>( 4,050,000)</u>	<u>( 4,050,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 3,496,428)</u>	<u>( 3,496,428)</u>	<u>787,605</u>	<u>4,284,033</u>
<b>FUND BALANCE - BEGINNING</b>	<u>21,018,626</u>	<u>21,018,626</u>	<u>21,018,626</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 17,522,198</u>	<u>\$ 17,522,198</u>	<u>\$ 21,806,231</u>	<u>\$ 4,284,033</u>

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**CITY OF SCHERTZ, TEXAS**

NOTES TO BUDGETARY SCHEDULES

SEPTEMBER 30, 2021

**Budgetary Information** - The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal 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 occupancy 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.

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, 2021, 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, 2021

<b>Measurement Date December 31,</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Total pension liability</b>			
Service cost	\$ 3,761,994	\$ 3,421,878	\$ 3,301,265
Interest on total pension liability	5,326,206	4,898,478	4,505,483
Difference between expected and actual experience	( 154,592)	( 108,478)	34,393
Change of assumptions	-	263,015	-
Benefit payments/refunds of contributions	( 2,372,023)	( 2,244,447)	( 1,914,159)
Net Change in Total Pension Liability	6,561,585	6,230,446	5,926,982
Total Pension Liability, Beginning	<u>78,211,777</u>	<u>71,981,331</u>	<u>66,054,349</u>
Total Pension Liability, Ending (a)	<u>\$ 84,773,362</u>	<u>\$ 78,211,777</u>	<u>\$ 71,981,331</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 3,327,434	\$ 3,163,340	\$ 3,033,936
Contributions - employee	1,474,466	1,380,585	1,326,518
Net investment income	4,760,749	8,093,416	( 1,540,890)
Benefit payments/refunds of contributions	( 2,372,023)	( 2,244,447)	( 1,914,159)
Administrative expenses	( 30,767)	( 45,681)	( 29,768)
Other	( 1,200)	( 1,373)	( 1,554)
Net Change in Fiduciary Position	7,158,659	10,345,840	874,083
Fiduciary Net Position, Beginning	<u>62,639,563</u>	<u>52,293,723</u>	<u>51,419,640</u>
Fiduciary Net Position, Ending (b)	<u>69,798,222</u>	<u>62,639,563</u>	<u>52,293,723</u>
<b>Net pension liability = (a)-(b)</b>	<u>\$ 14,975,140</u>	<u>\$ 15,572,214</u>	<u>\$ 19,687,608</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	82.34%	80.09%	72.65%
Covered Payroll	\$ 21,063,794	\$ 19,722,641	\$ 18,896,766
Net Pension Liability as a Percentage of Covered Payroll	71.09%	78.96%	104.19%

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.

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 3,073,538	\$ 2,855,745	\$ 2,724,337	\$ 2,558,743
4,111,517	3,763,562	3,556,428	3,245,266
416,585	139,216	120,434	( 122,286)
-	-	59,193	-
( 1,843,774)	( 1,581,272)	( 1,570,211)	( 1,068,487)
5,757,866	5,177,251	4,890,181	4,613,236
<u>60,296,483</u>	<u>55,119,232</u>	<u>50,229,051</u>	<u>45,615,815</u>
<u>\$ 66,054,349</u>	<u>\$ 60,296,483</u>	<u>\$ 55,119,232</u>	<u>\$ 50,229,051</u>
\$ 2,793,644	\$ 2,627,335	\$ 2,542,565	\$ 2,403,929
1,232,232	1,152,864	1,095,260	1,077,097
5,999,805	2,602,572	53,742	1,841,586
( 1,843,774)	( 1,581,272)	( 1,570,211)	( 1,068,487)
( 31,080)	( 29,385)	( 32,727)	( 19,219)
( 1,575)	( 1,583)	( 1,616)	( 1,580)
8,149,252	4,770,531	2,087,013	4,233,326
<u>43,270,388</u>	<u>38,499,857</u>	<u>36,412,844</u>	<u>32,179,518</u>
<u>51,419,640</u>	<u>43,270,388</u>	<u>38,499,857</u>	<u>36,412,844</u>
<u>\$ 14,634,709</u>	<u>\$ 17,026,095</u>	<u>\$ 16,619,375</u>	<u>\$ 13,816,207</u>
77.84%	71.76%	69.85%	72.49%
\$ 17,603,310	\$ 16,478,620	\$ 15,648,114	\$ 15,389,154
83.14%	103.32%	106.21%	89.78%

**CITY OF SCHERTZ, TEXAS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>Fiscal Year Ended September 30,</b>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
Actuarially determined contribution	\$ 3,700,948	\$ 3,235,479	\$ 3,129,413
Contributions in relation to the actuarially determined contribution	<u>3,700,948</u>	<u>3,235,479</u>	<u>3,129,413</u>
Contribution deficiency (excess)	-	-	-
Covered payroll	22,879,083	20,401,412	19,520,269
Contributions as a percentage of covered payroll	16.18%	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	25 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
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.

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 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, 2021

Measurement Date December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>				
Service cost	\$ 50,554	\$ 33,528	\$ 37,794	\$ 29,926
Interest on total OPEB liability	22,915	26,904	21,182	20,123
Differences in actuarial experience	( 4,382)	( 105,282)	86,276	-
Change of assumptions	158,118	148,494	( 54,027)	57,257
Benefit payments	( 4,213)	( 3,945)	( 3,779)	( 3,521)
Net change in total OPEB liability	222,992	99,699	87,446	103,785
Total OPEB liability, beginning	<u>810,086</u>	<u>710,387</u>	<u>622,941</u>	<u>519,156</u>
Total OPEB liability, ending (a)	\$ <u>1,033,078</u>	\$ <u>810,086</u>	\$ <u>710,387</u>	\$ <u>622,941</u>
Covered-employee payroll	\$ 21,063,794	\$ 19,722,641	\$ 18,896,766	\$ 17,603,310
Total OPEB liability as a percentage of covered-employee payroll	4.90%	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	2.00%
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, 2021

Measurement Date December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>				
Service cost	\$ 141,084	\$ 125,648	\$ 121,821	\$ 107,517
Interest on total OPEB liability	60,561	78,646	67,947	69,435
Difference in actuarial experience	4,341	( 343,086)	14,962	-
Change of assumptions	161,146	275,398	( 81,106)	96,092
Benefit payments	<u>( 64,499)</u>	<u>( 59,401)</u>	<u>( 57,530)</u>	<u>( 42,189)</u>
Net change in total OPEB liability	302,633	77,205	66,094	230,855
Total OPEB liability, beginning	<u>2,163,923</u>	<u>2,086,718</u>	<u>2,020,624</u>	<u>1,789,769</u>
Total OPEB liability, ending (a)	\$ <u>2,466,556</u>	\$ <u>2,163,923</u>	\$ <u>2,086,718</u>	\$ <u>2,020,624</u>
Covered payroll	\$ 20,870,983	\$ 19,521,924	\$ 18,974,951	\$ 16,068,891
Total OPEB liability as a percentage of covered payroll	11.82%	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 2.00% as of December 31, 2020  
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 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

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## SUPPLEMENTARY INFORMATION

### Comparative Schedules – Governmental Funds

**General Fund**  
**Economic Development Corporation**  
**Debt Service Fund**  
**Capital Projects Fund**  
**American Recovery Program Act 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.

**Grant Fund** - will account for revenue and expenditures related to federal and state grant programs.

**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.

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**CITY OF SCHERTZ, TEXAS**

COMPARATIVE BALANCE SHEETS  
GENERAL FUND

SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,733,703	\$ 13,417,484
Investments	2,514,059	2,507,998
Receivables (net of allowances)		
Taxes	2,924,472	2,393,311
Accounts and other	1,636,735	1,854,763
Due from other funds	678,444	-
Inventory	134,373	99,871
Prepaid items	28,090	14,916
Restricted assets:		
Cash and cash equivalents	<u>946,454</u>	<u>867,708</u>
Total Assets	<u>20,596,330</u>	<u>21,156,051</u>
<b>LIABILITIES</b>		
Accounts payable	921,978	972,066
Accrued salaries and benefits	1,180,560	1,074,546
Customer deposits	1,007	141,987
Due to other governments	60,492	123,911
Due to other funds	16,139	16,139
Unearned revenues	<u>40,589</u>	<u>39,159</u>
Total Liabilities	<u>2,220,765</u>	<u>2,367,808</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues	<u>1,896,998</u>	<u>1,819,265</u>
Total Deferred Inflows of Resources	<u>1,896,998</u>	<u>1,819,265</u>
<b>FUND BALANCES</b>		
Nonspendable for:		
Inventory	134,373	99,871
Prepaid items	28,090	14,916
Restricted for:		
Police and public safety/municipal court	287,199	226,092
Municipal court	816,152	823,452
PEG capital fees	889,139	807,140
Animal control	42,416	33,408
Veterans	-	2,109
Scholarships	116,505	104,156
Committed for:		
Civic Center/CIED	907,676	687,780
Assigned for:		
Property replacement	902,849	891,319
Subsequent year's budget	598,549	1,081,160
Unassigned	<u>11,755,619</u>	<u>12,197,575</u>
Total Fund Balances	<u>16,478,567</u>	<u>16,968,978</u>
Total Liabilities, Deferred inflows of Resources, and Fund Balances	\$ <u>20,596,330</u>	\$ <u>21,156,051</u>

**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Taxes	\$ 27,913,222	\$ 25,000,163
Permits and fees	1,593,382	1,750,837
Service fees	1,628,589	1,724,150
Fines and fees	637,638	833,148
Intergovernmental	1,623,282	516,475
Investment earnings	29,147	300,369
Miscellaneous	<u>781,333</u>	<u>559,393</u>
Total Revenues	<u>34,206,593</u>	<u>30,684,535</u>
<b>EXPENDITURES</b>		
Current:		
General government	6,008,482	5,381,790
Public safety	17,166,400	15,690,248
Public environment	1,382,185	1,270,894
Parks and recreation	2,494,684	2,067,649
Cultural	1,040,276	1,034,435
Administration	3,858,317	2,799,004
Capital outlay	566,078	1,175,241
Debt service:		
Principal	<u>-</u>	<u>44,544</u>
Total Expenditures	<u>32,516,422</u>	<u>29,463,805</u>
Excess (Deficiency) of Revenues Over Expenditures	1,690,171	1,220,730
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from capital lease	136,535	-
Transfers out	<u>( 2,317,117)</u>	<u>( 4,000,169)</u>
Total Other Financing Sources (Uses)	<u>( 2,180,582)</u>	<u>( 4,000,169)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 490,411)</u>	<u>( 2,779,439)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>16,968,978</u>	<u>19,748,417</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 16,478,567</u>	<u>\$ 16,968,978</u>

**CITY OF SCHERTZ, TEXAS**

COMPARATIVE BALANCE SHEETS

ECONOMIC DEVELOPMENT CORPORATION

SEPTEMBER 30, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 18,542,752	\$ 22,032,946
Investments	2,206,135	2,169,760
Receivables, net of allowances:		
Taxes	1,054,214	818,817
Accounts and other	7,949	7,949
Prepaid items	<u>990</u>	<u>-</u>
Total Assets	<u>21,812,040</u>	<u>25,029,472</u>
<b>LIABILITIES</b>		
Accounts payable	<u>5,809</u>	<u>4,010,846</u>
Total Liabilities	<u>5,809</u>	<u>4,010,846</u>
<b>FUND BALANCES</b>		
Restricted for:		
Economic development	<u>21,806,231</u>	<u>21,018,626</u>
Total Fund Balances	<u>21,806,231</u>	<u>21,018,626</u>
Total Liabilities and Fund Balances	<u>\$ 21,812,040</u>	<u>\$ 25,029,472</u>

**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Taxes	\$ 5,615,928	\$ 4,819,288
Investment earnings	<u>56,144</u>	<u>288,740</u>
Total Revenues	<u>5,672,072</u>	<u>5,108,028</u>
<b>EXPENDITURES</b>		
Current:		
General government	306,025	4,886,456
Administration	<u>528,442</u>	<u>480,202</u>
Total Expenditures	<u>834,467</u>	<u>5,366,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,837,605	( 258,630)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	<u>( 4,050,000)</u>	<u>( 500,000)</u>
Total Other Financing Sources (Uses)	<u>( 4,050,000)</u>	<u>( 500,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	787,605	( 758,630)
<b>FUND BALANCES - BEGINNING</b>	<u>21,018,626</u>	<u>21,777,256</u>
<b>FUND BALANCES - ENDING</b>	\$ <u>21,806,231</u>	\$ <u>21,018,626</u>

**CITY OF SCHERTZ, TEXAS**

COMPARATIVE BALANCE SHEETS  
DEBT SERVICE FUND

SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,087,376	\$ 785,919
Receivables, net of allowances:		
Taxes	<u>133,778</u>	<u>120,816</u>
Total Assets	<u>1,221,154</u>	<u>906,735</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues	<u>133,778</u>	<u>120,816</u>
Total Deferred Inflows of Resources	<u>133,778</u>	<u>120,816</u>
<b>FUND BALANCES</b>		
Restricted for:		
Debt service	<u>1,087,376</u>	<u>785,919</u>
Total Fund Balances	<u>1,087,376</u>	<u>785,919</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,221,154</u>	<u>\$ 906,735</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, 2021  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Original Budget	Final Budget	2021 Actual Amounts	Variance With Final Budget Positive (Negative)	2020 Actual Amounts
<b>REVENUES</b>					
Property taxes	\$ 6,980,821	\$ 6,980,821	\$ 7,102,016	\$ 121,195	\$ 6,714,516
Investment income	15,000	15,000	1,593	( 13,407)	19,900
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>125,000</u>	<u>25,000</u>	<u>75,000</u>
Total Revenue	<u>7,095,821</u>	<u>7,095,821</u>	<u>7,228,609</u>	<u>132,788</u>	<u>6,809,416</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	5,065,000	5,065,000	4,955,000	110,000	4,885,000
Interest and fiscal charges	1,979,861	1,979,861	1,801,467	178,394	2,136,523
Bond issue costs	<u>50,000</u>	<u>50,000</u>	<u>140,140</u>	<u>( 90,140)</u>	<u>4,200</u>
Total Expenditures	<u>7,094,861</u>	<u>7,094,861</u>	<u>6,896,607</u>	<u>198,254</u>	<u>7,025,723</u>
Excess (Deficiency) of Revenues over Expenditures	960	960	332,002	( 65,466)	( 216,307)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of refunding debt	-	-	7,555,000	7,555,000	-
Premium on refunding debt	-	-	629,992	629,992	-
Payment to refunding escrow agent	-	-	( 8,223,452)	( 8,223,452)	-
Transfers in	<u>-</u>	<u>-</u>	<u>7,915</u>	<u>7,915</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>( 30,545)</u>	<u>( 30,545)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	960	960	301,457	300,497	( 216,307)
<b>FUND BALANCE - BEGINNING</b>	<u>785,919</u>	<u>785,919</u>	<u>785,919</u>	<u>-</u>	<u>1,002,226</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 786,879</u>	<u>\$ 786,879</u>	<u>\$ 1,087,376</u>	<u>\$ 300,497</u>	<u>\$ 785,919</u>

**CITY OF SCHERTZ, TEXAS**

COMPARATIVE BALANCE SHEETS  
CAPITAL PROJECTS FUND

SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,229,954	\$ 10,677,080
Accounts receivable, net of allowance	<u>258,142</u>	<u>-</u>
Total Assets	<u>13,488,096</u>	<u>10,677,080</u>
<b>LIABILITIES</b>		
Accounts payable	162,695	428,387
Retainage payable	<u>154,437</u>	<u>111,135</u>
Total Liabilities	<u>317,132</u>	<u>539,522</u>
<b>FUND BALANCES</b>		
Restricted for:		
Capital improvement	<u>5,185,166</u>	<u>6,065,616</u>
Committed for:		
Capital projects	<u>7,985,798</u>	<u>4,071,942</u>
Total Fund Balances	<u>13,170,964</u>	<u>10,137,558</u>
Total Liabilities and Fund Balance	<u>\$ 13,488,096</u>	<u>\$ 10,677,080</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, 2021  
(WITH COMPARTIVE TOTALS FOR THE YEAR ENDED 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Intergovernmental	\$ 724,993	\$ -
Investment earnings	12,333	154,977
Miscellaneous	<u>501,922</u>	<u>132,901</u>
Total Revenues	<u>1,239,248</u>	<u>287,878</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>4,582,289</u>	<u>7,837,991</u>
Total Expenditures	<u>4,582,289</u>	<u>7,837,991</u>
Excess (Deficiency) of Revenues Over Expenditures	( 3,343,041)	( 7,550,113)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	6,384,362	4,500,000
Transfers out	<u>( 7,915)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>6,376,447</u>	<u>4,500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,033,406	( 3,050,113)
<b>FUND BALANCES - BEGINNING</b>	<u>10,137,558</u>	<u>13,187,671</u>
<b>FUND BALANCES - ENDING</b>	\$ <u>13,170,964</u>	\$ <u>10,137,558</u>

**CITY OF SCHERTZ, TEXAS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	Special Revenue Funds			
	Hotel Occupancy Fund	Park Fund	Tree Mitigation	Treasury Forfeitures
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,240,387	\$ 287,017	\$ 660,896	\$ 32,560
Accounts receivable, net of allowance	64,942	-	-	-
Total Assets	<u>2,305,329</u>	<u>287,017</u>	<u>660,896</u>	<u>32,560</u>
<b>LIABILITIES</b>				
Accounts payable	3,613	-	13,000	-
Due to other funds	-	-	-	-
Total Liabilities	<u>3,613</u>	<u>-</u>	<u>13,000</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Tourism development	2,301,716	-	-	-
Parks and tree mitigation	-	287,017	647,896	-
Police forfeiture	-	-	-	32,560
Roadways	-	-	-	-
Historical Committee and library	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>2,301,716</u>	<u>287,017</u>	<u>647,896</u>	<u>32,560</u>
Total Liabilities and Fund Balances	<u>\$ 2,305,329</u>	<u>\$ 287,017</u>	<u>\$ 660,896</u>	<u>\$ 32,560</u>

Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
Justice Forfeitures	State Forfeitures	Grant Fund	Library Advisory Board	Historical Committee Fund	Capital Recovery Roadways	
\$ 128,310	\$ 4,779	\$ 6,287	\$ 64,697	\$ 14,398	\$ 1,801,040	\$ 5,240,371
-	-	-	-	-	-	64,942
<u>128,310</u>	<u>4,779</u>	<u>6,287</u>	<u>64,697</u>	<u>14,398</u>	<u>1,801,040</u>	<u>5,305,313</u>
31,486	-	2,886	133	100	-	51,218
-	-	678,444	-	-	-	678,444
<u>31,486</u>	<u>-</u>	<u>681,330</u>	<u>133</u>	<u>100</u>	<u>-</u>	<u>729,662</u>
-	-	-	-	-	-	2,301,716
-	-	-	-	-	-	934,913
96,824	4,779	-	-	-	-	134,163
-	-	-	-	-	1,801,040	1,801,040
-	-	-	64,564	14,298	-	78,862
-	-	( 675,043)	-	-	-	( 675,043)
<u>96,824</u>	<u>4,779</u>	<u>( 675,043)</u>	<u>64,564</u>	<u>14,298</u>	<u>1,801,040</u>	<u>4,575,651</u>
<u>\$ 128,310</u>	<u>\$ 4,779</u>	<u>\$ 6,287</u>	<u>\$ 64,697</u>	<u>\$ 14,398</u>	<u>\$ 1,801,040</u>	<u>\$ 5,305,313</u>

**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			
	Hotel Occupancy Fund	Park Fund	Tree Mitigation	Treasury Forfeiture
<b>REVENUES</b>				
Occupancy tax	\$ 518,921	\$ -	\$ -	\$ -
Permits and fees	-	-	219,513	-
Service fees	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings	2,095	293	650	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>521,016</u>	<u>293</u>	<u>220,163</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	263,300	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	4,500	35,495	-
Cultural	-	-	-	-
Administration	72,464	-	-	-
Capital outlay	-	1,012	-	-
<b>Total Expenditures</b>	<u>335,764</u>	<u>5,512</u>	<u>35,495</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>185,252</u>	<u>( 5,219)</u>	<u>184,668</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>185,252</u>	<u>( 5,219)</u>	<u>184,668</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING</b>	<u>2,116,464</u>	<u>292,236</u>	<u>463,228</u>	<u>32,560</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,301,716</u>	<u>\$ 287,017</u>	<u>\$ 647,896</u>	<u>\$ 32,560</u>

Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
Justice Forfeitures	State Forfeitures	Grant Fund	Library Advisory Board	Historical Committee Fund	Capital Recovery Roadways	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 518,921
-	-	-	-	-	-	219,513
-	-	-	9,104	590	902,712	912,406
5,844	-	-	-	-	-	5,844
-	-	1,931,599	-	-	-	1,931,599
176	-	-	111	-	1,828	5,153
-	-	-	13	2	-	15
<u>6,020</u>	<u>-</u>	<u>1,931,599</u>	<u>9,228</u>	<u>592</u>	<u>904,540</u>	<u>3,593,451</u>
-	-	-	-	3,108	-	266,408
94,899	7,995	535,124	-	-	-	638,018
-	-	-	-	-	-	39,995
-	-	-	19,708	-	-	19,708
-	-	-	-	-	-	72,464
<u>24,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,127</u>	<u>66,889</u>
<u>119,649</u>	<u>7,995</u>	<u>535,124</u>	<u>19,708</u>	<u>3,108</u>	<u>41,127</u>	<u>1,103,482</u>
( 113,629)	( 7,995)	1,396,475	( 10,480)	( 2,516)	863,413	2,489,969
-	-	-	-	3,109	-	3,109
-	-	-	-	3,109	-	3,109
( 113,629)	( 7,995)	1,396,475	( 10,480)	593	863,413	2,493,078
<u>210,453</u>	<u>12,774</u>	<u>( 2,071,518)</u>	<u>75,044</u>	<u>13,705</u>	<u>937,627</u>	<u>2,082,573</u>
\$ <u>96,824</u>	\$ <u>4,779</u>	\$ <u>( 675,043)</u>	\$ <u>64,564</u>	\$ <u>14,298</u>	\$ <u>1,801,040</u>	\$ <u>4,575,651</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, 2021  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Original Budget	Final Budget	2021 Actual Amounts	Variance With Final Budget Positive (Negative)	2020 Actual Amounts
<b>REVENUES</b>					
Occupancy tax	\$ 520,000	\$ 520,000	\$ 518,921	\$( 1,079)	\$ 268,946
Investment earnings	20,750	20,750	2,095	( 18,655)	26,224
Total Revenues	<u>540,750</u>	<u>540,750</u>	<u>521,016</u>	<u>( 19,734)</u>	<u>295,170</u>
<b>EXPENDITURES</b>					
Current:					
General government	181,466	226,354	263,300	( 36,946)	95,954
Administration	72,464	72,464	72,464	-	74,428
Capital outlay	-	-	-	-	223,189
Total Expenditures	<u>253,930</u>	<u>298,818</u>	<u>335,764</u>	<u>( 36,946)</u>	<u>393,571</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>286,820</u>	<u>241,932</u>	<u>185,252</u>	<u>( 56,680)</u>	<u>( 98,401)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>2,116,464</u>	<u>2,116,464</u>	<u>2,116,464</u>	<u>-</u>	<u>2,214,865</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,403,284</u>	<u>\$ 2,358,396</u>	<u>\$ 2,301,716</u>	<u>\$( 56,680)</u>	<u>\$ 2,116,464</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, 2021  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Original Budget	Final Budget	2021 Actual Amounts	Variance With Final Budget Positive (Negative)	2020 Actual Amounts
<b>REVENUES</b>					
Licenses and permits	\$ 70,000	\$ 70,000	\$ -	\$( 70,000)	\$ 4,000
Investment earnings	3,500	3,500	293	( 3,207)	3,325
Investment earnings	-	-	-	-	1
Total Revenues	<u>73,500</u>	<u>73,500</u>	<u>293</u>	<u>( 73,207)</u>	<u>7,326</u>
<b>EXPENDITURES</b>					
Current:					
Parks and recreation	25,000	25,000	4,500	20,500	5,760
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>1,012</u>	<u>98,988</u>	<u>-</u>
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>5,512</u>	<u>119,488</u>	<u>5,760</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 51,500)</u>	<u>( 51,500)</u>	<u>( 5,219)</u>	<u>( 192,695)</u>	<u>1,566</u>
<b>FUND BALANCE - BEGINNING</b>	<u>292,236</u>	<u>292,236</u>	<u>292,236</u>	<u>-</u>	<u>290,670</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 240,736</u>	<u>\$ 240,736</u>	<u>\$ 287,017</u>	<u>\$ 46,281</u>	<u>\$ 292,236</u>

**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Original Budget	Final Budget	2021 Actual Amounts	Variance With Final Budget Positive (Negative)	2020 Actual Amounts
<b>REVENUES</b>					
Licenses and permits	\$ 70,000	\$ 70,000	\$ 219,513	\$ 149,513	\$ 52,427
Investment earnings	4,500	4,500	650	( 3,850)	5,569
Miscellaneous	-	-	-	-	500
<b>Total Revenues</b>	<u>74,500</u>	<u>74,500</u>	<u>220,163</u>	<u>145,663</u>	<u>58,496</u>
<b>EXPENDITURES</b>					
Current:					
Parks and recreation	<u>70,000</u>	<u>70,000</u>	<u>35,495</u>	<u>34,505</u>	<u>28,674</u>
<b>Total Expenditures</b>	<u>70,000</u>	<u>70,000</u>	<u>35,495</u>	<u>34,505</u>	<u>28,674</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>4,500</u>	<u>4,500</u>	<u>184,668</u>	<u>180,168</u>	<u>29,822</u>
<b>FUND BALANCE - BEGINNING</b>	<u>463,228</u>	<u>463,228</u>	<u>463,228</u>	<u>-</u>	<u>433,406</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 467,728</u>	<u>\$ 467,728</u>	<u>\$ 647,896</u>	<u>\$ 180,168</u>	<u>\$ 463,228</u>

**CITY OF SCHERTZ, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
TREASURY FORFEITURES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Fines and fees	\$ -	\$ 4,400
Total Revenues	<u>-</u>	<u>4,400</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>-</u>	<u>206</u>
Total Expenditures	<u>-</u>	<u>206</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>4,194</u>
<b>FUND BALANCE - BEGINNING</b>	<u>32,560</u>	<u>28,160</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 32,560</u>	<u>\$ 32,354</u>

**CITY OF SCHERTZ, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Fines and fees	\$ 5,844	\$ 35,444
Investment earnings	<u>176</u>	<u>2,747</u>
Total Revenues	<u>6,020</u>	<u>38,191</u>
<b>EXPENDITURES</b>		
Current:		
Public safety	94,899	42,063
Capital outlay	<u>24,750</u>	<u>40,465</u>
Total Expenditures	<u>119,649</u>	<u>82,528</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 113,629)</u>	<u>( 44,337)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>210,453</u>	<u>254,790</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 96,824</u>	<u>\$ 210,453</u>

**CITY OF SCHERTZ, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**STATE FORFEITURES FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Fines and fees	\$ -	\$ 7,665
Investment earnings	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>7,665</u>
<b>EXPENDITURES</b>		
Current:		
Public safety	<u>7,995</u>	<u>-</u>
Total Expenditures	<u>7,995</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 7,995)</u>	<u>7,665</u>
<b>FUND BALANCE - BEGINNING</b>	<u>12,774</u>	<u>5,109</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 4,779</u>	<u>\$ 12,774</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, 2021  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Original Budget	Final Budget	2021 Actual Amounts	Variance With Final Budget Positive (Negative)	2020 Actual Amounts
<b>REVENUES</b>					
Service fees	\$ 20,000	\$ 20,000	\$ 9,104	\$( 10,896)	\$ 9,204
Investment earnings	1,000	1,000	111	( 889)	850
Miscellaneous	200	200	13	( 187)	4
Total Revenues	<u>21,200</u>	<u>21,200</u>	<u>9,228</u>	<u>( 11,972)</u>	<u>10,058</u>
<b>EXPENDITURES</b>					
Current:					
Cultural	<u>21,200</u>	<u>21,200</u>	<u>19,708</u>	<u>1,492</u>	<u>10,456</u>
Total Expenditures	<u>21,200</u>	<u>21,200</u>	<u>19,708</u>	<u>1,492</u>	<u>10,456</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>( 10,480)</u>	<u>( 10,480)</u>	<u>( 398)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>75,044</u>	<u>75,044</u>	<u>75,044</u>	<u>-</u>	<u>75,442</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 75,044</u>	<u>\$ 75,044</u>	<u>\$ 64,564</u>	<u>\$( 10,480)</u>	<u>\$ 75,044</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, 2021  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Original Budget	Final Budget	2021 Actual Amounts	Variance With Final Budget Positive (Negative)	2020 Actual Amounts
<b>REVENUES</b>					
Sale of merchandise	\$ 1,000	\$ 1,000	\$ 590	\$( 410)	\$ 43
Miscellaneous	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>592</u>	<u>( 408)</u>	<u>43</u>
<b>EXPENDITURES</b>					
Current:					
General government	<u>11,750</u>	<u>11,750</u>	<u>3,108</u>	<u>8,642</u>	<u>169</u>
Total Expenditures	<u>11,750</u>	<u>11,750</u>	<u>3,108</u>	<u>8,642</u>	<u>169</u>
Excess of Revenues Over Expenditures	<u>( 10,750)</u>	<u>( 10,750)</u>	<u>( 2,516)</u>	<u>8,234</u>	<u>( 126)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>10,750</u>	<u>10,750</u>	<u>3,109</u>	<u>( 7,641)</u>	<u>169</u>
Total Other Financing Sources (Uses)	<u>10,750</u>	<u>10,750</u>	<u>3,109</u>	<u>( 7,641)</u>	<u>169</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>593</u>	<u>593</u>	<u>43</u>
<b>FUND BALANCE - BEGINNING</b>	<u>13,705</u>	<u>13,705</u>	<u>13,705</u>	<u>-</u>	<u>13,662</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 13,705</u>	<u>\$ 13,705</u>	<u>\$ 14,298</u>	<u>\$ 593</u>	<u>\$ 13,705</u>

**CITY OF SCHERTZ, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
CAPITAL RECOVERY ROADWAYS

FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Service fees	\$ 902,712	\$ 850,201
Investment earnings	<u>1,828</u>	<u>1,973</u>
Total Revenues	<u>904,540</u>	<u>852,174</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>41,127</u>	<u>-</u>
Total Expenditures	<u>41,127</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>863,413</u>	<u>852,174</u>
<b>FUND BALANCE - BEGINNING</b>	<u>937,627</u>	<u>85,453</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,801,040</u>	<u>\$ 937,627</u>

## **STATISTICAL SECTION**

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**STATISTICAL SECTION  
(Unaudited)**

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

<b>Contents</b>	<b>Page</b>
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			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 56,616,809	\$ 57,543,618	\$ 62,792,671	\$ 68,125,738
Restricted	1,917,098	7,788,354	10,401,728	13,343,280
Unrestricted	<u>8,907,326</u>	<u>6,645,418</u>	<u>8,613,239</u>	<u>1,640,519</u>
Total Governmental Activities Net Position	<u>\$ 67,441,233</u>	<u>\$ 71,977,390</u>	<u>\$ 81,807,638</u>	<u>\$ 83,109,537</u>
Business-type activities				
Net investment in capital assets	\$ 50,161,157	\$ 53,071,836	\$ 53,674,437	\$ 59,625,205
Restricted	-	-	-	-
Unrestricted	<u>11,577,645</u>	<u>11,902,282</u>	<u>16,450,988</u>	<u>14,243,922</u>
Total Business-Type Activities Net Position	<u>\$ 61,738,802</u>	<u>\$ 64,974,118</u>	<u>\$ 70,125,425</u>	<u>\$ 73,869,127</u>
Primary government				
Net investment in capital assets	\$ 106,777,966	\$ 110,615,454	\$ 116,467,108	\$ 127,750,943
Restricted	1,917,098	7,788,354	10,401,728	13,343,280
Unrestricted	<u>20,484,971</u>	<u>18,547,700</u>	<u>25,064,227</u>	<u>15,884,441</u>
Total Primary Government Net Position	<u>\$ 129,180,035</u>	<u>\$ 136,951,508</u>	<u>\$ 151,933,063</u>	<u>\$ 156,978,664</u>

**TABLE 1**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 74,237,004	\$ 84,537,238	\$ 89,266,885	\$ 89,869,766	\$ 88,959,102	\$ 98,444,714
17,095,325	20,437,116	23,391,047	28,088,355	28,664,438	28,342,438
<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>10,744,127</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>	<u>\$ 137,531,279</u>
\$ 64,210,231	\$ 70,361,035	\$ 64,871,629	\$ 68,271,075	\$ 75,969,319	\$ 83,941,882
-	10,565,463	12,626,526	13,232,638	15,071,599	8,368,736
<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>39,406,798</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>	<u>\$ 131,717,416</u>
\$ 138,447,235	\$ 154,898,273	\$ 154,138,514	\$ 158,140,841	\$ 164,928,421	\$ 182,386,596
17,095,325	20,437,116	23,391,047	41,320,993	43,736,037	36,711,174
<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>50,150,925</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>	<u>\$ 269,248,695</u>

**CITY OF SCHERTZ, TEXAS**

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 7,802,092	\$ 7,066,087	\$ 6,958,530	\$ 6,443,227
Public safety	9,103,676	9,567,595	10,025,703	10,836,712
Public environment	3,586,087	3,622,834	3,740,538	3,876,644
Parks and recreation	1,584,605	1,807,559	1,807,136	2,164,604
Cultural	916,967	907,676	870,159	892,194
Health	357,658	344,647	407,114	470,468
Administration	1,117,044	1,180,656	1,942,312	1,845,877
Interest and other fees	<u>2,302,912</u>	<u>3,340,951</u>	<u>2,352,856</u>	<u>2,226,635</u>
Total Governmental Activities Expenses	<u>26,771,041</u>	<u>27,838,005</u>	<u>28,104,348</u>	<u>28,756,361</u>
Business-type activities:				
Water and sewer	16,349,967	16,954,871	17,762,116	18,440,959
EMS	<u>3,758,425</u>	<u>3,959,445</u>	<u>4,268,125</u>	<u>4,719,526</u>
Total Business-Type Activities Expenses	<u>20,108,392</u>	<u>20,914,316</u>	<u>22,030,241</u>	<u>23,160,485</u>
Total Primary Government Expenses	<u>46,879,433</u>	<u>48,752,321</u>	<u>50,134,589</u>	<u>51,916,846</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	2,286,488	2,230,800	1,974,637	1,840,547
Public safety	2,216,385	2,516,547	2,536,476	2,603,476
Public environment	-	-	-	-
Parks and recreation	541,512	721,222	917,639	794,003
Cultural	279,267	305,932	309,897	325,178
Health	36,746	38,149	32,429	26,744
Operating grants and contributions	764,997	234,084	220,264	336,252
Capital grants and contributions	<u>1,178,573</u>	<u>1,531,740</u>	<u>5,756,456</u>	<u>5,509,530</u>
Total Governmental Activities Program Revenues	<u>7,303,968</u>	<u>7,578,474</u>	<u>11,747,798</u>	<u>11,435,730</u>
Business-type activities:				
Charges for services:				
Water and sewer	17,411,568	17,696,327	19,147,872	20,700,369
EMS	3,561,114	4,459,600	4,533,753	4,415,126
Capital grants and contributions	<u>828,853</u>	<u>1,301,235</u>	<u>2,809,110</u>	<u>4,158,552</u>
Total Business-Type Activities Program Revenues	<u>21,801,535</u>	<u>23,457,162</u>	<u>26,490,735</u>	<u>29,274,047</u>
Total Primary Government Program Revenues	<u>29,105,503</u>	<u>31,035,636</u>	<u>38,238,533</u>	<u>40,709,777</u>
Net (expense) revenue:				
Governmental activities	( 19,467,073)	( 20,259,531)	( 16,356,550)	( 17,320,631)
Business-type activities	<u>1,693,143</u>	<u>2,542,846</u>	<u>4,460,494</u>	<u>6,113,562</u>
Total Primary Government Net Expense	<u>( 17,773,930)</u>	<u>( 17,716,685)</u>	<u>( 11,896,056)</u>	<u>( 11,207,069)</u>

TABLE 2

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	6,557,778	\$	6,253,926	\$	7,421,918	\$	6,534,013	\$	10,310,363	\$	7,298,193
	12,141,968		13,061,120		13,899,278		15,448,886		16,575,191		19,008,871
	4,147,653		4,460,540		4,930,723		5,495,192		8,825,099		5,364,408
	2,034,964		2,859,974		2,707,292		3,022,278		3,012,134		3,395,458
	954,871		1,004,747		1,042,085		1,119,650		1,089,564		1,087,975
	570,204		776,494		724,780		516,890		596,288		-
	1,954,276		3,052,102		3,067,983		3,853,255		3,419,407		4,360,229
	<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>1,797,520</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>		<u>42,312,654</u>
	20,269,111		21,346,078		23,579,854		25,608,390		24,349,219		25,280,964
	<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>7,784,670</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>33,065,634</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>		<u>75,378,288</u>
	1,507,252		874,737		1,013,698		947,538		836,246		651,211
	2,415,537		4,131,548		4,104,911		3,177,329		3,276,129		3,079,945
	-		-		-		138,920		850,201		902,712
	788,727		544,460		640,231		484,495		331,174		528,886
	326,079		330,412		313,668		311,575		299,944		285,792
	30,308		29,742		27,930		21,101		26,304		-
	342,485		552,878		776,942		692,042		2,113,673		1,925,939
	<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>7,959,576</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>		<u>15,334,061</u>
	22,003,794		25,390,713		27,099,237		27,333,475		29,709,279		27,724,929
	5,921,223		6,366,894		6,092,559		6,596,618		6,114,891		7,709,027
	<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>6,935,191</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>42,369,147</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>		<u>57,703,208</u>
(	18,964,445)	(	17,317,357)	(	24,297,877)	(	31,093,551)	(	37,591,344)	(	26,978,593)
	5,482,922		10,516,825		6,633,883		3,767,596		5,716,063		9,303,513
(	<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> )	(	<u>17,675,080</u> )

**CITY OF SCHERTZ, TEXAS**

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

	Fiscal Year			
	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Ad valorem	\$ 11,298,204	\$ 12,359,146	\$ 12,794,172	\$ 14,139,037
Sales	7,968,212	9,637,097	10,553,382	10,315,125
Franchise fees	1,647,712	1,681,079	2,073,162	2,263,783
Hotel/motel	470,290	503,267	552,570	563,734
Mixed drink	28,586	30,421	39,917	43,656
Investment income	60,265	54,270	43,279	56,820
Miscellaneous	621,560	505,268	180,316	197,881
Transfers	( 62,294)	25,140	( 50,000)	( 42,235)
Total Governmental Activities	<u>22,032,535</u>	<u>24,795,688</u>	<u>26,186,798</u>	<u>27,537,801</u>
Business-type activities:				
Interest and investment earnings	36,409	53,089	31,810	47,728
Miscellaneous	666,645	664,521	609,003	344,731
Transfers	62,294	( 25,140)	50,000	42,235
Total Business-Type Activities	<u>765,348</u>	<u>692,470</u>	<u>690,813</u>	<u>434,694</u>
Total Primary Government	<u>22,797,883</u>	<u>25,488,158</u>	<u>26,877,611</u>	<u>27,972,495</u>
<b>Change in Net Position</b>				
Governmental activities	2,565,462	4,536,157	9,830,248	10,217,170
Business-type activities	<u>2,458,491</u>	<u>3,235,316</u>	<u>5,151,307</u>	<u>6,548,256</u>
Total Primary Government	<u>\$ 5,023,953</u>	<u>\$ 7,771,473</u>	<u>\$ 14,981,555</u>	<u>\$ 16,765,426</u>

Source: City financial statements

**TABLE 2**

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	15,131,997	\$	16,166,006	\$	17,018,950	\$	19,151,005	\$	19,844,912	\$	21,463,804
	10,921,489		10,844,503		12,668,555		12,506,879		14,432,152		16,838,731
	2,250,815		2,208,373		2,393,182		2,357,150		2,305,225		2,305,108
	544,871		499,466		520,424		514,679		268,946		518,921
	43,073		42,699		43,395		60,518		70,139		68,730
	187,847		448,408		909,985		1,470,258		804,674		104,613
	309,275		182,754		283,496		984,257		767,779		1,408,270
	29,211		9,399		19,186		(81,525)		-		-
	<u>29,418,578</u>		<u>30,401,608</u>		<u>33,857,173</u>		<u>36,963,221</u>		<u>38,493,827</u>		<u>42,708,177</u>
	102,642		211,466		532,367		855,216		431,555		68,354
	522,221		475,733		453,374		267,788		706,296		754,268
	(29,211)		(9,399)		(19,186)		81,525		-		-
	<u>595,652</u>		<u>677,800</u>		<u>966,555</u>		<u>1,204,529</u>		<u>1,137,851</u>		<u>822,622</u>
	<u>30,014,230</u>		<u>31,079,408</u>		<u>34,823,728</u>		<u>38,167,750</u>		<u>39,631,678</u>		<u>43,530,799</u>
	10,454,133		13,084,251		9,559,296		5,869,670		902,503		15,729,584
	6,078,574		11,194,625		7,600,438		4,972,125		6,853,914		10,126,135
\$	<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>	\$	<u>25,855,719</u>

**CITY OF SCHERTZ, TEXAS**

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Non-spendable	\$ 186,003	\$ 925,291	\$ 110,253	\$ 117,084
Restricted	1,275,501	1,599,487	1,701,408	1,748,374
Committed	-	-	-	-
Assigned	322,656	456,034	694,916	785,005
Unassigned	<u>2,560,667</u>	<u>4,206,734</u>	<u>5,587,262</u>	<u>7,280,240</u>
Total general fund	<u>\$ 4,344,827</u>	<u>\$ 7,187,546</u>	<u>\$ 8,093,839</u>	<u>\$ 9,930,703</u>
All other governmental funds				
Restricted	\$ 22,462,562	\$ 22,742,237	\$ 19,261,995	\$ 21,191,968
Committed	-	165,000	31,718	-
Assigned	347,191	244,937	31,177	6,657
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 22,809,753</u>	<u>\$ 23,152,174</u>	<u>\$ 19,324,890</u>	<u>\$ 21,198,625</u>

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

**TABLE 3**

2016	2017	2018	2019	2020	2021
\$ 220,503	\$ 98,263	\$ 94,876	\$ 131,925	\$ 114,787	\$ 162,463
1,929,636	1,994,905	2,027,125	2,196,037	1,996,357	2,151,411
-	-	-	-	687,780	907,676
752,503	854,198	3,080,557	5,580,626	1,972,479	1,501,398
<u>8,509,467</u>	<u>9,976,169</u>	<u>12,548,013</u>	<u>9,228,612</u>	<u>12,197,575</u>	<u>11,755,619</u>
\$ <u>11,412,109</u>	\$ <u>12,923,535</u>	\$ <u>17,750,571</u>	\$ <u>17,137,200</u>	\$ <u>16,968,978</u>	\$ <u>16,478,567</u>
\$ 27,252,908	\$ 35,721,031	\$ 37,772,240	\$ 39,009,399	\$ 32,024,252	\$ 33,329,710
342,519	454,376	454,376	687,779	4,071,942	7,985,798
6,743	-	-	-	-	-
-	-	-	-	( 2,071,518)	( 675,043)
\$ <u>27,602,170</u>	\$ <u>36,175,407</u>	\$ <u>38,226,616</u>	\$ <u>39,697,178</u>	\$ <u>34,024,676</u>	\$ <u>40,640,465</u>

**CITY OF SCHERTZ, TEXAS**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>				
Taxes	\$ 21,401,991	\$ 24,181,863	\$ 26,021,730	\$ 27,348,297
Permits and fees	1,363,461	1,609,954	1,805,047	1,731,302
Service fees	1,547,007	1,739,387	1,763,964	1,797,151
Fines and fees	2,027,613	1,927,744	1,750,311	1,534,588
Intergovernmental	1,000,413	492,332	221,769	393,607
Other revenue	<u>969,921</u>	<u>767,110</u>	<u>671,731</u>	<u>689,805</u>
Total Revenues	<u>28,310,406</u>	<u>30,718,390</u>	<u>32,234,552</u>	<u>33,494,750</u>
<b>Expenditures</b>				
Current:				
General government	7,094,834	6,311,276	5,981,439	5,582,441
Public safety	8,690,849	9,113,840	9,409,894	10,158,401
Public environment	976,327	951,528	1,012,607	952,663
Parks and recreation	1,398,692	1,412,329	1,338,232	1,658,197
Cultural	845,124	840,595	815,691	821,146
Health	346,318	341,961	394,918	404,008
Administration	1,249,557	1,289,078	2,270,041	2,056,646
Capital outlay	1,299,843	3,277,397	8,000,467	2,314,668
Debt service:				
Principal	2,704,898	3,217,325	3,695,597	3,918,008
Interest and fiscal charges	2,313,510	2,381,171	2,108,610	2,112,746
Bond issue costs	254,971	31,750	165,650	7,992
Payment to refund agent	-	-	-	-
Total Expenditures	<u>27,174,923</u>	<u>29,168,250</u>	<u>35,193,146</u>	<u>29,986,916</u>
Excess of Revenues Over (Under)				
Expenditures	1,135,483	1,550,140	( 2,958,594)	3,507,834
<b>Other Financing Sources (Uses)</b>				
Bond & debt issuances	14,370,000	1,635,000	8,583,715	245,000
Refunding bond issuance	-	-	-	-
Premium (discount) on bond issue	175,473	-	686,137	-
Payment to refund agent	( 6,698,421)	-	( 9,182,250)	-
Transfer in	139,635	788,084	1,243,833	989,120
Transfer out	<u>( 201,929)</u>	<u>( 788,084)</u>	<u>( 1,293,832)</u>	<u>( 1,031,355)</u>
Net Other Financing Sources (Uses)	<u>7,784,758</u>	<u>1,635,000</u>	<u>37,603</u>	<u>202,765</u>
Net Change in Fund Balances	\$ <u>8,920,241</u>	\$ <u>3,185,140</u>	\$ <u>( 2,920,991)</u>	\$ <u>3,710,599</u>
Debt Service as a Percentage of				
Noncapital Expenditures	<u>19.5%</u>	<u>21.6%</u>	<u>21.3%</u>	<u>21.3%</u>

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

**TABLE 4**

2016	2017	2018	2019	2020	2021
\$ 28,865,727	\$ 29,720,578	\$ 32,632,702	\$ 34,590,008	\$ 36,802,913	\$ 41,150,087
1,493,336	2,540,045	2,557,056	1,635,461	1,807,264	1,812,895
1,789,321	2,132,299	2,159,193	2,070,293	2,583,598	2,540,995
1,441,474	1,217,621	1,049,989	953,614	880,657	643,482
401,494	397,073	609,131	1,057,681	951,604	4,582,874
1,741,436	1,897,153	1,761,285	2,454,515	1,572,473	1,512,883
<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>	<u>52,243,216</u>
5,657,998	5,394,918	6,327,133	5,881,647	10,364,369	6,580,915
11,048,767	11,870,636	12,728,222	13,985,443	15,366,593	18,107,418
1,007,326	1,128,979	1,136,052	1,112,041	1,270,894	1,382,185
1,528,356	1,885,915	1,697,872	2,393,487	2,102,083	2,534,679
869,162	921,870	955,153	1,018,109	1,044,891	1,059,984
480,175	672,934	628,054	498,871	589,616	-
2,015,573	2,912,855	3,015,239	3,795,233	3,353,634	4,459,223
10,192,398	5,492,196	7,708,625	9,083,572	9,276,886	5,215,256
4,040,975	4,473,174	4,744,116	4,565,000	4,929,544	4,955,000
1,896,911	2,113,679	2,099,190	2,069,215	2,136,523	1,801,467
449,358	214,280	129,417	189,082	4,200	140,140
-	-	-	5,489,912	-	-
<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>	<u>46,236,267</u>
( 3,454,211)	823,333	( 399,717)	( 7,320,040)	( 5,840,724)	6,006,949
10,750,000	8,870,000	4,887,829	4,620,000	-	136,535
4,185,000	-	6,035,000	5,225,000	-	7,555,000
590,432	381,931	269,212	640,115	-	629,992
( 4,215,482)	-	( 6,159,623)	-	-	( 8,223,452)
863,583	438,803	777,487	120,503	4,500,169	6,395,386
( 834,371)	( 429,404)	( 758,302)	( 202,028)	( 4,500,169)	( 6,375,032)
<u>11,339,162</u>	<u>9,261,330</u>	<u>5,051,603</u>	<u>10,403,590</u>	<u>-</u>	<u>118,429</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>6,125,378</u>
<u>20.5%</u>	<u>20.4%</u>	<u>22.2%</u>	<u>17.3%</u>	<u>16.2%</u>	<u>19.9%</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 &amp; Use Tax</u>	<u>Franchise Tax</u>	<u>Mixed Beverage</u>
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
2021	21,418,597	16,838,731	2,305,108	68,730

**TABLE 5**

<u>Bingo</u>	<u>Hotel Occupancy</u>	<u>Total</u>
\$ -	\$ 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
24	518,921	41,150,111

**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 &amp; Sewer Consumption (In Gallons)</u>	<u>Water &amp; Sewer Base Rate</u>	<u>Water &amp; Sewer Initial Rate Per 1,000 Gallons</u>
2021	1,629,336,300	38.15	6.97
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

**CITY OF SCHERTZ, TEXAS**

**TABLE 7**

PRINCIPAL WATER AND SEWER CONSUMERS

LAST TEN FISCAL YEARS

TAXPAYERS	2021			2012		
	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	20,975,100	1	1.29%			
City of Cibolo	17,972,200	2	1.10%			
Republic Beverage Company	5,824,300	3	0.36%			
Sysco	8,056,600	4	0.49%	18,163,300	2	1.13%
Colgate Inc.	4,209,200	5	0.26%	6,766,200	4	0.42%
Silver Tree Nursing Rehab.	4,203,100	6	0.26%	6,304,900	6	0.39%
IPT San Antonio Logistics	4,173,400	7	0.26%	4,444,100	9	0.28%
YMCA	4,067,200	8	0.25%			
Atrium Inn	3,396,200	9	0.21%			
Manco Structures	3,331,300	10	0.20%			
Lions Fut Ball Club				25,141,000	1	1.57%
Beck Readymix Concrete				8,567,600	3	0.53%
IPT San Antonio Logistics				6,447,400	5	0.40%
Manco Structures				6,275,400	7	0.39%
Big Time Management				5,966,500	8	0.37%
City of Schertz (Soccor Field)				4,196,400	10	0.26%
<b>TOTAL</b>	<u>76,208,600</u>		4.68%	<u>92,272,800</u>		5.75%
Total City Water Consumption	1,629,336,300			1,604,952,300		

**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
2021	0.3470	0.1651	0.5121	1.4106	1.2757
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

Fiscal Year	Overlapping Counties					
	Bexar			Community		
	Bexar County	Hospital District	River Authority	College District	Comal County	Guadalupe County
2021	0.2624	0.2762	0.0186	0.1492	0.3224	0.3854
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

**CITY OF SCHERTZ, TEXAS**

**TABLE 9**

PRINCIPAL PROPERTY OF TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
SYSCO San Antonio, Inc.	\$ 141,147,340	1	3.28%	\$ 44,955,071	2	2.28%
Caterpillar Inc.	107,425,724	2	2.49%	39,710,625	3	2.02%
Amazon Com Services Inc	83,888,434	3	1.95%			
Texas Circle 161 LLC	58,777,703	4	1.36%			
Republic Beverage Company	57,556,210	5	1.34%	47,821,320	1	2.43%
Colfin 2018-3 Industrial Owner LLC	51,009,011	6	1.18%			
1290 Entertainment LLC	19,923,909	7	0.46%			
H.E.Butt Grocery Co.	18,099,778	8	0.42%			
EM Limited Partnership	17,800,000	9	0.41%			
Piret(Doer Lane) Holdings LLC	<u>17,536,180</u>	10	<u>0.41%</u>			
Capital Group Companies Inc.				23,928,015	4	1.22%
San Antonio MTA Lp				23,026,185	5	1.17%
Capital Group Companies Inc.				17,587,923	6	0.89%
SC Schertz LLC				16,900,000	7	0.86%
Eye Care Centers of America Inc.				14,471,578	8	0.74%
Salof Properties II LLC				14,300,000	9	0.73%
Wal-Mart Real Estate Business Trust				<u>13,137,327</u>	10	<u>0.67%</u>
Totals	\$ <u>573,164,289</u>		<u>13.31%</u>	\$ <u>255,838,044</u>		<u>12.99%</u>
Total Taxable Assessed Value	\$ <u>4,306,840,068</u>			\$ <u>1,968,808,829</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
2021	\$ 22,011,090	\$ 21,787,625	98.98%	\$ -	\$ 21,787,625	98.98%
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%	71,342	17,971,167	99.78%
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%

**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>
2021	2020	\$ 3,060,963,760	\$ 1,505,592,717
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

\*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)	\$ 276,109,231	\$ 4,070,815,340	0.5121
(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

**CITY OF SCHERTZ, TEXAS**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Lease	Revenue Bonds	Certificates of Obligation
2021	40,390,000	14,200,000	155,000	136,535	-	\$ 10,655,000
2020	44,620,000	15,415,000	345,000	25,695	-	11,200,000
2019	48,320,000	16,235,000	530,000	25,699	-	12,330,000
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

**TABLE 12**

Business-Type Activities					
General Obligation Bonds	Capital Lease	Tax Notes	Total Primary Government	Percent of Gross Income	Per Capita
\$ 2,895,000	\$ 475,121	\$ -	\$ 68,906,656	4.25%	1,619
3,685,000	134,662	150,000	75,575,357	4.50%	1,769
4,445,000	199,421	460,000	82,545,120	5.60%	1,932
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

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	Less: Amounts Available for Debt Service	Total		
2021	\$ 43,285,000	\$ 24,855,000	\$ (934,899)	\$ 67,205,101	1.65%	1,558
2020	46,223,908	15,801,473	( 1,051,874)	60,973,507	1.47%	1,481
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

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	0.32%	\$ 1,400,928
Bexar County	1,541,429,243	0.32%	4,932,574
Bexar County Hospital District	916,855,010	0.32%	2,933,936
Comal County	130,723,964	4.18%	5,464,262
Comal ISD	725,695,179	4.42%	32,075,727
Guadalupe County	17,905,000	20.10%	3,598,905
Schertz-Cibolo-Universal ISD	384,573,190	48.29%	<u>185,710,393</u>
Subtotal, Overlapping Debt			236,116,724
City Governmental Activities Direct Debt			<u>54,881,535</u>
<b>TOTAL NET OVERLAPPING DEBT</b>			<u>\$ 290,998,259</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, 2020 Tax Roll \$ 4,070,815,340

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. \$ 407,081,534

Amount of Applicable Debt:

General Bonded Debt	\$	54,881,535	
Less Debt Service Net Position	(	934,899)	<u>53,946,636</u>

DEBT MARGIN \$ 353,134,898

Total Net Debt as a Percentage of Debt Margin 15.28%

	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		
2021	\$ 28,030,614	\$ 22,231,246	\$ 5,799,368	\$ 1,856,953	\$ 515,413	2.44	
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	

*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
2021	43,125	\$ 1,641,725,625	\$ 38,069	37.6	16.2	15,887	3.9%
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%

*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	2021		2012	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Schertz-Cibolo-Universal City ISD	2,000	10.40%	944	5.86%
Amazon	1,302	6.80%		
Sysco Central Texas, Inc	827	4.30%	582	3.62%
Republic National Distributing Company	639	3.30%	250	1.55%
Fed Ex Ground - Doerr Lane, Schertz	580	3.00%		
Brandt Companies	527	2.70%	300	1.86%
City of Schertz	400	2.10%	344	2.14%
FedEx Freight	340	1.80%	141	0.88%
Visionworks	300	1.60%	542	3.37%
Hollingsworth Logistics Group	<u>286</u>	<u>1.50%</u>		
Wal-mart Stores			385	2.39%
H.E.B Grocery Co.			346	2.15%
Valero Diamond Distribution			<u>170</u>	<u>1.06%</u>
TOTAL	<u>7,201</u>	<u>37.50%</u>	<u>4,004</u>	<u>24.88%</u>

Source: City Economic Development Corporation

**CITY OF SCHERTZ, TEXAS**

FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

<b>Function</b>	Full-Time Equivalent Employees as of September 30,			
	2012	2013	2014	2015
<u>General Government</u>				
City Manager	7	7	6	6
Court Support	-	-	-	-
Municipal Court	6	6	6	6
Customer Relations	5	5	5	5
Planning and Zoning	3	3	3	3
General Services	15	13	13	13
City Secretary	2	2	2	2
Public Affairs	4	4	4	4
Records Management	1	1	1	1
Schertz Magazine	2	2	2	2
Engineer	4	3	3	3
GIS	2	2	2	2
Information Technology	4	6	6	6
Human Resources	4	4	4	4
Finance	6	6	6	8
Purchasing	5	4	3	3
Fleet Service	4	4	4	6
Building Maintenance	-	2	2	3
Facility Services	-	-	-	-
<u>Public Safety</u>				
Police	70	75	75	75
Fire	32	32	33	33
Inspections	7	7	8	9
Marshal Services	8	8	8	8
<u>Health</u>				
Animal Control	6	6	7	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	6	6	6
Business Office	10	10	10	10
<u>Water and Sewer</u>	17	16	16	16
<u>Drainage</u>	7	8	8	8
<u>EMS</u>	35	35	36	37
<u>Economic Development</u>	4	4	4	4
<b>TOTAL</b>	<b>311</b>	<b>318</b>	<b>320</b>	<b>327</b>

**TABLE 19**

Full-Time Equivalent Employees as of September 30,						
2016	2017	2018	2019	2020	2021	
5	5	5	5	5	5	5
-	-	-	-	-	-	-
6	6	6	4	4	4	4
5	5	5	3	3	3	3
4	4	4	3	3	4	4
-	-	-	-	-	-	-
2	2	2	2	2	2	2
4	4	5	5	5	4	4
1	1	-	-	-	-	-
2	2	-	-	-	-	-
7	7	7	7	8	8	8
2	2	2	2	2	2	2
6	7	8	8	8	8	8
5	5	5	5	5	5	5
8	8	8	7	7	7	7
3	3	3	3	3	3	3
6	6	6	7	8	8	8
-	-	-	-	-	-	-
16	16	17	10	10	11	11
78	81	86	86	87	90	90
36	39	45	45	46	46	46
8	8	11	12	12	12	12
8	5	-	-	-	-	-
8	8	7	7	8	9	9
3	3	4	4	4	5	5
9	10	12	11	11	11	11
-	-	-	-	-	-	-
1	1	1	5	5	6	6
14	14	15	14	14	14	14
14	14	14	14	17	17	17
4	4	4	4	4	4	4
10	10	10	9	9	9	9
16	16	19	19	19	21	21
6	6	8	8	8	8	8
39	41	45	45	45	55	55
4	4	4	4	4	4	4
<u>339</u>	<u>346</u>	<u>366</u>	<u>357</u>	<u>365</u>	<u>384</u>	

**CITY OF SCHERTZ, TEXAS**

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<b>Function</b>	<b>Fiscal Year</b>			
	2012	2013	2014	2015
<u>General Government</u>				
Building Permits Issued	2,643	3,054	2,869	3,087
<u>Schertz Tales</u>				
Number of Magazines Printed	168,000	168,000	180,000	180,000
<u>Police</u>				
CFS	19,434	19,894	19,067	36,138
Arrests	666	800	776	595
Traffic Violations	20,881	19,335	15,077	12,306
Accidents	1,665	1,960	1,823	2,040
<u>Fire</u>				
Number of Rescue/Other Responses	1,799	2,046	1,759	2,167
Number of Fire Responses	74	108	110	99
Number of Inspections	429	332	252	698
Number of Training Classes Conducted	168	132	125	150
Number of Pre-Plan Inspections	714	729	735	980
<u>EMS</u>				
Requests for Transport	7,545	8,391	8,840	9,286
Actual Transports	4,766	5,451	5,713	6,118
EMT Students	79	116	87	84
<u>Marshal Service</u>				
Warrants Issued	2,888	3,344	2,354	3,798
Warrants Cleared	4,118	4,687	3,781	3,691
Food Establishment Permits	123	127	82	135
Food Establishment Inspection	180	281	218	136
Foster/Adoption Inspections	14	24	16	22
<u>Parks</u>				
Facility Reservations	234	258	301	275
<u>Community and Civic Centers</u>				
Civic Center	325	444	458	478
Community Center Rentals	816	735	437	455
North Community Center Rentals	307	288	244	209

**TABLE 20**

<b>Fiscal Year</b>					
2016	2017	2018	2019	2020	2021
5,919	4,800	5,251	4,748	2,993	4,474
180,000	180,000	180,000	180,000	187,500	189,700
39,064	34,428	45,190	41,327	57,149	29,007
603	423	624	603	527	416
8,960	8,001	11,359	12,541	8,326	6,980
2,119	2,057	2,244	2,304	1,752	2,076
2,327	2,758	3,055	3,804	3,953	4,837
67	86	161	100	108	205
440	519	562	528	500	548
460	340	600	804	763	770
867	922	788	865	814	848
9,723	9,956	10,059	10,759	10,713	12,251
6,123	6,201	6,165	6,738	6,549	7,444
89	90	90	90	84	123
2,587	2,816	1,598	2,036	1,738	2,095
3,492	2,822	2,022	1,834	664	1,451
145	201	181	55	189	142
153	13	211	96	209	172
21	21	18	8	10	12
240	251	248	241	75	237
483	590	516	441	293	253
370	455	381	326	193	291
185	230	235	188	92	153

**CITY OF SCHERTZ, TEXAS**

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<b>Function</b>	<b>Fiscal Year</b>			
	2012	2013	2014	2015
<u>Animal Services</u>				
Number of Animals Handled	1,463	1,326	1,218	1,304
Number of Adoptions	291	362	309	357
Number of Return to Owners	149	231	222	213
Number of Transfers	312	301	316	296
 <u>Library</u>				
Annual Circulation	410,312	404,691	395,998	394,766
Library Visits	256,349	254,633	253,237	259,413
Library Program Attendance	16,035	12,581	15,048	13,825
Registered Users	30,475	31,658	30,759	31,138
 <u>Water</u>				
New Connections	271	168	235	369
Water Main Breaks	52	38	45	45
Total Consumption (Thousands of Gallons)	16,131,415	15,500,413	15,497,071	14,757,134
Daily Average Consumption (Thousands of Gallons)	44,196	42,466	42,458	40,431
Peak Daily Consumption (Thousands of Gallons)	9,290	9,483	10,089	8,385
Total Customers	12,557	12,757	13,324	13,570
Average Use Per Connection	5,517	5,905	5,467	5,135
 <u>Sewer</u>				
Total Customers	10,988	11,456	11,578	11,413
 <u>Facilities Maintenance</u>				
Number of Buildings Maintained	19	19	19	21
Square Footage	166,591	166,591	166,591	234,202

**TABLE 20**

<b>Fiscal Year</b>					
2016	2017	2018	2019	2020	2021
1,313	1,283	926	1,157	1,015	1,070
410	348	319	366	450	329
205	228	218	233	335	284
316	326	297	227	188	152
399,622	385,206	414,790	447,379	254,643	281,659
255,109	235,428	258,695	237,821	102,297	91,291
15,282	16,814	16,945	18,412	6,524	2,541
30,702	31,432	30,806	33,104	31,296	30,291
213	303	235	300	357	342
45	45	50	52	65	38
16,097,931	15,222,373	15,833,124	17,602,330	1,976,687	1,617,120
43,942	41,705	43,378	48,225	54,155	59,377
10,985	11,000	9,083	11,094	14,011	9,160
13,877	14,124	14,678	16,434	13,683	15,861
5,352	5,244	5,294	4,587	5,600	101,955
12,282	12,398	12,866	12,853	13,112	14,128
21	21	25	26	27	26
234,202	234,202	245,218	257,218	301,656	257,218

**CITY OF SCHERTZ, TEXAS**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<b>Function</b>	Fiscal Year			
	2012	2013	2014	2015
<u>Police</u>				
Stations	1	1	1	1
Patrol Units	42	42	42	48
<u>Fire</u>				
Stations	2	2	2	2
Fire Vehicles	13	13	15	16
<u>EMS</u>				
Ambulances	6	7	7	9
<u>Marshal Service</u>				
Vehicles	8	7	7	7
<u>Streets</u>				
Streets, Paved (Miles)	134	137	141	149
Streets, Unpaved (Miles)	5	5	5	5
<u>Parks and Recreation</u>				
Parks - Developed	17	13	13	14
Parks - Undeveloped	4	8	8	9
Playground	15	16	16	18
Swimming Pools	2	2	2	2
Baby Pools	2	2	2	2
Baseball/Softball Diamonds	9	12	12	15
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	81,468	86,221	100,478	113,085
<u>Water</u>				
Number of Pump Stations	5	5	5	5
Water Mains (Miles)	192	197	199	210
<u>Sewer</u>				
Sanitary Sewers (Miles)	85	87	90	96
Storm Sewers (Miles)	10	11	11	12
<u>Facilities Maintenance</u>				
Vehicles	4	5	5	6
<u>Fleet</u>				
Generators	3	3	3	4
Vehicles & Equipment				

**TABLE 21**

Fiscal Year						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
50	64	69	68	72	66	
2	2	3	3	3	3	3
16	16	18	19	20	20	
9	8	8	9	9	10	
7	7	7	7	7	7	
153	159	153	165.4	165	167.5	
5	5	5	5	5	5	
15	20	21	21	21	21	21
10	4	4	4	4	5	
19	19	19	20	21	21	
2	4	4	4	4	4	
2	2	2	2	2	2	
15	15	15	15	15	15	
12	12	12	12	12	12	
4	4	4	4	4	4	
4	3	4	4	6	6	
1	1	1	1	1	1	1
97,412	107,382	110,266	150,972	139,447	149,965	
5	5	5	5	6	7	
211	221	225	228	228.5	231.4	
98	110	113	116	116.2	119.5	
12	12	13.6	13.8	13.8	14.7	
6	6	11	11	10	8	
4	4	7	10	7	8	
		384	352	341	376	

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