City of Alamo, Texas

Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2019

Oscar R. González, CPA
& Associates, PLLC
Certified Public Accountant

INTRODUCTORY SECTION

CITY OF ALAMO, TEXAS
Comprehensive Annual Financial Report
For the Year Ended September 30, 2019

Principal Officials

MAYOR

Diana Martinez

CITY COMMISSION

Roberto De La Garza – Mayor Pro-Tem
Trino Medina – Commissioner PL. 1
Pete Morales – Commissioner PL. 3
Maria Del Pilar Garza – Commissioner PL. 4

OTHER OFFICIALS

Roberto "Bobby" Salinas - Interim City Manager
Yvette Mendoza - Finance Director

INDEPENDENT AUDITORS

Oscar R. Gonzalez, C.P.A. & Associates, P.L.L.C.
Certified Public Accountants

Prepared by:
Finance Department

ALAMO
REFUGE TO THE VALLEY

CITY OF ALAMO, TEXAS
Comprehensive Annual Financial Report
For the Year Ended September 30, 2019

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alamo

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

April 21, 2020

The Honorable Mayor, City Council
City of Alamo
Alamo, Texas

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Alamo, Texas for the fiscal year ended September 30, 2019. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures

We believe the data presented is accurate in all materials respects and is organized in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds.

Oscar R. Gonzalez, CPA & Associates, P.L.LC. Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

The City of Alamo, Texas was incorporated in May 12, 1924 under the laws of State of Texas and adopted the Commission – Manager Form of government with the adoption of its Charter on January 20, 1979. The City's Home Rule Charter provides for a Board of Commissioners form of government, comprised of a Mayor and four Commissioners, along with a Municipal Judge, elected by the people. The City Council is responsible for enacting ordinances, resolutions, and regulation governing the City, appointing members of various statutory and advisory boards and the City Manager, City Attorney, City Secretary, and Court Administrator. As chief administrative officer, the City Manager is responsible for the enforcement of laws and ordinances, and appoints and supervises the heads of department of the City organization.

The City provides the following municipal government services including police and fire protection, municipal courts, highways and streets, water and sewer services, planning and zoning, code enforcement, building inspection, parks and recreation, library, economic development and general administration services. The City of Alamo is not financially accountable for any of the other area entities within its jurisdiction such as school districts or other non-profit or for profit corporations.

Component units are legally separate organizations that a primary government must include as a part of its financial entity. The City has included financial statement for the Alamo Economic Development Corporation (4B). The 4B Funds account for the local sales tax used to stimulate local economy, development, and redevelopment.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City utilities and other proprietary activities are maintained on the accrual basis.

The City Ordinance establishes the fiscal year as October 1 through September 30. The City budget will be prepared in accordance with State Law, City Charter. The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager during the annual budget process. The City Manager presents the proposed budget to the City Council for review. The City of Alamo is required to hold a public hearing on the proposed budget. The City Council formally adopts the budget by the passage of a budget ordinance. The Mayor, City Council adopts an annual budget for the General Fund, Debt Service Fund, Special Revenue Funds, and Proprietary Funds. The appropriated budget is prepared by fund, department and function. The City Manager is required to inform the City Council and obtain City Council approval for any revisions of expenditures of any fund or department.

Budgetary control has been established at the department level. The City maintains internal budgetary control at the expenditure category (i.e., Personnel Services, Supplies, Other Services and Capital Outlay.) Monthly financial reports for the City Council are provided showing budget and actual revenues and expenditures.

ECONOMIC CONDITION AND OUTLOOK

The City of Alamo has a land area of 7.10 square miles and an estimated population of approximately 20,241. The City of Alamo is located between the cities of McAllen and Harlingen, along Interstate 2, roughly five miles north of the Rio Grande. The City is an integral part of the broad-and-diverse McAllen-Edinburg-Mission area. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The local economy is largely supported by retail, health care, education, tourism, agriculture, and international trade. The City draws residents from across the region for commercial retail activity. Currently, the City is developing a nursing and rehabilitation

facility and a freestanding emergency health center. These facilities will increase the city's tax base growth.

The City of Alamo is also the gateway to the Santa Ana National Wildlife Refuge, which is 7 ½ miles south of Alamo, Texas. Established in 1943, it is situated along the southern stretch of the Rio Grande, the Santa Ana Wildlife Refuge is home to different species of migratory birds. The Santa Ana offers visitors an opportunity to see birds, butterflies and many other species not found anywhere else in the United States beyond deep South Texas.

The City of Alamo continues to grow with the help of the Alamo Economic Development Corporation. Over the years, the City of Alamo has acquired several retail chain stores which include (1) H.E.B. store, (1) Wal-Mart store, (1) Walgreen Pharmacy, (1) CVS Pharmacy, (1) Kautsch Lumber Co., (1) Bealls, Inc. In addition to retail chain stores, the City has obtained The Original Willie's Bar-B-Q, Willie's Sweets, Tower Burger, Burger King, McDonalds, Church's Chicken, Subway Sandwiches, Little Caesars Pizza, Dairy Queen, Stars Drive-In, Carl's Jr, Peter Piper Pizza, Pizza Hut, and Wingstop.

The City continues to enjoy a stable outlook with property tax values at $663,263,626 up to 8.48% over the previous year. The Hidalgo County unemployment rate was 6.60% in 2018. The top 10 taxpayers are diverse, accounting for 12.41% of market value.

The City approved the property tax to remain the same as prior year, the property tax rate remains at $0.5817. This is due to the result of the efficient use of Maintenance Funds and Operation Funds and the increase in property taxable value. The City of Alamo is expecting to have its assessed property values increase due to economic development growth. One of the major impacts the City has is the installation of the South Texas Health System ER.

The City's sales tax revenue increased 6% in collections compared to FY 2017-2018. While the governmental entities are working to continuously watch over the region's economy, the City of Alamo has seen stable trends.

LONG-TERM FINANCIAL PLANNING

The City reviews annually the needs for capital improvements, City's infrastructure, replacement and renovation needs, and new potential projects. Capital improvement projects are funded with general governmental revenues or through the issuance of long-term debt. The City annually prepares short-term improvement plans for parks, streets, water, sewer, and water plant projects. The capital improvement plans require funding sources to be identified for each project. All projects, ongoing and proposed, are prioritized based on an analysis of current needs and resource availability.

The City's current bond rating of last issue in the following categories:

	General Obligation	Revenue
Standard & Poor's	A+	A+

FINANCIAL INFORMATION

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable but not absolute assurances that these objectives are met.

INDEPENDENT AUDIT

The Charter of the City of Alamo requires that the City Council appoint a certified public accountant who will be responsible to the City Council, to perform an independent audit of all funds of the City on an annual basis. The independent auditor's report, prepared by Oscar R. Gonzalez, C.P.A. & Associates, P.L.L.C, is presented as the first component of the financial section of this report.

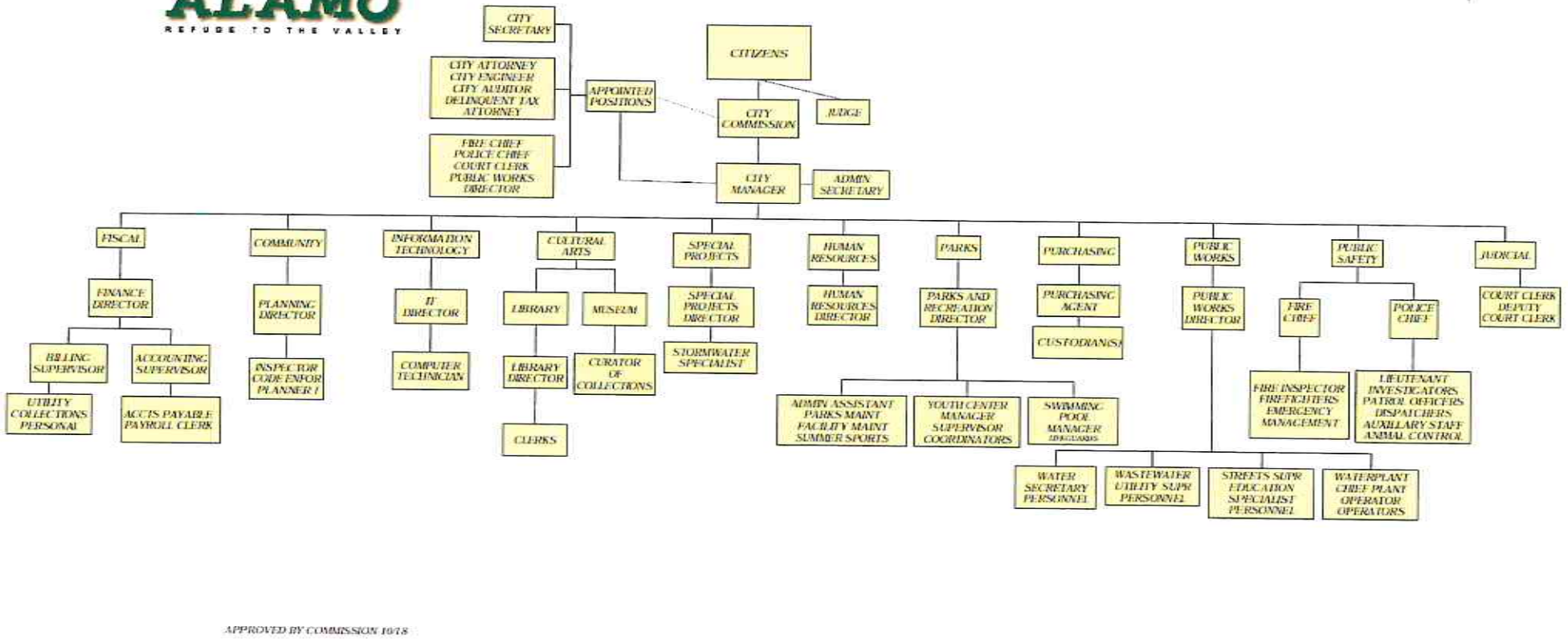
ACKNOWLEDGEMENTS

The preparation of the CAFR would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those instrumental in the successful completion of this report. Additionally, I would like to thank the Mayor, City Council, and City Manager for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Yvette Mendoza,
Finance Director

CITY OF ALAMO ORGANIZATIONAL CHART



APPROVED BY COMMISSION 10/18

FINANCIAL SECTION

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Oscar R. González
Melissa González

INDEPENDENT AUDITOR'S REPORT

To the City Commission of
City of Alamo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Alamo, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, and schedule of net pension liability and related ratios (last 10 years) and schedule of contributions, 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 Alamo, Texas' basic financial statements. The introductory section, the schedule of delinquent taxes receivable and combining and individual nonmajor fund financial statements 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 the budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, schedule of delinquent taxes receivable, 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 April 21, 2020, on our consideration of the City of Alamo, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alamo, Texas' 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 Alamo, Texas' internal control over financial reporting and compliance.

Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants
Pharr, Texas

April 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Alamo, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Alamo for the fiscal year ended September 30, 2019. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity and identify changes in the City's financial position.

FINANCIAL HIGHLIGHTS

- The assets of the *City's governmental activities* exceeded its liabilities at the close of the most recent fiscal year by $23,541,038 (net position). Of this amount, $4,596,280 (unrestricted net position) may be used to meet the governments ongoing obligations to citizens and creditors.

- At the end of the current fiscal year, fund balance for all governmental funds increased by $168,594, or 1.89%; from $8,916,141 to $9,084,735. This increase is due to increase in revenues.

- The assets of the *City's business-type activities* exceeded its liabilities at the close of the most recent fiscal year by $25,750,424 (net position). Of this amount, $3,447,650 (unrestricted net position), may be used to meet the water and sewer systems ongoing obligations to citizens and creditors.

- *The General Fund* assets exceeded its liabilities by over $3,769,911 (fund balance). Of this amount, $3,769,911 (unassigned fund balance) may be used to meet the General Fund's ongoing obligations. This is a decrease of $346,109 from prior year or 35.09% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

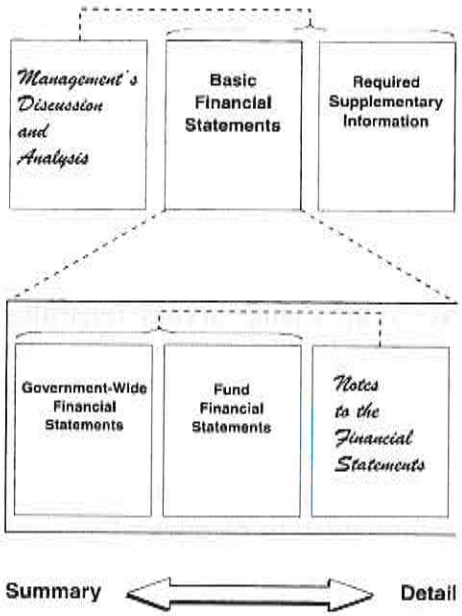
This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements, and required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.

- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

Figure A-1F, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements

		Fund Statements		
Type of Statements	**Government-wide**	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City's (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses maintenance services	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balances	• Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.

The Statement of Net Position presents information on all the City's assets and liabilities as well as deferred outflow and inflow of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish function of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and changes (business-type activities). The governmental activities of the City include services provided to the citizens for the basic health, safety, welfare, and administration of the City. Examples would include police and fire protection, animal control, streets, parks and recreation, and the youth center. The business-type activities of the City which include the services provided to the citizens, the cost of which is recouped by user fees charged for the services. This includes water and wastewater services fees to all residents and businesses.

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate component units for which the City is financially accountable: the Alamo Economic Development Corporation (blended component unit).

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that can be spent, as well as on balances of resources that can be spent available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains multiple governmental funds. Information for the major funds is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. The General Fund and the Alamo Economic Development Corporation are the only major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for the General, Hotel/Motel, and Debt Service governmental funds with the exception of grant funded special revenue funds and capital project funds, if any.

Proprietary Funds

The City maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise funds to account for its collection of water and sewer services provided for residents. There are no internal service funds being used by the City at this time.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water and wastewater operations. The proprietary fund is presented in a single, aggregates presentation in the proprietary fund financial statements. Individual fund data for the proprietary fund is provided in this report on pages 26 through 28.

The City adopts an annual appropriated budget for the Utility 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. The notes to the financial statements can be found on pages 29 through 63 of this report.

Other Information

The City's progress in funding its obligations to provide pension benefits to its employees can be found at the end of the notes to the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the result of activities comparing the budget versus actual.

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, assets exceeded liabilities by $49,291,462 and $47,887,944 for 2019 and 2018 as adjusted, respectively, for governmental activities.

The City's condensed Statement of Net Position along with last fiscal year's numbers is presented for comparison in the table is located below:

City of Alamo, Texas
Net Position

	Governmental Activities		Business-type Activities		Totals		Increase
	2019	2018	2019	2018	2019	2018	(Decrease)
Assets							
Current Assets	$ 10,983,851	$ 10,646,907	$ 14,052,336	$ 4,061,247	$ 25,036,187	$ 14,708,154	$ 10,328,033
Non-Current Assets	25,154,181	25,810,623	27,778,396	27,497,322	52,932,577	53,307,945	(375,368)
Total Assets	36,138,032	36,457,530	41,830,732	31,558,569	77,968,764	68,016,099	9,952,665
Deferred Outflow of Resources							
Aggregated Deferred Outflows	715,572	535,789	309,895	97,264	1,025,467	633,053	392,414
Total Deferred Outflows of Resources	715,572	535,789	309,895	97,264	1,025,467	633,053	392,414
Liabilities							
Current Liabilities	2,408,963	2,180,397	954,090	994,854	3,363,053	3,175,251	187,802
Non-Current Liabilities	10,397,961	11,071,256	15,411,310	5,426,391	25,809,271	16,497,647	9,311,624
Total Liabilities	12,806,924	13,251,653	16,365,400	6,421,245	29,172,324	19,672,898	9,499,426
Deferred Inflow of Resources							
Aggregated Deferred Inflows	505,642	985,291	24,803	103,019	530,445	1,088,310	(557,865)
Total Deferred Inflows of Resources	505,642	985,291	24,803	103,019	530,445	1,088,310	(557,865)
Net Position							
Net Invested in Capital Assets	15,040,876	15,068,507	12,078,980	21,813,377	27,119,856	36,881,884	(9,762,028)
Restricted	3,903,882	3,636,579	10,223,794	-	14,127,676	3,636,579	10,491,097
Unrestricted	4,596,280	4,051,289	3,447,650	3,318,192	8,043,930	7,369,481	674,449
Total Net Position	$ 23,541,038	$ 22,756,375	$ 25,750,424	$ 25,131,569	$ 49,291,462	$ 47,887,944	$ 1,403,518

The excess of liabilities/deferred inflows of resources over assets/deferred outflows of resources reported on the government-wide Statement of Net Position of $23,541,038 at September 30, 2019 results from several factors. The most significant items include certain long-term liabilities that do not require current funding such as net pension liabilities of $1,256,047 as of September 30, 2019, and other unfunded long-term liabilities which include compensated claims and compensated absences.

One of the largest portions of the City's net position ($27,119,856) reflects its Net Invested in Capital Assets (e.g., land building, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide citizens; consequently, these assets are not available for future spending. Although, the City's investments 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.

A portion of the City's net position ($14,127,676) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($8,043,930) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole.

The City's condensed Changes in Net Position along with last fiscal year's numbers are presented for comparison in the following table below:

City of Alamo, Texas
Changes in Net Position

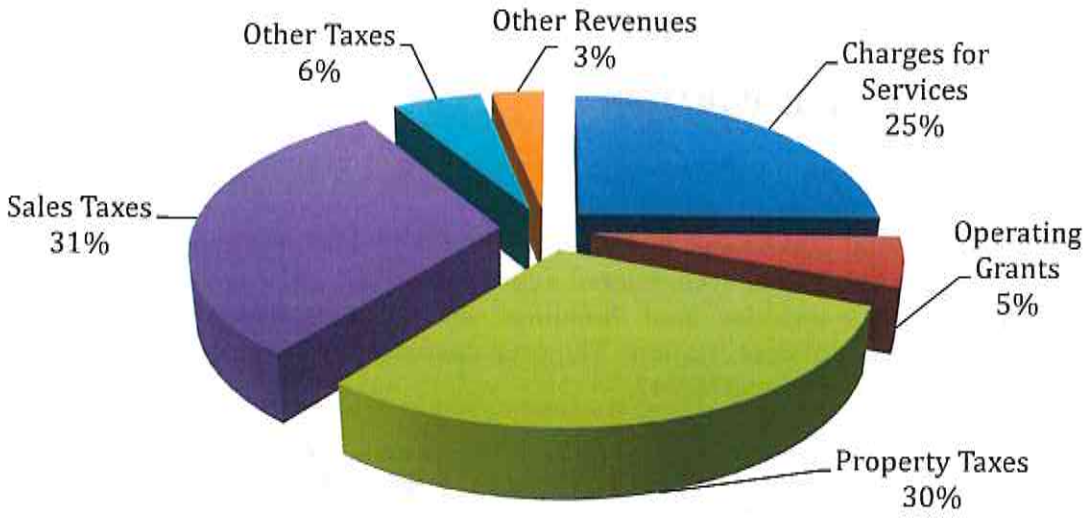
	Governmental Activities		Business-Type Activities		Totals		Increase
	2019	2018	2019	2018	2019	2018	(Decrease)
Revenues							
Program Revenues							
Charges for Services	$ 3,140,924	$ 2,861,532	$ 4,323,860	$ 4,147,141	$ 7,464,784	$ 7,008,673	$ 456,111
Operating Grants and Contributions	678,895	463,046	-	-	678,895	463,046	215,849
Capital Grants and Contributions	-	-	-	-	-	-	-
General Revenues							
Property Tax	3,736,410	3,463,220	-	-	3,736,410	3,463,220	273,190
Sales Tax	3,830,735	3,599,081	-	-	3,830,735	3,599,081	231,654
Other Tax	696,874	647,922	-	-	696,874	647,922	48,952
Other Revenues	402,394	287,700	218,129	47,537	620,523	335,237	285,286
Total Revenues	$ 12,486,232	$ 11,322,501	$ 4,541,989	$ 4,194,678	$ 17,028,221	$ 15,517,179	$ 1,511,042
Expenses							
General Government	$ 4,312,743	$ 4,331,411	$ -	$ -	$ 4,312,743	$ 4,331,411	$ (18,668)
Public Safety	4,922,694	4,150,946	-	-	4,922,694	4,150,946	771,748
Highways & Streets	1,195,126	592,114	-	-	1,195,126	592,114	603,012
Health & Welfare	241,880	230,586	-	-	241,880	230,586	11,294
Culture & Recreation	1,223,173	1,109,758	-	-	1,223,173	1,109,758	113,415
Economic Development	255,005	256,933	-	-	255,005	256,933	(1,928)
Interest & Long-term Debt	259,746	286,645	-	-	259,746	286,645	(26,899)
Waterworks & Sewer Systems	-	-	3,736,770	3,757,600	3,736,770	3,757,600	(20,830)
Total Expenses	12,410,367	10,958,393	3,736,770	3,757,600	16,147,137	14,715,993	1,431,144
Non-Operating Transfers (Net)	350,923	549,300	(350,923)	(549,300)	701,846	1,098,600	(396,754)
Increase (Decrease) in Net Position	426,788	913,408	454,296	(112,222)	881,084	801,186	79,898
Prior Period Adjustment	357,875	(168,782)	164,559	(4,462)	522,434	(173,244)	695,678
Net Position - Beginning	22,756,375	22,011,749	25,131,569	25,248,253	47,887,944	47,260,002	627,942
Net Position - Ending	$ 23,541,038	$ 22,756,375	$ 25,750,424	$ 25,131,569	$ 49,291,462	$ 47,887,944	$ 1,403,518

The City's governmental activities increased the City's net position by $784,663. The key changes this fiscal year along with element of decrease is described as follows:

- Property tax revenue including penalties and interest increased by 273,190 or 7.89% during the fiscal year. Property tax constitutes 30% of governmental revenues.
- Sales tax revenue was $3,830,735, an increase of 6.44% over the prior year. Sales tax revenue constitutes 31% of the total revenue for governmental activities.
- Other taxes, which include franchise taxes, hotel tax and mixed beverage taxes, totaled $696,874.
- Lower than projected expenses throughout the year.

The City's governmental activities' revenue source distribution is presented below.

Revenues by Source – Governmental Activities

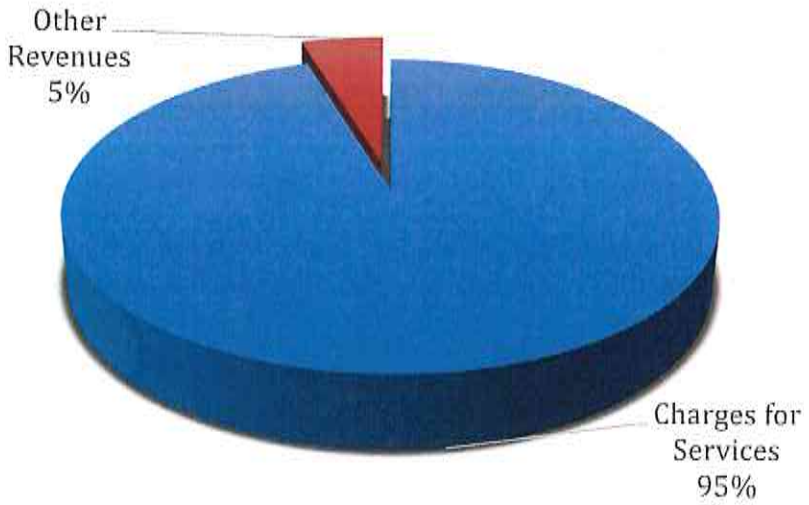


Business-Type Activities

The business-type activities increased net position by $618,855. Key changes during the fiscal year for the increase and decrease:

- Revenues increased due to increase in Water & Sewer rate fees during the fiscal year.
- Water and sewer expenses decreased $(20,830) or 1% from the prior year.

Revenues by Source – Business-Type Activities



GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's original budget was amended during the year. Expenditures did not exceed appropriations of the general government functions. Actual expenditures for the year exceeded actual revenues by $346,109. Actual revenues exceeded budgeted revenues by $131,566, while actual expenditures did not exceed appropriations by $162,630.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Alamo's Capital assets for its governmental and business-type activities amounts to $52,932,577 and $53,308,324 (net of accumulated depreciation) for 2019 and 2018, respectively. This investment in capital assets includes land, buildings, and systems improvements, machinery and equipment and equipment net of depreciation. The total decrease in the City's net investment in capital assets for the current fiscal year was $375,747.

City of Alamo, Texas
Capital Assets

	Governmental Activities		Business-Type Activities		Total		Increase
	2019	2018	2019	2018	2019	2018	(Decrease)
Capital Assets, Not Being Depreciated:							
Land	$ 1,731,590	$ 1,731,590	$ 2,943,078	$ 2,943,078	$ 4,674,668	$ 4,674,668	$ -
Construction-In-Progress	338,343	553,193	1,100,433	444,637	1,438,776	997,830	440,946
	2,069,933	2,284,783	4,043,511	3,387,715	6,113,444	5,672,498	440,946
Capital Assets, Being Depreciated:							
Buildings	13,065,904	13,034,989	4,838,176	4,838,176	17,904,080	17,873,165	30,915
Vehicles	3,604,936	3,384,300	233,117	233,117	3,838,053	3,617,417	220,636
Machinery & Equipment	2,591,943	2,564,483	1,744,472	1,664,859	4,336,415	4,229,342	107,073
Infrastructure	16,432,115	16,095,690	26,110,376	25,930,826	42,542,491	42,026,516	515,975
	35,694,898	35,079,462	32,926,141	32,666,978	68,621,039	67,746,440	874,599
Accumulated Depreciation	(12,610,650)	(11,553,244)	(9,191,256)	(8,557,370)	(21,801,906)	(20,110,614)	(1,691,292)
Total Capital Assets, Being Depreciated, Net	23,084,248	23,526,218	23,734,885	24,109,608	46,819,133	47,635,826	(816,693)
Capital Assets, Net	$25,154,181	$25,811,001	$27,778,396	$27,497,323	$52,932,577	$53,308,324	$ (375,747)

Long-Term Debt

State statues limit the amount general obligation debt that the City may issue to 10% of its total assessed valuation ($663,263,626). The City's general obligation debt maximum is $66,326,363, compared to the City's debt of $24,032,000.

At the end of the current fiscal year, the City had a total contractually obligated long-term debt of $24,032,000. The details of the change in debt from last fiscal year are as indicated:

City of Alamo, Texas
Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total		Increase
	2019	2018	2019	2018	2019	2018	(Decrease)
Long-Term Obligations							
General Obligation Bonds*	$ 8,590,000	$ 9,475,000	$ 15,442,000	$ 5,458,000	$ 24,032,000	$ 14,933,000	$ 9,099,000
Capital Leases*	616,156	638,794	62,886	187,612	679,042	826,406	(147,364)
Loan Payables	603,901	628,700	-	-	603,901	628,700	(24,799)
Compensated Absences	321,117	333,694	40,151	29,476	361,268	363,170	(1,902)
Total Long-Term Obligations	$ 10,131,174	$ 11,076,188	$ 15,545,037	$ 5,675,088	$ 25,676,211	$ 16,751,276	$ 8,924,935

* Restated balances for Business-Type Activities

Long-term debt for the Governmental activities decreased by $885,000. This decrease is the reduction of the debt by principal as amortized.

Long-term debt for the Business-Type activities increased by a net amount of $9,984,000. This increase is due to the issuance of a $10,335,000 bond with a decrease of $351,000 for the reduction of the debt principal as amortized.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements.

Pension

The adoption of Statement No. 68 resulted in the City's reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement.

The decrease in the City's net pension liability (NPL) to $ 1,477,702 at September 30, 2019 from $1,065,776 at September 30, 2018 was the result of a significant increase in net investment income in the TMRS plan during 2018.

The table below provides the City's key pension statistics related to the TMRS plan as of and for the fiscal year ended September 30, 2018.

PENSION
City of Alamo's Key Pension Statistics

Net Pension Liability (NPL)	$1,477,702
Pension Expense	$ 341,600

Additional information on the City's net pension liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

The City continues to maintain favorable ratings from bond rating agencies. The current General Obligation, Combination Tax and Revenue Certificates of Obligation, and Revenue Bonds ratings are as follows.

	Standard & Poor's
General obligation bonds	A+
Certificates of obligation	A+
Revenue bonds	A+

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraisal values used in preparing 2019-2020 budget increased $28,402,628 over the prior year, or 4 percent higher than the prior year.
- The ad valorem property tax rate was set at $0.5817. The City's effective tax rate is $.5677.
- The property tax rate should generate $79,821 of additional tax revenues; an increase of 1.12% over the previous year.
- The 2019-2020 General Fund operating budget was prepared using $3,236,653 as the estimated fund balance at September 30, 2019. The actual unassigned fund balance for the General Fund was $3,769,911.
- Weather conditions for potential droughts may affect the utility rates and operations. Causing more water to be used which strains utility infrastructure.
- The City's financial stability remains strong and City management and City Council members are in constant review of the City's fund balance to ensure there are sufficient funds always on hand to cover any unforeseen events. The City's General Fund maintains six months' worth of expenses in reserve for such events.

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 City'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 City of Alamo, Texas, Finance Director: 420 N. Tower Road, Alamo, Texas 78516.

BASIC FINANCIAL STATEMENTS

CITY OF ALAMO, TEXAS
Statement of Net Position
September 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 4,331,767	$ 1,979,691	$ 6,311,458
Restricted Cash	-	10,223,794	10,223,794
Investments	4,065,013	1,528,146	5,593,159
Accounts Receivable (Net of Allowance)			
Property Taxes	447,250	-	447,250
Court	259,833	-	259,833
Customers	245,829	421,575	667,404
Sales Tax	639,665	527	640,192
Franchise Tax	63,224	-	63,224
Other	559,959	-	559,959
Note Receivables	209,539	-	209,539
Prepaid and Other Assets	375	60,000	60,375
Internal Balances	161,397	(161,397)	-
Total Current Assets	10,983,851	14,052,336	25,036,187
Non-Current Assets			
Land	1,731,590	2,943,078	4,674,668
Construction In Progress	338,343	1,100,433	1,438,776
Building and Improvements (Net)	8,833,521	3,096,144	11,929,665
Vehicles (Net)	1,129,015	67,497	1,196,512
Furniture and Equipment (Net)	1,162,086	725,275	1,887,361
Infrastructure (Net)	11,959,626	19,845,969	31,805,595
Total Non-Current Assets	25,154,181	27,778,396	52,932,577
Total Assets	**36,138,032**	**41,830,732**	**77,968,764**
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Discount on Bonds	-	194,531	194,531
Unamortized Loss on Refunding of Debt	61,842	-	61,842
Related from Pension GASB 68	643,761	113,605	757,366
Related from Pension OPEB	9,969	1,759	11,728
Total Deferred Outflows of Resources	**715,572**	**309,895**	**1,025,467**

The notes to these statements are an integral part of these statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 567,855	$ -	$ 567,855
Payroll Withholding and Deductions	8,772	4,030	12,802
Other Current Liabilities	327,653	52,799	380,452
Unearned Revenues - Property Taxes	5,181	-	5,181
Unearned Revenues - Other	300,188	-	300,188
Accrued Interest	43,636	27,227	70,863
Customers Deposits	-	485,284	485,284
Matured Debt Payable Within One Year	1,155,678	384,750	1,540,428
Total Current Liabilities	2,408,963	954,090	3,363,053
Non-Current Liabilities			
Bonds Payable More than One Year	7,670,000	15,082,000	22,752,000
Loans Payable More than One Year	578,854	-	578,854
Leases Payable More than One Year	405,525	38,136	443,661
Compensated Absences	321,117	40,151	361,268
Net Pension Liability	1,256,047	221,655	1,477,702
OPEB Pension Liability	166,418	29,368	195,786
Total Non-Current Liabilities	10,397,961	15,411,310	25,809,271
Total Liabilities	**12,806,924**	**16,365,400**	**29,172,324**
DEFERRED INFLOWS OF RESOURCES			
Unamortized Premium on Bonds	365,090	-	365,090
Related to Pension GASB 68	136,693	24,122	160,815
Related to Pension OPEB	3,859	681	4,540
Total Deferred Inflows of Resources	**505,642**	**24,803**	**530,445**
NET POSITION			
Net Invested in Capital Assets	15,040,876	12,078,980	27,119,856
Restricted for:			
Capital Projects	-	-	-
Debt Service	1,095,065	10,223,794	11,318,859
Economic Development	1,533,314	-	1,533,314
Special Revenue	1,275,503	-	1,275,503
Unrestricted	4,596,280	3,447,650	8,043,930
Total Net Position	$ **23,541,038**	$ **25,750,424**	$ **49,291,462**

CITY OF ALAMO, TEXAS
Statement of Activities
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental Activities:							
General Government	$ 4,312,743	$ 309,529	$ 485,843	$ -	$ (3,517,371)	$ -	$ (3,517,371)
Public Safety	4,922,694	543,819	144,308	-	(4,234,567)	-	(4,234,567)
Highways and Streets	1,195,126	2,137,028	-	-	941,902	-	941,902
Health and Welfare	241,880	22,931	-	-	(218,949)	-	(218,949)
Culture and Recreation	1,223,173	127,617	48,744	-	(1,046,812)	-	(1,046,812)
Economic Development	255,005	-	-	-	(255,005)	-	(255,005)
Debt Interest	259,746	-	-	-	(259,746)	-	(259,746)
Total Governmental Activities	12,410,367	3,140,924	678,895	-	(8,590,548)	-	(8,590,548)
Business-type Activities:							
Water & Sewer	3,736,770	4,323,860	-	-	-	587,090	587,090
Total Business-type Activities	3,736,770	4,323,860	-	-	-	587,090	587,090
Total Primary Government	$ 16,147,137	$ 7,464,784	$ 678,895	$ -	$ (8,590,548)	$ 587,090	$ (8,003,458)
General Purpose Revenues and Transfers:							
Revenues							
Property Taxes					$ 3,736,410	$ -	$ 3,736,410
Sales Taxes					3,830,735	-	3,830,735
Franchise Taxes					575,790	-	575,790
Federal Grant					13,118		13,118
Other Taxes					107,966	-	107,966
Miscellaneous General Revenues					230,297	-	230,297
Interest Revenue					172,097	218,129	390,226
Transfers					350,923	(350,923)	-
Total General Revenues and Transfers					9,017,336	(132,794)	8,884,542
Change in Net Position					**426,788**	**454,296**	**881,084**
Net Position at Beginning of Period					22,756,375	25,131,569	47,887,944
Prior Period Adjustments					357,875	164,559	522,434
Net Position at End of Period					$ **23,541,038**	$ **25,750,424**	$ **49,291,462**

The notes to these statements are an integral part of these statements.

FUND FINANCIAL STATEMENTS

CITY OF ALAMO, TEXAS
Balance Sheet
Governmental Funds
September 30, 2019

	General	Alamo Economic Development Corporation	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 1,125,603	$ 1,424,160	$ 1,782,003	$ 4,331,766
Investments	2,469,293	587,573	1,008,147	4,065,013
Accounts Receivable				-
Property Taxes	372,562	-	74,688	447,250
Court	259,833	-	-	259,833
Customers	245,829	-	-	245,829
Sales Tax	479,749	159,916	-	639,665
Franchise Tax	63,224	-	-	63,224
Other	110,249	-	449,710	559,959
Note Receivables	-	209,539	-	209,539
Prepaid and Other Assets	375	-	-	375
Due From Other Funds	553,000	-	11,382	564,382
Total Assets	5,679,717	2,381,188	3,325,930	11,386,835
DEFERRED OUTFLOWS OF RESOURCES				
Aggregated Deferred Outflows	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	**$ 5,679,717**	**$ 2,381,188**	**$ 3,325,930**	**$ 11,386,835**
LIABILITIES				
Accounts Payable	$ 566,020	$ 1,835	$ -	$ 567,855
Payroll Withholding and Deductions	8,772	-	-	8,772
Other Current Liabilities	327,653	-	-	327,653
Unearned Revenues	-	-	305,369	305,369
Due To Other Funds	389,109	12,977	899	402,985
Total Liabilities	1,291,554	14,812	306,268	1,612,634
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	358,418	-	71,214	429,632
Deferred Court Fines	259,834	-	-	259,834
Total Deferred Inflows of Resources	618,252	-	71,214	689,466
FUND BALANCE				
Restricted for:				
Debt Service	-	-	1,494,934	1,494,934
Capital Projects	-	-	-	-
Special Projects	-	-	1,453,514	1,453,514
Economic Development & Tourism	-	2,366,376	-	2,366,376
Unassigned	3,769,911	-	-	3,769,911
Total Fund Balance	3,769,911	2,366,376	2,948,448	9,084,735
Total Liabilities, Deferred Inflows of Resources and Fund Balance	**$ 5,679,717**	**$ 2,381,188**	**$ 3,325,930**	**$ 11,386,835**

The notes to these statements are an integral part of these statements.

CITY OF ALAMO, TEXAS
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2019

Total Fund Balance - Governmental Funds	$	9,084,735
Fixed assets are capitalized in the Statement of Net Assets and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		25,154,181
Long-term liabilities applicable to the city's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		(10,742,494)
Revenue deferred in governmental fund statements if not received within sixty days.		(476)
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Assets.		(321,116)
Interest expense in the Statement of Activities differs from the amount reported in the governmental funds due to accrued interest calculated for bonds and note payables.		(43,637)
The difference between the reacquisition price and the net carrying amount of a refunded bond is recorded as other financing uses - payments to refunded bond escrow agent in the funds as it is received by the escrow agent, but is recorded as a deferred outflow of resources - loss on refunding of debt and expensed over the shorter of the life of the old debt or the life of the new debt, whichever is shorter.		61,842
Proceeds from resulting from premiums received on the issuance of long term debt appear as other financing sources and netted to fund balance on the governmental funds, but it is recorded as a deferred inflow of resources and amortized over the life of the debt on the		(365,090)
Principal payments on long-term expensed in governmental fund statements, treated as reductions of outstanding debt in entity wide statements.		932,437
Long term liabilities applicable to the city's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. GASB 68 is recorded in the Statement of Net Position.		(482,963)
Long term liabilities applicable to the city's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. GASB 75 is recorded in the Statement of Net Position.		(160,308)
Because property tax will not be collected for several months after the city's fiscal year end, they are not considered as "available" revenues in the governmental funds and are considered deferred, but recognized as revenues in the Statement of Net Position		423,927
Total Net Position of Governmental Activities - Statement of Net Position	$	**23,541,038**

The notes to these statements are an integral part of these statements.

CITY OF ALAMO, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended September 30, 2019

	General Fund	Alamo Economic Development Corporation	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 3,166,957	$ -	$ 572,792	$ 3,739,749
Sales Taxes	2,873,051	957,684	-	3,830,735
Franchise Taxes	575,790	-	-	575,790
Other Taxes	2,590	-	105,376	107,966
Court Fines and Fees	351,858	-	-	351,858
Licenses and Permits	186,686	-	-	186,686
Charges for Services	2,591,430	-	-	2,591,430
Local Events and Contributions	54,701	-	-	54,701
Other Revenues	81,210	3,755	156,282	241,247
State Grants	29,977	-	-	29,977
Federal Grants	121,492	-	-	121,492
Other Governmental Grants	-	-	485,843	485,843
Interest Revenue	88,207	30,310	53,580	172,097
Total Revenues	10,123,949	991,749	1,373,873	12,489,571
Expenditures				
General Government	3,810,712	183,984	106,655	4,101,351
Public Safety	4,423,449	-	20,597	4,444,046
Highways and Streets	617,405	-	485,843	1,103,248
Health and Welfare	229,049	-	-	229,049
Culture and Recreation	1,107,501	-	-	1,107,501
Economic Development	-	42,956	-	42,956
Capital Outlay	364,020	-	55,590	419,610
Debt Principal	177,639	24,799	885,000	1,087,438
Debt Interest	12,552	6,049	273,100	291,701
Total Expenditures	10,742,327	257,788	1,826,785	12,826,900
Excess of Revenues Over (Under) Expenditures	(618,378)	733,961	(452,912)	(337,329)
Other Financing Sources (Uses)				
Loan Proceeds	155,000	-	-	155,000
Proceeds on Sale of Assets	-	-	-	-
Transfers From Other Funds	390,000	-	768,342	1,158,342
Transfers To Other Funds	(272,731)	(534,688)	-	(807,419)
Net Other Financing Sources (Uses)	272,269	(534,688)	768,342	505,923
Net Change in Fund Balance	**(346,109)**	**199,273**	**315,430**	**168,594**
Fund Balance at Beginning of Period	4,116,020	2,167,103	2,633,018	8,916,141
Prior Period Adjustments	-	-	-	-
Fund Balance at End of Period	**$ 3,769,911**	**$ 2,366,376**	**$ 2,948,448**	**$ 9,084,735**

The notes to these statements are an integral part of these statements.

CITY OF ALAMO, TEXAS
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with Statement of Activities
For the Year Ended September 30, 2019

Total Net Change in Fund Balances - Governmental Funds	$	168,594
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful life and depreciated.		1,109,593
Governmental funds do not report capital assets, and accordingly do not record depreciation expense. Capital assets are recorded on the Statement on Net Position and accordingly depreciation is charged to its allocable function.		(1,057,406)
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance.		-
Interest expense in the Statement of Activities differs from the amount reported in the governmental funds due to accrued interest calculated for bonds and note payables		255,385
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Assets.		12,577
GASB 68 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities		(41,204)
GASB 75 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities		(17,413)
Because property tax will not be collected for several months after the city's fiscal year end, they are not considered as "available" revenues in the governmental funds and are considered deferred, but recognized as revenues in the Statement of Activities		(3,338)
Changes in Net Position-Governmental Funds	$	**426,788**

The notes to these statements are an integral part of these statements.

PROPRIETARY FUNDS

CITY OF ALAMO, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2019

	Business-type Activities - Enterprise Funds	
	Water and Sewer	Total Enterprise
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,979,691	$ 1,979,691
Restricted Cash	10,223,794	10,223,794
Investments	1,528,146	1,528,146
Accounts Receivable - Customers (Net)	421,575	421,575
Accounts Receivable - Other	527	527
Prepaid and Other Assets	60,000	60,000
Due From Other Funds	8,199	8,199
Total Current Assets	14,221,932	14,221,932
Noncurrent Assets		
Land	2,943,078	2,943,078
Construction In Progress	1,100,433	1,100,433
Building and Improvements (Net)	3,096,144	3,096,144
Vehicles (Net)	67,497	67,497
Furniture and Equipment (Net)	725,275	725,275
Infrastructure (Net)	19,845,969	19,845,969
Total Assets	42,000,328	42,000,328
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated Deferred Outflows	309,895	309,895
Total Deferred Outflows of Resources	309,895	309,895
LIABILITIES		
Current Liabilities		
Other Current Liabilities	52,799	52,799
Payroll Withholding and Deductions	4,030	4,030
Accrued Interest	27,227	27,227
Customers Deposits	485,284	485,284
Due To Other Funds	169,596	169,596
Matured Debt Payable Within One Year	384,750	384,750
Total Current Liabilities	1,123,686	1,123,686
Noncurrent Liabilities		
Compensated Absences	40,151	40,151
Bonds Payable More than a Year	15,082,000	15,082,000
Leases Payable More than a Year	38,136	38,136
Net Pension Liability	221,655	221,655
OPEB Pension Liability	29,368	29,368
Total Liabilities	16,534,996	16,534,996
DEFERRED INFLOWS OF RESOURCES		
Aggregated Deferred Inflows	24,803	24,803
Total Deferred Inflows of Resources	24,803	24,803
NET POSITION		
Net Invested in Capital Assets	7,360,589	7,360,589
Restricted	10,223,794	10,223,794
Unrestricted	8,166,041	8,166,041
Total Net Position	**$ 25,750,424**	**$ 25,750,424**

The notes to these statements are an integral part of these statements.

CITY OF ALAMO, TEXAS

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds	
	Water and Sewer	Total Enterprise Funds
Operating Revenues		
Charges for Services	$ 4,321,603	$ 4,321,603
Other Revenues	8,455	8,455
Total Operating Revenues	4,330,058	4,330,058
Operating Expenses		
Water Department	791,277	791,277
Sewer Department	652,680	652,680
Water Plant Department	677,142	677,142
Water Billing	188,435	188,435
General Administration	340,034	340,034
Depreciation	633,886	633,886
Total Operating Expenses	3,283,454	3,283,454
Operating Income (Loss)	1,046,604	1,046,604
Non-Operating Revenues (Expenses)		
Interest Revenue	211,931	211,931
Amortization Expense	(93,180)	(93,180)
Interest Expense	(360,136)	(360,136)
Net Non-Operating Revenues (Expenses)	(241,385)	(241,385)
Income Before Contributions and Transfers	805,219	805,219
Transfers From Other Funds	-	-
Transfers To Other Funds	(350,923)	(350,923)
Change In Net Position	**454,296**	**454,296**
Net Position at Beginning of Period	25,131,569	25,131,569
Prior Year Adjustments	164,559	164,559
Net Position at End of Period	$ **25,750,424**	$ **25,750,424**

The notes to these statements are an integral part of these statements.

CITY OF ALAMO, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2019

	Water and Sewer Fund	
Cash Flows from Operating Activities:		
Cash Received from Charges for Services	$ 4,333,048	
Cash Received from Other Revenue	8,455	$ 4,341,503
Cash Payments to Wages and Taxes	(1,085,950)	
Cash Payments to Supplies and Other	(1,675,056)	(2,761,006)
Net Cash Provided (Used) by Operating Activities		1,580,497
Cash Flows from Investing Activities:		
Capital Asset Acquisition	(914,959)	
Interest and Dividends on Investments	211,931	
Payments for Acquisition of Investments	401,465	
Net Cash Provided (Used) for Investing Activities		(301,563)
Cash Flows from Capital and Related Financing Activities:		
Principal Paid	(475,725)	
Proceeds from Bond	10,335,000	
Interest Paid	(360,136)	
Net Cash Provided (Used) for Capital and Related Financing Activities		9,499,139
Cash Flows from Non-Capital Financing Activities:		
Due From (To) Primary Government	(7,703)	
Transfer From (To) Other Funds	(350,923)	
Net Cash Provided (Used) by Non-capital Financing Activities		(358,626)
Net Increase (Decrease) in Cash and Cash Equivalents		10,419,447
Cash and Cash Equivalents at Beginning of Year		1,784,038
Cash and Cash Equivalents at End of Year		$ 12,203,485
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)		$ 1,046,604
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation and amortization	633,886	
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	(8,802)	
(Increase) Decrease in Prepaid Expenses	12,000	
(Increase) Decrease in Related to Pension	(166,412)	
Increase (Decrease) in Accounts Payable	32,465	
Increase (Decrease) in Customer Deposits	20,247	
Increase (Decrease) in Wages and Salaries Payables	(166)	
Increase (Decrease) in Compensated Absences	10,675	
Total Adjustments		533,893
Net Cash Provided (Used) by Operating Activities		$ 1,580,497

The notes to these statements are an integral part of these statements.

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Alamo, Texas (City) was incorporated as a general law city in 1924. The charter established a City Manager form of government. The municipal government provided by the Charter of the City of Alamo shall be known as the Board of Commissioners. The Board of Commissioners shall consist of a Mayor and five Commissioners and which shall enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who is held responsible to the Board of Commissioners for the execution of the laws and the administration of the government of the City.

The general governmental functions include law enforcement, fire and other public safety activities, streets, sanitation, public improvements, public charities, parks and recreation, library services, zoning and general administrative services. The Enterprise fund is used to account for the operation of its utility operations.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units by the Financial Accounting Standards Board (FASB), when applicable.

B. Financial Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government: City of Alamo, Texas

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units with the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Financial Reporting Entity (continued)

Blended Component Unit

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same of substantially the same as the City Commission or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

The City has one blended component unit, the Alamo Economic Development Corporation (AEDC).

Alamo Economic Development Corporation – (AEDC) is a nonprofit industrial development corporation organized for the purpose of promoting, assisting and enhancing economic development activities for the City as provided by the Development Corporation Act of 1979. Sales Taxes are collected under Section 4B of the Development Corporation Act of 1979 for these purposes. AEDC was incorporated on January 8, 1999. The AEDC board is fully appointed by the City Board of Commissioners. The reason it is a blended component unit is, because the City appoints all AEDC board members and can remove them at will, the AEDC board is substantially the same as the City governing body. A copy of their annual financial report can be requested and obtained in the office of the City of Alamo.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of the net position and the statement of activities. These statements report information on all of the non-fiduciary financial information for the City and its component units. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Eliminations have been made to minimize the double-counting of internal activities. Individual funds are not displayed, but the statements distinguish governmental activities (generally supported by taxes and the city general revenue) from business-type activities (generally financed in whole or in part with fees charged to external customers). The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues includes 1) charges to customers or applicants whose purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide reports on the financial condition and results of operations about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

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

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant GASB pronouncements and applicable FASB pronouncements and accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) and deferred outflows and inflows of resources are included on the statement of net position and the operating statements present increase (revenues) and decrease (expenses) in net total assets.

Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred. 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 are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of current period. The City considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. The revenues susceptible to accrual are property taxes, franchise taxes, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Principal operating expenses are the costs of providing goods and services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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 needed.

E. Fund Types and Major Funds

Governmental Funds
The City's basic financial statements include the accounts of all City operations. The criteria for including organizations

- *General Fund* – reports the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

- *Alamo Economic Development Corporation* – is a nonprofit industrial development corporation organized for the purpose of promoting, assisting and enhancing economic development activities for the City.

Proprietary Funds
The City reports the following major enterprise funds:

- *Water & Sewer Fund* – accounts for the provision of water and sewer services to the residents of the City.

Other Fund Types
Additionally, the City reports internal service funds which are used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These services include fleet management. These are proprietary funds that are reported with governmental activities in the government-wide financial statements, because the majority of activity is for governmental activities.

Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are. Reimbursements are treated as reduction of expenses.

F. Assets, Liabilities and Net Position

1. Cash and Investments
Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Net Position (continued)

1. Cash and Investments (continued)

Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash are available upon demand and are considered to be "cash equivalents" when preparing financial statements. All investments are recorded at fair value based on quoted market prices. Fair Value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Taxable property includes real property and certain personal property situated in the City. Certain properties of religious, educational and charitable organizations, including the federal government and the State of Texas, are exempt from taxation.

Additionally, there are other exemptions as noted below in arriving at the total assessed valuation of taxable property. The valuations are subject to county-wide revaluation every five years. The effective rate is based upon the previous year's total assessed valuation.

Allowances for uncollectible tax receivables within the General and Debt Service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and included as part of the allowance for uncollectible; except for tax receivables over 20 year, the city is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The City does no write off tax receivable greater than 20 years.

3. Inventories

The inventories are recorded at cost and are accounted for by the consumption method.

4. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectible.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Net Position(continued)

5. Transactions between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

6. Capital Assets

Capital assets include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are capital assets valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. Assets capitalized have an original cost of $5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	50 Years
Infrastructure	30 Years
Improvements	20 Years
Water and Sewer System	30-50 Years
Machinery and Equipment	3-15 Years

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated annual and sick leave balances. The City's policy allows employees to accumulate unused sick leave and extra compensation time on an unlimited basis and vacation leave based on the number of years of full-time employment with the City in accordance with the following chart:

Years of Employment	Pro-Rata Accrual Rate per Month
0-19 Years	10 hours (15 days per year)
20 & Over	13.33 hours (20 days per year)

Non-exempt employees may accumulate no more than a maximum of two years allotment of vacation leave as set above. Exempt employees can accumulate more than the maximum. Sick leave may be accrued but will not be paid out to employees that leave before retirement.

8. Long-Term Obligations

In the government-wide, proprietary and component unit financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance cost are deferred and amortized over the life of the bonds using the straight-line method as the amount is immaterial against the effective interest method. Unamortized bond premium and discount, issuance cost and gain or loss on refunding are not netted against the liability, but recorded in the asset portion of the financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Net Position(continued)

8. Long-Term Obligations (continued)
In the fund financial statements, long-term liabilities are not recorded in the governmental funds as the payment of the obligations will not be made by current financial resources. The governmental fund financial statements recognize the proceeds of debt as other financing resources.

9. Restricted Assets
The proceeds and required reserves of debt issuances are recorded as restricted assets as they are restricted for debt service and/or capital projects, payments and/or purchases.

10. Net Position/ Fund Equity
In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available or are legally restricted by outsource parties for use for a specific purpose.

11. Estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management.

12. General Fund's Fund Balance Policy
The City has adopted GASB 54 as part of its fiscal year ending September 30, 2011. Implementation of GASB 54 is required for all cities for the fiscal year ending 2011. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users if the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the use of those resources. GASB 54 provides for two major types of fund balances which are non-spendable and spendable.

Non-spendable: Fund balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, noncurrent advances to other funds that are not expected to be collected in the next fiscal year, and the principal (corpus) of an endowment fund. The City does not have any prepaid items or non-spendable funds related to an endowment. In addition to non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: Fund balances constrained by external parties, constitutional provisions, or enabling legislation. All of the City's restricted funds are from capital projects, debt service, economic development and special revenue funds, whose funds are revenues legally restricted for expenditures for a particular purpose.

Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The responsibility to commit funds rests with the elected City Commissioners and Mayor.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Net Position(continued)

12. General Fund's Fund Balance Policy (continued)
Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. The City has no committed fund balance as of September 30, 2019.

Assigned: Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the City Manager.

Unassigned: Fund balances of the general fund that is not constrained for any particular purpose. This is also where negative amounts from the other categories of fund balance are recognized.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City typically first applies restricted resources, as appropriate opportunities arise, but reserves the right to selectively defer he use thereof to a future project or replacement equipment acquisition. When an expense is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of assigned then unassigned, and finally committed funds.

G. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS.

For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The City follows the procedures outlined below in establishing budgetary data reflected in the financial statements:

Annual Budgets are legally adopted for all City funds with revenue and expense/expenditure activity. The City Charter states that between sixty (60) and ninety (90) days prior to the end of the fiscal year, the City Manager is required to submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures/expenses and the proposed method to finance them.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Data (continued)

Dates for public hearings, the purpose of which are to obtain taxpayer's comments are set by the Board of Commissioners at the same time the budget is submitted to that body. The Board of Commissioners may add to, subtract from or change appropriations, but may not change the form of the proposed budget. Any changes must be within the revenue and reserves estimated as available by the City Manager. Prior to September 25 of each year, the budget is legally enacted through the passage of an ordinance.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations between/within a department in the same fund with the City Administrator's approval. Transfers of appropriations between funds require the approval of the Board of Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

At any time during the fiscal year, the City Manager can reallocate expenditures within a fund without the approval of the Board of Commissioners. However, any revisions to the budget which increase the total budgeted expenditures/expenses within any fund must be approved by the Board of Commissioners.

The Board of Commissioners made several budget amendments during the fiscal year. The major reasons for the amendment were to increase or decrease the budget for revenues increase or decrease the budget for expenditures.

B. Budget Basis of Accounting

The City prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are debt service transactions, capital outlay purchases and the recording of bond and loan proceeds.

C. Excess of General Fund Expenditures over Appropriations

At September 30, 2019, general fund total expenditures were under budget appropriations by $162,630. Actual revenues were more than budgeted revenues by $131,110. Actual expenditures for the year exceeded actual revenues by $346,565, after other financing sources.

D. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None	Not Applicable

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Deficit Fund Equity / Net Position

There were not any funds with a deficit fund balance/net position.

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS

A. Cash and Cash Equivalents

1. Deposits and Investments

City's funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public Funds of the Government Code in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2019, the carrying amount of the City's deposits was $6,311,458. In addition, the City has $10,223,794 held in a restricted escrow account.

The City has one depository Institution: Frost Bank

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk.

The highest cash balance for the city occurred March 14, 2019 in the amount of $5,948,466 and was fully collateralized by pledged securities in the amount of $6,820,735. As of September 30, 2019, the City's bank balance of $6,340,820 was not exposed to custodial credit risk and was fully insured and fully collateralized by $250,000 FDIC insurance and $6,188,095 of pledged securities.

B. Investments

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

The Public Investment Act ("Act") requires an annual audit of investment practices. The City has adopted a deposit and investment policy. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act.

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

B. Investments (continued)

A total of $5,593,159 was invested in TexPool as of September 30, 2019.

The Act determines the types of investments which are allowable for the City:

1) Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009
2) Certificates of deposit and share certificates as permitted by Government Code 2256.010
3) Fully collateralized repurchase agreements as permitted by Government Code 2256.011
4) A securities lending program as permitted by Government Code 2256.0115
5) Banker's acceptances as permitted by Government Code 2256.012
6) Commercial paper as permitted by Government Code 2256.013
7) No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
8) A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements as established by Government Code 2256.015
9) Public funds investment pools as permitted by Government Code 2256.016

State law and the City's Investment Policy restrict depository time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks) doing business in Texas. By policy, depository CDs are limited to maturities not exceeding two (2) years and require collateralization to 102% with pledged securities (and 110% if collateral is a mortgage backed security). All collateral is to be held by an independent custodian. The pledging bank is contractually responsible for monitoring and maintaining the collateral margins daily. Brokered CD securities must be FDIC insured and delivered versus payment to the City's depository. The maximum maturity for brokered CDs is one year and FDIC insurance must be verified before purchase. The policy requires that FDIC status of the brokered CD banks be monitored weekly and any mergers exposing the City to non-FDIC coverage requires immediate liquidation.

State law and the City's adopted Investment Policy limit repurchase agreements to primary dealers or banks doing business in Texas. The policy requires independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three (3) years executed under a Master Repurchase Agreement.

Constant dollar, local-government investment pools, as by state law (2256.016) and approved by the adopted Policy are authorized. By state law, all local government pools are rated AAA or equivalent by at least one NRSRO (Nationally Recognized Securities Ratings Organization). All pools by Policy must strive to maintain a $1 NAV. Debt issued by states, local governments and other political subdivisions must be general obligations of the issuer and be rated A or better by at least one NRSRO and are restricted to two (2) years to maturity. AAA rated; SEC registered money market mutual funds are authorized if they strive to maintain a $1 NAV.

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

B. Investments (continued)

The Qualified School Construction Note Funds are defined as a separate sub-portfolio which has a maximum stated maturity and weighted average maturity of five (5) years. The policy restricts all other investments to a maximum stated maturity of two (2) years and also restricts the portfolio to a weighted average maturity of 180 days.

As of September 30, 2019:

- Holdings in Agencies represented 36.0% of the total portfolio.
- Holdings in Repurchase Agreements represent 41.3% of the total portfolio.
- Holdings in Money Market funds represented 4.6% of the portfolio.
- Holdings in U.S Treasury obligations represented 18.1% of the total portfolio.

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

- *Interest Rate Risk:* Interest-rate risk reduces the exposure to changes in interest rates that could adversely affect the value of investments. The City shall use final and weighted-average maturity data. In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum maturity of two (2) years. The total portfolio has a dollar weighted average maturity (WAM) limit of 180 days. The investment in the QSCN Reserve Fund has a maturity of 667 days in keeping with its specific policy and goals. the City's investment in TexPool are available daily.

- *Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the City was not exposed to credit risk.

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

- *Concentration of Credit Risk:* The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act.

- *Foreign Currency Risk:* This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

B. Investments (continued)

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

The term "short-term" refers to investments which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2256 of the Texas Government Code, in addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City's investment in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at amortized cost. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advice with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advice in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAm by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities.

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

B. Investments (continued)

Public Funds Investment Pools (continued)
The stated objective of TexPool is to maintain a stable average of $1.00 per unit net asset value; however, the $1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

The City's investments at September 30, 2019 are shown below:

Reported At	Description	Reported Amount	Weighted Average Maturity (days)	Standard & Poor's Rating	Concentration of Credit Risk
Market Value	TexPool Investment Fund	$ 5,593,159	34	AAA-m	0.00%

C. Disaggregation of Receivables

Receivables for the City at September 30, 2019, were as follows:

Governmental Funds	Accounts Receivable	Allowance for Uncollectible	Total (Net)
Property Taxes	$ 496,945	$ 49,694	$ 447,250
Sales Taxes	639,665	-	639,665
Franchise Taxes	63,224	-	63,224
Court Fines and Fees	519,667	259,834	259,833
Note Receivables	209,539	-	209,539
Utility Customers	245,829	-	245,829
Other Sources	559,958	-	559,959
	$ 2,734,827	$ 309,528	$ 2,425,299

Business-Type- Funds	Accounts Receivable	Allowance for Uncollectible	Total (Net)
Utility Customers	$ 598,967	$ 177,392	$ 421,575
Other Sources	527	-	527
	$ 599,494	$ 177,392	$ 422,102

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

D. Deferred Inflows of Resources & Unearned Revenues

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the year, the various components of deferred revenue and unearned revenue reported in the fund financial statements were as follows:

1. Deferred Inflows of Resources

Deferred Inflows Description	General Fund	Debt Service Fund	Total
Property Taxes	$ 358,418	$ 71,214	$ 429,632
Court Fines	259,834	-	259,834
Total	$ 618,252	$ 71,234	$ 689,466
Total Deferred Inflows for Primary Government			$ 689,466

2. Unearned Revenues

Unearned Revenues Description	Asset Forfeiture	Urban County	Total
Grant Advance-CDBG Program	$ -	$ 300,188	$ 300,188
Asset Forfeiture	5,181		5,181
Total	$ 5,181	$ 300,188	$ 305,369
Total Unearned Revenues for Primary Government			$ 305,369

E. Due from Other Funds

The City reports interfund balances between many of its funds. The total of all balances agrees with the sum of interfund balances presented in the statements of net position/balance sheets for governmental and enterprise funds. The interfund balances are operational and short-term in nature. Interfund balances at September 30, 2019 consisted of the following:

		Due from				
		General Fund	Economic Development	Hotel Motel Fund	Water & Sewer Fund	Totals
Due To	General Fund	$ 380,910	$ 1,595	$ 899	$ 169,596	$ 553,000
	Debt Service Fund	-	11,382	-	-	11,382
	Total Governemental Funds	380,910	12,977	899	169,596	564,382
	Water and Sewer Fund	8,199	-	-	-	8,199
	Total Enterprise Funds	8,199	-	-	-	8,199
	Total	$ 389,109	$ 12,977	$ 899	$ 169,596	$ 572,581

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

F. Interfund Transfers

The City reports interfund transfers between many of its funds. Interfund transfers for the year ended September 30, 2019, consisted of the following:

		Transfers Out			
		General Fund	Economic Development	Water & Sewer Fund	Totals
Transfers In	General Fund	$ -	$ 40,000	$ 350,000	$ 390,000
	Debt Service Funds	-	494,688	199,300	693,988
	TIRZ Fund	74,354	-	-	74,354
	Total Governemental Funds	74,354	534,688	549,300	1,158,342
	Water and Sewer Fund	198,377	-	-	198,377
	Total Enterprise Funds	198,377	-	-	198,377
	Totals	$ 272,731	$ 534,688	$ 549,300	$1,356,719

Transfers From	Transfers To	Amount	Reason
AEDC	General Fund	$ 40,000	Administration Fee.
AEDC	Debt Service Fund	494,688	To provide resources for repayment of Certificate of Obligations Series 2008 & 2013.
General Fund	TIRZ	74,354	Annual contribution for property tax.
General Fund	Enterprise Fund	198,377	To provide resources for waterline sewer adjustments and relocations of FM 907
Enterprise Fund	General Fund	350,000	Administration Fee.
Enterprise Fund	Debt Service Fund	199,300	To provide resources for repayment of certificate of obligations Series 2012A.
	Total	$ 1,356,719	

Notes to the financials continue on next page.

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

G. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

Primary Government Governmental Activities:	**Beginning Balance 10/1/2018**	**Increases**	**Decreases**	**Ending Balance 9/30/2019**
Capital Assets not being depreciated:				
Land and right of way	$ 1,731,590	$ -	$ -	$ 1,731,590
Construction in Progress	553,193	62,795	(277,645)	338,343
Total capital assets, not being depreciated	2,284,783	62,795	(277,645)	2,069,933
Capital assets, being depreciated:				
Building and Improvements	13,034,989	30,915	-	13,065,904
Vehicles	3,384,300	220,636	-	3,604,936
Machinery & Equipment	2,564,483	27,460	-	2,591,943
Infrastructure	16,095,690	336,425	-	16,432,115
Total capital assets, being depreciated	35,079,462	615,436	-	35,694,898
Less accumulated depreciation for:				
Buildings and Improvement	(3,926,045)	(306,338)	-	(4,232,383)
Vehicles	(2,238,360)	(237,561)	-	(2,475,921)
Machinery & Equipment	(1,291,204)	(138,653)	-	(1,429,857)
Infrastructure	(4,097,635)	(374,854)	-	(4,472,489)
Total accumulated depreciation	(11,553,244)	(1,057,406)	-	(12,610,650)
Total capital assets, being depreciated, net	23,526,218	(441,970)	-	23,084,248
Governmental activities capital assets, net	$ 25,811,001	$ (379,175)	$ (277,645)	$ 25,154,181

Business-Type Activities:	**Beginning Balance 10/1/2018**	**Increases**	**Decreases**	**Ending Balance 9/30/2019**
Capital Assets not being depreciated:				
Land and right of way	$ 2,943,078	$ -	$ -	$ 2,943,078
Construction in Progress	444,637	655,796	-	1,100,433
Total capital assets, not being depreciated	3,387,715	655,796	-	4,043,511
Capital assets, being depreciated:				
Building and Improvements	4,838,176	-	-	4,838,176
Vehicles	233,117	-	-	233,117
Machinery & Equipment	1,664,859	79,613	-	1,744,472
Infrastructure	25,930,826	179,550	-	26,110,376
Total capital assets, being depreciated	32,666,978	259,163	-	32,926,141
Less accumulated depreciation for:				
Buildings and Improvement	(1,636,895)	(105,137)	-	(1,742,032)
Vehicles	(142,215)	(23,406)	-	(165,621)
Machinery & Equipment	(856,601)	(162,596)	-	(1,019,197)
Infrastructure	(5,921,659)	(342,747)	-	(6,264,406)
Total accumulated depreciation	(8,557,370)	(633,886)	-	(9,191,256)
Total capital assets, being depreciated, net	24,109,608	(374,723)	-	23,734,885
Business-Type capital assets, net	$ 27,497,323	$ 281,073	$ -	$ 27,778,396
Total Primary Governnment Total	$ 53,308,324	$ (98,102)	$ (277,645)	$ 52,932,577

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

G. Capital Assets (continued)

Depreciation expense was charged to functions of the governmental activities as follows:

Expenditures	Depreciation By Function
General Government	$ 411,958
Public Safety	415,470
Highways and Streets	67,902
Health and Welfare	27,054
Culture and Recreation	108,808
Economic Development	26,214
Total Allocable Expenditures	$ 1,057,406

H. Long Term Obligations

The following schedule summarizes the changes in long-term debt, pension liability, and compensated absences as of September 30, 2019:

Governmental Activities

Description	Original Issue	Final Maturity	Coupon Rate %	Original Issue	Outstanding Balance 9/30/19
Bond Series 2008	4/17/2008	2/15/2028	3.75%	3,000,000	1,650,000
Bond Series 2012 - A	12/1/2012	2/15/2032	2.00% - 3.00%	7,075,000	4,925,000
Bond Series 2013	1/15/2013	2/15/2026	2.00% - 3.25%	3,835,000	2,015,000
				$ 13,910,000	$ 8,590,000

Interest paid on bonded indebtness during the current year was $ 273,100

Deferred Outflow/Inflow of Resources	Beginning Balance	Increase	Decrease	Ending Balance
Unamortized Premium / Discount	$ (401,519)	$ -	$ 36,429	$ (365,090)
Unamortized Loss on Refunding of Debt	70,677	-	8,835	61,842

Business-Type Activities

Description	Original Issue	Final Maturity	Coupon Rate %	Original	Outstanding Balance 9/30/19
W & S, Bond Series 2000	6/1/2000	8/1/2040	4.50%	$ 2,967,000	$ 2,176,000
Bond Series 2007	10/18/2007	3/1/2027	2.20% - 2.75%	4,000,000	1,925,000
Bond Series 2012	4/2/2012	3/1/2022	0.008% - 2.48%	279,000	96,000
Bond Series 2017	3/30/2017	3/1/2037	.120% - 2.87%	1,000,000	910,000
Bond Series 2018	10/4/2017	3/1/2047	0.73% - 2.19%	10,335,000	10,335,000
				$ 18,581,000	$ 15,442,000

Interest paid on bonded indebtness during the current year was $ 355,813

Deferred Outflow/Inflow of Resources	*Restated* Beginning Balance	Increase	Decrease	Ending Balance
Unamortized Premium / Discount	$ (17,710)	$ 177,753	$ 932	$ (194,531)

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

H. Long Term Obligations (continued)

Governmental Activities Description	Outstanding Balance 10/01/18	Issued Current	Retired Current	Outstanding Balance 9/30/2019	Amounts Due Within One year
Bond Series 2008	$ 1,800,000	$ -	$ 150,000	$ 1,650,000	$ 155,000
Bond Series 2012 - A	5,300,000	-	375,000	4,925,000	390,000
Bond Series 2013	2,375,000	-	360,000	2,015,000	375,000
Total Bonds Payable	$ 9,475,000	$ -	$ 885,000	$ 8,590,000	$ 920,000

Business-Type Activities Description	*Restated* Outstanding Balance 10/01/18	Issued Current	Retired Current	Outstanding Balance 9/30/2019	Amounts Due Within One year
W & S, Bond Series 2000	$ 2,238,000	$ -	$ 62,000	$ 2,176,000	$ 64,000
Bond Series 2007	2,140,000	-	215,000	1,925,000	220,000
Bond Series 2012	125,000	-	29,000	96,000	31,000
Bond Series 2017	955,000	-	45,000	910,000	45,000
Bond Series 2018	-	10,335,000	-	10,335,000	-
Total Bonds Payable	$ 5,458,000	$ 10,335,000	$ 351,000	$ 15,442,000	$ 360,000

Governmental Activities Obligation	Beginning Balance 10/01/2018	Increases	Decreases	Ending Balance 9/30/2019	Amounts Due Within One year
General Obligation Bonds	$ 9,475,000	$ -	$ 885,000	$ 8,590,000	$ 920,000
Capital Leases	638,794	155,000	177,638	616,156	210,631
Loan Payables	628,700	-	24,799	603,901	25,047
Sick and Vacation Leave	333,694	255,881	268,458	321,117	-
Total Governmental Activities	$ 11,076,188	$ 410,881	$ 1,355,895	$ 10,131,174	$ 1,155,678

Business-Type Activities Obligation	*Restated* Beginning Balance 10/01/2018	Increases	Decreases	Ending Balance 9/30/2019	Amounts Due Within One year
General Obligation Bonds	$ 5,458,000	$ 10,335,000	$ 351,000	$ 15,442,000	$ 360,000
Capital Leases	187,612	-	124,726	62,886	24,750
Sick and Vacation Leave	29,476	41,780	31,105	40,151	-
Total Business-Type Activities	$ 5,675,088	$ 10,376,780	$ 506,831	$ 15,545,037	$ 384,750

Governmental Activities Obligation	Beginning Balance 10/01/2018	Increases	Decreases	Ending Balance 9/30/2019
Net Pension Liability-GASB 68	$ 905,910	$ 350,137	$ -	$ 1,256,047
Net Pension Liability -OPEB	$ 176,595	$ -	$ 10,177	$ 166,418

Business-Type Activities Obligation	Beginning Balance 10/01/2018	Increases	Decreases	Ending Balance 9/30/2019
Net Pension Liability -GASB 68	$ 159,866	$ 61,789	$ -	$ 221,655
Net Pension Liability-OPEB	$ 31,164	$ -	$ 1,796	$ 29,368

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

I. Debt Service Requirements

Debt service requirements of bonds and capital leases payables at September 30, 2019 are as follows:

Certificates of Obligation Payable

Year Ended	Governmental Activities			Business-Type Activities		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2020	$ 920,000	$ 249,632	$ 1,169,632	$ 360,000	$ 366,004	$ 726,004
2021	945,000	223,356	1,168,356	574,000	355,105	929,105
2022	815,000	197,713	1,012,713	593,000	342,794	935,794
2023	830,000	173,806	1,003,806	574,000	330,261	904,261
2024	860,000	147,832	1,007,832	597,000	317,304	914,304
2025-2029	3,110,000	373,916	3,483,916	2,910,000	1,372,595	4,282,595
2030-2034	1,110,000	52,987	1,162,987	3,584,000	1,184,766	4,768,766
2035-2039	-	-	-	2,320,000	545,485	2,865,485
2040-2044	-	-	-	2,375,000	299,210	2,674,210
2045-2050	-	-	-	1,555,000	51,501	1,606,501
Total Certificates of Obligation Payable	$ 8,590,000	$ 1,419,242	$ 10,009,242	$ 15,442,000	$ 5,165,023	$ 20,607,023

Capital Leases Payable

Year Ended	Governmental Activities			Business-Type Activities		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2020	$ 210,631	$ 13,538	$ 224,168	$ 24,750	$ 1,225	$ 25,974
2021	215,476	8,692	224,168	25,287	688	25,975
2022	125,194	3,732	128,926	12,849	139	14,572
2023	31,932	1,754	33,686	-	-	-
2024	32,923	762.47	-	-	-	-
Total Capital Leases Payable	$ 616,156	$ 28,478	$ 610,948	$ 62,886	$ 2,052	$ 66,522

Loan Payable

Year Ended	Governmental Activities		
September 30,	Principal	Interest	Total
2020	$ 25,047	$ 5,800	$ 30,847
2021	25,298	5,550	30,848
2022	25,551	5,297	30,848
2023	25,807	5,041	30,848
2024	26,065	4,783	30,848
2025-2029	134,284	19,954	154,238
2030-2034	141,134	13,104	154,238
2035-2039	148,333	5,904	154,237
2040-2044	52,382	873	53,255
Total Loan Payable	$ 603,901	$ 66,306	$ 670,207

III. DETAILED NOTES ON FUNDS AND COMPONTENT UNITS (Continued)

J. Notes Receivable – AEDC Blended Component Unit

In an effort to provide local economic development and stimulate business and commercial activity within the City, AEDC has accepted notes from various businesses. These notes provide assistance to small and emerging private business in the City. The balance in accounts and notes receivables at September 30, 2019 is $209,539. A detail of the loans is shown below:

Note	Outstanding Balance As of 10/01/2018	Increases	Decreases	Outstanding Balance As of 9/30/2019
New Generation Loan Dated, December 13, 2010, for the amount of $150,000 at an interest rate of 5% with maturity on January 1, 2021.	$ 39,466	$ 3,233	$ 22,596	$ 20,103
V Day Spa Loan Dated, January 25, 2011, for the amount of $125,000 at an interest rate of 5% with maturity on February 1, 2021.	37,027	-	37,027	-
Soleil Rehab Loan Dated, January 14, 2011, for the amount of $150,000 at an interest rate of 5% with maturity on February 1, 2021.	66,141	-	66,141	-
NIKODEE II, LLC Loan Dated, April 17, 2012, for the amount of $150,000 at an interest rate of 5% with maturity on May 1, 2019.	13,646	7	13,653	-
Poncho's Central Kitchen, LLC Loan Dated, September 30, 2012, for the amount of $175,000 at an interest rate of 5% with maturity on October 1, 2022.	92,779	20	92,799	-
Aaron's Mobile Home Transport Loan Dated, April 26, 2014, for the amount of $150,000 at an interest rate of 4% maturing on March 1, 2024.	53,947	-	18,002	35,945
The Original Willie's Inc. Loan Dated, May 19, 2016, for the amount of $140,000 at an interest rate of 5% maturing on August 1, 2026.	114,871	-	12,587	102,284
Speedway Performance Motors, LLC Loan Dated March 21, 2017, for the amount of $65,000 at an interest rate of 6.5% maturing on April 1, 2027	56,505	2,033	7,331	51,207
Totals	$ 474,382	$ 5,293	$ 270,136	$ 209,539

IV. OTHER INFORMATION

A. 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, injuries to employees (workman's compensation), and natural disasters. During the fiscal year, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. A copy of TML's comprehensive annual report may be obtained by request at the following address:

Texas Municipal League
1821 Rutherford Lane, Suite 400
Austin, TX 78754-5128

B. Defined Benefit Pension Plans

1. Plan Description

The City participates as one of 860 plans in the non-traditional, joint contributory, hybrid defined benefit 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 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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *www.tmrs.com*.

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

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plans (continued)

2. Benefits Provided

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

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

	Plan Year 2019	Plan Year 2018
Employee deposit rate	5.00%	5.00%
Matching ratio (city to employee)	1.5 to 1	1.5 to 1
Years required for vesting	5	5
Retirement Eligibility (Age/Service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating
Supplemental Death Benefit to Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Membership	December 31, 2018
Number of Inactive Employees/Beneficiaries currently receiving benefits	41
Number of Inactive Employees entitled to but not yet receiving benefits	104
Number of Active employees	147

3. 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 of Alamo, Texas were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Alamo, Texas were 7.50% and 7.50% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were $336,920, and were equal to the required contributions.

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plans (continued)

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions*:**

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:	
Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specifit to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Other Information	
Notes	There were no benefit changes during the year.

Actuarial assumptions used in the December 31, 2018, valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014, first used in the December 31, 2015 actuarial valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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 sort-term and long-term funding needs of TMRS.

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plans (continued)

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 assets allocation percentage and by adding expected inflation.

The target allocation rates of return for each major asset class are summarized in the following table:

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
U.S. Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	5.0%	10.0%	15.0%
Non-Core Fixed Income	15.0%	20.0%	25.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	5.0%	10.0%	15.0%
Absolute Return	5.0%	10.0%	15.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalent	0.0%	0.0%	10.0%
Total		100%	

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.

At September 30, 2019, the City reported a net pension liability of $1,477,702.

Net Pension Liability	12/31/2018	12/31/2017
Total Pension Liability	$10,827,049	$10,568,255
Plan Fiduciary Net Position	9,349,347	9,502,479
Net Pension Liability	$ 1,477,702	$ 1,065,776
Plan Fiduciary Net Position as a Percentage of Total Pension	86.35%	89.92%
Net Pension Liability as a Percentage of Covered Payroll	30.09%	24.05%

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plans (continued)

For the year ended September 30, 2019, the City recognized a pension expense of $341,600.

Schedule of Pension Expense	
1. Total Service Cost	$ 484,744
2. Interest on the Total Pension Liability	714,270
3. Current Period Benefit Charges	-
4. Employee Contributions (Reduction of Expense)	(245,564)
5. Projected Earnings on Plan Investments (Reduction of Expense)	(641,417)
6. Administrative Expense	5,501
7. Other Fiduciary Net Position	287
8. Recognition of Current Year Outflow (inflow) of Resources - Liabilities	(95,741)
9. Recognition of Current Year Outflow (inflow) of Resources - Assets	185,264
10. Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	(65,074)
11. Amortization of Prior Year Outflows (Inflows) of Resources - Assets	(670)
12. Total Pension Expense	$ 341,600

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 3,267,474	$ 1,477,702	$ 45,782

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plans (continued)

At September 30, 2018, the City reported its deferred outflows and inflows of resources to pensions from the following sources:

	Recognition Period (or Amortization Years)	Total (Inflow) or Ourflow of Resources	2018 Recognized in Current Pension Expense	Deferred (Inflow)/Outflow in Future Expense
Due to Liabilities:				
Difference in expected and actual experience [actuarial (gains) or losses]	5.04	$ (482,533)	$ (95,741)	$ (386,792)
Change in assumptions [actuarial (gains) or losses]	5.04	-	-	-
			$ (95,741)	$ (386,792)
Due to Assets:				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.00	$ 926,319	$ 185,264	$ 741,055
			$ 185,264	$ 741,055
Total				$ 354,263

The amount of $354,263 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, 2019.

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2019	$ 14,204
2020	(82,527)
2021	(63,305)
2022	80,949
2023	(3,828)
Thereafter	-
Total	$ (54,507)

IV. OTHER INFORMATION (Continued)

C. Other Post Employment Benefit (OPEB) Programs

1. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Funds ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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 earning, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit ("OPEB") and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is an unfunded OPEB plan (i.e. no assets are accumulated).

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

GASB 75 requires employee to recognize the total OPEB liability and the OPEB expense on their financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

In the year of implementation, the employer should make a prior period adjustment for the total OPEB liability as of the 12/31/2017 measurement date (provided) and record a deferred outflow of resources for contributions recorded by the city (retiree porting of SDB rate only) from December 31, 2017 to its prior fiscal year end. TMRS has elected to not calculate other deferrals as of the December 31, 2017 measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2018 and a measurement date of December 31, 2018; as such, no roll-forward is required.

2. Supplemental Death Benefit (SDBF) Plan Contributions

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

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution (Rate)
2019	0.20%	0.04%
2018	0.19%	0.04%
2017	0.18%	0.04%

IV. OTHER INFORMATION (Continued)

C. Other Post Employment Benefit (OPEB) Programs (continued)

3. OPEB Liability

The Other Post-Employment benefits (OPEB) was measured as of December 31, 2018, and the Total Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount rate*	3.71%
Retirees' Share of benefit-related costs	$0

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the December 31. 2018.

The change in the City's OPEB for City of Alamo for the fiscal year ended September 30, 2019 is as follows:

	12/31/2018
Membership*	
Number of:	
-Inactive employees currently receiving benefits	27
-Inactive employees entitled to but not yet receiving benefits	11
-Active employees	147
-Total	185
Covered Payroll	$ 4,911,287
Changes in the Total OPEB Liability	
Total OPEB Liability - beginning of year	$ 207,759
Changes for the year	
Service Cost	17,681
Interest on Total OPEB Liability	7,137
Changes of benefit terms	-
Difference between expected and actual experience	(20,848)
Changes in assumptions or other inputs	(13,978)
Benefit payments**	(1,965)
Net changes	(11,973)
Total OPEB Liability - end of year	$ 195,786
Total OPEB Liability as a Percentage of Covered Payroll	3.99%

*Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (i.e. excludes beneficiaries, non-vested termination due a refund, etc.).
**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

IV. OTHER INFORMATION (Continued)

C. Other Post Employment Benefit (OPEB) Programs (continued)

3. OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

	1% Decrease 2.71%	Current Discount Rate 3.71%	1% Increase 4.71%
Total OPEB Liability	$ 233,649	$ 195,786	$ 166,102

4. OPEB Expense

For the year ended September 30, 2019, the City recognized OPEB expense of $22,347.

Service Cost	$ 17,681
Interest on total OPEB liability	7,137
Changes in benefit terms including TMRS plan participation	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(2,718)
Changes in assumptions or other inputs*	247
Total OPEB expense	$ 22,347

*Generally, this will only be the annual change in the municipal bond index rate.

5. OPEB Expense and Deferred Outflows of Resources and deferred inflows of resources related to Pensions

At September 30, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Due to Liabilities	Recognition Period (or amortization years)*	Total (Inflow) or Outflow of Resources	2018 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
Difference in expected and actual experience [actuarial (gains) or losses]	7.6700	$ (20,848)	$ (9,438)	$ (30,286)
Difference in assumption [actuarial (gains) or losses]	7.6700	13,797	(2,069)	11,728
Contributions made subsequent to measurement date				
Total (excluding city provided contributions made subsequent to measurement date):				$ (18,558)

IV. OTHER INFORMATION (Continued)

C. Other Post Employment Benefit (OPEB) Programs (continued)

5. OPEB Expense and Deferred Outflows of Resources and deferred inflows of resources related to Pensions (Continued)

The net amounts of the City's balances of deferred outflows of resources and deferred inflows related to pensions will be recognized in OPEB expense as follows:

	Net Deferred Outflows/ (Inflows) of resources
2019	$ (2,471)
2020	(2,471)
2021	(2,471)
2022	(2,471)
2023	(2,471)
Thereafter	(6,203)
Total	$ (18,558)

*The recognition period for liability (gains) or losses may differ from GASB 68 reporting due to differences in the covered inactive populations

D. Urban County

The City of Alamo and other municipalities in Hidalgo County participate in Hidalgo County's "Urban County" Program. By being designated as an "Urban County," Hidalgo County and the participating cities are entitled to receive a formula share of entitlement CDBG program funds from U.S. Department of Housing and Urban Development (HUD).

Monies received from HUD are allocated to the cities participating in the program based on agreed upon formulas. The County is responsible for the administration of the program and is ultimately responsible for including the grant activity related to the "Urban County Program" in its audit report (s) as per CDBG guidelines. All monies received from HUD on this program are handled by the County. The County pays the vendors or contractors directly for goods or services which benefit the different cities. The County also reimburses the cities for general administration cost incurred by those cities. The City received $485,843 for expenses occurred between October 1, 2018 to September 30, 2019.

IV. OTHER INFORMATION (Continued)

E. New Accounting Principles

In fiscal year 2019, the City adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 87, *Leases*
- Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

a. ***Statement No. 87*** The objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the
contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

b. ***Statement No. 90*** The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

The adoption of Statement No. 90 has no impact on the City's financial statements.

F. Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (FASB ASC 825-10) require disclosure of the fair value information about financial instruments, whether or not recognized in the balance sheet. In case where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques.

IV. OTHER INFORMATION (Continued)

F. Fair Value of Financial Instruments (Continued)

Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. The City categorizes its fair value measurements within the fair

value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

In the regard, the derived fair value estimates cannot be sustained by comparison to independent markets and, cases could not be realized in immediate settlement of the instruments. Certain financial instruments and all nonfinancial instruments are excluded from these disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the City.

The following methods and assumptions were used by the City in estimating its fair value disclosure for financial instruments:

Cash and Cash Equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents is the fair value.

Time deposits: Fair values of certificates of deposit are at cost plus accrued interest.

Accounts Receivable – The carrying amount approximates fair value because of the short maturity of these instruments.

Accounts Payable: The carrying amount approximate fair value because of the short maturity period.

Financial Assets:	Carrying Amount	Fair Value
Cash and Cash Equivalents	$ 6,311,458	$ 6,311,458
Restricted Cash	10,223,794	10,223,794
Investment	5,593,159	5,593,159
Account Receivable	2,847,401	2,847,401
Prepaid	60,375	60,375
Financial Liabilities:		
Accounts Payable	$ 567,855	$ 567,855
Payroll Liabilities	12,802	12,802
Other Current Liabilities	380,452	380,452
Unearned Revenues	305,369	305,369
Accrued Interest	70,863	70,863
Customer Deposits	485,284	485,284

V. PRIOR PERIOD ADJUSTMENT

Prior period adjustment was required in several funds in order to properly state the correct financial position of the City. The adjustment and reason are as follows:

	Amount
Government-Wide Adjustments	
To record prior period related to pension	$ 357,875
Total Governmental Fund Adjustment	357,875
Water and Sewer Fund	
To correct long-term debt beginning balance on bonds	36,000
To correct long-term debt beginning balance on leases	2,334
To correct Fixed Assets	61,783
To record prior period related to Pension	64,442
Total Water and Sewer Fund Adjustments	164,559
Total Prior Period Adjustments	$ 522,434

VI. COMMITMENTS

1. Grant Programs

The City participates in several federal and state assisted grant programs. Under the terms of these grants, the City is subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would be made to the grantor agencies. The amounts of expenditures which might be disallowed by the grantor agencies cannot be determined at this time: however, management believes such amounts, if any, would be immaterial.

2. Texas Water Development Board Disclosure

Texas Water Code, Chapter 16, Section 16.356 indicates a political subdivision that receives financial assistance from the economically distressed areas program under Subchapter K, Chapter 17, may not use any revenue received from fees collected from water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

The City of Alamo, Texas did not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

3. Litigation

The City has no material, pending or threatened litigation matters, claims or assessments as of April 21, 2020.

VII. SUBSEQUENT EVENTS

The COVID-19 pandemic sweeping across the country has resulted in mandatory closure of many businesses resulting in layoffs of much of the workforce. The economic effects of those closures are not yet known but could potentially affect collectability of future revenue billings of the City due to the significant economic impact on unemployment of the City's customers.

For the purposes of reporting subsequent events, management has considered events occurring up to April 21, 2020, the date the report was available to be issued. No further subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CITY OF ALAMO, TEXAS

Texas Municipal Retirement System

Schedule of Funding Progress for Retirement Plan (Unaudited)

For the Year Ended September 30, 2019

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Excess of Assets Over/Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	4,037,306	5,723,745	70.54%	1,686,439	3,461,557	48.72%
12/31/2011	4,693,873	6,307,303	74.42%	1,613,430	3,711,823	43.47%
12/31/2012	5,421,002	6,902,395	78.54%	1,481,393	3,732,583	39.69%
12/31/2013	6,128,190	7,909,553	77.50%	1,781,363	3,961,917	45.00%
12/31/2014	6,903,601	8,583,041	80.43%	1,679,440	3,998,291	42.00%
12/31/2015	7,475,679	9,224,929	81.00%	1,749,250	4,344,846	40.30%
12/31/2016	8,250,885	9,889,636	83.40%	1,638,751	4,367,106	37.50%
12/31/2017	9,123,952	10,568,255	86.30%	1,444,303	4,427,336	32.60%
12/31/2018	9,824,966	10,827,049	90.70%	1,002,083	4,911,287	20.40%

CITY OF ALAMO, TEXAS

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Years*

For the Year Ended September 30, 2019

		2018
Total Pension Liability		
Service Cost	$	484,744
Interest (on the total pension liability)		714,270
Changes of Benefit Terms		-
Difference between Expected and Actual Experience		(482,533)
Change of Assumptions		-
Benefit Payments, including Refunds of Employee Contributions		(457,687)
Net Change in Total Pension Liability	$	258,794
Net Pension Liability - Beginning		10,568,255
Total Pension Liability - Ending	$	10,827,049
Plan Fiduciary Net Position		
Contributions - Employer	$	349,681
Contributions - Employee		245,564
Net Investment Income		(284,902)
Benefit Payments, including Refunds of Employee Contributions		(457,687)
Administrative Expense		(5,501)
Other		(287)
Net Change in Plan Fiduciary Net Position	$	(153,132)
Plan Fiduciary Net Position - Beginning		9,502,479
Plan Fiduciary Net Position - Ending	$	9,349,347
Net Pension Liability	$	1,477,702
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		86.35%
Covered Employee Payroll	$	4,911,287
Net Pension Liability as a Percentage of Covered Employee Payroll		30.09%

*GASB 68 required 10 fiscal years of data (built prospectively) to be provided in this schedule most current year is displayed above. As information becomes available, it will be added to table.

2017	2016
$ 436,093	$ 433,217
673,375	628,448
-	-
(167,328)	(134,575)
-	-
(263,521)	(262,383)
$ 678,619	$ 664,707
9,889,636	9,224,929
$ 10,568,255	$ 9,889,636

$ 336,920	$ 331,899
221,367	218,355
1,121,988	494,584
(263,521)	(262,383)
(5,812)	(5,583)
(295)	(301)
$ 1,410,647	$ 776,571
8,091,832	7,315,261
$ 9,502,479	$ 8,091,832

$ 1,065,776	$ 1,797,804
89.92%	81.82%
$ 4,427,336	$ 4,367,106
24.07%	41.17%

CITY OF ALAMO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	$XXX	$ 314,914	$ 323,694	$ 344,447	$XXX	$XXX	$XXX	$XXX	$XXX	$XXX
Contributions in relation to the actuarially determined contribution	XXX	$ 337,439	$ 341,215	$ 359,802	XXX	XXX	XXX	XXX	XXX	XXX
Contribution deficiency(excess)	XXX	$ (22,525)	$ (17,521)	$ (15,355)	XXX	XXX	XXX	XXX	XXX	XXX
Covered employee payroll	XXX	$ 4,344,846	$ 4,367,106	$ 4,427,336	XXX	XXX	XXX	XXX	XXX	XXX
Contributions as a percentage of covered employee payroll	XXX%	7.77%	7.81%	8.13%	XXX%	XXX%	XXX%	XXX%	XXX%	XXX%

Note to City: GASB 68 requires 10 fiscal years of data to be provided in this schedule.
City will be required to build this schedule over the next 10-year period.

CITY OF ALAMO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual

General Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
Revenues				
Property Taxes	$ 3,238,182	$ 3,238,182	$ 3,166,957	$ (71,225)
Sales Taxes	2,581,501	2,806,501	2,873,051	66,550
Franchise Taxes	505,000	505,000	575,790	70,790
Other Taxes	1,000	1,000	2,590	1,590
Court Fines and Fees	509,550	509,550	351,858	(157,692)
Licenses and Permits	117,100	117,100	186,686	69,586
Charges for Services	2,251,930	2,503,930	2,591,430	87,500
Local Events and Contributions	40,000	54,000	54,701	701
Miscellaneous revenues	61,500	76,500	81,210	4,710
State Grants	30,000	30,000	29,977	(23)
Federal Grants	87,552	135,620	121,492	(14,128)
Interest Revenue	15,000	15,000	88,207	73,207
Total Revenues	9,438,315	9,992,383	10,123,949	131,566
Other Financing Sources				
Proceeds from Loans	-	155,000	155,000	-
Proceeds on Sale of Assets	-	-	-	-
Transfers from other funds	390,000	390,000	390,000	-
Total Revenues and Other Financing Sources	9,828,315	10,537,383	10,668,949	131,566
Expenditures				
General Government	3,564,836	3,941,729	3,810,712	131,017
Public Safety	4,468,735	4,514,224	4,423,449	90,775
Highways & Streets	748,229	702,629	617,405	85,224
Health & Welfare	269,186	234,586	229,049	5,537
Culture & Recreation	1,134,717	1,076,183	1,107,501	(31,318)
Capital Outlay	18,600	245,121	364,020	(118,899)
Debt Principal	219,958	177,640	177,640	-
Debt Interest	12,845	12,845	12,551	294
Total Expenditures	10,437,106	10,904,957	10,742,327	162,630
Other Financing Uses				
Transfers to other funds	74,354	272,731	272,731	-
Total Expenditures and Other Financing Uses	10,511,460	11,177,688	11,015,058	162,630
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(683,145)	(640,305)	(346,109)	294,196
Net Change in Fund Balance	**(683,145)**	**(640,305)**	**(346,109)**	**294,196**
Fund Balance at Beginning of Period	4,116,020	4,116,020	4,116,020	-
Prior Period Adjustment	-	-	-	-
Fund Balance at End of Period	**$ 3,432,875**	**$ 3,475,715**	**$ 3,769,911**	**$ 294,196**

CITY OF ALAMO, TEXAS
ALAMO ECONOMIC DEVELOPMENT CORPORATION
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2019 AND 2018

	Economic Development Corporation				
	General Fund	RBEG Fund	IRP Fund	2019	2018
Revenues					
Sales Taxes	$ 957,684	$ -	$ -	$ 957,684	$ 899,770
Interest Earned	13,764	-	16,546	30,310	36,823
Miscellaneous	3,575	-	180	3,755	7,792
Total Revenues	975,023		16,726	991,749	944,385
Expenditures					
Current					
General Government	183,984	-	-	183,984	183,664
Promotional and Development	42,956	-	-	42,956	63,858
Capital Outlay	-	-	-	-	-
Debt Services	-	-	-	-	-
Principal	24,799	-	-	24,799	24,554
Interest	6,049	-	-	6,049	6,294
Total Expenditures	257,788	-	-	257,788	278,370
Excess (Deficiency) of Revenues Over Expenditures	717,235	-	16,726	733,961	666,015
Other Financing Sources (Uses)					
Operating Transfer In (Out)	-	-	-	-	-
Capital Transfers In (Out)	(534,688)	-	-	(534,688)	(535,550)
Note Proceeds	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Other Financing Sources (Uses)	(534,688)	-	-	(534,688)	(535,550)
Net Change in Fund Balance	182,547	-	16,726	199,273	130,465
Fund Balance, October 1	922,599	184,918	1,059,586	2,167,103	2,036,638
Fund Balance, September 30	$ 1,105,146	$ 184,918	1,076,312	$ 2,366,376	$ 2,167,103

The notes to the financial statements are an integral part of this statement

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

CITY OF ALAMO, TEXAS

Schedule of Delinquent Taxes Receivable

For the Year Ended September 30, 2019

Year Ended September 30,	1 Tax Rates Maintenance	2 Debt Service	3 Assessed/ Appraised Value for City Tax Purposes
2010 & Prior Years	$ Various	$ Various	$ Various
2011	0.47512	0.11679	466,885,353
2012	0.47111	0.11438	452,905,402
2013	0.48757	0.1114	477,293,393
2014	0.48965	0.1093	489,447,908
2015	0.49347	0.1055	518,376,862
2016	0.4836	0.1045	546,953,409
2017	0.4798	0.1012	569,133,760
2018	0.4627	0.0938	611,441,742
2019 (Unaudited)	0.4924	0.0893	634,860,998

10 Beginning Balance October 1, 2018	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance September 30, 2019
$ 118,121		$ 2,423	$ 447	$ (846)	$ 114,404
19,595		1,013	249	(34)	18,300
16,715		1,128	274	(34)	15,280
21,037		2,329	532	(34)	18,141
28,401		5,386	1,202	3,352	25,165
35,266		9,031	1,930	(56)	24,249
44,340		12,172	2,630	3,877	33,415
63,804		22,828	4,816	2,552	38,712
123,880		50,417	10,224	(2,364)	60,874
-	3,622,302	2,964,272	537,526	27,902	148,406
$ 471,159	$ 3,622,302	$ 3,071,000	$ 559,831	$ 34,315	$ 496,945
			Allowance for Uncollectible Taxes		$ 49,695
			Total		$ 447,251

CITY OF ALAMO, TEXAS
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2019

	Special Revenue Funds		
	Urban County Fund	Asset Forefeiture Fund	Hotel / Motel Fund
ASSETS			
Cash and Cash Equivalents	$ -	$ 23,960	$ 235,352
Investments	-	-	506,603
Note Receivables	-	-	-
Accounts Receivable - Property Taxes	-	-	-
Accounts Receivable - Other	300,188	-	149,522
Due From Other Funds	-	-	-
Total Assets	300,188	23,960	891,477
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	-	-	-
Resources	$ **300,188**	$ **23,960**	$ **891,477**
LIABILITIES			
Accounts Payable	$ -	$ -	$ -
Unearned Revenue	300,188	5,181	-
Due to Other Funds	-	-	899
Total Liabilities	300,188	5,181	899
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCE			
Restricted for:			
Debt Service	-	-	-
Capital Projects	-	-	-
Special Projects	-	18,779	890,578
Tourism	-	-	-
Unassigned	-	-	-
Total Fund Balance	-	18,779	890,578
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ **300,188**	$ **23,960**	$ **891,477**

State Forfeiture Fund	Tax Increment Fund	Debt Service: Interest and Series 2013	Debt Service: Debt Service	Total Non-Major Governmental Funds
$ 6,238	$ 537,919	$ 111,212	$ 867,322	$ 1,782,003
-	-	-	501,544	1,008,147
-	-	-	-	-
-	-	-	74,688	74,688
-	-	-	-	449,710
-	-	-	11,382	11,382
6,238	537,919	111,212	1,454,936	3,325,930
-	-	-	-	-
$ 6,238	**$ 537,919**	**$ 111,212**	**$ 1,454,936**	**$ 3,325,930**
$ -	$ -	$ -	$ -	$ -
-	-	-	-	305,369
-	-	-	-	899
-	-	-	-	306,268
-	-	-	71,214	71,214
-	-	-	71,214	71,214
-	-	111,212	1,383,722	1,494,934
-	-	-	-	-
6,238	537,919	-	-	1,453,514
-	-	-	-	-
-	-	-	-	-
6,238	537,919	111,212	1,383,722	2,948,448
$ 6,238	**$ 537,919**	**$ 111,212**	**$ 1,454,936**	**$ 3,325,930**

CITY OF ALAMO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended September 30, 2019

	Special Revenue Funds		
	Urban County Grant	Asset Forfeiture Fund	Hotel / Motel Fund
Revenues			
Property Taxes	$ -	$ -	$ -
Other Taxes	-	-	105,376
Miscellaneous Revenues	-	18,583	-
Federal Grants	485,843	-	-
Interest Revenue	-	203	16,094
Total Revenues	485,843	18,786	121,470
Expenditures			
General Government	-	-	105,855
Public Safety	-	-	-
Highways and Streets	485,843	-	-
Capital Outlay	-	-	-
Debt Principal	-	-	-
Debt Interest	-	-	-
Total Expenditures	485,843	-	105,855
Excess of Revenues Over (Under) Expenditures	-	18,786	15,615
Other Financing Sources (Uses)			
Proceeds for Issuance of Bonds	-	-	-
Premium on Refunding Bonds	-	-	-
Transfers from other funds	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Transfers to other funds	-	-	-
Net Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	**18,786**	**15,615**
Fund Balance at Beginning of Period	-	(7)	874,963
Prior Period Adjustments	-	-	-
Fund Balance at End of Period	$ -	$ **18,779**	$ **890,578**

	Special Funds	Debt Service		Total Non-Major Governmental Funds
State Forfeiture Fund	Tax Increment Fund	Interest and Series 2013	Debt Service	
$ -	$ -	$ -	$ 572,792	$ 572,792
-	-	-	-	105,376
6,538	131,161	-	-	156,282
-	-	-	-	485,843
168	7,576	1,920	27,619	53,580
6,706	138,737	1,920	600,411	1,373,873
-	-	-	800	106,655
20,597	-	-	-	20,597
-	-	-	-	485,843
4,800	50,790	-	-	55,590
-	-	-	885,000	885,000
-	-	-	273,100	273,100
25,397	50,790	-	1,158,900	1,826,785
(18,691)	87,947	1,920	(558,489)	(452,912)
-	-	-	-	-
-	-	-	-	-
-	74,354	-	693,988	768,342
-	-	-	-	-
-	-	-	-	-
-	74,354	-	693,988	768,342
(18,691)	**162,301**	**1,920**	**135,499**	**315,430**
24,929	375,618	109,292	1,248,223	2,633,018
-	-	-	-	-
$ 6,238	**$ 537,919**	**$ 111,212**	**$ 1,383,722**	**$ 2,948,448**

CITY OF ALAMO, TEXAS

Schedule of Revenues and Expenses to Indicate
Net Revenue Available for Debt Service
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds	
	Water & Sewer Fund	**Total Enterprise**
Operating Revenues		
Charges for Services	$ 4,321,603	$ 4,321,603
Other Revenues	8,455	8,455
Total Operating Revenues	4,330,058	4,330,058
Operating Expenses		
Payments to Employees	767,770	767,770
Payments to Supplies and Others	1,719,521	1,719,521
Total Operating Expenses	2,487,291	2,487,291
Income before Non-operating Revenues (Expenses)	1,842,767	1,842,767
Non-Operating Revenues (Expenses)		
Interest Revenue	211,931	211,931
Federal Grants	-	-
Net Non-Operating Revenues (Expenses)	211,931	211,931
Net Revenue Available for Debt Service	**$ 2,054,698**	**$ 2,054,698**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF ALAMO, TEXAS

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
Year Ended September 30, 2019

With Comparative Totals for September 30, 2018

Governmental Funds Capital Assets	**2019**	**2018**
Land and Right of Way	$ 1,731,590	$ 1,731,590
Construction in Progress	338,343	553,193
Building and Improvements	13,065,904	13,034,989
Vehicles	3,604,936	3,384,300
Machinery and Equipment	2,591,943	2,564,483
Infrastructure	16,432,115	16,095,690
Total Governmental Funds Capital Assets	$ 37,764,831	$ 37,364,245
Investments in Governmental Funds Capital Assets		
Capital Projects	$ 26,095,265	$ 25,886,629
Grants-in-aid	1,963,277	1,892,902
General Fund Revenues	9,706,289	9,584,714
Total Investments in Governmental Funds Capital Asse	$ 37,764,831	$ 37,364,245

CITY OF ALAMO, TEXAS

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended September 30, 2019

Function and Activity	Governmental Funds Capital Assets September 30, 2018	Additions	Reclassifications/ Deductions	Governmental Funds Capital Assets September 30, 2019
General Government	$ 5,811,072	$ -	$ -	5,811,072
Public Safety	6,446,643	269,773	-	6,716,416
Highways and Streets	16,411,845	399,220	277,645	16,533,420
Health and Welfare	1,544,779	-	-	1,544,779
Culture and Recreation	7,149,905	9,238	-	7,159,143
	-	-	-	-
Total Governmental Funds Capital Assets	$ 37,364,245	$ 678,231	$ 277,645	$ 37,764,831

CITY OF ALAMO, TEXAS

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended September 30, 2019

Function and Activity	Land and Right of Way	Construction in Progress	Building and Improvements	Vehicles	Machinery and Equipment	Infrastructure	Total
General Government	$ 1,731,590	$ -	$ 3,509,843	303,156	$ 266,483	-	5,811,072
Public Safety	-	$ -	$ 2,087,668	2,815,850	$ 1,812,898	-	6,716,416
Highways and Streets	-	$ 241,065	$ -	368,654	$ 433,553	15,490,148	16,533,420
Health and Welfare	-	$ -	$ 1,503,677	41,102	$ -	-	1,544,779
Culture and Recreation	-	$ 97,278	$ 5,964,715	76,174	$ 79,009	941,967	7,159,143
Total General Fixed Assets	$ 1,731,590	$ 338,343	$ 13,065,904	$ 3,604,936	$ 2,591,943	$ 16,432,115	$ 37,764,831

STATISTICAL SECTION

CITY OF ALAMO, TEXAS
STATISTICAL SECTION
(Unaudited)

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

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 80-85

REVENUE CAPACITY

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 86-90

DEBT CAPACITY

The schedules present information to help the reader assess the affordablility of the government's current level of outstanding debt and the government's ability to issue additional debt in the future. 91-95

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities 96-97

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 98-100

FINANCIAL TRENDS

CITY OF ALAMO, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in capital assets	$ 8,417,148	$ 9,234,188	$ 11,196,310	$ 12,713,384	$ 5,749,616	$ 13,088,501	$ 12,385,226	$ 14,002,698	$ 15,068,507	$ 15,040,876
Restricted	2,570,479	2,952,447	3,717,842	3,845,218	10,032,063	3,900,193	4,272,958	4,579,468	3,636,579	3,903,882
Unrestricted	4,696,966	4,714,208	2,910,982	2,281,450	4,576,322	3,790,680	3,429,583	3,429,583	4,051,289	4,596,280
Total Governmental Activities Net Positio	$ 15,684,593	$ 16,900,843	$ 17,825,134	$ 18,840,052	$ 20,358,001	$ 20,779,374	$ 20,087,767	$ 22,011,749	$ 22,756,375	$ 23,541,038
Business-Type Activities										
Net Investment in capital assets	$ 17,993,762	$ 18,267,355	$ 18,745,868	$ 20,827,878	$ 17,584,383	$ 21,868,626	$ 22,101,236	$ 21,141,916	$ 21,813,377	$ 12,078,980
Restricted	-	-	-	-	-	-	-	-	-	10,223,794
Unrestricted	1,860,441	2,961,751	3,020,232	3,379,160	7,816,048	3,255,440	3,013,417	4,106,337	3,318,192	3,447,650
Total Business-Type Activities Net Positi	$ 19,854,203	$ 21,229,106	$ 21,766,100	$ 24,207,038	$ 25,400,431	$ 25,124,066	$ 25,114,653	$ 25,248,253	$ 25,131,569	$ 25,750,424
Primary Government										
Net Investment in capital assets	$ 26,410,910	$ 27,501,543	$ 29,942,178	$ 33,541,262	$ 23,333,999	$ 34,957,127	$ 34,486,462	$ 35,144,614	$ 36,881,884	$ 27,119,856
Restricted	2,570,479	2,952,447	3,717,842	3,845,218	10,032,063	3,900,193	4,272,958	4,579,468	3,636,579	14,127,676
Unrestricted	6,557,407	7,675,959	5,931,214	5,660,610	12,392,370	7,046,120	6,443,000	7,535,920	7,369,481	8,043,930
Total Primary Government Net Position	$ 35,538,796	$ 38,129,949	$ 39,591,234	$ 43,047,090	$ 45,758,432	$ 45,903,440	$ 45,202,420	$ 47,260,002	$ 47,887,944	$ 49,291,462

CITY OF ALAMO, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	$ 4,092,556	$ 3,593,226	$ 3,285,674	$ 3,566,213	$ 3,548,970	$ 3,906,733	$ 5,174,598	$ 4,054,005	$ 4,331,411	$ 4,312,743
Public Safety	2,602,282	3,000,252	3,295,121	3,291,594	3,518,106	3,790,022	3,850,703	3,815,052	4,150,946	4,922,694
Highways and streets	209,570	244,195	618,195	791,483	618,237	650,109	742,394	1,107,940	592,114	1,195,126
Health and welfare	559,193	662,955	251,043	252,775	255,552	277,341	317,566	298,817	230,586	241,880
Culture and recreation	609,826	678,787	858,249	799,113	832,050	890,470	840,164	930,782	1,109,758	1,223,173
Interest on long-term debt	14,765	6,817	322,631	401,141	243,693	347,026	363,387	312,456	286,645	259,746
Economic Development	404,705	470,935	294,059	268,008	367,914	421,173	396,258	416,229	256,933	255,005
Total Governmental Activities Net Position	$ 8,492,897	$ 8,657,167	$ 8,924,972	$ 9,370,327	$ 9,384,522	$ 10,282,874	$ 11,685,070	$ 10,935,281	$ 10,958,393	$ 12,410,367
Business-Type Activities										
Water and Sewer	2,130,082	2,384,117	2,680,613	2,691,230	2,745,936	2,841,016	3,194,302	3,469,082	3,757,600	3,736,770
Total Business-Type Activities Net Position	2,130,082	2,384,117	2,680,613	2,691,230	2,745,936	2,841,016	3,194,302	3,469,082	3,757,600	3,736,770
Total Primary Government Expenses	$ 10,622,979	$ 11,041,284	$ 11,605,585	$ 12,061,557	$ 12,130,458	$ 13,123,890	$ 14,879,372	$ 14,404,363	$ 14,715,993	$ 16,147,137
Program Revenue										
Governmental Activities										
Charges for services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
General Government	64,962	95,513	91,035	139,285	151,369	170,208	192,336	216,257	239,556	309,529
Public Safety	190,535	207,709	522,662	563,257	681,410	767,639	802,605	623,525	454,237	543,819
Highways and streets	1,362,908	1,422,428	10,890	1,470,805	1,695,218	1,792,373	1,887,112	1,925,177	2,023,837	2,137,028
Health and welfare	-	-	1,545,700	10,914	19,271	15,643	14,966	14,732	16,205	22,931
Culture and recreation	41,598	44,177	56,267	76,342	96,181	101,742	89,162	139,442	127,697	127,617
Operating grants and contributions	630,710	757,061	517,019	519,801	383,318	392,832	314,057	1,239,115	463,046	678,895
Capital grants and contributions	-	221,150	250,000	-	195,000	-	-	-	-	-
Total Primary Governmental Activities	$ 2,290,713	$ 2,748,038	$ 2,993,573	$ 2,780,404	$ 3,221,767	$ 3,240,437	$ 3,300,238	$ 4,158,248	$ 3,324,578	$ 3,819,819
Business-Type Activities										
Charges for services	2,869,762	3,318,492	3,437,288	3,567,374	3,528,534	3,545,358	3,759,170	4,053,730	4,147,141	4,323,860
Operating grants and contributions	-	716,219	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	77,118	1,992,606	956,583	38,450	-	-	-	-
Total Business-Type Activities Program Revenues	2,869,762	4,034,711	3,514,406	5,559,980	4,485,117	3,583,808	3,759,170	4,053,730	4,147,141	4,323,860
Total Primary Government Program Expenses	$ 5,160,475	$ 6,782,749	$ 6,507,979	$ 8,340,384	$ 7,706,884	$ 6,824,245	$ 7,059,408	$ 8,211,978	$ 7,471,719	$ 8,143,679
Net (expense)/revenue										
Governmental Activities	$ (6,202,184)	$ (5,909,129)	$ (5,931,399)	$ (6,589,923)	$ (6,162,755)	$ (7,042,437)	$ (8,384,832)	$ (6,777,033)	$ (7,633,815)	$ (8,590,548)
Business-Type Actviities	739,680	1,650,594	833,793	2,868,750	1,739,181	742,792	564,868	584,648	389,541	587,090
Total Primary Government Net Expense	$ (5,462,504)	$ (4,258,535)	$ (5,097,606)	$ (3,721,173)	$ (4,423,574)	$ (6,299,645)	$ (7,819,964)	$ (6,192,385)	$ (7,244,274)	$ (8,003,458)

CITY OF ALAMO, TEXAS
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenue and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	$ 2,879,274	$ 2,809,375	$ 2,752,818	$ 2,901,895	$ 2,847,121	$ 3,224,247	$ 3,281,010	$ 3,355,089	$ 3,463,220	$ 3,736,410
Sales taxes	2,959,092	3,139,704	3,357,024	3,374,825	3,466,644	3,483,713	3,457,159	3,435,440	3,599,081	3,830,735
Franchise taxes	429,137	450,143	479,688	497,435	511,976	514,954	526,425	537,167	557,694	575,790
Hotel/motel taxes	156,561	154,853	138,451	135,899	131,149	130,731	120,183	96,008	90,228	107,966
Invetment earning	14,650	3,523	4,874	52,794	42,343	39,591	40,722	65,424	128,358	172,097
Miscellaneous	339,045	442,171	179,748	50,863	132,171	155,547	111,836	207,947	159,342	230,297
Grants and contribution not restricted	169,944	-	-	-	-	-	-	-	-	13,118
Transfers	289,152	289,152	323,850	373,324	549,300	956,213	549,300	549,300	549,300	350,923
Total Governmental Activities	$ 7,236,855	$ 7,288,921	$ 7,236,453	$ 7,387,035	$ 7,680,704	$ 8,504,996	$ 8,086,635	$ 8,246,375	$ 8,547,223	$ 9,017,336
Business-Type Activities										
Invetment earning	$ 3,718	$ 2,025	$ 1,346	$ 1,504	$ 879	$ 1,106	$ 5,554	$ 16,711	$ 47,537	$ 218,129
Miscellaneous	-	-	-	-	2,633	-	-	1,650	-	-
Transfers	(289,152)	(289,152)	(323,850)	(373,324)	(549,300)	(956,213)	(549,300)	(549,300)	(549,300)	(350,923)
Total Business-Type Activities	(285,434)	(287,127)	(322,504)	(371,820)	(545,788)	(955,107)	(543,746)	(530,939)	(501,763)	(132,794)
Total Primary Government	$ 6,951,421	$ 7,001,794	$ 6,913,949	$ 7,015,215	$ 7,134,916	$ 7,549,889	$ 7,542,889	$ 7,715,436	$ 8,045,460	$ 8,884,542
Change in Net Position										
Governmental Activities	$ 1,034,671	$ 1,379,792	$ 1,305,054	$ 797,112	$ 1,517,949	$ 1,462,559	$ (298,197)	$ 1,469,342	$ 913,408	$ 426,788
Business-Type Actviities	454,246	1,363,467	511,289	2,496,930	1,193,393	(212,315)	21,122	53,709	(112,222)	454,296
Total Primary Government	$ 1,488,917	$ 2,743,259	$ 1,816,343	$ 3,294,042	$ 2,711,342	$ 1,250,244	$ (277,075)	$ 1,523,051	$ 801,186	$ 881,084

CITY OF ALAMO, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	2,932,931	-	-	-	-	-	-	-	-	-
Nonspendable	-	1,623	3,851	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	2,788,776	2,644,468	2,977,342	3,397,945	4,263,616	4,657,972	4,437,711	4,116,015	3,769,911
Total General Fund	$ 2,932,931	$ 2,790,399	$ 2,648,319	$ 2,977,342	$ 3,397,945	$ 4,263,616	$ 4,657,972	$ 4,437,711	$ 4,116,015	$ 3,769,911
All Other Governmental Funds										
Restricted	$ 1,261,936	$ 64,024	$ 64,024	$ 10,212,725	$ 8,531,071	$ 7,362,329	$ 4,951,466	$ 4,579,468	$ 4,800,121	$ 5,314,824
Assigned	-	3,683,030	3,692,704	-	-	-	-	-	-	-
Unassgned	2,695,833	17,218	12,563	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ 3,957,769	$ 3,764,272	$ 3,769,291	$ 10,212,725	$ 8,531,071	$ 7,362,329	$ 4,951,466	$ 4,579,468	$ 4,800,121	$ 5,314,824

Note: The City implemented GASB Statement No. 54 for the fiscal year ended September 2011. The new classifications have not been restated for 2010 and prior.

CITY OF ALAMO, TEXAS
CHANGES IN FUND BALANCE
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	$ 6,325,469	$ 6,554,949	$ 6,782,249	$ 6,919,827	$ 6,954,202	$ 7,337,252	$ 7,390,754	$ 7,458,819	$ 7,726,500	$ 8,254,240
Fines	174,813	251,491	368,652	464,604	534,424	646,975	614,993	475,042	342,999	351,858
Licenses and permits	107,856	126,356	105,652	97,109	100,448	111,964	128,594	141,026	140,526	186,686
Charges for services	1,660,003	1,749,105	1,752,251	1,710,408	1,966,157	2,064,472	2,180,401	2,227,264	2,366,152	2,591,430
Local events and contributions	-	221,150	-	41,249	36,463	32,725	48,693	69,225	52,143	54,701
Oher revenues	56,376	64,324	-	50,913	124,471	161,998	111,936	234,339	179,892	241,247
Other	800,654	757,061	767,019	478,552	541,855	360,107	265,368	1,169,890	410,903	637,312
Interest revenue	14,650	24,245	31,339	52,794	42,343	39,590	40,722	65,424	128,358	172,097
Total Revenues	$ 9,139,821	$ 9,748,681	$ 9,807,162	$ 9,815,456	$ 10,300,363	$ 10,755,083	$ 10,781,461	$ 11,841,029	$ 11,347,473	$ 12,489,571
Expenditures										
General Government	$ 3,425,084	$ 4,042,874	$ 3,008,980	$ 3,091,915	$ 3,270,509	$ 3,586,188	$ 4,778,793	$ 4,598,997	$ 3,978,732	$ 4,101,351
Public Safety	2,584,510	2,736,108	3,044,995	3,032,377	3,242,071	3,450,501	3,422,325	4,635,048	3,932,040	4,444,046
Highways and streets	202,615	222,385	571,269	743,220	562,193	590,526	666,445	633,853	641,120	1,103,248
Health and welfare	560,251	606,619	231,987	232,853	237,441	252,224	251,847	245,589	255,443	229,049
Culture and recreation	612,973	618,703	793,101	736,130	766,766	810,378	750,957	846,669	1,027,353	1,107,501
Economic Development	581,369	617,653	271,737	243,521	224,817	384,608	343,008	379,598	247,522	42,956
Capital Outlay	729,240	407,311	2,765,675	1,366,563	2,591,683	1,986,439	1,550,006	943,793	507,877	419,610
Debt Principal	484,727	443,515	836,925	928,095	935,867	958,370	976,959	1,289,056	1,068,172	1,087,438
Debt Interest	499,765	511,817	324,821	411,774	399,567	375,255	352,952	341,024	317,847	291,701
Bond Issuance cost	-	-	-	258,793	-	-	-	-	-	-
Total Expenditures	$ 9,680,534	$ 10,206,985	$ 11,849,490	$ 11,045,241	$ 12,230,914	$ 12,394,489	$ 13,093,292	$ 13,913,627	$ 11,976,106	$ 12,826,900
Excess of Revenues Over (Under) Expe	(540,713)	(458,304)	(2,042,328)	(1,229,785)	(1,930,551)	(1,639,406)	(2,311,831)	(2,072,598)	(628,633)	(337,329)
Other Financing Sources (Uses)										
Transfers In	$ 1,518,326	$ 1,108,848	$ 751,953	$ 1,485,211	$ 1,143,966	$ 1,595,092	$ 1,302,012	$ 1,135,164	$ 1,147,231	$ 1,158,342
Transfer Out	(1,229,174)	(819,696)	(428,103)	(1,111,887)	(594,666)	(638,879)	(752,712)	(585,863)	(597,931)	(807,419)
Proceeds from refunding bonds	-	-	-	3,835,000	-	-	-	-	-	-
Proceeds from General obligation Bo	-	-	-	7,075,000	-	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	(3,893,686)	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	620,092	-	-	-	-	-	-
Proceeds on sale of assets	-	-	398,580	-	7,700	-	-	16,110	-	-
Other Resources	-	-	-	-	-	-	-	-	-	-
Loan proceeds	-	-	1,210,026	-	112,500	-	-	896,614	-	155,000
Total Other Financing Sources (Uses	$ 289,152	$ 289,152	$ 1,932,456	$ 8,009,730	$ 669,500	$ 956,213	$ 549,300	$ 1,462,025	$ 549,300	$ 505,923
Net Change in Fund Balances	$ (251,561)	$ (169,152)	$ (109,872)	$ 6,779,945	$ (1,261,051)	$ (683,193)	$ (1,762,531)	$ (610,573)	$ (79,333)	$ 168,594
Debt service as a percentage of noncaptial expenditures	11.00%	9.75%	12.79%	13.84%	13.85%	12.81%	11.52%	12.57%	12.09%	11.12%

CITY OF ALAMO, TEXAS

Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Occupancy Tax	Total
2010	2,879,274	2,959,092	429,137	189	156,373	6,424,066
2011	2,809,375	3,139,704	450,143	1,625	153,228	6,554,075
2012	2,752,818	3,357,024	479,688	210	138,242	6,727,982
2013	2,901,895	3,374,825	497,435	199	135,700	6,910,054
2014	2,847,121	3,466,644	511,976	-	131,149	6,956,890
2015	3,224,247	3,483,713	514,954	2,010	128,721	7,353,645
2016	3,281,010	3,457,159	526,425	1,204	118,979	7,384,777
2017	3,355,089	3,435,440	537,167	137	95,870	7,423,703
2018	3,479,497	3,599,081	557,694	2,883	90,228	7,729,383
2019	3,739,749	3,830,735	575,790	2,590	105,376	8,254,240

REVENUE CAPACITY

CITY OF ALAMO, TEXAS

Assessed And Estimated Actual Value of Taxable Property

Last Ten Years

(Unaudited)

Fiscal Year	Real Property	Personal Property	Minerals	Less: Tax Exempt Real Property	Total Taxable Assesses Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	566,405,306	41,134,558	7,453,410	137,760,500	477,232,774	0.5919	614,993,274	78%
2011	561,024,499	42,801,293	-	137,431,858	466,393,934	0.5919	603,825,792	77%
2012	577,000,366	44,411,235	-	144,441,593	476,970,008	0.5854	621,411,601	77%
2013	592,931,548	42,946,680	-	158,584,835	477,293,393	0.5989	635,878,228	75%
2014	603,331,082	46,613,114	-	160,496,288	489,447,908	0.5989	649,944,196	75%
2015	667,514,004	51,466,795	-	200,603,937	518,376,862	0.5989	718,980,799	72%
2016	700,725,523	46,086,274	-	199,858,388	546,953,409	0.5881	746,811,797	73%
2017	720,446,547	48,348,601	-	199,661,388	569,133,760	0.5810	768,795,148	74%
2018	773,390,823	52,455,543	-	214,374,624	611,441,742	0.5565	825,816,366	74%
2019	800,571,354	50,204,583	-	215,914,939	663,263,626	0.5817	879,178,565	75%

CITY OF ALAMO, TEXAS
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

	City of Alamo			Overlapping Rates			
Fiscal Year	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Hidalgo County Tax Rate	PSJA ISD School Disctrict Tax Rate	South Texas College Tax Rate	Total Direct and Overlapping Rates
2010	0.4839	0.1079	0.5919	0.5900	1.3013	0.1491	2.6323
2011	0.4751	0.1167	0.5919	0.5900	1.3592	0.1497	2.6908
2012	0.4711	0.1143	0.5854	0.5900	1.3592	0.1507	2.6853
2013	0.4875	0.1114	0.5989	0.5900	1.3592	0.1507	2.6988
2014	0.4896	0.1093	0.5989	0.5900	1.3592	0.1500	2.6981
2015	0.4934	0.1055	0.5989	0.5900	1.3592	0.1850	2.7331
2016	0.4836	0.1045	0.5881	0.5900	1.3992	0.1850	2.7623
2017	0.4798	0.1012	0.5810	0.5900	1.3992	0.1850	2.7552
2018	0.4627	0.0938	0.5565	0.5800	1.3892	0.1850	2.7107
2019	0.4990	0.0827	0.5817	0.5800	1.2725	0.1733	2.6075

Source: Hidalgo County Tax Office

Note: Overlapping rates are those of the City, County and School District that apply to property owners within the City of Alamo. Not all overlapping rates apply to all City of Alamo property owners (for example, the rates of Pharr San Juan Alamo Independent School Disctrict only apply to the City's property owners whose property is located within the

CITY OF ALAMO, TEXAS
Principal TaxPayers
(Unaudited)

Tax Payer	2019 Tax Value	2019 Rank	2019 Pecentage of Total Taxable Value	2009 Tax Value	2009 Rank	2009 Pecentage of Total Taxable Value
Wal-Mart Real Estate Bus Trust	$ 18,641,018	1	2.81%	$ 11,748,967	1	2.05%
Kim-Taek & Nancy Vargas Trusts	12,229,367	2	1.84%			
Wilder Corporation of Delaware	9,421,627	3	1.42%	7,646,117	3	1.33%
AEP Texas Central Co.	7,617,090	4	1.15%	3,182,230	9	0.55%
Wal-Mart Stores Texas, LLC	6,750,870	5	1.02%	8,047,927	2	1.40%
H E Butt Grocery Company	6,577,181	6	0.99%	4,895,934	4	0.85%
MHC Alamo Palms, LLC	6,408,925	7	0.97%			
DCTN3 Texas Portfolio, LLC	5,802,128	8	0.87%			
Alamo Bank of Texas	4,765,991	9	0.72%	4,213,357	6	0.73%
Casa Del Valle (TX) MHC LLC	4,075,764	10	0.61%			
S-SI Alamo Venture No One, LP				4,501,524	5	0.79%
Triple R medical Facilities, LTD				4,068,039	7	0.71%
VELMEJ Investmentents LLC				3,280,310	8	0.57%
P & P Properties, LTD				2,888,958	10	0.50%
Totals	$ 82,289,961		12.41%	$ 54,473,363		9.50%

Source: Hidalgo County Appraisal Distrcit

CITY OF ALAMO, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Total Tax Levy* for Fiscal Year	Collection within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2,726,869	2,504,374	91.8%	175,189	2,679,563	98.3%
2011	2,703,368	2,519,605	93.2%	191,735	2,711,340	100.3%
2012	2,718,248	2,540,124	93.4%	170,986	2,711,110	99.7%
2013	2,801,232	2,631,442	93.9%	168,514	2,799,956	100.0%
2014	2,865,965	2,687,376	93.8%	85,872	2,773,248	96.8%
2015	3,034,541	2,885,295	95.1%	150,070	3,035,365	100.0%
2016	3,149,506	3,015,594	95.7%	134,692	3,150,286	100.0%
2017	3,241,761	3,108,020	95.9%	110,961	3,218,981	99.3%
2018	3,336,652	3,212,772	96.3%	121,136	3,333,908	99.9%
2019	3,622,302	3,501,799	96.7%	129,033	3,630,832	100.2%

* Tax Levy including modifications throught the year

CITY OF ALAMO, TEXAS

Water Sewer Revenues

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Water	Sewer	Total
2010	1,633,834	1,174,667	2,808,501
2011	1,918,744	1,329,265	3,248,009
2012	1,965,803	1,400,670	3,366,473
2013	2,042,633	1,448,055	3,490,688
2014	1,973,740	1,464,665	3,438,404
2015	1,920,992	1,508,259	3,429,251
2016	2,047,498	1,574,493	3,621,991
2017	2,206,676	1,702,839	3,909,515
2018	2,213,956	1,812,188	4,026,144
2019	2,219,282	1,957,528	4,176,810

DEBT CAPACITY

CITY OF ALAMO, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percantage of Personal Income (1)	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases			
2010	8,690,000	-	192,582	6,345,000	82,535	15,310,117	6.28%	830
2011	8,000,000	-	65,542	6,127,000	28,089	14,220,631	5.12%	763
2012	7,285,000	637,500	828,643	6,181,000	23,222	14,955,365	5.08%	796
2013	13,615,000	637,500	710,548	5,925,000	19,569	20,907,617	7.34%	1,107
2014	12,825,000	725,475	589,206	5,661,000	15,819	19,816,500	6.50%	1,041
2015	12,015,000	701,634	464,677	5,389,000	11,968	18,582,279	6.14%	969
2016	11,190,000	677,564	336,788	5,114,000	8,017	17,326,369	5.94%	901
2017	10,345,000	653,254	812,657	5,831,000	313,457	17,955,368	5.58%	863
2018	9,475,000	628,700	638,794	5,494,000	189,946	16,426,440	5.49%	820
2019	8,590,000	603,901	616,156	15,442,000	62,886	25,314,943	7.84%	1,251

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Source: Texas Workforce Commission Tax Department.

CITY OF ALAMO, TEXAS

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2010	8,690,000	499,132	8,190,868	1.72%	444
2011	8,000,000	593,096	7,406,904	1.59%	397
2012	7,285,000	686,552	6,598,448	1.38%	351
2013	13,615,000	783,045	12,831,956	2.69%	679
2014	12,825,000	868,515	11,956,485	2.44%	628
2015	12,015,000	973,468	11,041,532	2.13%	576
2016	11,190,000	996,263	10,193,737	1.86%	530
2017	10,345,000	1,120,983	9,224,017	1.62%	443
2018	9,475,000	1,248,222	8,226,778	1.35%	410
2019	8,590,000	1,383,700	7,206,300	1.09%	356

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. In addition, amounts listed under general obligation bonds do not include the portion of these bonds that are being serviced in proprietary funds.

(1) Please see the Scheudle of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF ALAMO, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2019

(amounts expressed in thousands)

Governmental Unit	Date	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:				
City of Alamo	9/30/2019	$ 8,590	100%	$ 8,590
Overlapping:				
Pharr, San Juan, Alamo ISD	9/30/2019	317,585	10.0%	31,600
Hidalgo County	9/30/2019	350,540	1.8%	6,310
Hidalgo County Irrigation District #1	9/30/2019	183,725	1.8%	3,381
South Texas College	9/30/2019	136,110	1.7%	2,259
South Texas ISD	9/30/2019	-	0.0%	-
Total Direct Debt				8,590
Total Net Overlapping Debt				43,549
Total Direct and Overlapping Debt				$ 52,139

Source: Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at lease in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Alamo. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF ALAMO, TEXAS

COMPUTATION OF LEGAL DEBT MARGIN

(Unaudited)

Assessed Valuation 2018 Tax Roll for Fiscal Year 2019	$	879,178,565
Debt Limit - Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 10% of the assessed valuation is used.		10%
		87,917,857
Total Bonded Debt		8,590,000
Deduct amount available in debt service fund		1,248,222
Applicable Debt		7,341,778
Economic Debt Margin	$	80,576,079

CITY OF ALAMO, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

(Unaudited)

	Revenue Bonds					
				Debt Service		
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Avaliable Revenue	Principal	Interest	Coverage
2010	2,873,480	2,130,082	743,398	6,345,000	82,535	0.12
2011	3,320,517	2,384,117	936,400	6,127,000	28,089	0.15
2012	3,438,634	2,680,613	758,021	6,181,000	23,222	0.12
2013	3,367,962	2,490,314	877,648	5,925,000	19,569	0.15
2014	3,531,528	2,745,418	786,110	5,661,000	15,819	0.14
2015	3,584,914	1,416,717	2,168,197	5,389,000	11,968	0.40
2016	3,764,724	1,676,250	2,088,474	5,114,000	8,017	0.41
2017	4,070,441	2,090,305	1,980,136	5,831,000	313,457	0.32
2018	4,194,678	2,901,074	1,293,604	5,494,000	189,946	0.23
2019	4,541,989	2,487,291	2,054,698	15,442,000	62,886	0.13

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF ALAMO, TEXAS

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Population (1)	MSA Per Capita Personal Income (3)	Median Age (3)	Unemployment Rate (2)
2010	18,452	13,202	31.9	2.10%
2011	18,642	14,890	35.1	0.80%
2012	18,778	15,683	35.3	2.90%
2013	18,885	15,078	34.7	0.10%
2014	19,036	16,007	35.6	2.30%
2015	19,171	15,787	35.1	0.30%
2016	19,220	15,164	33.3	1.90%
2017	20,804	15,476	34.2	0.10%
2018	20,041	14,920	31.1	1.80%
2019	20,241	15,951	33.8	0.10%

(1) Estimated (Information was received from the US Census)

(2) Source: Texas Workforce Commission Tax Department

(3) Source: U.S. Census Bureau, American Community Survey 5-year Estimates

CITY OF ALAMO, TEXAS
Principal Employers
(Unaudited)

	2019	
Employees	**Employees**	**Rank**
PSJA Independent School District	3,500	1
Wal-Mart	438	2
H.E.B	305	3
City of Alamo	151	4
Rio Plex Distributors	60	5
McDonald's	40	6
Vangaurd Academy Mozart Elementary	34	7
South Texas Health Systems ER	35	8
Peter Piper Pizza	30	9
Hess Air	30	10
Totals	4,623	

Source: Alamo Economic Development Corporation

OPERATING INFORMATION

CITY OF ALAMO, TEXAS

Full-Time Equivalent City Government Employees by Function
Last Three Fiscal Years
(Unaudited)

		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
General Government				
01-510	Mayor and City Council	5	5	5
01-512	Planning and Comm. Develop.	3	3	3
01-514	Municipal Court	2	2	2
01-522	City Manger	2	2	2
01-523	Purchasing	2	2	2
01-524	City Secretary	1	1	1
01-525	Human Resources	1	1	1
01-526	Finance	4	4	4
01-529	Information Technology	2	2	2
01-550	Storm Water	2	2	2
Public Safety				
01-513	Police	41	46	48
01-516	Fire	21	21	21
Highways and Streets				
01-518	Streets	17	17	18
Health & Welfare				
01-512	Code Enforcement	1	1	1
Culture & Recreation				
01-515	Library	7	7	7
01-517	Parks & Recreation	11.50	11.50	13.00
01-519	Museum	1	1	1
01-521	Swimming Pool	2.50	2.50	2.50
General Fund Total		126	131	136
Utility				
03-530	Water	10	10	10
03-531	Sewer	4	4	4
03-534	Water Plant	5	5	5
03-536	Billing	4	4	4
Water/Sewer Fund Total		23	23	23
Grand Total		149	154	159

Source: City of Alamo Finance Department

CITY OF ALAMO, TEXAS
Operating Indicators by Function
(Unaudited)

Function	2018	2019
Public Safety - Police		
Physical Arrests	1882	1925
Parking Violations	9	10
Traffic Violations	3816	3925
Public Safety - Fire		
Number of Calls Answered	1317	1420
Inspections	234	250
Highways and Streets		
Traffic Signs Repaired	45	42
Solid Waste Services		
Materials Recycled - Tons	2600	2700
Culture and Recreation		
Programs	9	9
Parks Maintained	7	7
Water		
New Connections	857	860
Water Main Breaks	56	65
Average Daily Consumption (millions of gallons)	1.683	1.646
Wastewater		
Average Daily Sewage Treatment (millions of gallons)	1.547	1.553

Source: Various City Departments
Note: Indicators are not available for the general government function

CITY OF ALAMO, TEXAS
Capital Assets Statistics by Function
(Unaudited)

Function	2019
Miles of Streets:	
Paved	115.48
Miles of Sewer:	
Storm	45.09
Sanitary	93.45
Storm Drainage Ditches	14.54
Building Permits:	
Permits Issued	555
Estimated Value	$ 171,070
Fire Protection:	
Number of Stations	2
Police Protection:	
Number of Stations	1
Recreation:	
Number of Parks	7
Number of Playgrounds	9
Number of Municipal Swimming Pools	1
Number of Splash Pads	2
Tennis Courts	4
Baseball Fields	7
Soccer Fields	1
Basketball Fields	4

Source: Various City Departments

INTERNAL CONTROL / COMPLIANCE SECTION

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&
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Oscar R. González
Melissa González

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Commission of
City of Alamo, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Alamo, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Alamo, Texas' basic financial statements, and have issued our report thereon dated April 21, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants
Pharr, Texas

April 21, 2020

CITY OF ALAMO, TEXAS
Schedule of Findings and Responses
For the Year Ended September 30, 2019

A. Summary of Auditor's Results

	UNMODIFIED
1. Financial Statements Type of Report Issued:	X YES ____ NO
2. Internal control over financial reporting:	
One or more material weaknesses identified?	____ YES X NONE REPORTED
One of more significant deficiencies identified that are not considered to be material weaknesses?	____ YES X NONE REPORTED

3. City of Alamo, Texas did not qualify for a single audit within Section 200.516 of the OMB-Uniform Guidance.

B. Financial Statement Findings

None.