

**CITY OF ALAMO,  
TEXAS**

**Comprehensive Annual  
Financial Report**

**Fiscal Year Ended  
September 30, 2021**



**Oscar R. Gonzalez CPA  
& Associates PLLC**

Certified Public Accountants

**CITY OF ALAMO, TEXAS**  
Comprehensive Annual Financial Report  
For the Year Ended September 30, 2021

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## **INTRODUCTORY SECTION**

**CITY OF ALAMO, TEXAS**  
Comprehensive Annual Financial Report  
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**Principal Officials**

**MAYOR**

Diana Martinez

**CITY COMMISSION**

Pedro Morales – Mayor Pro-Tem  
Maria Del Pilar Garza – Commissioner PL. 4  
Felix Garza II – Commissioner PL.3  
Oscar Salinas – Commissioner PL. 1

**OTHER OFFICIALS**

Roberto "Bobby" Salinas - 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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

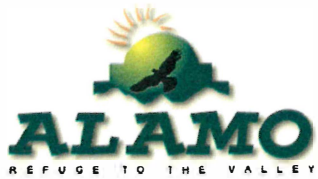
**City of Alamo  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

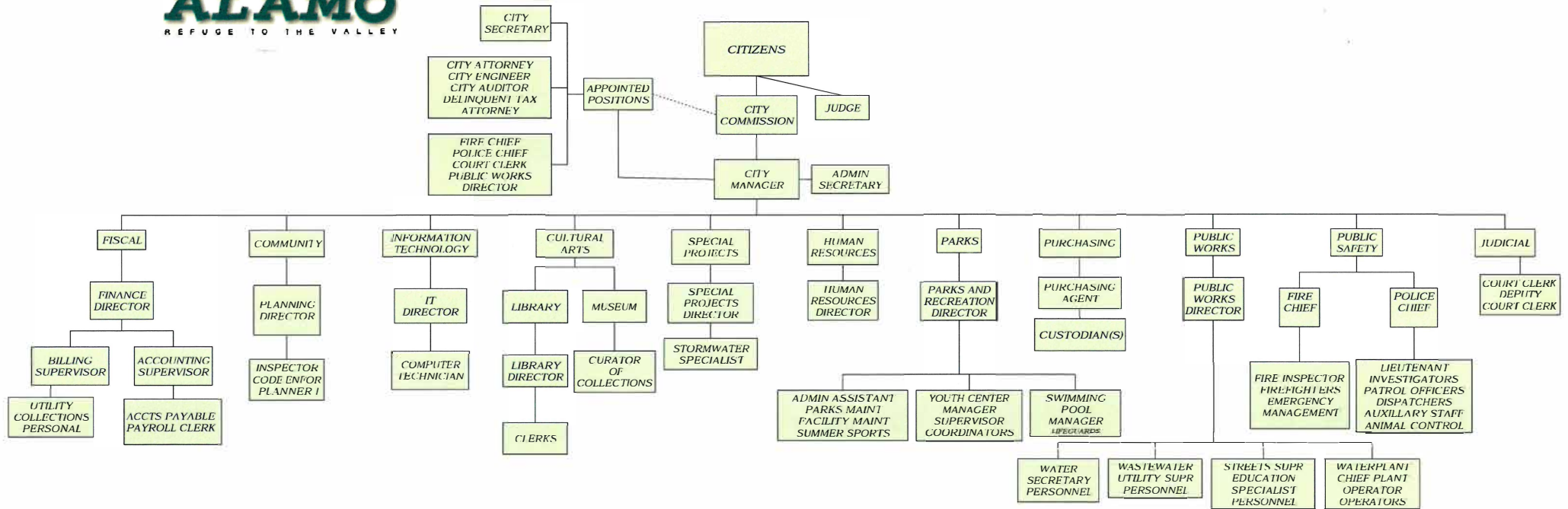
**September 30, 2018**

*Christopher P. Morill*

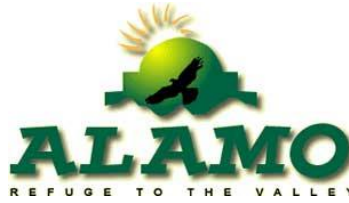
Executive Director/CEO



# CITY OF ALAMO ORGANIZATIONAL CHART



APPROVED BY COMMISSION 10/18



March 31, 2022

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

The Finance Department is pleased to submit the Comprehensive Annual Financial Report for the City of Alamo, Texas for the fiscal year ended September 30, 2021. 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.L.C. Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and analysis (MD&A) immediately follows the independent 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) Family Dollar Store, (2) Shoe Dept, (1) Kautsch Lumber Co.,. 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, Jack in the Box, Peter Piper Pizza, Pizza Hut, and Wingstop.

The City continues to enjoy a stable outlook with property tax values at \$813,904,546 up to 13.59% over the previous year. The Hidalgo County unemployment rate was 7.90% in 2020. The top 10 taxpayers are diverse, accounting for 12.07% 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 15.94% in collections compared to FY 2019-2020. 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:

	<u>General Obligation</u>	<u>Revenue</u>
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 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 Comprehensive Annual Financial Report 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



**FINANCIAL SECTION**



**Oscar R. Gonzalez CPA  
& Associates PLLC**

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Partners:  
Oscar R. Gonzalez, CPA  
Melissa Gonzalez, CPA

Associates:  
Janet Robles, CPA

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of 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***

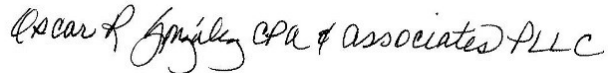
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alamo, Texas' basic financial statements. The introductory section, the schedule of delinquent taxes receivable and combining and individual nonmajor fund financial statements 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 March 31, 2022, 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.

Handwritten signature of Oscar R. Gonzalez, CPA & Associates, PLLC.

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

March 31, 2022

## **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, 2021. 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

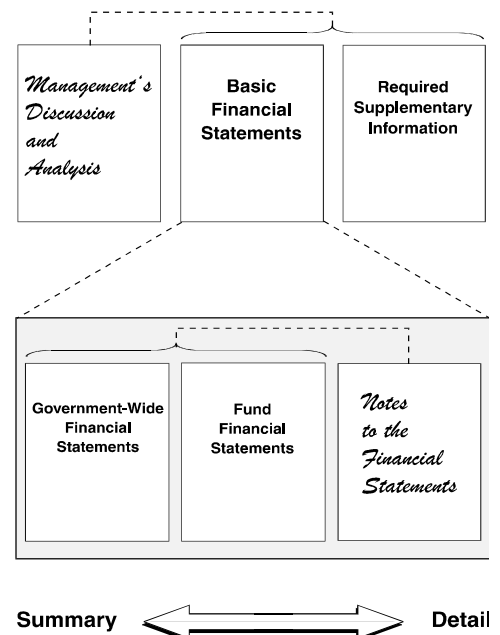
- The City’s combined assets from governmental and business-type activities exceeded its liabilities at the close of the most recent fiscal year by \$57,428,926 compared to \$52,350,665 in the prior year.
- The City’s total net position increased by \$5,078,261, caused by an increase of \$3,430,365 in the City’s net position related to governmental activities and an increase of \$1,647,896 in relation to the business-type activities net position.
- The liabilities of the City’s governmental activities increased by \$1,461,372; and the liabilities of the business-type activities increased by \$4,155,828 in the current fiscal year.
- The assets of the *City’s governmental activities* exceeded its liabilities at the close of the most recent fiscal year by \$25,988,971 (net position). Of this amount, \$7,497,367 (unrestricted net position) may be used to meet the governments ongoing obligations to citizens and creditors.
- The assets of the *City’s business-type activities* exceeded its liabilities at the close of the most recent fiscal year by \$31,439,955 (net position). Of this amount, \$3,544,282 (unrestricted net position) may be used to meet the water and sewer systems ongoing obligations to citizens and creditors.
- Unreserved fund balance for the general fund was \$7,589,283 for 2021 and \$5,983,318 for 2020 respectively, or about 69% of total general fund expenditures.
- At the end of the current fiscal year, fund balance for all governmental funds increased by \$2,232,254 or about 19%; from \$11,864,774 to \$14,097,028. This increase is due to increase in revenues.

## 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-1, Required Components of the District’s Annual Financial Report



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 summarizes the major features of the District's financial statements, including the portion of the District

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

<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	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
<i>Required financial statements</i>	♦ Statement of net position	♦ Balance sheet	♦ Statement of net position	♦ Statement of fiduciary net position
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net position ♦ Statement of cash flows	♦ Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	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
<i>Type of asset/liability information</i>	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
<i>Type of inflow/outflow information</i>	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

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 charges (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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## 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/deferred outflows exceeded liabilities/deferred inflows by \$57,428,926 and \$52,350,665 for 2021 and 2020 as adjusted, respectively, for both governmental and business-type 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 (Decrease)
	2021	2020	2021	2020	2021	2020	
<b>Assets</b>							
Current Assets	\$ 19,231,301	\$ 13,902,240	\$ 12,130,314	\$ 14,231,210	\$ 31,361,615	\$ 28,133,450	\$ 3,228,165
Non-Current Assets	23,932,005	24,430,752	35,395,825	27,488,910	59,327,830	51,919,662	7,408,168
<b>Total Assets</b>	<b>43,163,306</b>	<b>38,332,992</b>	<b>47,526,139</b>	<b>41,720,120</b>	<b>90,689,445</b>	<b>80,053,112</b>	<b>10,636,333</b>
<b>Deferred Outflow of Resources</b>							
Aggregated Deferred Outflows	625,029	707,857	272,772	292,601	897,801	1,000,458	(102,657)
<b>Total Deferred Outflows of Resources</b>	<b>625,029</b>	<b>707,857</b>	<b>272,772</b>	<b>292,601</b>	<b>897,801</b>	<b>1,000,458</b>	<b>(102,657)</b>
<b>Liabilities</b>							
Current Liabilities	5,791,613	2,891,201	1,143,764	870,102	6,935,377	3,761,303	3,174,074
Non-Current Liabilities	10,524,934	11,963,974	15,069,452	11,187,286	25,594,386	23,151,260	2,443,126
<b>Total Liabilities</b>	<b>16,316,547</b>	<b>14,855,175</b>	<b>16,213,216</b>	<b>12,057,388</b>	<b>32,529,763</b>	<b>26,912,563</b>	<b>5,617,200</b>
<b>Deferred Inflow of Resources</b>							
Aggregated Deferred Inflows	1,482,817	1,627,068	145,740	163,274	1,628,557	1,790,342	(161,785)
<b>Total Deferred Inflows of Resources</b>	<b>1,482,817</b>	<b>1,627,068</b>	<b>145,740</b>	<b>163,274</b>	<b>1,628,557</b>	<b>1,790,342</b>	<b>(161,785)</b>
<b>Net Position</b>							
Net Invested in Capital Assets	13,706,207	11,585,401	20,109,560	15,973,236	33,815,767	27,558,637	6,257,130
Restricted	4,785,397	4,705,415	7,786,113	10,377,226	12,571,510	15,082,641	(2,511,131)
Unrestricted	7,497,367	6,267,790	3,544,282	3,441,597	11,041,649	9,709,387	1,332,262
<b>Total Net Position</b>	<b>\$ 25,988,971</b>	<b>\$ 22,558,606</b>	<b>\$ 31,439,955</b>	<b>\$ 29,792,059</b>	<b>\$ 57,428,926</b>	<b>\$ 52,350,665</b>	<b>\$ 5,078,261</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The excess of deferred inflows of resources over deferred outflows of resources reported on the government-wide Statement of Net Position of \$730,756 at September 30, 2021 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 \$404,788 as of September 30, 2021, and other unfunded long-term liabilities which include compensated claims and compensated absences.

One of the largest portions of the City's net position \$33,815,767 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 \$12,014,155 represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$11,041,649 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 position for the government as a whole.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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
	2021	2020	2021	2020	2021	2020	(Decrease)
Revenues							
<u>Program Revenues</u>							
Charges for Services	\$ 3,376,797	\$ 3,121,685	\$ 5,045,557	\$ 4,755,119	\$ 8,422,354	\$ 7,876,804	\$ 545,550
Operating Grants and Contributions	1,091,078	2,781,730	-	-	1,091,078	2,781,730	(1,690,652)
Capital Grants and Contributions	-	-	994,347	-	994,347	-	994,347
<u>General Revenues</u>							
Property Tax	4,216,795	3,870,480	-	-	4,216,795	3,870,480	346,315
Sales Tax	4,922,804	4,246,105	-	-	4,922,804	4,246,105	676,699
Other Tax	712,317	626,346	-	-	712,317	626,346	85,971
Other Revenues	271,138	343,078	1,699	82,352	272,837	425,430	(152,593)
<b>Total Revenues</b>	<b>14,590,929</b>	<b>14,989,424</b>	<b>6,041,603</b>	<b>4,837,471</b>	<b>20,632,532</b>	<b>19,826,895</b>	<b>805,637</b>
Expenses							
General Government	4,479,733	5,013,140	-	-	4,479,733	5,013,140	(533,407)
Public Safety	4,721,020	4,688,501	-	-	4,721,020	4,688,501	32,519
Highways & Streets	988,402	787,351	-	-	988,402	787,351	201,051
Health & Welfare	280,531	204,994	-	-	280,531	204,994	75,537
Culture & Recreation	976,155	1,051,002	-	-	976,155	1,051,002	(74,847)
Economic Development	391,189	530,593	-	-	391,189	530,593	(139,404)
Interest & Long-term Debt	319,904	346,482	-	-	319,904	346,482	(26,578)
Waterworks & Sewer Systems	-	-	3,397,050	3,816,836	3,397,050	3,816,836	(419,786)
<b>Total Expenses</b>	<b>12,156,934</b>	<b>12,622,063</b>	<b>3,397,050</b>	<b>3,816,836</b>	<b>15,553,984</b>	<b>16,438,899</b>	<b>(884,915)</b>
Non-Operating Transfers (Net)	996,658	(2,990,674)	(996,658)	2,990,674	1,993,316	(5,981,348)	7,974,664
Increase (Decrease) in Net Position	3,430,653	(623,313)	1,647,895	4,011,309	5,078,548	3,387,996	1,690,552
Prior Period Adjustment	(288)	(359,119)	-	30,326	(288)	(328,793)	328,505
Net Position - Beginning	22,558,606	23,541,038	29,792,060	25,750,424	52,350,666	49,291,462	3,059,204
Net Position - Ending	<b>\$ 25,988,971</b>	<b>\$ 22,558,606</b>	<b>\$ 31,439,955</b>	<b>\$ 29,792,059</b>	<b>\$ 57,428,926</b>	<b>\$ 52,350,665</b>	<b>\$ 5,078,261</b>

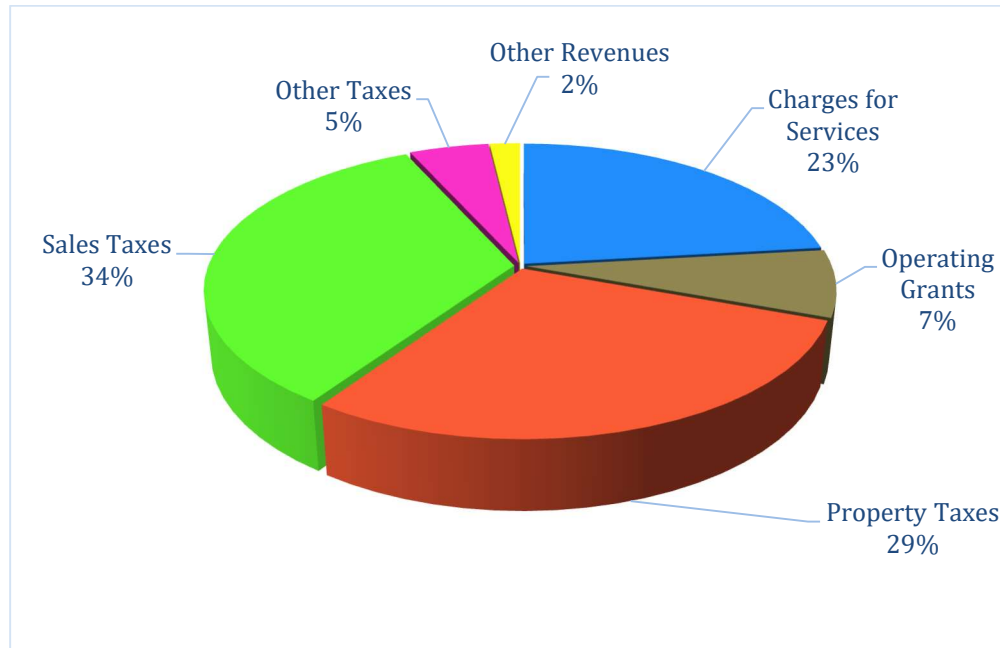
The City's governmental activities net position increased by \$3,430,365. The key changes this fiscal year along with element of decrease is described as follows:

- Property tax revenue including penalties and interest increased by \$346,315 or about 9% during the fiscal year. Property tax constitutes 29% of governmental revenues.
- Sales tax revenue was \$4,922,804, an increase of about 16% over the prior year. Sales tax revenue constitutes 34% of the total revenue for governmental activities.
- Other taxes, which include franchise taxes, hotel tax and mixed beverage taxes, totaled \$712,317, a decrease of about 14% compared to prior year.
- Non-operating net transfers decreased about \$3.9 million compared to prior year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### Revenues by Source - Governmental Activities

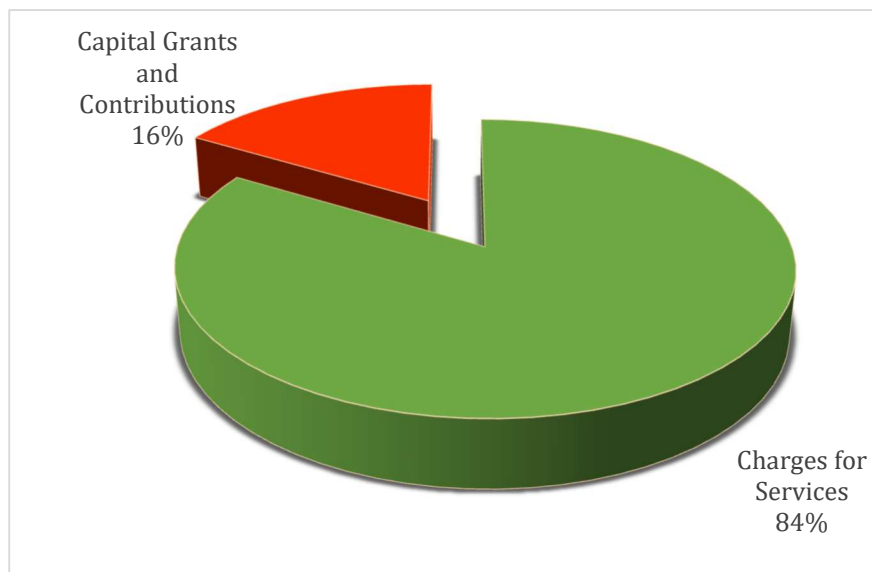


### **Business-Type Activities**

The business-type activities net position increased by \$1,647,896. 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 only decreased by \$419,786 or 9% from the prior year.

### Revenues by Source - Business-Type Activities



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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 revenues for the year exceeded actual expenditures by \$1,605,965. Actual revenues exceeded budgeted revenues by \$581,596, while actual expenditures did not exceed appropriations by \$1,024,369.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The City of Alamo's Capital assets for its governmental and business-type activities amounts to \$59,327,830 and \$51,919,662 (net of accumulated depreciation) for 2021 and 2020, respectively. This investment in capital assets includes land, buildings, and systems improvements, machinery and equipment and equipment net of depreciation. The total increase in the City's net investment in capital assets for the current fiscal year was \$7,408,168.

	<b>City of Alamo, Texas</b>						
	<b>Capital Assets</b>						
	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2021	2020	2021	2020	2021	2020	
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	-	-	9,595,338	1,414,969	9,595,338	1,414,969	8,180,369
	<u>1,731,590</u>	<u>1,731,590</u>	<u>12,538,416</u>	<u>4,358,047</u>	<u>14,270,006</u>	<u>6,089,637</u>	<u>8,180,369</u>
Capital Assets, Being Depreciated:							
Buildings	13,168,533	13,078,744	4,838,176	4,838,176	18,006,709	17,916,920	89,789
Vehicles	3,903,391	3,778,530	233,119	233,119	4,136,510	4,011,649	124,861
Machinery & Equipment	3,082,383	2,733,609	1,974,735	1,766,378	5,057,118	4,499,987	557,131
Infrastructure	16,800,369	16,800,369	26,221,471	26,110,376	43,021,840	42,910,745	111,095
	<u>36,954,676</u>	<u>36,391,252</u>	<u>33,267,501</u>	<u>32,948,049</u>	<u>70,222,177</u>	<u>69,339,301</u>	<u>882,876</u>
Accumulated Depreciation	<u>(14,754,261)</u>	<u>(13,692,090)</u>	<u>(10,410,092)</u>	<u>(9,817,186)</u>	<u>(25,164,353)</u>	<u>(23,509,276)</u>	<u>(1,655,077)</u>
Total Capital Assets, Being Depreciated, Net	<u>22,200,415</u>	<u>22,699,162</u>	<u>22,857,409</u>	<u>23,130,863</u>	<u>45,057,824</u>	<u>45,830,025</u>	<u>(772,201)</u>
Capital Assets, Net	<u>\$23,932,005</u>	<u>\$24,430,752</u>	<u>\$35,395,825</u>	<u>\$27,488,910</u>	<u>\$59,327,830</u>	<u>\$51,919,662</u>	<u>\$ 7,408,168</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Long-Term Debt

State statutes limit the amount general obligation debt that the City may issue to 10% of its total assessed valuation \$813,904,546. The City's general obligation debt maximum is \$81,390,155, compared to the City's debt of \$21,023,000.

At the end of the current fiscal year, the City had a total contractually obligated long-term debt of \$21,023,000. The details of the change in debt from last fiscal year are as indicated:

	City of Alamo, Texas						Increase (Decrease)
	Long-Term Obligations						
	Governmental Activities		Business-Type Activities		Total		
	2021	2020	2021	2020	2021	2020	
Long-Term Obligations							
General Obligation Bonds	\$ 10,040,000	\$ 11,270,000	\$ 10,983,000	\$ 11,265,000	\$ 21,023,000	\$ 22,535,000	\$ (1,512,000)
Capital Leases	190,050	405,526	4,483,235	38,136	4,673,285	443,662	4,229,623
Loan Payables	553,556	578,854	-	-	553,556	578,854	(25,298)
Compensated Absences	362,007	336,315	53,371	42,486	415,378	378,801	36,577
<b>Total Long-Term Obligations</b>	<b><u>\$ 11,145,613</u></b>	<b><u>\$ 12,590,695</u></b>	<b><u>\$ 15,519,606</u></b>	<b><u>\$ 11,345,622</u></b>	<b><u>\$ 26,665,219</u></b>	<b><u>\$ 23,936,317</u></b>	<b><u>\$ 2,728,902</u></b>

Long-term general obligation bonds for Governmental activities decreased by net amount of \$1,230,000. This decrease of \$1,230,000 is for the reduction of the debt by principal as amortized and the refunding of debt of the 2008 Series bond.

Long-term general obligation bonds for Business-Type activities decreased by \$282,000. This decrease is the reduction of the debt by principal as amortized and the refunding the 2000 & 2007 Series bonds.

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 \$404,788 at September 30, 2021 from \$719,033 at September 30, 2020 was the result of a significant increase in net investment income in the TMRS plan during 2020.

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, 2020.

#### PENSION City of Alamo's Key Pension Statistics

Net Pension Liability (NPL)	\$ 404,788
Pension Expense	\$ 230,045

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2021-2022 budget increased \$84,697,782 over the prior year, or 12 percent higher than the prior year.
- The ad valorem property tax rate was set at \$0.5817. The City's No-New-Revenue tax rate is \$.5546.
- The property tax rate should generate \$252,686 of additional tax revenues; an increase of 8.57% over the previous year.
- The Sales Tax collected in 2020-2021 increased by \$ 507,524.58 or 16% over prior year.
- The 2021-2022 General Fund operating budget was prepared using \$5,748,291 as the estimated fund balance at September 30, 2022. The actual unassigned fund balance for the General Fund at September 30, 2021 was \$7,589,283.
- 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**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF ALAMO, TEXAS**  
**Statement of Net Position**  
**September 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 7,006,196	\$ 5,046,429	\$ 12,052,625
Restricted Cash	-	7,786,113	7,786,113
Investments	6,111,173	1,542,837	7,654,010
Accounts Receivable (Net of Allowance)			
Property Taxes	425,412	-	425,412
Court	255,143	-	255,143
Customers	291,434	502,774	794,208
Sales Tax	857,048	-	857,048
Franchise Tax	78,266	-	78,266
Other	1,086,690	-	1,086,690
Note Receivables	372,100	-	372,100
Prepaid and Other Assets	-	-	-
Internal Balances	2,747,839	( 2,747,839 )	-
<b>Total Current Assets</b>	<b>19,231,301</b>	<b>12,130,314</b>	<b>31,361,615</b>
<i>Non-Current Assets</i>			
Land	1,731,590	2,943,078	4,674,668
Construction In Progress	-	9,595,338	9,595,338
Building and Improvements (Net)	8,340,318	2,885,870	11,226,188
Vehicles (Net)	908,908	26,606	935,514
Furniture and Equipment (Net)	1,388,311	677,566	2,065,877
Infrastructure (Net)	11,562,878	19,267,367	30,830,245
<b>Total Non-Current Assets</b>	<b>23,932,005</b>	<b>35,395,825</b>	<b>59,327,830</b>
<b>Total Assets</b>	<b>43,163,306</b>	<b>47,526,139</b>	<b>90,689,445</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Discount on Bonds	-	179,970	179,970
Unamortized Loss on Refunding of Debt	99,148	-	99,148
Related from Pension GASB 68	451,381	79,655	531,036
Related from Pension OPEB	74,500	13,147	87,647
<b>Total Deferred Outflows of Resources</b>	<b>625,029</b>	<b>272,772</b>	<b>897,801</b>

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

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts Payable	\$ 985,932	\$ -	\$ 985,932
Payroll Withholding and Deductions	5,326	7,677	13,003
Other Current Liabilities	720,776	19,512	740,288
Unearned Revenues - Property Taxes	5,181	-	5,181
Unearned Revenues - Other	2,767,116	-	2,767,116
Accrued Interest	51,536	17,447	68,983
Customers Deposits	-	536,904	536,904
Matured Debt Payable Within One Year	1,255,746	562,224	1,817,970
<b>Total Current Liabilities</b>	<b>5,791,613</b>	<b>1,143,764</b>	<b>6,935,377</b>
<i>Non-Current Liabilities</i>			
Bonds Payable More than One Year	8,935,000	10,690,000	19,625,000
Loans Payable More than One Year	528,005	-	528,005
Leases Payable More than One Year	64,855	4,214,011	4,278,866
Compensated Absences	362,007	53,371	415,378
Net Pension Liability	344,070	60,718	404,788
OPEB Pension Liability	290,997	51,352	342,349
<b>Total Non-Current Liabilities</b>	<b>10,524,934</b>	<b>15,069,452</b>	<b>25,594,386</b>
<b>Total Liabilities</b>	<b>16,316,547</b>	<b>16,213,216</b>	<b>32,529,763</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unamortized Premium on Bonds	656,956	-	656,956
Related to Pension GASB 68	803,291	141,757	945,048
Related to Pension OPEB	22,570	3,983	26,553
<b>Total Deferred Inflows of Resources</b>	<b>1,482,817</b>	<b>145,740</b>	<b>1,628,557</b>
<b>NET POSITION</b>			
Net Invested in Capital Assets	13,706,207	20,109,560	33,815,767
<i>Restricted for:</i>			
Capital Projects	-	-	-
Debt Service	1,330,559	7,786,113	9,116,672
Economic Development	1,986,934	-	1,986,934
Special Revenue	1,467,904	-	1,467,904
<i>Unrestricted</i>	7,497,367	3,544,282	11,041,649
<b>Total Net Position</b>	<b>\$ 25,988,971</b>	<b>\$ 31,439,955</b>	<b>\$ 57,428,926</b>

**CITY OF ALAMO, TEXAS**  
Statement of Activities  
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
General Government	\$ 4,479,733	\$ 406,035	\$ 636,123	\$ -	\$ ( 3,437,575 )	\$ -	\$ ( 3,437,575 )
Public Safety	4,721,020	374,298	393,999	-	( 3,952,723 )	-	( 3,952,723 )
Highways and Streets	988,402	2,455,388	-	-	1,466,986	-	1,466,986
Health and Welfare	280,531	18,154	-	-	( 262,377 )	-	( 262,377 )
Culture and Recreation	976,155	122,922	60,956	-	( 792,277 )	-	( 792,277 )
Economic Development	391,189	-	-	-	( 391,189 )	-	( 391,189 )
Debt Interest	319,904	-	-	-	( 319,904 )	-	( 319,904 )
<b>Total Governmental Activities</b>	<b>12,156,934</b>	<b>3,376,797</b>	<b>1,091,078</b>	<b>-</b>	<b>( 7,689,059 )</b>	<b>-</b>	<b>( 7,689,059 )</b>
<b>Business-type Activities:</b>							
Water & Sewer	3,397,050	5,045,557	-	994,347	-	2,642,854	2,642,854
<b>Total Business-type Activities</b>	<b>3,397,050</b>	<b>5,045,557</b>	<b>-</b>	<b>994,347</b>	<b>-</b>	<b>2,642,854</b>	<b>2,642,854</b>
<b>Total Primary Government</b>	<b>\$ 15,553,984</b>	<b>\$ 8,422,354</b>	<b>\$ 1,091,078</b>	<b>\$ 994,347</b>	<b>\$ ( 7,689,059 )</b>	<b>\$ 2,642,854</b>	<b>\$ ( 5,046,205 )</b>
<b>General Purpose Revenues and Transfers:</b>							
<b>Revenues</b>							
Property Taxes					\$ 4,216,795	\$ -	\$ 4,216,795
Sales Taxes					4,922,804	-	4,922,804
Franchise Taxes					598,554	-	598,554
Federal Grant					19,309	-	19,309
Other Taxes					94,454	-	94,454
Miscellaneous General Revenues					258,360	-	258,360
Gain (Loss) on Sale of Assets					-	-	-
Interest Revenue					12,778	1,699	14,477
<b>Transfers</b>					996,658	( 996,658 )	-
<b>Total General Revenues and Transfers</b>					<b>11,119,712</b>	<b>( 994,959 )</b>	<b>10,124,753</b>
<b>Change in Net Position</b>					<b>3,430,653</b>	<b>1,647,895</b>	<b>5,078,548</b>
<i>Net Position at Beginning of Period</i>					22,558,606	29,792,060	52,350,666
<i>Prior Period Adjustments</i>					( 288 )	-	( 288 )
<b>Net Position at End of Period</b>					<b>\$ 25,988,971</b>	<b>\$ 31,439,955</b>	<b>\$ 57,428,926</b>

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

## **GOVERNMENTAL FUNDS**

**CITY OF ALAMO, TEXAS**

Balance Sheet

Governmental Funds

September 30, 2021

	<u>General</u>	<u>Alamo Economic Development Corporation</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,246,131	\$ 1,422,275	\$ 1,337,790	\$ 7,006,196
Investments	3,442,533	1,000,243	1,668,397	6,111,173
Accounts Receivable				-
Property Taxes	357,137	-	68,275	425,412
Court	255,143	-	-	255,143
Customers	291,434	-	-	291,434
Sales Tax	642,786	214,262	-	857,048
Franchise Tax	78,266	-	-	78,266
Other	267,459	740	818,491	1,086,690
Note Receivables	-	372,100	-	372,100
Due From Other Funds	984,438	219	2,466,709	3,451,366
<i>Total Assets</i>	<u>10,565,327</u>	<u>3,009,839</u>	<u>6,359,662</u>	<u>19,934,828</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Aggregated Deferred Outflows	-	-	-	-
<i>Total Deferred Outflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 10,565,327</u>	<u>\$ 3,009,839</u>	<u>\$ 6,359,662</u>	<u>\$ 19,934,828</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 982,769	\$ 3,163	\$ -	\$ 985,932
Payroll Withholding and Deductions	5,210	116	-	5,326
Other Current Liabilities	720,776	-	-	720,776
Unearned Revenues	-	219	2,772,078	2,772,297
Due To Other Funds	680,227	1,538	21,762	703,527
<i>Total Liabilities</i>	<u>2,388,982</u>	<u>5,036</u>	<u>2,793,840</u>	<u>5,187,858</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes	331,918	-	62,880	394,798
Deferred Court Fines	255,144	-	-	255,144
<i>Total Deferred Inflows of Resources</i>	<u>587,062</u>	<u>-</u>	<u>62,880</u>	<u>649,942</u>
<b>FUND BALANCE</b>				
Restricted for:				
Debt Service	-	-	1,687,463	1,687,463
Capital Projects	-	-	-	-
Special Projects	-	-	1,541,395	1,541,395
Economic Development & Tourism	-	3,801,339	-	3,801,339
Unassigned	7,589,283	( 796,536 )	274,084	7,066,831
<i>Total Fund Balance</i>	<u>7,589,283</u>	<u>3,004,803</u>	<u>3,502,942</u>	<u>14,097,028</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 10,565,327</u>	<u>\$ 3,009,839</u>	<u>\$ 6,359,662</u>	<u>\$ 19,934,828</u>

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, 2021**

Total Fund Balance - Governmental Funds	\$ 14,097,028
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.	23,932,005
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.	( 12,254,380 )
Because some court fines will not be collected for some time after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are considered deferred in the funds, but recognized in the Statement of Net Position.	255,144
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.	( 362,007 )
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.	( 51,536 )
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.	99,148
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 government-wide statements.	( 656,956 )
Principal payments on long-term expensed in governmental fund statements, treated as reductions of outstanding debt in entity wide statements.	1,470,774
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.	( 695,980 )
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.	( 239,067 )
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	394,798
Total Net Position of Governmental Activities - Statement of Net Position	<u>\$ 25,988,971</u>

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, 2021

	General Fund	Alamo Economic Development Corporation	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$ 3,658,646	\$ -	\$ 584,258	\$ 4,242,904
Sales Taxes	3,692,103	1,230,701	-	4,922,804
Franchise Taxes	598,554	-	-	598,554
Other Taxes	14,672	-	79,782	94,454
Court Fines and Fees	284,678	-	-	284,678
Licenses and Permits	259,003	-	-	259,003
Charges for Services	2,730,929	-	-	2,730,929
Local Events and Contributions	64,981	-	-	64,981
Other Revenues	217,632	980	136,948	355,560
State Grants	30,000	-	-	30,000
Federal Grants	379,283	-	-	379,283
Care Act-(COVID-19)-Grant	366,158	-	-	366,158
Other Governmental Grants	-	-	269,965	269,965
Interest Revenue	1,701	10,324	753	12,778
<b>Total Revenues</b>	<b>12,298,340</b>	<b>1,242,005</b>	<b>1,071,706</b>	<b>14,612,051</b>
<b>Expenditures</b>				
General Government	3,911,411	179,800	119,498	4,210,709
Public Safety	4,425,544	-	9,621	4,435,165
Highways and Streets	672,903	-	266,767	939,670
Health and Welfare	241,501	-	-	241,501
Culture and Recreation	941,350	-	-	941,350
Economic Development	-	94,546	91,504	186,050
Capital Outlay	549,391	-	40,352	589,743
Bond Issuance Cost	-	-	-	-
Debt Principal	215,476	25,298	1,230,000	1,470,774
Debt Interest	8,578	5,549	341,719	355,846
<b>Total Expenditures</b>	<b>10,966,154</b>	<b>305,193</b>	<b>2,099,461</b>	<b>13,370,808</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,332,186</b>	<b>936,812</b>	<b>( 1,027,755 )</b>	<b>1,241,243</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds for Issuance of Bonds	-	-	-	-
Premium on Refunding Bonds	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Proceeds on Sale of Assets	-	-	-	-
Transfers From Other Funds	390,000	-	1,219,879	1,609,879
Transfers To Other Funds	(116,221)	(497,000)	-	(613,221)
<b>Net Other Financing Sources (Uses)</b>	<b>273,779</b>	<b>(497,000)</b>	<b>1,219,879</b>	<b>996,658</b>
<b>Net Change in Fund Balance</b>	<b>1,605,965</b>	<b>439,812</b>	<b>192,124</b>	<b>2,237,901</b>
<i>Fund Balance at Beginning of Period</i>	5,983,318	2,570,638	3,310,818	11,864,774
<i>Prior Period Adjustments</i>	-	( 5,647 )	-	( 5,647 )
<b>Fund Balance at End of Period</b>	<b>\$ 7,589,283</b>	<b>\$ 3,004,803</b>	<b>\$ 3,502,942</b>	<b>\$ 14,097,028</b>

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, 2021**

Total Net Change in Fund Balances - Governmental Funds	\$ 2,237,901
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.	563,424
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.	( 1,062,175 )
Principal payments on long-term expensed in governmental fund statements, treated as reductions of outstanding debt in Entity wide statements.	1,470,774
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.	( 2,486 )
Because some court fines will not be collected for some time after the City's fiscal year end, they are not considered as "available" revenues in the governmental funds and are considered deferred in the funds, but recognized in the Statement of Net Position.	4,987
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.	( 25,693 )
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 government-wide statements.	33,163
GASB 68 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities	269,123
GASB 75 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities	( 32,257 )
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	( 26,108 )
Changes in Net Position-Governmental Funds	\$ 3,430,653

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, 2021

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	<b>Total Enterprise</b>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	\$ 5,046,429	\$ 5,046,429
Restricted Cash	7,786,113	7,786,113
Investments	1,542,837	1,542,837
Accounts Receivable - Customers (Net)	502,774	502,774
Due From Other Funds	22,207	22,207
<b>Total Current Assets</b>	<b>14,900,360</b>	<b>14,900,360</b>
<i>Noncurrent Assets</i>		
Land	2,943,078	2,943,078
Construction In Progress	9,595,338	9,595,338
Building and Improvements (Net)	2,885,870	2,885,870
Vehicles (Net)	26,606	26,606
Furniture and Equipment (Net)	677,566	677,566
Infrastructure (Net)	19,267,367	19,267,367
<b>Total Assets</b>	<b>50,296,185</b>	<b>50,296,185</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Aggregated Deferred Outflows	272,772	272,772
<b>Total Deferred Outflows of Resources</b>	<b>272,772</b>	<b>272,772</b>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Other Current Liabilities	19,512	19,512
Payroll Withholding and Deductions	7,677	7,677
Accrued Interest	17,447	17,447
Customers Deposits	536,904	536,904
Due To Other Funds	2,770,046	2,770,046
Matured Debt Payable Within One Year	562,224	562,224
<b>Total Current Liabilities</b>	<b>3,913,810</b>	<b>3,913,810</b>
<i>Noncurrent Liabilities</i>		
Compensated Absences	53,371	53,371
Bonds Payable More than a Year	10,690,000	10,690,000
Leases Payable More than a Year	4,214,011	4,214,011
Net Pension Liability	60,718	60,718
OPEB Pension Liability	51,352	51,352
<b>Total Liabilities</b>	<b>18,983,262</b>	<b>18,983,262</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Aggregated Deferred Inflows	145,740	145,740
<b>Total Deferred Inflows of Resources</b>	<b>145,740</b>	<b>145,740</b>
<b>NET POSITION</b>		
Net Invested in Capital Assets	20,109,560	20,109,560
<i>Restricted</i>	7,786,113	7,786,113
<i>Unrestricted</i>	3,544,282	3,544,282
<b>Total Net Position</b>	<b>\$ 31,439,955</b>	<b>\$ 31,439,955</b>

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, 2021

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	<b>Total Enterprise Funds</b>
<b>Operating Revenues</b>		
Charges for Services	\$ 5,024,454	\$ 5,024,454
Other Revenues	21,135	21,135
<b>Total Operating Revenues</b>	<u>5,045,589</u>	<u>5,045,589</u>
<b>Operating Expenses</b>		
Water Department	793,203	793,203
Sewer Department	705,651	705,651
Water Plant Department	655,362	655,362
Water Billing	200,276	200,276
General Administration	234,875	234,875
Depreciation	592,915	592,915
<b>Total Operating Expenses</b>	<u>3,182,282</u>	<u>3,182,282</u>
<b>Operating Income (Loss)</b>	1,863,307	1,863,307
<b>Non-Operating Revenues (Expenses)</b>		
Grant Revenue	994,347	994,347
Amortization Expense	( 7,281 )	( 7,281 )
Interest Expense	(205,820)	(205,820)
<b>Net Non-Operating Revenues (Expenses)</b>	<u>781,246</u>	<u>781,246</u>
<b>Income Before Contributions and Transfers</b>	2,644,553	2,644,553
Transfers From Other Funds	-	-
Transfers To Other Funds	( 996,658 )	( 996,658 )
<b>Change In Net Position</b>	<u>1,647,895</u>	<u>1,647,895</u>
<i>Net Position at Beginning of Period</i>	29,792,060	29,792,060
<i>Prior Year Adjustments</i>	-	-
<b>Net Position at End of Period</b>	<u>\$ 31,439,955</u>	<u>\$ 31,439,955</u>

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, 2021**

	<b>Water and Sewer Fund</b>	
Cash Flows from Operating Activities:		
Cash Received from Charges for Services	\$ 5,057,662	
Cash Received from Other Revenue	21,135	\$ 5,078,797
Cash Payments to Wages and Taxes	(868,537)	
Cash Payments to Supplies and Other	(1,692,330)	(2,560,867)
<b>Net Cash Provided (Used) by Operating Activities</b>		<b>2,517,930</b>
Cash Flows from Investing Activities:		
Capital Asset Acquisition	(8,499,830)	
Redemption of Investment	(766)	
<b>Net Cash Provided (Used) for Investing Activities</b>		<b>(8,500,596)</b>
Cash Flows from Capital and Related Financing Activities:		
Lease Proceeds	4,470,386	
Grant Proceeds	994,347	
Principal Paid	(307,287)	
Unamortized Discount Paid	(7,281)	
Interest Paid	(205,820)	
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>		<b>4,944,345</b>
Cash Flows from Non-Capital Financing Activities:		
Due From (To) Primary Government	2,608,419	
Transfer From (To) Other Funds	(996,658)	
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>		<b>1,611,761</b>
Net Increase (Decrease) in Cash and Cash Equivalents		573,440
Cash and Cash Equivalents at Beginning of Year		12,259,102
<b>Cash and Cash Equivalents at End of Year</b>		<b>\$ 12,832,542</b>
<i>Reconciliation of Operating Income to Net Cash</i>		
<i>Provided (Used) by Operating Activities:</i>		
Operating Income (Loss)		\$ 1,863,307
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities		
Depreciation	592,915	
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	6,683	
(Increase) Decrease in Related to Pension	(34,586)	
Increase (Decrease) in Accounts Payable	(113)	
Increase (Decrease) in Interest Payable	(9,780)	
Increase (Decrease) in Customer Deposits	26,525	
Increase (Decrease) in Wages and Salaries Payables	2,094	
Increase (Decrease) in Compensated Absences	10,885	
Total Adjustments		654,623
<b>Net Cash Provided (Used) by Operating Activities</b>		<b>\$ 2,517,930</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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



**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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 or 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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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.

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**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:

<u>Years of Employment</u>	<u>Pro-Rata Accrual Rate per Month</u>
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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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 of 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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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, 2021.

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 the 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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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, 2021, general fund total expenditures were under budget appropriations by \$1,024,369. Actual revenues were more than budgeted revenues by \$581,596. Actual revenues for the year exceeded actual expenditures by \$1,605,965, 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:

<u>Violation</u>	<u>Action Taken</u>
None	Not Applicable



**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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 COMPONENT 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, 2021, the carrying amount of the City's deposits was \$12,052,625. In addition, the City has \$7,786,113 held in restricted escrow accounts.

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 September 13, 2021 in the amount of \$10,942,635 and was fully collateralized by pledged securities in the amount of \$12,430,880. As of September 30, 2021, the City's bank balance of \$11,758,365 was not exposed to custodial credit risk and was fully insured and fully collateralized by \$250,000 FDIC insurance and \$11,835,235 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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**B. Investments (continued)**

A total of \$7,654,010 was invested in TexPool as of September 30, 2021.

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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**III. DETAILED NOTES ON FUNDS AND COMPONENT 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, 2021:

- Holdings in Agencies represented 17.3% of the total portfolio.
- Holdings in Repurchase Agreements represent 32.5% of the total portfolio.
- Holdings in Money Market funds represented 6% of the portfolio.
- Holdings in U.S Treasury obligations represented 44.2% 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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**III. DETAILED NOTES ON FUNDS AND COMPONENT 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 investments 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 advise 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 advise 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.

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT 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](http://www.ttstc.org).

The City's investments at September 30, 2021 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	\$ 7,654,010	37	AAA-m	0.00%

**C. Disaggregation of Receivables**

Receivables for the City at September 30, 2021, were as follows:

Governmental Funds	Accounts Receivable	Allowance for Uncollectible	Total (Net)
Property Taxes	\$ 472,680	\$ 47,268	\$ 425,412
Sales Taxes	857,048	-	857,048
Franchise Taxes	78,266	-	78,266
Court Fines and Fees	510,287	255,144	255,143
Note Receivables	372,100	-	372,100
Utility Customers	291,434	-	291,434
State-CARES Act (Covid 19)	222,325	-	222,325
Other Sources	864,365	-	864,365
	<u>\$ 3,668,505</u>	<u>\$ 302,412</u>	<u>\$ 3,366,093</u>

Business-Type- Funds	Accounts Receivable	Allowance for Uncollectible	Total (Net)
Utility Customers	\$ 719,036	\$ 216,262	\$ 502,774
	<u>\$ 719,036</u>	<u>\$ 216,262</u>	<u>\$ 502,774</u>

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT 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. As of September 30, 2021, 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	\$ 331,918	\$ 62,880	\$ 394,798
Court Fines	255,144	-	255,144
Total	<u>\$ 587,062</u>	<u>\$ 62,880</u>	<u>\$ 649,942</u>

Total Deferred Inflows for Primary Government \$ 649,942

2. Unearned Revenues

Unearned Revenues Description	Asset Forfeiture	Urban County	RBEG	ARPA	Total
Grant Advance-CDBG Program	\$ -	\$ 300,188	\$ -	\$ -	\$ 300,188
Grant Advance-ARPA	-	-	-	2,466,709	2,466,709
RBEG	-	-	219	-	219
Asset Forfeiture	5,181	-	-	-	5,181
Total	<u>\$ 5,181</u>	<u>\$ 300,188</u>	<u>\$ 219</u>	<u>\$ 2,466,709</u>	<u>\$ 2,772,297</u>

Total Unearned Revenues for Primary Government \$ 2,772,297

**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, 2021 consisted of the following:

		Due from					
		General Fund	Economic Development	Hotel Fund	Asset Forfeiture Fund	Water & Sewer Fund	Totals
<b>Due To</b>	General Fund	\$ 658,020	\$ 1,319	\$ 1,732	\$ 20,030	\$ 303,337	\$ 984,438
	ARPA Fund	-	-	-	-	2,466,709	2,466,709
	Economic Development	-	219	-	-	-	219
	Total Governmental Funds	<u>658,020</u>	<u>1,538</u>	<u>1,732</u>	<u>20,030</u>	<u>2,770,046</u>	<u>3,451,366</u>
	Water and Sewer Fund	22,207	-	-	-	-	22,207
Total Enterprise Funds	<u>22,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,207</u>	
Total	<u>\$ 680,227</u>	<u>\$ 1,538</u>	<u>\$ 1,732</u>	<u>\$ 20,030</u>	<u>\$ 2,770,046</u>	<u>\$ 3,473,573</u>	

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**F. Interfund Transfers**

The City reports interfund transfers between many of its funds. Interfund transfers for the year ended September 30, 2021, consisted of the following:

		Transfers Out				
Transfers In		General Fund	Economic Development	Water & Sewer Fund	Debt Services	Totals
		General Fund	\$ -	\$ 40,000	\$ 350,000	\$ -
	Debt Service Funds	-	457,000	646,658	-	1,103,658
	TIRZ Fund	116,221	-	-	-	116,221
	Total Governmental Funds	116,221	497,000	996,658	-	1,609,879
	Water & Sewer Fund	-	-	-	-	-
	Total Enterprise Funds	-	-	-	-	-
	Grand Total	\$ 116,221	\$ 497,000	\$ 996,658	\$ -	\$ 1,609,879

<b>Transfers From</b>	<b>Transfers To</b>	<b>Amount</b>	<b>Reason</b>
AEDC	General Fund	\$ 40,000	Administration Fee
AEDC	Debt Service Fund	457,000	To provide resources for repayment of certificate of obligations Series 2012A, Series 2013 and Series 2019
General Fund	TIRZ	116,221	Annual contribution for property tax.
Enterprise Fund	General Fund	350,000	Administration Fee
Enterprise Fund	Debt Service Fund	646,658	To provide resources for repayment of certificate of obligations Series 2021A and 2019
	Total	\$ 1,609,879	

*Notes to the financials continue on next page.*

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**G. Capital Assets**

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

<b>Primary Government Governmental Activities:</b>	<b>Beginning Balance</b>			<b>Ending Balance</b>
<b>Capital Assets not being depreciated:</b>	<b>10/1/2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>9/30/2021</b>
Land and right of way	\$ 1,731,590	\$ -	\$ -	\$ 1,731,590
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>1,731,590</u>	<u>-</u>	<u>-</u>	<u>1,731,590</u>
<b>Capital assets, being depreciated:</b>				
Building and Improvements	13,078,744	89,789	-	13,168,533
Vehicles	3,778,530	124,861	-	3,903,391
Machinery & Equipment	2,733,609	348,774	-	3,082,383
Infrastructure	16,800,369	-	-	16,800,369
Total capital assets, being depreciated	<u>36,391,252</u>	<u>563,424</u>	<u>-</u>	<u>36,954,676</u>
<b>Less accumulated depreciation for:</b>				
Buildings and Improvement	(4,535,684)	(292,531)	-	(4,828,215)
Vehicles	(2,742,190)	(252,293)	-	(2,994,483)
Machinery & Equipment	(1,557,401)	(136,671)	-	(1,694,072)
Infrastructure	(4,856,811)	(380,680)	-	(5,237,491)
Total accumulated depreciation	<u>(13,692,086)</u>	<u>(1,062,175)</u>	<u>-</u>	<u>(14,754,261)</u>
Total capital assets, being depreciated, net	22,699,166	(498,751)	-	22,200,415
Governmental activities capital assets, net	<u>\$ 24,430,756</u>	<u>\$ (498,751)</u>	<u>\$ -</u>	<u>\$ 23,932,005</u>
<b>Business-Type Activities:</b>	<b>Beginning Balance</b>			<b>Ending Balance</b>
<b>Capital Assets not being depreciated:</b>	<b>10/1/2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>9/30/2021</b>
Land and right of way	\$ 2,943,078	\$ -	\$ -	\$ 2,943,078
Construction in Progress	1,414,969	8,180,369	-	9,595,338
Total capital assets, not being depreciated	<u>4,358,047</u>	<u>8,180,369</u>	<u>-</u>	<u>12,538,416</u>
<b>Capital assets, being depreciated:</b>				
Building and Improvements	4,838,176	-	-	4,838,176
Vehicles	233,119	-	-	233,119
Machinery & Equipment	1,766,369	208,366	-	1,974,735
Infrastructure	26,110,376	111,095	-	26,221,471
Total capital assets, being depreciated	<u>32,948,040</u>	<u>319,461</u>	<u>-</u>	<u>33,267,501</u>
<b>Less accumulated depreciation for:</b>				
Buildings and Improvement	(1,847,169)	(105,137)	-	(1,952,306)
Vehicles	(186,948)	(19,565)	-	(206,513)
Machinery & Equipment	(1,174,112)	(123,057)	-	(1,297,169)
Infrastructure	(6,608,948)	(345,156)	-	(6,954,104)
Total accumulated depreciation	<u>(9,817,177)</u>	<u>(592,915)</u>	<u>-</u>	<u>(10,410,092)</u>
Total capital assets, being depreciated, net	23,130,863	(273,454)	-	22,857,409
Business-Type capital assets, net	<u>\$ 27,488,910</u>	<u>\$ 7,906,915</u>	<u>\$ -</u>	<u>\$ 35,395,825</u>
<b>Total Primary Government Total</b>	<u>\$ 51,919,666</u>	<u>\$ 7,408,164</u>	<u>\$ -</u>	<u>\$ 59,327,830</u>



**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**G. Capital Assets (continued)**

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

<b>Expenditures</b>	<u>Depreciation By Function</u>
General Government	\$ 396,835
Public Safety	448,997
Highways and Streets	68,270
Health and Welfare	24,502
Culture and Recreation	95,506
Economic Development	28,065
<b>Total Allocable Expenditures</b>	<u><u>\$ 1,062,175</u></u>

**H. Long Term Obligations**

The following schedule summarizes the changes in long-term debt, pension liability, and compensated absences as of September 30, 2021:

**Governmental Activities**

<u>Description</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Coupon Rate %</u>	<u>Original Issue</u>	<u>Outstanding Balance 9/30/2021</u>
Bond Series 2012 - A	12/1/2012	2/15/2032	2.00% - 3.00%	7,075,000	4,140,000
Bond Series 2013	1/15/2013	2/15/2026	2.00% - 3.25%	3,835,000	1,255,000
Bond Series 2019	10/23/2019	2/15/2040	3.00% - 4.00%	5,590,000	4,645,000
				<u>\$ 16,500,000</u>	<u>\$ 10,040,000</u>

Interest paid on bonded indebtedness during the current year was \$ 341,719

<u>Deferred Outflow/Inflow of Resources</u>	<u>Beginning Balance 10/01/20</u>	<u>Issued Current</u>	<u>Retired Current</u>	<u>Ending Balance 09/30/2021</u>
Unamortized Premium / Discount	\$ (701,847)	\$ -	\$ 44,891	\$ (656,956)
Unamortized Loss on Refunding of Debt	110,876	-	11,728	99,148

**Business-Type Activities**

<u>Description</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Coupon Rate %</u>	<u>Original</u>	<u>Outstanding Balance 9/30/2021</u>
Bond Series 2012	4/2/2012	3/1/2022	0.008% - 2.48%	\$ 279,000	\$ 33,000
Bond Series 2017	3/30/2017	3/1/2037	.120% - 2.87%	1,000,000	820,000
Bond Series 2018	10/4/2017	3/1/2047	0.73% - 2.19%	10,335,000	10,130,000
				<u>\$ 11,614,000</u>	<u>\$ 10,983,000</u>

Interest paid on bonded indebtedness during the current year was \$ 216,579

<u>Deferred Outflow/Inflow of Resources</u>	<u>Beginning Balance 10/01/2020</u>	<u>Issued Current</u>	<u>Retired Current</u>	<u>Ending Balance 9/30/2021</u>
Unamortized Premium / Discount	\$ 187,251	\$ -	\$ 7,281	\$ 179,970

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**H. Long Term Obligations (continued)**

<u>Governmental Activities</u>	Outstanding			Outstanding	
Description	Balance	Issued	Retired	Balance	Amounts Due
	10/01/2020	Current	Current	9/30/2021	Within One
Bond Series 2012 - A	\$ 4,535,000	\$ -	\$ 395,000	\$ 4,140,000	\$ 410,000
Bond Series 2013	1,640,000	-	385,000	1,255,000	235,000
Bond Series 2019	5,095,000	-	450,000	4,645,000	460,000
<b>Total Bonds Payable</b>	<b>\$ 11,270,000</b>	<b>\$ -</b>	<b>\$ 1,230,000</b>	<b>\$ 10,040,000</b>	<b>\$ 1,105,000</b>

**Business-Type Activities**

Description	Outstanding	Issued	Retired	Outstanding	Amounts Due
	Balance	Current	Current	Balance	Within One
	10/01/2020			9/30/2021	year
Bond Series 2012	\$ 65,000	\$ -	\$ 32,000	\$ 33,000	\$ 33,000
Bond Series 2017	865,000	-	45,000	820,000	45,000
Bond Series 2018	10,335,000	-	205,000	10,130,000	215,000
<b>Total Bonds Payable</b>	<b>\$ 11,265,000</b>	<b>\$ -</b>	<b>\$ 282,000</b>	<b>\$ 10,983,000</b>	<b>\$ 293,000</b>

**Governmental Activities**

Obligation	Beginning			Ending	Amounts Due
	Balance	Increases	Decreases	Balance	Within One
	10/01/2020			9/30/2021	year
General Obligation Bonds	\$ 11,270,000	\$ -	\$ 1,230,000	\$ 10,040,000	\$ 1,105,000
Capital Leases	405,526	-	215,476	190,050	125,195
Loan Payables	578,854	-	25,298	553,556	25,551
Sick and Vacation Leave	336,314	332,754	307,061	362,007	-
<b>Total Governmental Activities</b>	<b>\$ 12,590,694</b>	<b>\$ 332,754</b>	<b>\$ 1,777,835</b>	<b>\$ 11,145,613</b>	<b>\$ 1,255,746</b>

**Business-Type Activities**

Obligation	Beginning			Ending	Amounts Due
	Balance	Increases	Decreases	Balance	Within One
	10/01/2020			9/30/2021	year
General Obligation Bonds	\$ 11,265,000	\$ -	\$ 282,000	\$ 10,983,000	\$ 293,000
Capital Leases	38,136	4,470,386	25,287	4,483,235	269,224
Sick and Vacation Leave	42,486	60,159	49,274	53,371	-
<b>Total Business-Type Activities</b>	<b>\$ 11,345,622</b>	<b>\$ 4,530,545</b>	<b>\$ 356,561</b>	<b>\$ 15,519,606</b>	<b>\$ 562,224</b>

**Governmental Activities**

Obligation	Beginning			Ending
	Balance	Increases	Decreases	Balance
	10/01/2020			9/30/2021
Net Pension Liability-GASB 68	\$ 611,178	\$ -	\$ 267,108	\$ 344,070
Net Pension Liability -OPEB	232,875	58,122	-	290,997

**Business-Type Activities**

Obligation	Beginning			Ending
	Balance	Increases	Decreases	Balance
	10/01/2020			9/30/2021
Net Pension Liability -GASB 68	\$ 107,855	\$ -	\$ 47,137	\$ 60,718
Net Pension Liability-OPEB	41,096	10,256	-	51,352

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**I. Debt Service Requirements**

Debt service requirements of bonds and capital leases payables at September 30, 2021 are as follows:

**Certificates of Obligation Payable**

Year Ended September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,105,000	\$ 308,706	\$ 1,413,706	\$ 293,000	\$ 216,939	\$ 509,939
2023	1,125,000	277,319	1,402,319	265,000	210,607	475,607
2024	1,170,000	241,144	1,411,144	275,000	207,401	482,401
2025	1,210,000	199,781	1,409,781	280,000	203,671	483,671
2026	1,115,000	159,070	1,274,070	290,000	199,438	489,438
2027-2031	2,895,000	416,294	3,311,294	1,985,000	904,318	2,889,318
2032-2036	920,000	128,878	1,048,878	2,295,000	693,284	2,988,284
2037-2041	500,000	17,371	517,371	2,290,000	446,968	2,736,968
2042-2046	-	-	-	2,480,000	194,856	2,674,856
2047-2052	-	-	-	530,000	11,409	541,409
<b>Total Certificates of Obligation Payable</b>	<b>\$ 10,040,000</b>	<b>\$ 1,748,563</b>	<b>\$ 11,788,563</b>	<b>\$ 10,983,000</b>	<b>\$ 3,288,891</b>	<b>\$ 14,271,891</b>

**Capital Leases Payable**

Year Ended September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 125,194	\$ 3,733	\$ 128,927	\$ 269,224	\$ 121,169	\$ 390,393
2023	31,932	1,754	33,686	192,602	84,155	276,757
2024	32,924	762	33,686	204,763	80,203	284,966
2025	-	-	-	217,415	76,004	293,419
2026	-	-	-	230,579	71,546	302,125
2027-2031	-	-	-	1,369,565	281,074	1,650,639
2032-2036	-	-	-	1,999,087	126,603	2,125,690
<b>Total Capital Leases Payable</b>	<b>\$ 190,050</b>	<b>\$ 6,249</b>	<b>\$ 196,299</b>	<b>\$ 4,483,235</b>	<b>\$ 840,754</b>	<b>\$ 1,547,660</b>

**Loan Payable**

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 25,551	\$ 5,297	\$ 30,848
2023	25,807	5,041	30,848
2024	26,065	4,783	30,848
2025	26,325	4,523	30,848
2026	26,589	4,259	30,848
2027-2031	136,983	17,254	154,237
2032-2036	143,971	10,266	154,237
2037-2041	142,265	3,532	145,797
<b>Total Loan Payable</b>	<b>\$ 553,556</b>	<b>\$ 54,955</b>	<b>\$ 608,511</b>

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)**

**I. Capital Leases**

<u>Capital Leases</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
\$1,020,680 lease payable; due in semi-annual payments of \$108,229, including interest, through December 2021; interest at 2.71%. All funds used to purchase City vehicles.	\$ 94,223	\$ 12,849	\$ 107,072
\$155,000 lease payable; due in annual payments of \$33,685.88, including interest, through July 2024; interest at 3.62%. Funds used to purchase vehicles.	95,827	-	95,827
\$4,470,386 lease payable; due in semi-annual payments of \$188,702.37, including interest, through October 1, 2036; interest at 2.02%. All funds used to purchase Schneider AMI Meters	-	4,470,386	4,470,386
	<u>\$ 190,050</u>	<u>\$ 4,483,235</u>	<u>\$ 4,673,285</u>

**K. 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, 2021 is \$372,100. A detail of the loans is shown below:

	<u>Outstanding Balance As of 10/01/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding Balance As of 9/30/2021</u>
<b><u>IRP Loans</u></b>				
Aaron's Mobile Home Transport Loan Dated, April 26, 2014, for the amount of \$150,000 at an interest rate of 5% maturing on March 1, 2024.	\$ 18,036	\$ -	\$ 18,036	\$ -
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.	89,185	-	13,634	75,551
Speedway Performance Motors, LLC Loan Dated March 21, 2017, for the amount of \$65,000 at an interest rate of 5% maturing on April 1, 2027	47,448	2,297	7,108	42,637
ANAB Services Loan Dated March 25, 2021, for the amount of \$75,000 at an interest rate of 4% maturing on March 25, 2024	-	75,000	11,885	63,115
Landmark on Tower, LLC Loan Dated August 10, 2021, for the amount of \$187,000 at an interest rate of 4% maturing on January 10, 2032	-	187,000	-	187,000
<b><u>RBEG Loans</u></b>				
S&G Auto Sales, LLC Loan Dated September 9, 2020, for the amount of \$5,000 at an interest rate of 5.00% maturing on March 1, 2023.	5,000		1,203	3,797
Totals	<u>\$ 159,669</u>	<u>\$ 264,297</u>	<u>\$ 51,866</u>	<u>\$ 372,100</u>

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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.tmr.com](http://www.tmr.com).

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

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**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:

	<u>Plan Year 2021</u>	<u>Plan Year 2020</u>
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)	60/10, 0/25	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
<b>Membership</b>	<b>December 31, 2020</b>	
Number of Inactive Employees/Beneficiaries currently receiving benefits	48	
Number of Inactive Employees entitled to but not yet receiving benefits	126	
Number of Active employees	139	

**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 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$361,446, and were equal to the required contributions.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

**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	25 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Table. The rate are projected on a fully generational basis with scale UMP Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP

**Other Information**

Notes There were no benefit changes during the year

Actuarial assumptions used in the December 31, 2020, 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, 2018 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 2020 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 short-term and long-term funding needs of TMRS.

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**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
Global Equities	20.0%	30.0%	40.0%
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	5.0%	10.0%	15.0%
Cash Equivalents	0.0%	0.0%	0.0%
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, 2020, the City reported a net pension liability of \$404,788.

Net Pension Liability	12/31/2020	12/31/2019
Total Pension Liability	\$ 12,298,193	\$ 11,648,814
Plan Fiduciary Net Position	11,893,405	10,929,781
Net Pension Liability	\$ 404,788	\$ 719,033
Plan Fiduciary Net Position as a Percentage of Total Pension	96.71%	93.83%
Net Pension Liability as a Percentage of Covered Payroll	7.70%	13.83%



**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**IV. OTHER INFORMATION (Continued)**

**B. Defined Benefit Pension Plans (continued)**

For the year ended September 30, 2020, the City recognized a pension expense of \$15,893.

**Schedule of Pension Expense**

1. Total Service Cost	\$ 518,533
2. Interest on the Total Pension Liability	787,423
3. Current Period Benefit Charges	-
4. Employee Contributions (Reduction of Expense)	(262,681)
5. Projected Earnings on Plan Investments (Reduction of Expense)	(737,760)
6. Administrative Expense	5,368
7. Other Fiduciary Net Position	209
8. Recognition of Current Year Outflow (Inflow) of Resources - Liabilities	(41,022)
9. Recognition of Current Year Outflow (Inflow) of Resources - Assets	(18,484)
10. Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	(142,448)
11. Amortization of Prior Year Outflows (Inflows) of Resources - Assets	(93,245)
12. Total Pension Expense	\$ 15,893

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:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
5.75%	6.75%	7.75%
\$ 2,391,586	\$ 404,788	\$ (1,193,238)

***Pension Plan Fiduciary Net Position***

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

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**IV. OTHER INFORMATION (Continued)**

**B. Defined Benefit Pension Plans (continued)**

At September 30, 2020, the City reported its deferred outflows and inflows of resources to pensions from the following sources:

	Recognition Period (or Amortization Years)	Total (Inflow) or Outflow of Resources	2020 Recognized in Current Pension Expense	Deferred (Inflow)/Outflow in Future Expense
<b>Due to Liabilities:</b>				
Difference in expected and actual experience [actuarial (gains) or losses]	4.18	\$ (171,473)	\$ (41,022)	\$ (130,451)
Change in assumptions [actuarial (gains) or losses]	4.18	-	-	-
			<u>\$ (41,022)</u>	<u>\$ (130,451)</u>
<b>Due to Assets:</b>				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.00	\$ (92,418)	\$ (18,484)	\$ (73,934)
			<u>\$ (18,484)</u>	<u>\$ (73,934)</u>
Total				<u>\$ (204,385)</u>

The amount of (\$204,385) reported as deferred inflow 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, 2020.

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

	Net Deferred Outflows (Inflows) of Resources
2021	\$ (275,977)
2022	(131,723)
2023	(219,211)
2024	(25,867)
2025	-
Thereafter	-
Total	<u>\$ (652,778)</u>

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**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 12/31/2020 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, 2020 to its prior fiscal year end. TMRS has elected to not calculate other deferrals as of the December 31, 2020 measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2020 and a measurement date of December 31, 2020; as such, no roll-forward is required.

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**IV. OTHER INFORMATION (Continued)**

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

**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)
2021	0.20%	0.11%
2020	0.19%	0.04%
2019	0.20%	0.04%
2018	0.19%	0.04%
2017	0.18%	0.04%

**3. OPEB Liability**

The Other Post-Employment benefits (OPEB) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount rate*	2.00%
Retirees' Share of benefit-related costs	\$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019Municipal Retirees of TexasMortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**IV. OTHER INFORMATION (Continued)**

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

**3. OPEB Liability (continued)**

The change in the City's OPEB for City of Alamo for the fiscal year ended September 30, 2020 is as follows:

	12/31/2020
Membership*	
Number of:	
-Inactive employees currently receiving benefits	34
-Inactive employees entitled to but not yet receiving benefits	14
-Active employees	139
-Total	187
Covered Payroll	\$ 5,253,626
Changes in the Total OPEB Liability	
Total OPEB Liability - beginning of year	\$ 273,971
Changes for the year	
Service Cost	21,540
Interest on Total OPEB Liability	7,801
Changes of benefit terms	-
Difference between expected and actual experience	(6,252)
Changes in assumptions or other inputs	47,390
Benefit payments**	(2,101)
Net changes	68,378
Total OPEB Liability - end of year	\$ 342,349

Total OPEB Liability as a Percentage of Covered Payroll 6.52%

\*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.

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

	1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Total OPEB liability	\$ 422,696	\$ 342,349	\$ 281,145

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**IV. OTHER INFORMATION (Continued)**

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

**4. OPEB Expense**

For the year ended September 30, 2020, the City recognized OPEB expense of \$40,049.

Service Cost	\$ 21,540
Interest on total OPEB liability	7,801
Changes in benefit terms including TMRS plan participation	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(3,107)
Changes in assumptions or other inputs*	13,815
Total OPEB expense	<u>\$ 40,049</u>

\*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, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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
2021	\$ 10,708
2022	10,708
2023	10,708
2024	10,022
2025	10,133
Thereafter	<u>8,815</u>
Total	\$ 61,094

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

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**IV. OTHER INFORMATION (Continued)**

**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 \$269,965 for expenses incurred between October 1, 2020 to September 30, 2021.

**E. New Accounting Principles**

In fiscal year 2021, the City adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 87, Leases
- a. **Statement No. 87** Statement No. 87 improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of the 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 lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and 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 were originally effective for reporting periods beginning after December 15, 2019. Statement No. 95 postpones the date of this pronouncement 18 months to reporting periods beginning after June 15, 2020. The adoption of Statement No. 87 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.

**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**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.

<u>Financial Assets:</u>	<b>Carrying Amount</b>	<b>Fair Value</b>
Cash and Cash Equivalents	\$ 12,052,625	\$ 12,052,625
Restricted Cash	7,786,113	7,786,113
Investment	7,654,010	7,654,010
Account Receivable	3,868,867	3,868,867
<u>Financial Liabilities:</u>		
Accounts Payable	\$ 985,932	\$ 985,932
Payroll Liabilities	13,003	13,003
Other Current Liabilities	740,288	740,288
Unearned Revenues	2,772,297	2,772,297
Accrued Interest	68,983	68,983
Customer Deposits	536,904	536,904



**CITY OF ALAMO, TEXAS**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2021**

**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:

<u>Fund Balance Adjustments</u>	<u>Amount</u>
<u>AEDC</u>	
To correct interest revenues overstated from prior year	\$ (5,647)
Total Fund Balance Adjustment	<u>(5,647)</u>
<u>Government-Wide Adjustments</u>	
To record prior period related to pension	5,359
Total Government-Wide Adjustment	<u>5,359</u>
Total Prior Period Adjustments	<u>\$ (288)</u>

**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.

**CITY OF ALAMO, TEXAS**  
Notes to Financial Statements  
For the Year Ended September 30, 2021

**VI. COMMITMENTS (Continued)**

**3. Litigation**

The City has no material, pending or threatened litigation matters, claims or assessments as of March 31, 2022.

**VII. SUBSEQUENT EVENTS**

For the purposes of reporting subsequent events, management has considered events occurring up to March 31, 2022, 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, 2021

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Funded Ratio</b>	<b>Excess of Assets Over/Unfunded AAL (UAAL)</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
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%
12/31/2019	10,640,703	11,648,814	91.30%	1,008,111	5,198,981	19.39%
12/31/2020	11,522,961	12,298,193	93.70%	775,232	5,253,626	14.76%

**CITY OF ALAMO, TEXAS**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years\***  
**For the Year Ended September 30, 2021**

	2020	2019
Total Pension Liability		
Service Cost	\$ 518,533	\$ 519,378
Interest (on the total pension liability)	787,423	732,247
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	( 171,473 )	( 24,177 )
Change of Assumptions	-	71,592
Benefit Payments, including Refunds of Employee Contributions	( 485,104 )	( 477,275 )
Net Change in Total Pension Liability	\$ 649,379	\$ 821,765
Net Pension Liability - Beginning	11,648,814	10,827,049
Total Pension Liability - Ending	\$ 12,298,193	\$ 11,648,814
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 361,446	\$ 359,136
Contributions - Employee	262,681	259,949
Net Investment Income	830,178	1,447,037
Benefit Payments, including Refunds of Employee Contributions	( 485,104 )	( 477,275 )
Administrative Expense	( 5,368 )	( 8,167 )
Other	( 209 )	( 245 )
Net Change in Plan Fiduciary Net Position	\$ 963,624	\$ 1,580,435
Plan Fiduciary Net Position - Beginning	10,929,781	9,349,347
Plan Fiduciary Net Position - Ending	\$ 11,893,405	\$ 10,929,782
 Net Pension Liability	\$ 404,788	\$ 719,032
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.71%	93.83%
Covered Payroll	\$ 5,253,626	\$ 5,198,981
Net Pension Liability as a Percentage of Covered Employee Payroll	7.70%	13.83%

\*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.

2018	2017	2016	2015	2014
\$ 484,744	\$ 436,093	\$ 433,217	\$ 425,360	\$ 377,477
714,270	673,375	628,448	601,851	559,416
-	-	-	-	-
( 482,533 )	(167,328)	(134,575)	(5,511)	(50,144)
-	-	-	15,891	-
( 457,687 )	(263,521)	(262,383)	(395,703)	(213,261)
\$ 258,794	\$ 678,619	\$ 664,707	\$ 641,888	\$ 673,488
10,568,255	9,889,636	9,224,929	8,583,041	7,909,553
<u>\$ 10,827,049</u>	<u>\$ 10,568,255</u>	<u>\$ 9,889,636</u>	<u>\$ 9,224,929</u>	<u>\$ 8,583,041</u>
\$ 349,681	\$ 336,920	\$ 331,899	\$ 331,056	\$ 318,951
245,564	221,367	218,355	217,242	216,594
( 284,902 )	1,121,988	494,584	10,566	370,245
( 457,687 )	(263,521)	(262,383)	(395,703)	(213,261)
( 5,501 )	(5,812)	(5,583)	(6,434)	(3,865)
( 287 )	(295)	(301)	(318)	(318)
\$ (153,132)	\$ 1,410,647	\$ 776,571	\$ 156,409	\$ 688,346
9,502,479	8,091,832	7,315,261	7,158,853	6,470,507
<u>\$ 9,349,347</u>	<u>\$ 9,502,479</u>	<u>\$ 8,091,832</u>	<u>\$ 7,315,262</u>	<u>\$ 7,158,853</u>
\$ 1,477,702	\$ 1,065,776	\$ 1,797,804	\$ 1,909,667	\$ 1,424,188
86.35%	89.92%	81.82%	79.30%	83.41%
\$ 4,911,287	\$ 4,427,336	\$ 4,367,106	\$ 4,367,106	\$ 3,998,291
30.09%	24.07%	41.17%	43.73%	35.62%

**CITY OF ALAMO, TEXAS**  
Texas Municipal Retirement System  
Schedule of Contributions

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 331,899	\$ 336,920	\$ 349,681	\$ 359,136	\$ 361,446	\$XXX	\$XXX
Contributions in relation to the actuarially determined contribution	<u>\$ 218,355</u>	<u>\$ 245,564</u>	<u>\$ 259,949</u>	<u>\$ 268,911</u>	<u>\$ 259,949</u>	<u>XXX</u>	<u>XXX</u>
Contribution deficiency(excess)	\$ 113,544	\$ 91,356	\$ 89,732	\$ 90,225	\$ 101,497	XXX	XXX
Covered employee payroll	\$ 4,367,106	\$ 4,427,336	\$ 4,911,287	\$ 5,198,981	\$ 5,253,626	XXX	XXX
Contributions as a percentage of covered employee payroll	5.00%	5.55%	5.29%	5.17%	4.95%	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, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 3,298,225	\$ 3,470,225	\$ 3,658,646	\$ 188,421
Sales Taxes	2,948,400	3,583,450	3,692,103	108,653
Franchise Taxes	555,000	555,000	598,554	43,554
Other Taxes	1,000	1,000	14,672	13,672
Court Fines and Fees	385,350	385,350	284,678	( 100,672 )
Licenses and Permits	163,600	258,183	259,003	820
Charges for Services	2,563,580	2,776,861	2,730,929	( 45,932 )
Local Events and Contributions	45,000	65,131	64,981	( 150 )
Miscellaneous revenues	52,500	52,500	217,632	165,132
State Grants	30,000	157,257	30,000	( 127,257 )
Federal Grants	100,000	235,268	379,283	144,015
Care Act- Federal Grant Covid19	-	161,519	366,158	204,639
Interest Revenue	15,000	15,000	1,701	( 13,299 )
<b>Total Revenues</b>	<u>10,157,655</u>	<u>11,716,744</u>	<u>12,298,340</u>	<u>581,596</u>
<b>Other Financing Sources</b>				
Transfers from other funds	<u>390,000</u>	<u>390,000</u>	<u>390,000</u>	<u>-</u>
<b>Total Revenues and Other Financing Sources</b>	<u>10,547,655</u>	<u>12,106,744</u>	<u>12,688,340</u>	<u>581,596</u>
<b>Expenditures</b>				
General Government	3,764,737	4,086,969	3,911,411	175,558
Public Safety	4,524,901	4,550,717	4,425,544	125,173
Highways & Streets	651,200	722,503	672,903	49,600
Health & Welfare	268,902	271,502	241,501	30,001
Culture & Recreation	1,454,764	1,445,649	941,350	504,299
Capital Outlay	50,000	688,384	549,391	138,993
Debt Principal	215,478	215,478	215,476	2
Debt Interest	9,321	9,321	8,578	743
<b>Total Expenditures</b>	<u>10,939,303</u>	<u>11,990,523</u>	<u>10,966,154</u>	<u>1,024,369</u>
<b>Other Financing Uses</b>				
Transfers to other funds	<u>116,221</u>	<u>116,221</u>	<u>116,221</u>	<u>-</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>11,055,524</u>	<u>12,106,744</u>	<u>11,082,375</u>	<u>1,024,369</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>( 507,869 )</u>	<u>-</u>	<u>1,605,965</u>	<u>1,605,965</u>
<b>Net Change in Fund Balance</b>	<u>( 507,869 )</u>	<u>-</u>	<u>1,605,965</u>	<u>1,605,965</u>
<i>Fund Balance at Beginning of Period</i>	<u>5,983,318</u>	<u>5,983,318</u>	<u>5,983,318</u>	<u>-</u>
<b>Fund Balance at End of Period</b>	<u>\$ 5,475,449</u>	<u>\$ 5,983,318</u>	<u>\$ 7,589,283</u>	<u>\$ 1,605,965</u>



**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, 2021

	Budget		Actual	2021
	Original	Final		
<b>Revenues</b>				
Sales Taxes	\$ 865,278	\$ 865,278	\$ 1,230,701	\$ 365,423
Interest Earned	1,500	1,500	10,325	8,825
Miscellaneous	3,576	3,576	980	( 2,596 )
<b>Total Revenues</b>	<u>870,354</u>	<u>870,354</u>	<u>1,242,006</u>	<u>371,652</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	220,989	218,991	179,800	39,191
Promotional and Development	116,880	119,500	94,546	24,954
Capital Outlay	3,620	3,000	-	3,000
Debt Services	-	-	-	-
Principal	25,048	24,799	25,298	( 499 )
Interest	5,801	6,048	5,550	498
<b>Total Expenditures</b>	<u>372,338</u>	<u>372,338</u>	<u>305,194</u>	<u>67,144</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	498,016	498,016	936,812	438,796
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In (Out)	( 40,000 )	(40,000)	( 40,000 )	-
Capital Transfers In (Out)	( 480,969 )	(480,969)	( 457,000 )	23,969
Note Proceeds	-	-	-	-
Bond Premiums	-	-	-	-
Bond Issuance Costs	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>( 520,969 )</u>	<u>( 520,969 )</u>	<u>( 497,000 )</u>	<u>23,969</u>
Net Change in Fund Balance	( 22,953 )	( 22,953 )	439,812	462,765
Fund Balance, October 1, as Restated	<u>1,105,146</u>	<u>184,918</u>	<u>2,564,990</u>	<u>-</u>
Fund Balance, September 30	<u>\$ 1,082,193</u>	<u>\$ 161,965</u>	<u>3,004,802</u>	<u>\$ -</u>

## **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.

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**CITY OF ALAMO, TEXAS**  
Schedule of Delinquent Taxes Receivable  
For the Year Ended September 30, 2021

<b>Year Ended September 30,</b>	<b>1 Tax Rates Maintenance</b>	<b>2 Debt Service</b>	<b>3 Assessed/ Appraised Value for City Tax Purposes</b>
2012 & Prior Years	\$ Various	\$ Various	\$ Various
2013	0.47111	0.11438	452,905,402
2014	0.48757	0.1114	477,293,393
2015	0.48965	0.1093	489,447,908
2016	0.49347	0.1055	518,376,862
2017	0.4836	0.1045	546,953,409
2018	0.4798	0.1012	569,133,760
2019	0.4627	0.0938	634,860,998
2020	0.4990	0.0827	663,263,626
2021 (Unaudited)	0.5014	0.0803	716,527,207

<b>10</b> <b>Beginning</b> <b>Balance</b> <b>October 1,</b> <b>2020</b>	<b>20</b> <b>Current Year's</b> <b>Total Levy</b>	<b>31</b> <b>Maintenance</b> <b>Collections</b>	<b>32</b> <b>Debt</b> <b>Service</b> <b>Collections</b>	<b>40</b> <b>Entire</b> <b>Year's</b> <b>Adjustments</b>	<b>50</b> <b>Ending</b> <b>Balance</b> <b>September 30,</b> <b>2021</b>
\$ 128,184		\$ 15,339	\$ 3,487	\$ ( 4,003 )	\$ 105,356
16,437		1,812	414	( 51 )	14,160
22,917		2,197	491	( 119 )	20,110
18,514		2,771	592	( 157 )	14,994
29,616		3,518	760	( 3,165 )	22,173
31,690		4,429	934	( 444 )	25,882
12,873		7,227	1,466	( 715 )	3,465
108,640		18,575	3,368	( 2,711 )	83,985
121,549		64,929	10,763	34,839	80,695
-	4,052,229	3,405,217	545,151	-	101,861
<u>\$ 490,420</u>	<u>\$ 4,052,229</u>	<u>\$ 3,526,015</u>	<u>\$ 567,427</u>	<u>\$ 23,472</u>	<u>\$ 472,680</u>
				Allowance for Uncollectible Taxes	<u>\$ 47,268</u>
				Total	<u><u>\$ 425,412</u></u>

**CITY OF ALAMO, TEXAS**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2021**

	<b>Special Revenue Funds</b>		
	<b>Urban County Fund</b>	<b>Asset Forfeiture Fund</b>	<b>Hotel / Motel Fund</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 45,085	\$ 112,772
Investments	-	-	562,005
Note Receivables	-	-	-
Accounts Receivable - Property Taxes	-	-	-
Accounts Receivable - Other	574,272	-	116,180
Due From Other Funds	-	-	-
<b>Total Assets</b>	<b>574,272</b>	<b>45,085</b>	<b>790,957</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Aggregated deferred outflows	-	-	-
<b>Resources</b>	<b>\$ 574,272</b>	<b>\$ 45,085</b>	<b>\$ 790,957</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Unearned Revenue	300,188	5,181	-
Due to Other Funds	-	20,030	1,732
<b>Total Liabilities</b>	<b>300,188</b>	<b>25,211</b>	<b>1,732</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Aggregated deferred inflows	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
Restricted for:			
Debt Service	-	-	-
Capital Projects	-	-	-
Special Projects	-	19,874	789,225
Tourism	-	-	-
Unassigned	274,084	-	-
<b>Total Fund Balance</b>	<b>274,084</b>	<b>19,874</b>	<b>789,225</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 574,272</b>	<b>\$ 45,085</b>	<b>\$ 790,957</b>

State Forfeiture Fund	Tax Increment Fund	Debt Service		Total Non-Major Governmental Funds
		Interest and Series 2013	Debt Service	
\$ 375	\$ 603,882	\$ 111,724	\$ 463,952	\$ 1,337,790
-	-	-	1,106,392	1,668,397
-	-	-	-	-
-	-	-	68,275	68,275
-	128,039	-	-	818,491
-	-	-	2,466,709	2,466,709
<u>375</u>	<u>731,921</u>	<u>111,724</u>	<u>4,105,328</u>	<u>6,359,662</u>
-	-	-	-	-
<u>\$ 375</u>	<u>\$ 731,921</u>	<u>\$ 111,724</u>	<u>\$ 4,105,328</u>	<u>\$ 6,359,662</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,466,709	2,772,078
-	-	-	-	21,762
-	-	-	2,466,709	2,793,840
-	-	-	62,880	62,880
-	-	-	62,880	62,880
-	-	111,724	1,575,739	1,687,463
-	-	-	-	-
375	731,921	-	-	1,541,395
-	-	-	-	-
-	-	-	-	274,084
<u>375</u>	<u>731,921</u>	<u>111,724</u>	<u>1,575,739</u>	<u>3,502,942</u>
<u>\$ 375</u>	<u>\$ 731,921</u>	<u>\$ 111,724</u>	<u>\$ 4,105,328</u>	<u>\$ 6,359,662</u>

**CITY OF ALAMO, TEXAS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Non-Major Governmental Funds  
 For the Year Ended September 30, 2021

	<b>Special Revenue Funds</b>		
	<b>Urban County Grant</b>	<b>Asset Forfeiture Fund</b>	<b>Hotel / Motel Fund</b>
<b>Revenues</b>			
Property Taxes	\$ -	\$ -	\$ -
Other Taxes	-		79,782
Miscellaneous Revenues	-	4,423	-
Federal Grants	269,965	-	-
Interest Revenue	-	5	309
<b>Total Revenues</b>	<u>269,965</u>	<u>4,428</u>	<u>80,091</u>
<b>Expenditures</b>			
General Government	-	7,987	110,361
Public Safety	-	-	-
Highways and Streets	266,767	-	-
Economic Development	-	-	-
Capital Outlay	-	40,352	-
Debt Principal	-	-	-
Debt Interest	-	-	-
<b>Total Expenditures</b>	<u>266,767</u>	<u>48,339</u>	<u>110,361</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>3,198</u>	<u>( 43,911 )</u>	<u>( 30,270 )</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds for Issuance of Bonds	-	-	-
Premium on Refunding Bonds	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>3,198</b>	<b>(43,911)</b>	<b>(30,270)</b>
Fund Balance at Beginning of Period	270,886	63,785	819,495
Prior Period Adjustments	-	-	-
<b>Fund Balance at End of Period</b>	<u><u>\$ 274,084</u></u>	<u><u>\$ 19,874</u></u>	<u><u>\$ 789,225</u></u>



State Forfeiture Fund	Special Revenue Funds	Debt Service		Total Non- Major Governmental Funds
	Tax Increment Fund	Interest and Series 2013	Debt Service	
\$ -	\$ -	\$ -	\$ 584,258	\$ 584,258
-	-	-	-	79,782
4,486	128,039	-	-	136,948
-	-	-	-	269,965
-	51	10	378	753
<u>4,486</u>	<u>128,090</u>	<u>10</u>	<u>584,636</u>	<u>1,071,706</u>
-	-	-	1,150	119,498
9,621	-	-	-	9,621
-	-	-	-	266,767
-	91,504	-	-	91,504
-	-	-	-	40,352
-	-	-	1,230,000	1,230,000
-	-	-	341,719	341,719
<u>9,621</u>	<u>91,504</u>	<u>-</u>	<u>1,572,869</u>	<u>2,099,461</u>
<u>(5,135)</u>	<u>36,586</u>	<u>10</u>	<u>(988,233)</u>	<u>(1,027,755)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	116,221	-	1,103,658	1,219,879
-	-	-	-	-
<u>-</u>	<u>116,221</u>	<u>-</u>	<u>1,103,658</u>	<u>1,219,879</u>
<b>(5,135)</b>	<b>152,807</b>	<b>10</b>	<b>115,425</b>	<b>192,124</b>
5,510	579,114	111,714	1,460,314	3,310,818
-	-	-	-	-
<u>\$ 375</u>	<u>\$ 731,921</u>	<u>\$ 111,724</u>	<u>\$ 1,575,739</u>	<u>\$ 3,502,942</u>

**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, 2021

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Water &amp; Sewer Fund</b>	<b>Total Enterprise</b>
<b>Operating Revenues</b>		
Charges for Services	\$ 5,024,454	\$ 5,024,454
Other Revenues	21,135	21,135
<b>Total Operating Revenues</b>	5,045,589	5,045,589
<b>Operating Expenses</b>		
Payments to Employees	846,930	846,930
Payments to Supplies and Others	2,335,352	2,335,352
<b>Total Operating Expenses</b>	3,182,282	3,182,282
<b>Income before Non-operating Revenues (Expenses)</b>	1,863,307	1,863,307
<b>Non-Operating Revenues (Expenses)</b>		
Interest Revenue	-	-
Federal Grants	994,347	994,347
<b>Net Non-Operating Revenues (Expenses)</b>	994,347	994,347
<b>Net Revenue Available for Debt Service</b>	<b>\$ 2,857,654</b>	<b>\$ 2,857,654</b>

**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, 2021**

**With Comparative Totals for September 30, 2020**

<b><u>Governmental Funds Capital Assets</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Land and Right of Way	\$ 1,731,590	\$ 1,731,590
Construction in Progress	-	-
Building and Improvements	13,168,533	13,078,744
Vehicles	3,903,391	3,778,530
Machinery and Equipment	3,082,383	2,733,609
Infrastructure	16,800,369	16,800,369
<b>Total Governmental Funds Capital Assets</b>	<b><u><u>\$ 38,686,266</u></u></b>	<b><u><u>\$ 38,122,842</u></u></b>
<b><u>Investments in Governmental Funds Capital Assets</u></b>		
Capital Projects	\$ 26,095,265	\$ 26,095,265
Grants-in-aid	2,275,833	1,963,277
General Fund Revenues	10,315,168	10,064,300
<b>Total Investments in Governmental Funds Capital Assets</b>	<b><u><u>\$ 38,686,266</u></u></b>	<b><u><u>\$ 38,122,842</u></u></b>

**City of Alamo, Texas**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**Year Ended September 30, 2021**

<b><u>Function and Activity</u></b>	<b>Governmental Funds Capital Assets September 30, 2020</b>	<b>Additions</b>	<b>Reclassifications /Deductions</b>	<b>Governmental Funds Capital Assets September 30, 2021</b>
General Government	\$ 5,859,113	\$ 48,617	\$ -	5,907,730
Public Safety	6,846,588	332,361	-	7,178,949
Highways and Streets	16,730,446	135,666	-	16,866,112
Health and Welfare	1,544,779	-	-	1,544,779
Culture and Recreation	7,141,915	46,779	-	7,188,694
	-	-	-	-
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 38,122,841</b>	<b>\$ 563,424</b>	<b>\$ -</b>	<b>\$ 38,686,266</b>

**City of Alamo, Texas**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**Year Ended September 30, 2021**

<b><u>Function and Activity</u></b>	<b><u>Land and Right of Way</u></b>	<b><u>Construction in Progress</u></b>	<b><u>Building and Improvements</u></b>	<b><u>Vehicles</u></b>	<b><u>Machinery and Equipment</u></b>	<b><u>Infrastructure</u></b>	<b><u>Total</u></b>
General Government	\$ 1,731,590	\$ -	\$ 3,522,683	\$ 303,156	\$ 350,301	\$ -	\$ 5,907,731
Public Safety	-	-	2,087,668	3,044,468	2,046,812	-	7,178,948
Highways and Streets	-	-	89,789	438,491	479,431	15,858,402	16,866,112
Health and Welfare	-	-	1,503,677	41,102	-	-	1,544,779
Culture and Recreation	-	-	5,964,715	76,174	205,838	941,967	7,188,694
<b>Total General Fixed Assets</b>	<b><u>\$ 1,731,590</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,168,532</u></b>	<b><u>\$ 3,903,391</u></b>	<b><u>\$ 3,082,382</u></b>	<b><u>\$ 16,800,369</u></b>	<b><u>\$ 38,686,266</u></b>

**STATISTICAL SECTION**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 11,196,310	\$ 12,713,384	\$ 5,749,616	\$ 13,088,501	\$ 12,385,226	\$ 14,002,698	\$ 15,068,507	\$ 15,040,876	\$ 11,585,401	\$ 13,706,207
Restricted	3,717,842	3,845,218	10,032,063	3,900,193	4,272,958	4,579,468	3,636,579	3,903,882	4,705,415	4,785,397
Unrestricted	2,910,982	2,281,450	4,576,322	3,790,680	3,429,583	3,429,583	4,051,289	4,596,280	6,267,790	7,497,367
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 17,825,134</u></b>	<b><u>\$ 18,840,052</u></b>	<b><u>\$ 20,358,001</u></b>	<b><u>\$ 20,779,374</u></b>	<b><u>\$ 20,087,767</u></b>	<b><u>\$ 22,011,749</u></b>	<b><u>\$ 22,756,375</u></b>	<b><u>\$ 23,541,038</u></b>	<b><u>\$ 22,558,606</u></b>	<b><u>\$ 25,988,971</u></b>
<b>Business-Type Activities</b>										
Net Investment in capital assets	\$ 18,745,868	\$ 20,827,878	\$ 17,584,383	\$ 21,868,626	\$ 22,101,236	\$ 21,141,916	\$ 21,813,377	\$ 12,078,980	\$ 15,973,236	\$ 20,109,560
Restricted	-	-	-	-	-	-	-	10,223,794	10,377,226	7,786,113
Unrestricted	3,020,232	3,379,160	7,816,048	3,255,440	3,013,417	4,106,337	3,318,192	3,447,650	3,441,597	3,544,282
<b>Total Business-Type Activities Net Position</b>	<b><u>\$ 21,766,100</u></b>	<b><u>\$ 24,207,038</u></b>	<b><u>\$ 25,400,431</u></b>	<b><u>\$ 25,124,066</u></b>	<b><u>\$ 25,114,653</u></b>	<b><u>\$ 25,248,253</u></b>	<b><u>\$ 25,131,569</u></b>	<b><u>\$ 25,750,424</u></b>	<b><u>\$ 29,792,059</u></b>	<b><u>\$ 31,439,955</u></b>
<b>Primary Government</b>										
Net Investment in capital assets	\$ 29,942,178	\$ 33,541,262	\$ 23,333,999	\$ 34,957,127	\$ 34,486,462	\$ 35,144,614	\$ 36,881,884	\$ 27,119,856	\$ 27,558,637	\$ 33,815,767
Restricted	3,717,842	3,845,218	10,032,063	3,900,193	4,272,958	4,579,468	3,636,579	14,127,676	15,082,641	12,571,510
Unrestricted	5,931,214	5,660,610	12,392,370	7,046,120	6,443,000	7,535,920	7,369,481	8,043,930	9,709,387	11,041,649
<b>Total Primary Government Net Position</b>	<b><u>\$ 39,591,234</u></b>	<b><u>\$ 43,047,090</u></b>	<b><u>\$ 45,758,432</u></b>	<b><u>\$ 45,903,440</u></b>	<b><u>\$ 45,202,420</u></b>	<b><u>\$ 47,260,002</u></b>	<b><u>\$ 47,887,944</u></b>	<b><u>\$ 49,291,462</u></b>	<b><u>\$ 52,350,665</u></b>	<b><u>\$ 57,428,926</u></b>



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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 3,285,674	\$ 3,566,213	\$ 3,548,970	\$ 3,906,733	\$ 5,174,598	\$ 4,054,005	\$ 4,331,411	\$ 4,312,743	\$ 5,013,140	\$ 4,479,733
Public Safety	3,295,121	3,291,594	3,518,106	3,790,022	3,850,703	3,815,052	4,150,946	4,922,694	4,688,501	4,721,020
Highways and streets	618,195	791,483	618,237	650,109	742,394	1,107,940	592,114	1,195,126	787,351	988,402
Health and welfare	251,043	252,775	255,552	277,341	317,566	298,817	230,586	241,880	204,994	280,531
Culture and recreation	858,249	799,113	832,050	890,470	840,164	930,782	1,109,758	1,223,173	1,051,002	976,155
Interest on long-term debt	322,631	401,141	243,693	347,026	363,387	312,456	286,645	259,746	346,482	319,904
Economic Development	294,059	268,008	367,914	421,173	396,258	416,229	256,933	255,005	530,593	391,189
<b>Total Governmental Activities Net Position</b>	<b>\$ 8,924,972</b>	<b>\$ 9,370,327</b>	<b>\$ 9,384,522</b>	<b>\$ 10,282,874</b>	<b>\$ 11,685,070</b>	<b>\$ 10,935,281</b>	<b>\$ 10,958,393</b>	<b>\$ 12,410,367</b>	<b>\$ 12,622,063</b>	<b>\$ 12,156,934</b>
<b>Business-Type Activities</b>										
Water and Sewer	2,680,613	2,691,230	2,745,936	2,841,016	3,194,302	3,469,082	3,757,600	3,736,770	3,816,836	3,397,050
<b>Total Business-Type Activities Net Position</b>	<b>2,680,613</b>	<b>2,691,230</b>	<b>2,745,936</b>	<b>2,841,016</b>	<b>3,194,302</b>	<b>3,469,082</b>	<b>3,757,600</b>	<b>3,736,770</b>	<b>3,816,836</b>	<b>3,397,050</b>
<b>Total Primary Government Expenses</b>	<b>\$ 11,605,585</b>	<b>\$ 12,061,557</b>	<b>\$ 12,130,458</b>	<b>\$ 13,123,890</b>	<b>\$ 14,879,372</b>	<b>\$ 14,404,363</b>	<b>\$ 14,715,993</b>	<b>\$ 16,147,137</b>	<b>\$ 16,438,899</b>	<b>\$ 15,553,984</b>
<b>Program Revenue</b>										
<b>Governmental Activities</b>										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	91,035	139,285	151,369	170,208	192,336	216,257	239,556	309,529	365,802	406,035
Public Safety	522,662	563,257	681,410	767,639	802,605	623,525	454,237	543,819	376,549	374,298
Highways and streets	10,890	1,470,805	1,695,218	1,792,373	1,887,112	1,925,177	2,023,837	2,137,028	2,301,763	2,455,388
Health and welfare	1,545,700	10,914	19,271	15,643	14,966	14,732	16,205	22,931	17,319	18,154
Culture and recreation	56,267	76,342	96,181	101,742	89,162	139,442	127,697	127,617	60,252	122,922
Operating grants and contributions	517,019	519,801	383,318	392,832	314,057	1,239,115	463,046	678,895	2,781,730	1,091,078
Capital grants and contributions	250,000	-	195,000	-	-	-	-	-	-	-
<b>Total Primary Governmental Activities</b>	<b>\$ 2,993,573</b>	<b>\$ 2,780,404</b>	<b>\$ 3,221,767</b>	<b>\$ 3,240,437</b>	<b>\$ 3,300,238</b>	<b>\$ 4,158,248</b>	<b>\$ 3,324,578</b>	<b>\$ 3,819,819</b>	<b>\$ 5,903,415</b>	<b>\$ 4,467,875</b>
<b>Business-Type Activities</b>										
Charges for services	3,437,288	3,567,374	3,528,534	3,545,358	3,759,170	4,053,730	4,147,141	4,323,860	4,755,119	5,045,557
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	77,118	1,992,606	956,583	38,450	-	-	-	-	-	994,347
<b>Total Business-Type Activities Program Rev</b>	<b>3,514,406</b>	<b>5,559,980</b>	<b>4,485,117</b>	<b>3,583,808</b>	<b>3,759,170</b>	<b>4,053,730</b>	<b>4,147,141</b>	<b>4,323,860</b>	<b>4,755,119</b>	<b>6,039,904</b>
<b>Total Primary Government Program Expenses</b>	<b>\$ 6,507,979</b>	<b>\$ 8,340,384</b>	<b>\$ 7,706,884</b>	<b>\$ 6,824,245</b>	<b>\$ 7,059,408</b>	<b>\$ 8,211,978</b>	<b>\$ 7,471,719</b>	<b>\$ 8,143,679</b>	<b>\$ 10,658,534</b>	<b>\$ 10,507,779</b>
<b>Net (expense)/revenue</b>										
Governmental Activities	\$ (5,931,399)	\$ (6,589,923)	\$ (6,162,755)	\$ (7,042,437)	\$ (8,384,832)	\$ (6,777,033)	\$ (7,633,815)	\$ (8,590,548)	\$ (6,718,648)	\$ (7,689,059)
Business-Type Activities	833,793	2,868,750	1,739,181	742,792	564,868	584,648	389,541	587,090	938,283	2,642,854
<b>Total Primary Government Net Expense</b>	<b>\$ (5,097,606)</b>	<b>\$ (3,721,173)</b>	<b>\$ (4,423,574)</b>	<b>\$ (6,299,645)</b>	<b>\$ (7,819,964)</b>	<b>\$ (6,192,385)</b>	<b>\$ (7,244,274)</b>	<b>\$ (8,003,458)</b>	<b>\$ (5,780,365)</b>	<b>\$ (5,046,205)</b>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenue and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Taxes										
Property taxes	\$ 2,752,818	\$ 2,901,895	\$ 2,847,121	\$ 3,224,247	\$ 3,281,010	\$ 3,355,089	\$ 3,463,220	\$ 3,736,410	\$ 3,870,480	\$ 4,216,795
Sales taxes	3,357,024	3,374,825	3,466,644	3,483,713	3,457,159	3,435,440	3,599,081	3,830,735	4,246,105	4,922,804
Franchise taxes	479,688	497,435	511,976	514,954	526,425	537,167	557,694	575,790	572,112	598,554
Hotel/motel taxes	138,451	135,899	131,149	130,731	120,183	96,008	90,228	107,966	41,048	94,454
Investment earning	4,874	52,794	42,343	39,591	40,722	65,424	128,358	172,097	64,796	12,778
Miscellaneous	179,748	50,863	132,171	155,547	111,836	207,947	159,342	230,297	265,213	258,360
Grants and contribution not restricted	-	-	-	-	-	-	-	13,118	26,225	19,309
Transfers	323,850	373,324	549,300	956,213	549,300	549,300	549,300	350,923	(2,990,674)	996,658
<b>Total Governmental Activities</b>	<u>\$ 7,236,453</u>	<u>\$ 7,387,035</u>	<u>\$ 7,680,704</u>	<u>\$ 8,504,996</u>	<u>\$ 8,086,635</u>	<u>\$ 8,246,375</u>	<u>\$ 8,547,223</u>	<u>\$ 9,017,336</u>	<u>\$ 6,095,305</u>	<u>\$ 11,119,712</u>
<b>Business-Type Activities</b>										
Investment earning	\$ 1,346	\$ 1,504	\$ 879	\$ 1,106	\$ 5,554	\$ 16,711	\$ 47,537	\$ 218,129	\$ 82,352	\$ 1,699
Miscellaneous	-	-	2,633	-	-	1,650	-	-	-	-
Transfers	(323,850)	(373,324)	(549,300)	(956,213)	(549,300)	(549,300)	(549,300)	(350,923)	2,990,674	(996,658)
<b>Total Business-Type Activities</b>	<u>(322,504)</u>	<u>(371,820)</u>	<u>(545,788)</u>	<u>(955,107)</u>	<u>(543,746)</u>	<u>(530,939)</u>	<u>(501,763)</u>	<u>(132,794)</u>	<u>3,073,026</u>	<u>(994,959)</u>
<b>Total Primary Government</b>	<u>\$ 6,913,949</u>	<u>\$ 7,015,215</u>	<u>\$ 7,134,916</u>	<u>\$ 7,549,889</u>	<u>\$ 7,542,889</u>	<u>\$ 7,715,436</u>	<u>\$ 8,045,460</u>	<u>\$ 8,884,542</u>	<u>\$ 9,168,331</u>	<u>\$ 10,124,753</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,305,054	\$ 797,112	\$ 1,517,949	\$ 1,462,559	\$ (298,197)	\$ 1,469,342	\$ 913,408	\$ 426,788	\$ (623,343)	\$ 3,430,653
Business-Type Activities	511,289	2,496,930	1,193,393	(212,315)	21,122	53,709	(112,222)	454,296	4,011,309	1,647,895
<b>Total Primary Government</b>	<u>\$ 1,816,343</u>	<u>\$ 3,294,042</u>	<u>\$ 2,711,342</u>	<u>\$ 1,250,244</u>	<u>\$ (277,075)</u>	<u>\$ 1,523,051</u>	<u>\$ 801,186</u>	<u>\$ 881,084</u>	<u>\$ 3,387,966</u>	<u>\$ 5,078,548</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	3,851	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,644,468	2,977,342	3,397,945	4,263,616	4,657,972	4,437,711	4,116,015	3,769,911	5,983,318	7,589,283
<b>Total General Fund</b>	<u>\$ 2,648,319</u>	<u>\$ 2,977,342</u>	<u>\$ 3,397,945</u>	<u>\$ 4,263,616</u>	<u>\$ 4,657,972</u>	<u>\$ 4,437,711</u>	<u>\$ 4,116,015</u>	<u>\$ 3,769,911</u>	<u>\$ 5,983,318</u>	<u>\$ 7,589,283</u>
<b>All Other Governmental Funds</b>										
Restricted	\$ 64,024	\$ 10,212,725	\$ 8,531,071	\$ 7,362,329	\$ 4,951,466	\$ 4,579,468	\$ 4,800,121	\$ 5,314,824	\$ 5,881,452	\$ 6,507,745
Assigned	3,692,704	-	-	-	-	-	-	-	-	-
Unassigned	12,563	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 3,769,291</u>	<u>\$ 10,212,725</u>	<u>\$ 8,531,071</u>	<u>\$ 7,362,329</u>	<u>\$ 4,951,466</u>	<u>\$ 4,579,468</u>	<u>\$ 4,800,121</u>	<u>\$ 5,314,824</u>	<u>\$ 5,881,452</u>	<u>\$ 6,507,745</u>

**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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 6,782,249	\$ 6,919,827	\$ 6,954,202	\$ 7,337,252	\$ 7,390,754	\$ 7,458,819	\$ 7,726,500	\$ 8,254,240	\$ 8,738,472	\$ 9,858,716
Fines	368,652	464,604	534,424	646,975	614,993	475,042	342,999	351,858	301,196	284,678
Licenses and permits	105,652	97,109	100,448	111,964	128,594	141,026	140,526	186,686	241,485	259,003
Charges for services	1,752,251	1,710,408	1,966,157	2,064,472	2,180,401	2,227,264	2,366,152	2,591,430	2,554,180	2,730,929
Local events and contributions	-	41,249	36,463	32,725	48,693	69,225	52,143	54,701	21,360	64,981
Other revenues	-	50,913	124,471	161,998	111,936	234,339	179,892	241,247	299,713	355,560
Other	767,019	478,552	541,855	360,107	265,368	1,169,890	410,903	637,312	2,773,556	1,045,406
Interest revenue	31,339	52,794	42,343	39,590	40,722	65,424	128,358	172,097	64,796	12,778
<b>Total Revenues</b>	<b>\$ 9,807,162</b>	<b>\$ 9,815,456</b>	<b>\$ 10,300,363</b>	<b>\$ 10,755,083</b>	<b>\$ 10,781,461</b>	<b>\$ 11,841,029</b>	<b>\$ 11,347,473</b>	<b>\$ 12,489,571</b>	<b>\$ 14,994,758</b>	<b>\$ 14,612,051</b>
<b>Expenditures</b>										
General Government	\$ 3,008,980	\$ 3,091,915	\$ 3,270,509	\$ 3,586,188	\$ 4,778,793	\$ 4,598,997	\$ 3,978,732	\$ 4,101,351	\$ 4,421,433	\$ 4,210,709
Public Safety	3,044,995	3,032,377	3,242,071	3,450,501	3,422,325	4,635,048	3,932,040	4,444,046	4,321,012	4,435,165
Highways and streets	571,269	743,220	562,193	590,526	666,445	633,853	641,120	1,103,248	722,400	939,670
Health and welfare	231,987	232,853	237,441	252,224	251,847	245,589	255,443	229,049	176,313	241,501
Culture and recreation	793,101	736,130	766,766	810,378	750,957	846,669	1,027,353	1,107,501	963,979	941,350
Economic Development	271,737	243,521	224,817	384,608	343,008	379,598	247,522	42,956	499,460	186,050
Capital Outlay	2,765,675	1,366,563	2,591,683	1,986,439	1,550,006	943,793	507,877	419,610	366,727	589,743
Debt Principal	836,925	928,095	935,867	958,370	976,959	1,289,056	1,068,172	1,087,438	1,495,429	1,470,774
Debt Interest	324,821	411,774	399,567	375,255	352,952	341,024	317,847	291,701	370,899	355,846
Bond Issuance cost	-	258,793	-	-	-	-	-	-	153,513	-
<b>Total Expenditures</b>	<b>\$ 11,849,490</b>	<b>\$ 11,045,241</b>	<b>\$ 12,230,914</b>	<b>\$ 12,394,489</b>	<b>\$ 13,093,292</b>	<b>\$ 13,913,627</b>	<b>\$ 11,976,106</b>	<b>\$ 12,826,900</b>	<b>\$ 13,491,165</b>	<b>\$ 13,370,808</b>
Excess of Revenues Over (Under) Expend	(2,042,328)	(1,229,785)	(1,930,551)	(1,639,406)	(2,311,831)	(2,072,598)	(628,633)	(337,329)	1,503,593	1,241,243
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 751,953	\$ 1,485,211	\$ 1,143,966	\$ 1,595,092	\$ 1,302,012	\$ 1,135,164	\$ 1,147,231	\$ 1,158,342	\$ 1,712,016	\$ 1,609,879
Transfer Out	(428,103)	(1,111,887)	(594,666)	(638,879)	(752,712)	(585,863)	(597,931)	(807,419)	(4,702,690)	(613,221)
Proceeds from refunding bonds	-	3,835,000	-	-	-	-	-	-	5,590,000	-
Proceeds from General obligation Bonds	-	7,075,000	-	-	-	-	-	-	-	-
Payment to Bond Escrow Agent	-	(3,893,686)	-	-	-	-	-	-	(1,710,762)	-
Premium on Refunding Bonds	-	620,092	-	-	-	-	-	-	375,275	-
Proceeds on sale of assets	398,580	-	7,700	-	-	16,110	-	-	13,069	-
Other Resources	-	-	-	-	-	-	-	-	-	-
Loan proceeds	1,210,026	-	112,500	-	-	896,614	-	155,000	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,932,456</b>	<b>\$ 8,009,730</b>	<b>\$ 669,500</b>	<b>\$ 956,213</b>	<b>\$ 549,300</b>	<b>\$ 1,462,025</b>	<b>\$ 549,300</b>	<b>\$ 505,923</b>	<b>\$ 1,276,908</b>	<b>\$ 996,658</b>
<b>Net Change in Fund Balances</b>	<b>\$ (109,872)</b>	<b>\$ 6,779,945</b>	<b>\$ (1,261,051)</b>	<b>\$ (683,193)</b>	<b>\$ (1,762,531)</b>	<b>\$ (610,573)</b>	<b>\$ (79,333)</b>	<b>\$ 168,594</b>	<b>\$ 2,780,501</b>	<b>\$ 2,237,901</b>
Debt service as a percentage of noncapital expenditures	12.79%	13.84%	13.85%	12.81%	11.52%	12.57%	12.09%	11.12%	14.22%	14.29%

**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
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
2020	3,879,207	4,246,105	572,112	1,657	39,391	8,738,472
2021	4,242,904	4,922,804	572,112	14,672	94,454	9,846,946

**City of Alamo, Texas**  
**Assessed And Estimated Actual Value of Taxable Property**  
**Last Ten Years**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Minerals</u>	Less: <u>Tax Exempt Real Property</u>	<u>Total Taxable Assesses Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	Assessed Value as a Percentage of <u>Actual Value</u>
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%
2020	824,619,973	56,553,288	-	214,214,588	634,860,998	0.5817	877,478,214	72%
2021	913,816,485	54,207,236	-	154,317,173	813,904,546	0.5817	968,221,719	84%

**City of Alamo, Texas  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	City of Alamo			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Hidalgo County Tax Rate	PSJA ISD School District Tax Rate	South Texas College Tax Rate	
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	0.4924	0.0893	0.5817	0.5800	1.2725	0.1733	2.6075
2020	0.4990	0.0827	0.5817	0.5800	1.2725	0.1733	2.6075
2021	0.5014	0.0803	0.5817	0.5750	1.2167	0.1715	2.5449

**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 District only apply to the City's property owners whose property is located within the geographic boundaries of the PSJA Independent School District).

**City of Alamo, Texas  
Principal TaxPayers  
(Unaudited)**

<b>Tax Payer</b>	<b>2021</b>			<b>2012</b>		
	<b>Tax Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Value</b>	<b>Tax Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Value</b>
Wal-Mart Real Estate Bus Trust	\$ 14,236,149	1	2.15%	\$ 11,749,767	1	2.05%
Kim-Taek & Nancy Vargas Trusts	14,006,684	2	2.11%			
Wilder Corporation of Delaware	9,202,066	3	1.39%	7,647,117	3	1.33%
AEP Texas Central Co.	8,397,510	4	1.27%	3,183,230	9	0.56%
H E Butt Grocery Company	6,608,770	5	1.00%	8,048,927	2	1.40%
Wal-Mart Stores Texas, LLC	6,526,038	6	0.98%	4,896,934	4	0.85%
DCTN3 Texas Portfolio, LLC	5,794,379	7	0.87%			
Guardia Family	5,589,096	8	0.84%			
Alamo Bank of Texas	5,211,083	9	0.79%	4,215,857	6	0.74%
MHC Alamo Palms, LLC	4,489,974	10	0.68%			
S-SI Alamo Venture No One, LP				4,502,524	5	0.79%
Triple R medical Facilities, LTD				4,069,039	7	0.71%
VELMEJ Investmentents LLC				3,281,310	8	0.57%
P & P Properties, LTD				2,889,958	10	0.50%
Totals	<u>\$ 80,061,749</u>		<u>12.07%</u>	<u>\$ 54,484,663</u>		<u>9.50%</u>

**Source:** Hidalgo County Appraisal Distrcit



**City of Alamo, Texas  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year Ended September 30</b>	<b>Total Tax Levy* for Fiscal Year</b>	<b>Collection within the Fiscal Year of the Levy</b>		<b>Delinquent Subsequent Years</b>	<b>Total Collection to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%
2020	3,779,361	3,657,812	96.8%	47,582	3,705,394	98.0%
2021	4,052,227	3,950,368	97.5%	136,699	4,087,067	100.9%

\* Tax Levy including modifications through the year

**CITY OF ALAMO, TEXAS**  
**Water Sewer Revenues**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Water	Sewer	Total
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
2020	2,409,425	2,211,775	4,621,200
2021	2,501,195	2,393,030	4,894,225

**CITY OF ALAMO, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2021**  
**(amounts expressed in thousands)**

Governmental Unit	Date	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct:</b>				
City of Alamo	9/30/2021	\$ 10,040	100%	\$ 10,040
<b>Overlapping:</b>				
Pharr, San Juan, Alamo ISD	9/30/2021	373,940	10.0%	37,207
Hidalgo County	9/30/2021	354,620	1.8%	6,383
Hidalgo County Irrigation District #1	9/30/2021	183,859	1.8%	3,383
South Texas College	9/30/2021	120,914	1.7%	2,007
South Texas ISD	9/30/2021	-	0.0%	-
<b>Total Direct Debt</b>				<u>10,040</u>
<b>Total Net Overlapping Debt</b>				<u>48,980</u>
<b>Total Direct and Overlapping Debt</b>				<u><u>\$ 59,020</u></u>

Source: Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least 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**  
**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)
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
2020	11,270,000	1,456,767	9,813,233	1.37%	485
2021	10,040,000	1,575,730	8,464,270	1.04%	418

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 Schedule 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**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases			
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	7.86%	1,251
2020	11,270,000	578,854	405,526	11,265,000	38,136	23,557,516	6.88%	1,165
2021	10,040,000	553,556	190,050	10,983,000	4,483,235	26,249,841	7.63%	1,297

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  
COMPUTATION OF LEGAL DEBT MARGIN  
(Unaudited)**

Assessed Valuation 2020 Tax Roll for Fiscal Year 2021	\$ 813,904,546
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.	<div style="text-align: right;">10%</div> <hr style="width: 100%;"/> <div style="text-align: right;">81,390,455</div>
Total Bonded Debt	10,040,000
Deduct amount available in debt service fund	<hr style="width: 100%;"/> <div style="text-align: right;">1,575,730</div>
Applicable Debt	<hr style="width: 100%;"/> <div style="text-align: right;">8,464,270</div>
Economic Debt Margin	<hr style="width: 100%;"/> <div style="text-align: right;">\$ 72,926,185</div> <hr style="width: 100%;"/>

**CITY OF ALAMO, TEXAS**  
**PLEDGED-REVENUE COVERAGE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Revenue Bonds						
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2020	4,837,471	3,809,556	1,027,915	11,265,000	38,136	0.09
2021	5,045,589	3,182,282	1,863,307	10,983,000	218,629	0.17

**City of Alamo, Texas  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>MSA Per Capita Personal Income (3)</b>	<b>Median Age (3)</b>	<b>Unemployment Rate (2)</b>
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%
2020	20,263	15,834	39.8	1.60%
2021	20,346	15,951	39.8	2.80%

(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)**

<b>Employees</b>	<b>2021</b>	
	<b>Employees</b>	<b>Rank</b>
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
South Texas Health Systems ER	35	7
Vanguard Academy Mozart Elementary	34	8
Peter Piper Pizza	30	9
Hess Air	30	10
Totals	4,623	

**Source:** Alamo Economic Development Corporation

**City of Alamo, Texas**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Three Fiscal Years**  
**(Unaudited)**

		Fiscal Year	Fiscal Year	Fiscal Year
		2019	2020	2021
<b>General Government</b>				
01-510	Mayor and City Council	5	5	5
01-512	Planning and Comm. Develop	3	3	4
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	2
01-526	Finance	4	4	5
01-529	Information Technology	2	2	2
01-550	Storm Water	2	2	2
<b>Public Safety</b>				
01-513	Police	48	47	48
01-516	Fire	21	21	22
<b>Highways and Streets</b>				
01-518	Streets	17	16	16
<b>Health &amp; Welfare</b>				
01-512	Code Enforcement	1	1	1
<b>Culture &amp; Recreation</b>				
01-515	Library	7	7	7
01-517	Parks & Recreation	13.00	11.50	13.00
01-519	Museum	1	1	1
01-521	Swimming Pool	2.50	2.50	2.50
<b>General Fund Total</b>		<u>135</u>	<u>131</u>	<u>138</u>
<b>Utility</b>				
03-530	Water	10	11	11
03-531	Sewer	4	4	5
03-534	Water Plant	5	5	5
03-536	Billing	4	4	4.5
<b>Water/Sewer Fund Total</b>		<u>23</u>	<u>24</u>	<u>26</u>
<b>Grand Total</b>		<u>158</u>	<u>155</u>	<u>163</u>

Source: City of Alamo Finance Department

**City of Alamo, Texas**  
**Operating Indicators by Function**  
**(Unaudited)**

<u>Function</u>	<u>2020</u>	<u>2021</u>
<b>Public Safety - Police</b>		
Physical Arrests	1899	2025
Parking Violations	9	5
Traffic Violations	3830	3936
<b>Public Safety - Fire</b>		
Number of Calls Answered	1455	1560
Inspections	221	250
<b>Highways and Streets</b>		
Traffic Signs Repaired	45	42
<b>Solid Waste Services</b>		
Materials Recycled - Tons	2450	2200
<b>Culture and Recreation</b>		
Programs	9	9
Parks Maintained	7	7
<b>Water</b>		
New Connections	901	1058
Water Main Breaks	70	165
Average Daily Consumption (millions of gallons)	1.692	1.764
<b>Wastewater</b>		
Average Daily Sewage Treatment (millions of gallons)	1.652	1.683

**Source:** Various City Departments

**Note:** Indicators are not available for the general government function

**City of Alamo, Texas  
Capital Assets Statistics by Function  
(Unaudited)**

<u>Function</u>	<u>2021</u>
<b>Miles of Streets:</b>	
Paved	115.48
<b>Miles of Sewer:</b>	
Storm	45.09
Sanitary	93.45
Storm Drainage Ditches	14.54
<b>Building Permits:</b>	
Permits Issued	720
Estimated Value	\$ 191,070
<b>Fire Protection:</b>	
Number of Stations	2
<b>Police Protection:</b>	
Number of Stations	1
<b>Recreation:</b>	
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**



**Oscar R. Gonzalez CPA  
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Oscar R. Gonzalez, CPA  
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Associates:  
Janet Robles, CPA

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, 2021, 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 March 31, 2022.

**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.

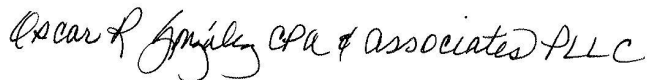
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "Oscar R. Gonzalez CPA & Associates PLLC".

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

March 31, 2022



**Oscar R. Gonzalez CPA  
& Associates PLLC**

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Associates:  
Janet Robles, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Commission of  
City of Alamo, Texas

**Report on Compliance for Each Major Federal Program**

We have audited the City of Alamo, Texas's compliance with the types of compliance requirement described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Alamo, Texas's major federal programs for the year ended September 30, 2021. City of Alamo, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the major City of Alamo, Texas's federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Alamo, Texas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Alamo, Texas's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Alamo, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.



## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

City of Alamo, Texas's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Alamo, Texas's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

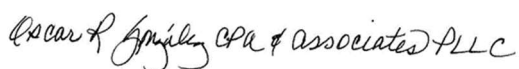
## **Report on Internal Control over Compliance**

Management of the City of Alamo, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Alamo, Texas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Alamo, Texas's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

 Oscar R. Gonzalez, CPA & Associates, PLLC

Oscar R. Gonzalez, CPA & Associates, PLLC  
Certified Public Accountants  
Pharr, Texas  
March 31, 2022

**CITY OF ALAMO, TEXAS**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2021**

**A. Summary of Auditor's Results**

1. Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
One or more material weaknesses identified?	_____ YES	_X_	NO
One or more significant deficiencies identified that are not considered to be material weaknesses?	_____ YES	_X_	None Reported
Non-compliance material to financial statements noted?	_____ YES	_X_	NO

2. Federal Awards

Internal control over major programs:			
One or more material weaknesses identified?	_____ YES	_X_	NO
One or more significant deficiencies identified that are not considered to be material weaknesses?	_____ YES	_X_	None Reported

Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)	_____ YES	_X_	NO

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>		
Auditee qualified as a low-risk auditee?	_____ YES	_X_	NO

Identification of major programs:		
<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	
16.034	Coronavirus Emergency Supplemental Funding Program	
66.458	Capitalization Grants for Clean Water State Resolving Funds	

**B. Financial Statement Findings**

None

**C. Federal Award Findings**

None

**CITY OF ALAMO, TEXAS**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended September 30, 2021**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amount Passed- Through to Subrecipients</u>
<b>FEDERAL AWARDS</b>				
<b><u>US Department of Justice</u></b>				
Passed through Direct Programs:				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1575	29,775	
Justice Assistance Grant Program	16.738	2019-DJ-BX-016	39,420	
Justice Assistance Grant Program	16.738	2020-DG-BX-0756	10,501	
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>79,696</u>	-
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through the Texas Homeland Security Office:				
State Homeland Security Program	97.067	EMW-2020-SS-00054	20,596	
State Homeland Security Program	97.067	EMW-2019-SS-00034-S01	83,330	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>103,926</u>	-
<b><u>U.S. Department of Housing and Urban Development:</u></b>				
Passed through Urban County				
Community Development Block Grant	14.218	B-13-UC-48-0501	266,767	
TOTAL HOUSING AND URBAN DEVELOPMENT			<u>266,767</u>	-
<b><u>U.S. Department of the Treasury:</u></b>				
Passed through Hidalgo County				
Coronavirus Relief Fund Grant	21.016	ALA	366,158	
TOTAL DEPARTMENT OF TREASURY			<u>366,158</u>	-
<b><u>U.S. Environmental Protection Agency</u></b>				
Passed Through Texas Water Development Board:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	LF1000735	994,347	
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>994,347</u>	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,810,893</u>	-

**CITY OF ALAMO, TEXAS**  
Notes To Schedule of Expenditures of Federal Awards  
For The Year Ended September 30, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal award (“the Schedule”) includes the federal grant activity of City of Alamo, Texas. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Therefore, some amounts may differ from amounts presented in, or used in the presentation of the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credit made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

For the year ended September 30, 2021, City of Alamo, Texas has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.