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**CITY OF ALAMO, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR YEAR ENDED SEPTEMBER 30, 2022**

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**ADRIAN WEBB**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**CITY OF ALAMO, TEXAS**  
Audited Annual Financial Report  
For Year Ended September 30, 2022

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## **INTRODUCTORY SECTION**

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# **CITY OF ALAMO, TEXAS**

For the Year Ended September 30, 2022

## **CITY OFFICIALS**

Diana Martinez

Pedro Morales

Maria Del Pilar Garza

Felix Garza II

Oscar Salinas

Mayor

Mayor Pro-Tem

Commissioner PL. 4

Commissioner PL. 3

Commissioner PL. 1

## **CITY MANAGER**

Roberto “Bobby” Salinas

## **FINANCE DIRECTOR**

Yvette Mendoza



Government Finance Officers Association

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

Presented to

**City of Alamo  
Texas**

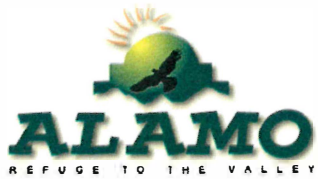
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

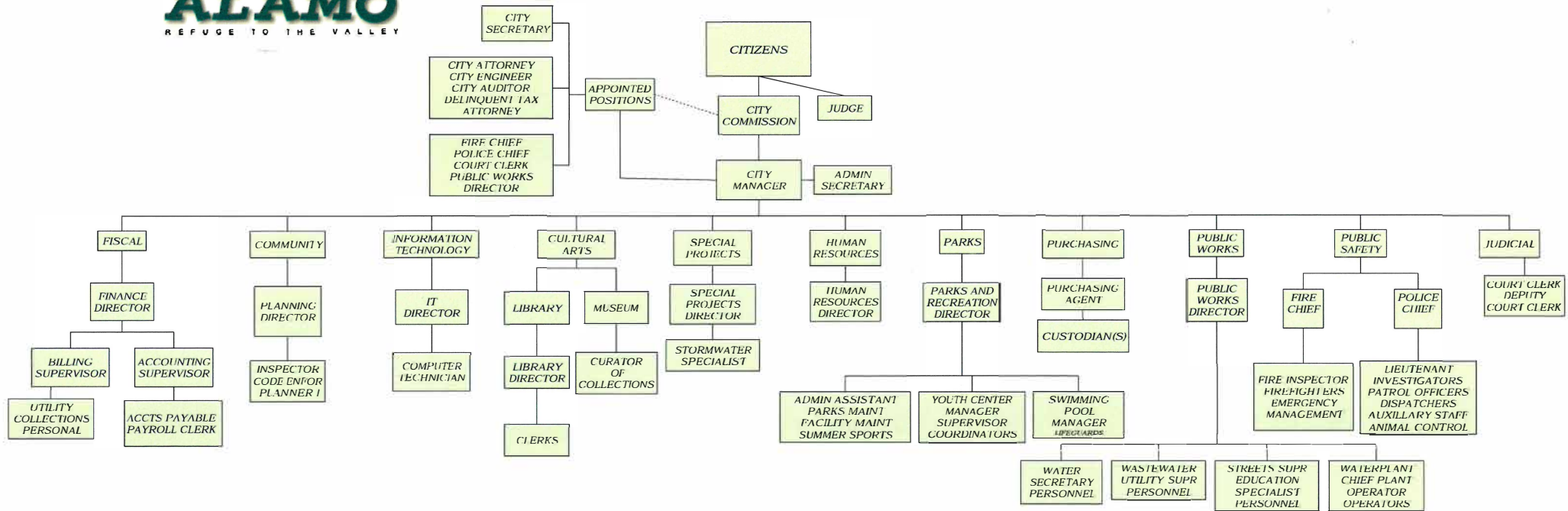
*Christopher P. Morill*

Executive Director/CEO



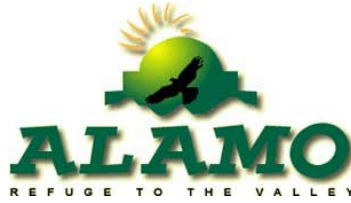


## CITY OF ALAMO ORGANIZATIONAL CHART



APPROVED BY COMMISSION 10/18

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May 26, 2023

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

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Alamo, Texas for the fiscal year ended September 30, 2022. 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.

Adrian Webb, CPA, Certified Public Accountant, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

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

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

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

agriculture, and international trade. The City draws residents from across the region for commercial retail activity. Currently, the City is developing a nursing and rehabilitation facility and a freestanding emergency health center. These facilities will increase the city's tax base growth.

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

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

The City continues to enjoy a stable outlook with property tax values at \$940,985,085 up to 16% over the previous year. The Hidalgo County unemployment rate was 6.00% in 2022. The top 10 taxpayers are diverse, accounting for 12.87% 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 13% in collections compared to FY 2019-2021. 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+

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## **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 Adrian Webb, C.P.A., is presented as the first component of the financial section of this report.

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,



Yvette Mendoza,  
Finance Director

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## **FINANCIAL SECTION**

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# **ADRIAN WEBB, CPA**

**Certified Public Accountant**

**McAllen, Texas**

## **Independent Auditor's Report**

To the City Commission of the  
City of Alamo, Texas

### ***Opinions***

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, 2022, 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.

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, 2022, 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.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Alamo, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Emphasis of Matter – Change of Accounting Principle***

As discussed in the notes to the financial statements, in the year ending September 30, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

### ***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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Alamo, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Alamo, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Alamo, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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, and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedule of delinquent taxes receivable, and the combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards 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 assurance on them.

### ***Other Information Included in the Annual Report and Financial Statements***

Management is responsible for the other information included in the Annual Audit Report and Financial Statements. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2023, 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.

*Adrian Webb, CPA*

Adrian Webb  
Certified Public Accountant  
McAllen, Texas  
May 26, 2023

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**CITY OF ALAMO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

As management of the City of Alamo, 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, 2022. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 1 and the City's financial statements, which begin on page 10.

**FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$4,181,535. Net position from governmental activities increased \$3,567,900, while net position from business-type activities increased \$613,635.
- The City's combined assets from governmental and business-type activities exceeded its liabilities at the close of the most recent fiscal year by \$60,610,461 compared to \$57,428,926 in the prior year.
- The General Fund ended the year with a fund balance of \$8,535,154, a \$945,871, increase from prior year's balance of \$7,589,283.
- In comparing the General Fund's final budget to actual, revenues were \$348,182 more than the final budget, and expenditures were \$717,767 less than final budget. This resulted in a total positive budget to actual variance of \$1,065,949 not including other financing sources (uses).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. The government-wide financial statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the City, and the statements are presented on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

The Statement of Activities presents information showing how the government'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).

Activities of the City as a whole include governmental activities, and business-type activities. Governmental activities are those activities, which are financed primarily through taxes and grants.

Most of the City's basic services are reported as governmental activities. Business-type activities are those activities that are intended to recover all or a significant portion of their costs through user fees and charges. Utility system operations are a common example of business-type activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Development Corporation of Alamo (DCM) and the Alamo Industrial Foundation, Inc., which are legally separate entities, and are reported as blended component units. These are other governmental units of which the City (the City Commission, acting as a group) can exercise influence. Financial information for Development Corporation of Alamo is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 10-12 of this report.

**CITY OF ALAMO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

**FUND FINANCIAL STATEMENTS**

The fund financial statements begin on page 14 provide detail information about the most significant funds – not the City as a whole. Some funds are required to be established by law, bond covenants or by contracts. Still other funds are established by the City Commission to assist in managing money that is to be spent for particular purposes. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation schedules following each of the fund financial statements.

- Proprietary funds

The City reports the activities for which it charges users (whether outside customers or other units of the City). The proprietary funds use the accrual basis, the same accounting method employed in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

**NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements 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 begin on page 22 of this report.

**THE CITY'S FUNDS**

Being that the City is a government entity, it tracks all transactions using fund accounting. What this means is that it isolates different types of activity into funds, which it then tracks separately. Each fund essentially becomes its own entity, which then interacts with other funds. This allows for separate management of governmental funds, grants, enterprise funds (utility fund) and any other restricted funds.

As a result of this year's operations, all combined governmental funds, including special revenues and debt service funds (as presented in the balance sheet on page 13-14) reported a combined fund balance of \$16,048,213 an increase of \$1,951,185 from the previous year.



**CITY OF ALAMO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This analysis focuses on the net position (Table I) and changes in net position (Table II) of the City's governmental and business-type activities.

Net position of the City's governmental activities increased to \$29,556,871 from \$25,988,971 in 2021. Unrestricted net position – the part of net position that can be used to finance day to day operations without constraints from debt covenants, legislation or other legal requirements was \$7,473,974 as of September 30, 2022.

In 2022, net position of business-type activities increased to \$32,053,590 from \$31,439,955. Table I, below illustrates a comparative summary of the City's statement of net position as of September 30, 2022, and 2021.

**Table I**

	Governmental Activities		Business-Type Activities		Totals		Increase
	2022	2021	2022	2021	2022	2021	(Decrease)
Current Assets	\$ 23,260,559	\$ 19,231,301	\$ 7,337,172	\$ 12,130,314	\$ 30,597,731	\$ 31,361,615	\$ (763,884)
Capital Assets, Net	23,869,334	23,932,005	40,235,665	35,395,825	64,104,999	59,327,830	4,777,169
Total Assets	47,129,893	43,163,306	47,572,837	47,526,139	94,702,730	90,689,445	4,013,285
Deferred Outflows of Resources	497,627	625,029	233,458	272,772	731,085	897,801	(166,716)
Total assets and deferred outflows of resources	47,627,520	43,788,335	47,806,295	47,798,911	95,433,815	91,587,246	3,846,569
Other Liabilities	8,056,162	5,791,613	1,152,262	1,143,764	9,208,424	6,935,377	2,273,047
Long-Term Liabilities	9,127,982	10,524,934	14,444,001	15,069,452	23,571,983	25,594,386	(2,022,403)
Total Liabilities	17,184,144	16,316,547	15,596,263	16,213,216	32,780,407	32,529,763	250,644
Deferred Inflows of Resources	886,505	1,482,817	156,442	145,740	1,042,947	1,628,557	(585,610)
Net Invested in Capital Assets	14,832,643	13,706,207	24,745,156	20,109,560	39,577,799	33,815,767	5,762,032
Restricted for							
Capital Projects	-	-	2,647,753	7,786,113	2,647,753	7,786,113	(5,138,360)
Debt Service	1,863,326	1,330,559	-	-	1,863,326	1,330,559	532,767
Economic Development	3,907,681	1,986,934	-	-	3,907,681	1,986,934	1,920,747
Special Projects	1,479,247	1,467,904	-	-	1,479,247	1,467,904	11,343
Unrestricted	7,473,974	7,497,367	4,660,681	3,544,282	12,134,655	11,041,649	1,093,006
Total Net Position	29,556,871	25,988,971	32,053,590	31,439,955	61,610,461	57,428,926	4,181,535
Total Liabilities, deferred inflows of resources and net position	\$ 47,627,520	\$ 43,788,335	\$ 47,806,295	\$ 47,798,911	\$ 95,433,815	\$ 91,587,246	\$ 3,846,569

**CITY OF ALAMO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

**Table II**

	Governmental		Business- Type		Totals		Increase
	2022	2021	2022	2021	2022	2021	(Decrease)
Revenues							
Program Revenues							
Charges for Services	\$ 3,555,466	\$ 3,376,797	\$ 5,564,053	\$ 5,045,557	\$ 9,119,519	\$ 8,422,354	\$ 697,165
Operating Grants and Contributions	1,284,549	1,091,078	-	-	1,284,549	1,091,078	193,471
Capital Grants and Contributions	-	-	196,482	994,347	196,482	994,347	
General Revenues							
Property Taxes	4,382,309	4,216,795	-	-	4,382,309	4,216,795	165,514
Sales Tax	5,569,320	4,922,804	-	-	5,569,320	4,922,804	646,516
Other Tax	633,832	712,317	-	-	633,832	712,317	(78,485)
Other Revenues	834,099	271,138	99,193	1,699	933,292	272,837	660,455
Total Revenues	16,259,575	14,590,929	5,859,728	6,041,603	22,119,303	20,632,532	1,486,771
Expenses							
General Government	5,475,625	4,479,733	-	-	5,475,625	4,479,733	995,892
Public safety	5,101,058	4,721,020	-	-	5,101,058	4,721,020	380,038
Highway and Streets	1,199,912	988,402	-	-	1,199,912	988,402	211,510
Health and Welfare	-	280,531	-	-	-	-	
Culture and Recreation	1,409,463	976,155	-	-	1,409,463	976,155	433,308
Economic Development	194,462	391,189	-	-	194,462	391,189	(196,727)
Urban Development & Housing	194,915	-	-	-	194,915	-	194,915
Debt Service	40,215	-	-	-	40,215	-	40,215
Interest on long-term debt	283,441	319,904	-	-	283,441	319,904	(36,463)
Utility Services	-	-	4,252,063	3,397,050	4,252,063	3,397,050	855,013
Total Expenses	13,899,091	12,156,934	4,252,063	3,397,050	18,151,154	15,273,453	2,877,701
Increase in net position before transfers	2,360,484	2,433,995	1,607,665	2,644,553	3,968,149	5,359,079	(1,390,930)
Transfers	994,031	996,658	(994,031)	(996,658)	-	-	-
Change in Net Position	3,354,515	3,430,653	613,635	1,647,895	3,968,150	5,078,548	(1,110,398)
Net Position Beginning	25,988,971	22,558,606	31,439,955	29,792,060	57,428,926	88,868,881	(31,439,955)
Prior Period Adjustment	213,385	(288)	-	-	213,385	(288)	213,673
Net Position Ending	\$ 29,556,871	\$ 25,988,971	\$ 32,053,590	\$ 31,439,955	\$ 61,610,461	\$ 57,428,926	\$ 4,181,535

The cost of all governmental activities in the current year was \$14,936,394. However, as shown in Table II, the amount financed by property and non-property taxes were \$4,382,309 and \$6,282,374, respectively. The remaining costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

**CITY OF ALAMO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR YEAR ENDED SEPTEMBER 30, 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year, the City had \$64,104,997 (net of depreciation) invested in capital assets, including facilities, land, infrastructure, vehicles, and equipment, as further discussed in the notes to the financial statements. Capital Assets. This is a decrease of \$4,777,167, from the previous fiscal year.

	Governmental Activities		Business-Type Activities		Total		Increase
	2022	2021	2022	2021	2022	2021	(Decrease)
Capital Assets, Not Being Depreciated							
Land	\$ 1,731,590	\$ 1,731,590	\$ 2,943,078	\$ 2,943,078	\$ 4,674,668.00	\$ 4,674,668.00	\$ -
Construction in Progress	280,066	-	14,904,851	9,595,338	15,184,917	9,595,338	5,589,579
Total Capital Assets, Not Being Depreciated							
Depreciated	2,011,656	1,731,590	17,847,929	12,538,416	19,859,585	14,270,006	5,589,579
Capital Assets, Being Depreciated							
Buildings	13,168,533	13,168,533	4,838,176	4,838,176	18,006,709	18,006,709	-
Vehicles	4,113,351	3,903,391	293,843	233,119	4,407,194	4,136,510	270,684
Machinery and Equipment	3,498,549	3,082,383	2,067,735	1,974,735	5,566,284	5,057,118	509,166
Infrastructure	16,800,369	16,800,369	26,221,471	26,221,471	43,021,840	43,021,840	-
Accumulated Depreciation	(15,723,123)	(14,754,261)	(11,033,491)	(10,410,092)	(26,756,614)	(25,164,353)	(1,592,261)
Total Capital Assets, Being Depreciated,							
Net	21,857,678	22,200,415	22,387,734	22,857,409	44,245,412	45,057,824	(812,412)
Capital Assets, Net	\$ 23,869,334	\$ 23,932,005	\$ 40,235,663	\$ 35,395,825	\$ 64,104,997	\$ 59,327,830	\$ 4,777,167

**Long-Term Debt**

	Governmental		Increase
	2022	2021	(Decrease)
General obligation debt	\$ 8,680,000	\$ 10,040,000	\$ (1,360,000)
Notes Payable	528,185	553,556	(25,371)
Capital Leases	64,856	190,050	(125,194)
Compensated absences	367,793	362,007	5,786
	\$ 9,640,834	\$ 11,145,613	\$ (1,504,779)
	Business-Type		Increase
	2022	2021	(Decrease)
General obligation debt	\$ 10,690,000	\$ 10,983,000	\$ (293,000)
Capital Leases	4,214,011	4,483,235	(269,224)
Compensated absences	57,197	53,371	3,826
	\$ 14,961,208	\$ 15,519,606	\$ (558,398)

By the end of the fiscal year, the City had long-term obligations totaling \$24,602,042 versus \$26,665,219, at the end of last year, a decrease of \$2,063,177. The following is a summary of long-term obligations:

Fitch ratings has reviewed and assigned an A+ rating to the limited tax bonds and certificates of obligation debt. Additional information on the City of Alamo' long-term debt can be found in the Notes to the Financial Statements.

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**CITY OF ALAMO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraisal values used in preparing 2022-2023 budget increased \$95,957,303 over the prior year.
- The ad valorem property tax rate was set at \$0.5817. The City's No-New Revenue tax rate is \$.5272.
- The Sales Tax collected in 2021-2022 increased by \$646,515, or 13% over prior year.
- The 2022-2023 General Fund operating budget was prepared using \$7,589,283 as the estimated fund balance as of September 30, 2023. The actual unassigned fund balance for the General Fund was \$8,535,154.
- 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.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Alamo's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Director, at City of Alamo, P.O. Box 837, Alamo, Texas 78570.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF ALAMO  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

EXHIBIT A-1

Data Control Codes	Primary Government		
	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
1010 Cash and Cash Equivalents	\$ 13,496,371	\$ 2,437,434	\$ 15,933,805
1020 Restricted Cash	-	2,647,753	2,647,753
1030 Investments - Current	6,514,233	1,553,693	8,067,926
1150 Accounts Receivable, Net	2,601,690	497,527	3,099,217
1260 Due from Other Governments	734,937	-	734,937
1300 Due from Other Funds	(123,383)	123,383	-
1430 Prepaid Items	36,711	77,382	114,093
Capital Assets:			
1791 Capital Assets, Not Being Depreciated	2,011,656	22,387,736	24,399,392
1792 Capital Assets, Net of Depreciation	21,857,678	17,847,929	39,705,607
1000 Total Assets	47,129,893	47,572,837	94,702,730
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
1996 Deferred Charge for Refunding	153,269	-	153,269
1997 Deferred Outflow Related to Pension Plan	266,107	46,960	313,067
1998 Deferred Outflow Related to OPEB	78,251	13,809	92,060
1999 Unamortized Discount on Bonds	-	172,689	172,689
1500 Total Deferred Outflows of Resources	497,627	233,458	731,085
<b>LIABILITIES</b>			
2010 Accounts Payable	663,014	-	663,014
2020 Wages and Salaries Payable	30,962	13,659	44,621
2030 Compensated Absences Payable	367,793	57,197	424,990
2140 Accrued Interest Payable	-	17,447	17,447
2230 Unearned Revenues	5,224,061	-	5,224,061
2270 Other Current Liabilities	632,793	19,859	652,652
Noncurrent Liabilities:			
2501 Debt Service	1,137,539	1,044,100	2,181,639
Due in More Than One Year:			
2502 Debt Service	9,141,610	14,446,407	23,588,017
2580 Net Pension Liability(Asset)	(327,226)	(57,746)	(384,972)
2585 Net OPEB Liability	313,598	55,340	368,938
2000 Total Liabilities	17,184,144	15,596,263	32,780,407
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2602 Deferred Inflow Related to Pension Plan	857,999	151,412	1,009,411
2603 Deferred Inflow Related to OPEB	28,506	5,030	33,536
2500 Total Deferred Inflows of Resources	886,505	156,442	1,042,947
<b>NET POSITION</b>			
3200 Net Investment in Capital Assets & Lease Assets	14,832,643	24,745,156	39,577,799
Restricted:			
3850 Capital Projects	-	2,647,753	2,647,753
3860 Debt Service	1,863,326	-	1,863,326
3870 Economic Development	3,907,681	-	3,907,681
3880 Special Projects	1,479,247	-	1,479,247
3900 Unrestricted	7,473,974	4,660,681	12,134,655
3000 Total Net Position	\$ 29,556,871	\$ 32,053,590	\$ 61,610,461

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

CITY OF ALAMO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

		Program Revenues	
Data Control Codes	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
100 General Government	\$ 5,475,625	\$ 422,966	\$ 293,685
200 Public Safety	5,101,058	419,321	413,451
300 Highway and Streets	1,199,912	2,679,681	-
500 Culture and Recreation	1,409,463	33,498	102,432
600 Economic Development	194,462	-	280,066
630 Urban Development & Housing	194,915	-	194,915
700 Debt Service	40,215	-	-
720 Interest on Debt	283,441	-	-
Total Governmental Activities	13,899,091	3,555,466	1,284,549
BUSINESS-TYPE ACTIVITIES:			
701 Water & Sewer	4,252,063	5,564,053	196,482
Total Business-Type Activities	4,252,063	5,564,053	196,482
TOTAL PRIMARY GOVERNMENT	\$ 18,151,154	\$ 9,119,519	\$ 1,481,031

General Revenues:

    Taxes:

        Property Taxes, Levied for General Purposes  
        Property Taxes, Levied for Debt Service  
        General Sales and Use Taxes  
        Franchise Tax  
        Other Taxes  
        Penalty and Interest on Taxes  
        Miscellaneous Revenue  
        Investment Earnings  
        Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

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



Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (4,758,974)	\$ -	\$ (4,758,974)
(4,268,286)	-	(4,268,286)
1,479,769	-	1,479,769
(1,273,533)	-	(1,273,533)
85,604	-	85,604
-	-	-
(40,215)	-	(40,215)
(283,441)	-	(283,441)
(9,059,076)	-	(9,059,076)
-	1,508,472	1,508,472
-	1,508,472	1,508,472
(9,059,076)	1,508,472	(7,550,604)
3,843,354	-	3,843,354
538,955	-	538,955
5,569,320	-	5,569,320
633,832	-	633,832
79,222	-	79,222
103,561	-	103,561
565,303	99,194	664,497
86,013	-	86,013
994,031	(994,031)	-
12,413,591	(894,837)	11,518,754
3,354,515	613,635	3,968,150
25,988,971	31,439,955	57,428,926
213,385	-	213,385
\$ 29,556,871	\$ 32,053,590	\$ 61,610,461

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## **GOVERNMENTAL FUNDS**

CITY OF ALAMO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

Data Control Codes	General Fund	American Recovery Plan Act Fund	Alamo EDC
<b>ASSETS</b>			
1010 Cash and Cash Equivalents	\$ 4,837,037	\$ 4,951,087	\$ 1,942,199
1030 Investments - Current	3,466,758	-	1,367,337
1050 Taxes Receivable	1,189,502	-	243,763
1051 Allowance for Uncollectible Taxes (credit)	(39,168)	-	-
1150 Accounts Receivable, Net	579,169	-	420,665
1260 Due from Other Governments	160,665	-	-
1300 Due from Other Funds	1,019,016	-	51
1430 Prepaid Items	13,921	-	22,790
1000 Total Assets	<u>\$ 11,226,900</u>	<u>\$ 4,951,087</u>	<u>\$ 3,996,805</u>
<b>LIABILITIES</b>			
2010 Accounts Payable	\$ 661,485	\$ -	\$ 1,529
2020 Wages and Salaries Payable	30,497	-	465
2080 Due to Other Funds	764,617	293,685	88,653
2230 Unearned Revenues	-	4,644,608	-
2270 Other Current Liabilities	632,793	-	-
2000 Total Liabilities	<u>2,089,392</u>	<u>4,938,293</u>	<u>90,647</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Property Taxes	352,507	-	-
2604 Fines	249,847	-	-
2600 Total Deferred Inflows of Resources	<u>602,354</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
3470 Special Projects	-	-	-
3480 Debt Service	-	-	-
3490 Economic Development and Tourism	-	-	3,906,158
3600 Unassigned Fund Balance	8,535,154	12,794	-
3000 Total Fund Balances	<u>8,535,154</u>	<u>12,794</u>	<u>3,906,158</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 11,226,900</u>	<u>\$ 4,951,087</u>	<u>\$ 3,996,805</u>

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

Other Funds	Total Governmental Funds
\$ 1,766,051	\$ 13,496,374
1,680,138	6,514,233
70,176	1,503,441
(7,018)	(46,186)
144,601	1,144,435
574,272	734,937
4,504	1,023,571
-	36,711
<u>\$ 4,232,724</u>	<u>\$ 24,407,516</u>
\$ -	\$ 663,014
-	30,962
-	1,146,955
579,453	5,224,061
-	632,793
<u>579,453</u>	<u>7,697,785</u>
59,164	411,671
-	249,847
<u>59,164</u>	<u>661,518</u>
1,730,781	1,730,781
1,863,326	1,863,326
-	3,906,158
-	8,547,948
<u>3,594,107</u>	<u>16,048,213</u>
<u>\$ 4,232,724</u>	<u>\$ 24,407,516</u>

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

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**City of Alamo**  
Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position  
As of September 30, 2022

Total Fund Balance - Governmental Funds	\$ 16,048,213
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.	(367,793)
Fixed assets are capitalized in the Statement of Net Position and depreciation in the Statement of Activities. These are expenses when acquired in the Statement of Revenues, Expenditures, and Changes in the Fund Balance.	23,869,334
Long-term liabilities applicable to the city's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.	(10,279,149)
Because some revenues, such as court fines and property taxes, will not be collected for several months after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are considered deferred at the fund level, but recognized as revenues in the Statement of Net Position.	602,354
Proceeds 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.	153,269
Deferred Outflows/Inflows, Net pension Liability, and other related activity applicable to the District's governmental activities are not due in the current period and accordingly are not reported as fund liabilities, but are reported as deferred items on the Statement of Net Position, as per GASB 68 and GASB 75	(469,357)
Total Net Position of Governmental Activities - Statement of Net Position	<u>\$ 29,556,871</u>

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

CITY OF ALAMO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes	General Fund	American Recovery Plan Act Fund	Alamo EDC
<b>REVENUES:</b>			
Taxes:			
5110 Property Taxes	\$ 3,951,944	\$ -	\$ -
5120 General Sales and Use Taxes	4,176,990	-	1,392,330
5170 Franchise Tax	633,832	-	-
5180 Other Taxes	15,670	-	-
5190 Penalty and Interest on Taxes	88,880	-	-
5200 Licenses and Permits	279,346	-	-
5300 Intergovernmental Revenue and Grants	710,797	293,685	-
5400 Charges for Services	3,032,394	-	-
5510 Fines	237,377	-	-
5610 Investment Earnings	27,412	12,844	28,641
5620 Rents and Royalties	3,070	-	3,277
5700 Other Revenue	308,487	-	614
5020 Total Revenues	13,466,199	306,529	1,424,862
<b>EXPENDITURES:</b>			
Current:			
0100 General Government	4,839,829	293,735	258,922
0200 Public Safety	4,976,485	-	-
0300 Highway and Streets	835,321	-	-
0500 Culture and Recreation	1,361,960	-	-
0600 Economic Development	-	-	102,050
Debt Service:			
0710 Principal on Debt	125,195	-	25,551
0720 Interest on Debt	3,732	-	5,297
0790 Other Debt Service	-	-	-
Capital Outlay:			
0800 Capital Outlay	743,207	-	-
6030 Total Expenditures	12,885,729	293,735	391,820
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	580,470	12,794	1,033,042
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Issuance of Bonds	-	-	-
7912 Sale of Real and Personal Property	30,676	-	290,000
7915 Transfers In	450,946	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out	(116,221)	-	(421,687)
7080 Total Other Financing Sources (Uses)	365,401	-	(131,687)
1200 Net Change in Fund Balances	945,871	12,794	901,355
0100 Fund Balance - October 1 (Beginning)	7,589,283	-	3,004,803
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - September 30 (Ending)	\$ 8,535,154	\$ 12,794	\$ 3,906,158

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



		Total	
Other		Governmental	
Funds		Funds	
<hr/>			
\$	558,175	\$	4,510,119
	-		5,569,320
	-		633,832
	63,552		79,222
	14,681		103,561
	-		279,346
	280,066		1,284,548
	-		3,032,394
	-		237,377
	17,116		86,013
	-		6,347
	232,944		542,045
<hr/>		<hr/>	
	1,166,534		16,364,124
<hr/>		<hr/>	
	119,716		5,512,202
	10		4,976,495
	-		835,321
	-		1,361,960
	92,412		194,462
	1,105,000		1,255,746
	274,412		283,441
	4,921,188		4,921,188
	290,728		1,033,935
<hr/>		<hr/>	
	6,803,466		20,374,750
<hr/>		<hr/>	
	(5,636,932)		(4,010,626)
<hr/>		<hr/>	
	4,495,000		4,495,000
	-		320,676
	1,080,993		1,531,939
	426,188		426,188
	-		(537,908)
<hr/>		<hr/>	
	6,002,181		6,235,895
<hr/>		<hr/>	
	365,249		2,225,269
	3,502,942		14,097,028
	(274,084)		(274,084)
<hr/>		<hr/>	
\$	3,594,107	\$	16,048,213
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The notes to the financial statements are an integral part of this statement.

**City of Alamo**  
Reconciliation of Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balance with Statement of Activities  
For the Year Ended September 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 2,225,269
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful life and depreciated.	1,033,935
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.	(1,089,189)
Principal payments on long-term expensed in governmental fund statements treated as reductions of outstanding debt in Entity wide statements.	(122,746)
Because property tax and some court fines will not be collected for for several months after the city's fiscal year end, they are not considered as "available" revenues in the governmental funds and are considered as "available" revenues in the governmental funds and are considered as deferred, but recognized as revenues in the Statement of Activities.	6,927
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.	5,786
GASB 68 and GASB 75 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities.	399,980
Proceeds/defeasance resulting from the issuance of long-term debt appear as other financing sources and netted to fund balance on the governmental funds, while premiums recorded as a deferred inflow of resources and amortized over the life of the debt on the government-wide statements.	894,553
Changes in Net Position-Governmental Funds	<u><u>\$ 3,354,515</u></u>

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

## **PROPRIETARY FUNDS**

CITY OF ALAMO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2022

	Business Type Activities
	Enterprise Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,437,434
Restricted Cash	2,647,753
Investments - Current	1,553,693
Accounts Receivable, Net	497,527
Due from Other Funds	200,311
Prepaid Items	77,382
Total Current Assets	<u>7,414,100</u>
Noncurrent Assets:	
Capital Assets:	
Capital Assets, Being Depreciated	22,387,736
Capital Assets, Not Being Depreciated	17,847,929
Total Noncurrent Assets	<u>40,235,665</u>
Total Assets	<u>47,649,765</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflow Related to Pension Plan	46,960
Deferred Outflow Related to OPEB	13,809
Unamortized Discount on Bonds	172,689
Total Deferred Outflows of Resources	<u>233,458</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Wages and Salaries Payable	13,659
Compensated Absences Payable	57,197
Due to Other Funds	76,928
Accrued Interest Payable	17,447
Unearned Revenues	586,496
Bonds Payable - Current	265,000
Right-to-Use Leases Payable - Current	192,604
Other Current Liabilities	19,859
Total Current Liabilities	<u>1,229,190</u>
Noncurrent Liabilities:	
Bonds Payable - Noncurrent	10,425,000
Financing Leases Payable - Noncurrent	4,021,407
Net Pension Liability	(57,746)
Net OPEB Liability	55,340
Total Noncurrent Liabilities	<u>14,444,001</u>
Total Liabilities	<u>15,673,191</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflow Related to Pension Plan	151,412
Deferred Inflow Related to OPEB	5,030
Total Deferred Inflows of Resources	<u>156,442</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets & Lease Assets	24,745,156
Restricted for Capital Projects	2,647,753
Unrestricted	4,660,681
Total Net Position	<u>\$ 32,053,590</u>

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

CITY OF ALAMO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities
	Enterprise Fund
OPERATING REVENUES:	
Charges for Services	\$ 5,564,053
Investment Earnings	19,539
Other Revenue	276,137
Total Operating Revenues	<u>5,859,729</u>
OPERATING EXPENSES:	
Personnel Services - Salaries and Wages	965,587
Personnel Services - Employee Benefits	303,375
Purchased Professional & Technical Services	165,824
Other Operating Costs	1,587,603
Supplies	270,634
Depreciation	623,398
Debt Service	335,642
Total Operating Expenses	<u>4,252,063</u>
Income Before Transfers	1,607,666
Transfers Out	<u>(994,031)</u>
Change in Net Position	613,635
Total Net Position - October 1 (Beginning)	<u>31,439,955</u>
Total Net Position - September 30 (Ending)	<u><u>\$ 32,053,590</u></u>

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

**CITY OF ALAMO, TEXAS**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended September 30, 2022

	<u><b>Water and Sewer Fund</b></u>	
Cash Flows from Operating Activities		
Cash Received from Charges for Services	\$ 5,576,665	
Cash Received from Other Revenue	21,057	\$ 5,597,722
Cash Payments to Wages and Taxes	(1,268,962)	
Cash Payments to Supplies and Other	(2,043,573)	(3,312,535)
<b>Net Cash Provided (Used) by Operating Activities</b>		<u>2,285,187</u>
Cash Flows from Investing Activities:		
Capital Asset Acquisition	(5,463,237)	
Redemption of Investment	19,539	
<b>Net Cash Provided (Used) for Investing Activities</b>		<u>(5,443,698)</u>
Cash Flows from Capital and Related Financing Activities:		
Grant Proceeds	196,482	
Principal Paid	(562,224)	
Debt Service Paid	(335,642)	
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>		<u>(701,384)</u>
Cash Flows from Non-Capital Financing Activities		
Due From (To) Primary Government	(2,893,429)	
Transfer From (To) Other Funds	(994,031)	
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>		<u>(3,887,460)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		(7,747,355)
Cash and Cash Equivalents Beginning of Year		12,832,542
<b>Cash and Cash Equivalents at End of Year</b>		<u><u>5,085,187</u></u>
<i>Reconciliation of Operating Income to net Cash</i>		
<i>Provided (Used) by Operatign Activities:</i>		
Operating Income (Loss)		1,746,826
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities		
Depreciation	623,398	
Change in Asset and Liabilities		
(Increase) Decrease in Receivable	(5,247)	
(Increase) Decrease in Relation to Pension	(119,678)	
Increase (Decrease) in Accounts Payable	(19,512)	
Increase (Decrease) in Customer Deposits	49,592	
Increase (Decrease) in Wages and Salaries Payables	5,982	
Increase (Decrease) in Compensated Absences	3,826	
Total Adjustments		538,361
<b>Net Cash Provided (Used) by Operating Activities</b>		<u><u>\$ 2,285,187</u></u>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

## **Note 1 - Summary of Significant Accounting Policies**

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 financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-body for establishing governmental accounting and financial reporting principles. The more significant accounting policies used by the City are described below.

### **A. Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Alamo, Texas and its component units, entities for which the City is considered to be financially accountable. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. 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 potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

*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.



## **Note 1 - Summary of Significant Accounting Policies - Continued**

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.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Separate financial statements are provided for Governmental Funds and Proprietary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

**Note 1 - Summary of Significant Accounting Policies - Continued**

The City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Basis of Presentation**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate self-balancing set of accounts for its assets, other debits, liabilities, other credits, equity, revenue and expenditures or expenses, as appropriate.

Governmental Funds – Government resources are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

Enterprise Funds – account for operations (1) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## **Note 1 - Summary of Significant Accounting Policies - Continued**

### **Major Governmental Funds**

The City reports the following major Governmental Funds:

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

The Debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The debt service fund is reported as a major fund.

The special revenue funds are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to expenditure for specified purposes. The American Rescue Plan fund is reported as a major fund.

### **Major Proprietary Funds**

The Water & Sewer fund accounts for the provision of water and sewer services to the residents of the City and some residents outside 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.

### **E. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Water and Sewer (Utility) Fund. The Capital Projects Funds adopt project – length budgets. Formal budgetary integration is employed as a management control device during the year for the General and Debt Service, as well as for the Water and Sewer (Utility) Fund. The American Rescue Plan fund, a major special revenue fund, did not have he City Commission accepted the funds by resolution, but no budgetary action was taken to the timing of the receipt of the funds.

**Note 1 - Summary of Significant Accounting Policies - Continued**

Unused appropriations of the above annual budgets lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Budgetary data for Capital Project Funds is budgeted over the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements. Revisions that alter total expenditures within a department must be approved by the City Commission. Therefore, legal level of budgetary responsibility is at the departmental level.

City Management establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year. City Management submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The

operating fund includes proposed expenditures and the means of financing them. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is adopted by the City Commission.

Expenditures may not legally exceed budgeted appropriations at the department level. During the year, several supplementary appropriations were necessary.

**F. Compliance and Accountability**

*Finance-Related Legal and Contractual Provisions*

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

The City did not complete its audit of the financial statements within 120 days after year-end as required by its bond covenants.

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

*i. Cash and Cash Equivalents*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash in all funds, including restricted cash, is pooled into common pooled accounts in order to maximize investment opportunities. 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 is available upon demand and is considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common

**Note 1 - Summary of Significant Accounting Policies – Continued**

pooled accounts that are purchased with a maturity of ninety days or less are also considered to be “cash equivalents”.

Negative balances incurred in pooled cash at year-end are treated as inter-fund receivables of the General Fund and interfund payables of the deficit fund.

*ii. Restricted Assets*

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

**Customer deposit accounts** - Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

**Bond and capital activities** – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or future capital activities.

*iii. Investments*

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the TexPool public fund investment pool (Pool). The Pool meets all of the specified criteria in Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City’s position in the pool is equal to the value of the pooled shares.

*iv. Receivables and Payables*

**Unbilled receivables** – An amount for unbilled revenue is recorded in the Water and Sewer (Utility Fund) for services rendered but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

**Allowance for doubtful accounts** - Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 365 days are subject to being considered as uncollectible.

*v. Inventories*

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

*vi. Interfund Activities and Transactions*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other

**Note 1 - Summary of Significant Accounting Policies – Continued**

funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

*vii. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) 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. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are reflected at their acquisition value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Gains or losses on dispositions of capital assets are included in income within the proprietary fund financial statements and in the governmental activities and business-type activities columns of the government-wide financial statements. In the governmental fund financial statements, only the proceeds from the disposition are reported. Within the proprietary fund, interest cost, less interest earned on investments acquired with proceeds of related borrowing, is capitalized during the construction of capital projects when material. Interest expense is not capitalized on capital assets. Depreciation of capital assets used by proprietary funds, including those acquired by contributed capital, is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements. Depreciation of capital assets used by funds categorized as governmental activities is not provided in the fund financial statements, however, is included in the gross expense by function in the government-wide statement of activities. Capital assets, net of accumulated depreciation, are reported on proprietary fund balance sheets and in both the governmental activities and business-type activities column of the government-wide statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

**Note 1 - Summary of Significant Accounting Policies - Continued**

Improvements	10 - 25 years
Buildings	25 years
Furniture and Equipment	3 - 10 years
Infrastructure	15 - 40 years
Water and Sewer System	15 - 40 years

The right-to-use lease asset capitalization level is determined by the Board. The term of the lease must be the noncancelable period during which the District has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. As of September 30, 2022, the City did not have any leases meeting the requirements to be recognized as right-to-use lease asset.

*viii. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three (4) items that qualify for reporting as deferred outflows of resources, the *Unamortized Discounts on the issuance of long-term debt*, *deferred amount on refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*, each reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the debt instruments exceeds their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions and OPEB are an aggregate of items related to pensions and other post-employment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the net pension liability or OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (3) items that qualify for reporting as deferred inflows of resources. The *Unamortized Premium on the issuance of long-term debt*, *deferred inflows related to pensions and OPEB* are an aggregate of items related to pensions and other postemployment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for*

**Note 1 - Summary of Significant Accounting Policies – Continued**

*Benefits Provided through Trusts That Meet Specified Criteria.* The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years.

*Unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*ix. Compensated Absences*

Accumulated unpaid compensated absences are accrued when incurred in proprietary funds. The liability for governmental funds is recorded only in the governmental activities column of the government-wide financial statements. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in long-term debt. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no accrual is recorded for compensated absences that are dependent on the performance of future services by employees or when payments are dependent on future events outside the control of the employer and employees. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

*x. Long-Term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.



**Note 1 - Summary of Significant Accounting Policies - Continued**

*xi. Pensions*

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City'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. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

*xii. Other Post-Employment Benefits (OPEB)*

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This measure is used for purposes of measuring the total OPEB liability, deferred outflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the applicable OPEB's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Information regarding the City's total OPEB liability related to the TMRS Supplemental Death Benefit is obtained from TMRS through a report prepared by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

*xiii. Categories and Classification of Fund Equity*

*Net position flow assumption* – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance flow assumptions* – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of

**Note 1 - Summary of Significant Accounting Policies - Continued**

unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing commission has by resolution authorized the City Manager and the Finance Director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the General Fund.

*xiv. Revenues and Expenditures/Expenses*

*Program revenues* – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Note 1 - Summary of Significant Accounting Policies – Continued**

*Property taxes* – Property taxes attach as an enforceable lien on property as of January 1st. Property taxes are levied as of October 1st. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1st or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

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

xv. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

xvi. *Recently Issued and Implemented Accounting Pronouncements*

- GASB Statement No. 87, Leases – The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The City recognized lease receivables and deferred inflows of resources related to certain lease transactions for which the City is a lessor and included required lease disclosures as a result of implementing this statement.
- GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

**Note 1 - Summary of Significant Accounting Policies – Continued**

- GASB Statement No. 93, Interbank offered rates (LIBOR removal and lease modifications) – The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 98, The Annual Comprehensive Financial Report – The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report.
- GASB Statement No. 99, Omnibus 2022 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement did not apply to the City for the current fiscal year.

The Governmental Accounting Standards Board has issued statement that will become effective in future years. These statements are as follows:

- GASB Statement No. 91, *Conduit Debt Obligations* – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Implementation of this Statement is planned for fiscal year 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

**Note 1 - Summary of Significant Accounting Policies – Continued**

This statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Implementation of this Statement is planned for fiscal year 2023.

- GASB Statement No. 101, *Compensated Absences* – This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

**Note 2 – Detail Notes on all Funds**

**A. 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, 2022, the carrying amount of the City's deposits was \$15,933,805. In addition, the City has \$2,647,753 held in restricted escrow accounts.

The City has two depository Institutions: Frost Bank and Freedom 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.

## **Note 2 – Detail Notes on all Funds**

### **A. Deposits and Investments**

As of September 30, 2022, the City's bank balance of \$16,392,046 was not exposed to custodial credit risk and was fully insured and fully collateralized by \$250,000 FDIC insurance.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City 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. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

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.

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; and Level 3 inputs are significant unobservable inputs.

**Note 2 – Detail Notes on all Funds – Continued**

**A. Deposits and Investments**

As of September 30, 2022, the City held the following fair value measurements:

***Interest Rate Risk***

The investment policy states that no investment shall exceed two years in maturity. By limiting the exposure of its investments by less than two years as reflected in the above schedule, the City reduces its risks to the rising interest rates.

***Credit Risk***

As of September 30, 2022, the investments in Texas CLASS external investment pool was rated AAAm by Moody's Investor Service and Standards and Poor's. The City's investment policy limits authorized investments to certificates of deposits, U.S. Treasuries and federal government agencies, direct obligations of the State of Texas or its agencies,

certain fully collateralized direct repurchase agreements, commercial paper – 270 day limit, or any investment allowed under the Public Funds Investment Act with prior approval of the City Commission.

***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, collateralize 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.

***Public Funds Investment Pools***

Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), is an investment pool (local government investment pool) for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. Texas CLASS reports its financial statements in accordance with Financial Accounting Standards Board

(FASB) and follows ASC 820 "Fair Value Measurement and Disclosure Requirements" in reporting its investments. For pricing and redeeming shares, Texas CLASS maintains a stable net asset value (NAV) of \$1 per share using the fair value method.

**Note 2 – Detail Notes on all Funds**

**A. Deposits and Investments**

For financial reporting purposes, the City and component units reported amounts for investment pools of \$6,700,588 and \$1,367,337 respectively, in cash and cash equivalents on the Statement of Net Position as of September 30, 2022. There were no unfunded commitments as of September 30, 2022, and amounts reported in the investment pool had a daily redemption frequency and do not require prior notice for redemption.

The City's Investments as September 30, 2022, are shown below:

Reported At	Description	Reported Amount	Weighted Average Maturity (days)	Standard & Poor's Rating	Concentration of Credit Risk
Market	TexPool				
Value	Investment Fund	\$8,067,926	37	AAA-m	0.00%

A reconciliation of cash and investments is as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	\$ 13,496,373	\$ 2,437,434	\$ 15,933,807
Restricted cash	-	2,647,753	2,647,753
Money Market	6,514,232	1,553,693	8,067,925
	<u>\$ 20,010,605</u>	<u>\$ 6,638,880</u>	<u>\$ 26,649,486</u>



City of Alamo, Texas  
Notes to the Basic Financial Statements

**Note 2 – Detail Notes on all Funds**

**B. Disaggregation of Receivables**

Receivables as of September 30, 2022, consist of the following:

	Taxes	Fines Receivable	Utility	Due From Other Governments	Other	Total Receivables
<b>Governmental Funds:</b>						
General Fund	\$ 1,207,172	\$ 499,693	\$ 276,484	\$ 160,665	\$ 35,167	\$ 2,179,181
Urban County Program	-	-	-	574,272	-	574,272
Hotel/Motel Fund	-	-	-	-	144,601	144,601
AEDC	243,763	-	-	-	420,665	664,428
Debt Service Fund	70,176	-	-	-	-	70,176
Allowance for Uncollectible	(46,185)	(249,847)	-	-	-	(296,032)
Total - Governmental Activities	\$ 1,474,926	\$ 249,847	\$ 276,484	\$ 734,937	\$ 600,433	\$ 3,336,627
<b>Business-Type activities:</b>						
Water & Sewer Fund	\$ -	\$ -	\$ 706,181	\$ -	\$ -	\$ 706,181
Allowance for Uncollectible	-	-	(208,654)	-	-	(208,654)
Total Water & Sewer Fund	\$ -	\$ -	\$ 497,527	\$ -	\$ -	\$ 497,527

Property tax revenues are recognized when they become available in the fund statements. Available includes those property tax receivables expected to be collected within sixty days after year end.

**C. Disaggregation of Other Liabilities**

As of September 30, 2022, the City had the following other liabilities:

Payable to	Governmental Activities	Business-Type Activities	Total
Accounts Payable	\$ 663,014	\$ -	\$ 663,014
Wages and Salaries Payable	30,962	13,667	44,629
Accrued Interest Payable	-	17,447	17,447
Other Current Liabilities	632,793	19,859	652,652
Total Liabilities			<u>\$ 1,377,742</u>

**Note 2 – Detail Notes on all Funds - Continued**

**D. Interfund Receivables and Transfers**

Inter-fund balances as of September 30, 2022, consisted of the following individual fund receivables and payables:

	Due from				
	General Fund	Economic Development	ARPA Fund	Water & Sewer Fund	Totals
<b>Due To</b>					
General Fund		\$ 86,323	\$ 96,965	\$ 76,928	\$ 260,215
ARPA	-	-	-	-	-
Hotel Fund	4,504	-	-	-	4,504
Total Governmental Funds	4,504	86,323	96,965	76,928	264,719
Water & Sewer Fund					
Total Enterprise Funds	3,591	-	197,720	-	201,311
Total	\$ 8,095	\$ 86,323	\$ 294,685	\$ 76,928	\$ 466,030

The City reports interfund transfers between many of its funds. Interfund transfers for the year ended September 30, 2022, consisted of the following:

	Transfers Out				
	General Fund	Economic Development	ARPA Fund	Hotel/Motel	Water & Sewer Fund
<b>Transfers In</b>					
General Fund		\$ 100,946	\$ -		\$ 350,000
Economic Development	-	-	-	-	644,031
Debt Service Funds	-	320,741	-	-	-
TIRZ Fund	116,221	-	-	-	-
Total Governmental Funds	116,221	421,687	-	-	994,031
Water & Sewer Fund					
Total Enterprise Funds	-	-	-	-	-
	\$ 116,221	\$ 421,687	\$ -	\$ -	\$ 994,031
					\$ 1,531,939

**Note 2 – Detail Notes on all Funds - Continued**

**E. Notes Receivable – AEDC Blended Component Unit**

In an effort to provide local economic development and stimulate business and commercial activity within the City of Alamo the Alamo Economic Development Corporation has accepted notes from various businesses. These notes provide assistance to small emerging private business in the City of Alamo. These notes are funded from a \$750,000 Intermediary Relending Loan from USDA. The balance in notes receivables at September 30, 2022 is \$418,777.

	Balance 9/30/2021	Additions	Retirements	Balance 9/30/2022
<b>IRP Loans</b>				
The Orginal Willies's Inc. \$140,000 loan on May 19, 2016, at 5.00% inteerest with maturity on August 1, 2026	\$ 75,551	\$ -	\$ 14,189	\$ 61,362
Speedway Performance Motors, LLC \$65,000 Loan on March 21, 2017, at 5.00% Interest with maturiy on April 1, 2027	42,637	-	42,637	-
ANAB Services \$75,000 Loan on March 25, 2021 at 4.00% interest with maturity on March 25, 2024	63,115	-	24,493	38,622
Landmark on Tower, LLC \$187,000 Loan on August 10, 2021, at 4.00% interest with maturiy on January 10,2032	187,000	-	14,759	172,241
Melina Lerma \$150,000 Loan on October 14, 2021, at 4.00% interest with maturiy October 14, 2031	-	150,000	4,746	145,254
Total IRP Loans	368,303	150,000	100,824	417,479
<b>RBEG Loans</b>				-
S & G Auto Sales, LLC \$5,000 loan on September 9 2020 at 5.00% interest with maturity on March 1, 2023	3,797	-	2,499	1,298
Total RBEG Loans	3,797	-	2,499	1,298
<b>Total Loans</b>	<u>\$ 372,100</u>	<u>\$ 150,000</u>	<u>\$ 103,323</u>	<u>\$ 418,777</u>

**Note 2 – Detail Notes on all Funds - Continued**

**F. Deferred Inflows and Unearned Revenues**

Governmental funds defer revenue recognition with resources that have been received, but not yet earned. As of September 30, 2022, the various components of deferred revenue and unearned revenue reported in the fund financials statements were as follows:

1. Deferred Inflows of Resources

Deferred Inflows Description	General Fund	Debt Service Fund	Total
Property Taxes	\$ 352,507	\$ 59,164	\$ 411,671
Court Fines	249,847	-	249,847
Total Deferred Inflows for Primary Government	\$ 602,354	\$ 59,164	\$ 661,518

2. Unearned Revenues

Unearned Revenues Description	Urban County	ARPA	Asset Forfeiture	Alamo Economic Development Corp.	Total
Intergovernmental Grants	\$ 574,272	\$ 4,644,608	\$ -	\$ -	\$ 5,218,880
Asset Forfeiture	-	-	5,181	-	5,181
Total Unearned Revenues	\$ 574,272	\$ 4,644,608	\$ 5,181	\$ -	\$ 5,224,061

**Note 2 – Detail Notes on all Funds - Continued**

**G. Capital Assets**

Capital asset activity for the year ended September 30, 2022, is as follows:

	<b>Balance 10/1/2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 9/30/2022</b>
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land and right of way	\$ 1,731,590	\$ -	\$ -	\$ 1,731,590
Construction in Progress	-	280,066	-	280,066
Total capital assets, not being depreciated	1,731,590	280,066	-	2,011,656
Capital assets, being depreciated				
Buildings and Improvement	13,168,533	-	-	13,168,533
Vehicles	3,903,391	337,703	(127,743)	4,113,351
Machinery and Equipment	3,082,383	416,166	-	3,498,549
Infrastructure	16,800,369	-	-	16,800,369
Total capital assets, being depreciated	36,954,676	1,033,935	(127,743)	37,580,802
Less: accumulated depreciation for	(14,754,265)	(1,089,189)	120,330	(15,723,124)
Total capital assets, being depreciated, net	22,200,411	(55,255)	(7,413)	21,857,678
Governmental activities, capital assets, net	<u>\$ 23,932,001</u>	<u>\$ 224,811</u>	<u>\$ (7,413)</u>	<u>\$ 23,869,334</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land and right of way	\$ 2,943,078	\$ -	\$ -	\$ 2,943,078
Construction in Progress	9,595,338	5,309,513	-	14,904,851
Total capital assets, not being depreciated	12,538,416	5,309,513	-	17,847,929
Capital assets, being depreciated				
Building and Improvements	4,838,176	-	-	4,838,176
Vehicles	233,119	60,724	-	293,844
Machinery and Equipment	1,974,735	93,000	-	2,067,735
Infrastructure	26,221,471	-	-	26,221,471
Total capital assets, being depreciated	33,267,502	153,724	-	33,421,227
Less: accumulated depreciation for	(10,410,092)	(623,399)	-	(11,033,491)
Total capital assets, being depreciated, net	22,857,410	(469,675)	-	22,387,736
Business-type activities, capital assets, net	<u>35,395,826</u>	<u>4,839,838</u>	<u>-</u>	<u>40,235,665</u>
Total capital assets, net	<u>\$ 59,327,827</u>	<u>\$ 5,064,649</u>	<u>\$ (7,413)</u>	<u>\$ 64,104,998</u>

**Note 2 – Detail Notes on all Funds – Continued**

**D. Capital Assets - Continued**

For the year ended September 30, 2022, depreciation expense was charged to governmental and business-type activities functions of the primary government as follows:

Governmental Activities	
General Government	\$ 228,775
Public Safety	350,727
Public Works	407,762
Culture and Recreation	101,925
Total depreciation - governmental activities	<u>\$ 1,089,189</u>
Business-type Activities	
Water/Sewer	\$ 623,399
Total depreciation - business-type activities	<u>\$ 623,399</u>

**E. Long-Term Liabilities**

General Obligation Bonds

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Certificates of obligation have been issued for general government activities as well as business-type (proprietary) activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the City.

**Governmental Activities**

Refunding Bonds

In fiscal year ending 2022, the City refunded the following:

Bond Series 2012-A	\$ 3,730,000
Bond Series 2013	1,020,000
Total Bond Series 2021	<u>\$ 4,750,000</u>

The City issued \$4,495,000 in Texas General Obligation Refunding Bonds- Series 2021 to provide resources to cover the costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The aggregate difference between the refunding debt and refunded debt is \$255,000.

As of September 30, 2022, \$4,750,000 of outstanding bonds is considered to be defeased.

City of Alamo, Texas  
Notes to the Basic Financial Statements

**Note 2 – Detail Notes on all Funds – Continued**

**E. Long-Term Liabilities**

The City's bond issuances for governmental activities are as follows:

Governmental Activities

Description	Original Issue	Final Maturity	Coupon Rate	Original Issue	Outstanding Balance 9/30/2022
Bond Series 2012 - A	12/1/2012	2/15/2032	2.00%-3.00%	7,075,000	-
Bond Series 2013	1/15/2013	2/15/2026	2.00%-3.00%	3,835,000	-
Bond Series 2019	10/23/2019	2/15/2040	3.00%-4.00%	5,590,000	4,185,000
Bond Series 2021	12/16/2021	2/15/2032	3.00%-4.00%	4,495,000	4,495,000
				<u>\$ 20,995,000</u>	<u>\$ 8,680,000</u>

Deferred Outflow/Inflow of Resources	Beginning Balance 10/01/20	Issued Current	Retired Current	Ending Balance 09/30/2021
Unamortized Premium/Discount	\$ (656,956)	\$ (426,187)	\$ 76,855	\$ (1,006,289)
Unamortized Loss on Refunding Debt	99,148	71,188	17,067	153,269

	Balance 10/1/2021	Increase	Decrease	Bond Defeasance	Balance 9/30/2022	Due in One Year
<b><i>Bonds</i></b>						
Bond Series 2012 - A	4,140,000	-	(410,000)	(3,730,000)	-	-
Bond Series 2013	1,255,000	-	(235,000)	(1,020,000)	-	-
Bond Series 2019	4,645,000		(460,000)		4,185,000	610,000
Bond Series 2021	-	4,495,000	-	-	4,495,000	470,000
Total Governmental Bonds	<u>10,040,000</u>	<u>4,495,000</u>	<u>(1,105,000)</u>	<u>(4,750,000)</u>	<u>8,680,000</u>	<u>1,080,000</u>

**Note 2 – Detail Notes on all Funds – Continued**

**E. Long-Term Liabilities**

The annual debt service requirements to maturity for governmental and activities long-term debt obligations are as follows:

Fiscal Years Ending September 30,	Principal	Interest	Total
2023	\$ 1,080,000	\$ 176,806	\$ 1,256,806
2024	1,135,000	159,762	1,294,762
2025	1,180,000	137,394	1,317,394
2026	1,090,000	114,426	1,204,426
2027	865,000	90,463	955,463
All years thereafter	3,330,000	392,518	3,722,518
<b>Total</b>	<b>8,680,000</b>	<b>1,071,368</b>	<b>9,751,368</b>

**Loan Payable**

Alamo Economic Development Corporation \$750,000 USDA Intermediary Relending Loan which will be for a term of 30 years and will be amortized at the rate of 1% interest, created November 15, 2010, principal payments were deferred for a period of 2 years.

Changes for the year ended September 30, 2022, were as follows:

Economic Development Corporation	Balance 9/30/2021	Increase	Decrease	Balance 9/30/2022	Due Within One Year
Loan Payable	\$ 553,556	\$ -	\$ 25,551	\$ 528,005	\$ 25,806
Accrued Interest	4,629	4,406	4,629	4,406	4,406
<b>Total</b>	<b>\$ 558,185</b>	<b>\$ 4,406</b>	<b>\$ 30,180</b>	<b>\$ 532,411</b>	<b>\$ 30,212</b>

The annual debt service requirements to maturity for the loan payable outstanding is as follows:

Fiscal Years Ending September 30,	Principal	Interest	Total
2023	\$ 25,807	\$ 5,041	\$ 30,848
2024	26,065	4,783	30,848
2025	26,325	4,523	30,848
2026	26,588	4,259	30,848
2027	26,854	3,993	30,848
All years thereafter	396,365	27,064	423,430
	<b>528,005</b>	<b>49,664</b>	<b>577,669</b>



**Note 2 – Detail Notes on all Funds – Continued**

**E. Long-Term Liabilities – Continued**

Capital Leases

\$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.

\$ 64,856

The annual debt service requirements to maturity for the loan payable outstanding is as follows:

Fiscal Years Ending September 30,	Principal	Interest	Total
2023	31,932	1,754	33,686
2024	32,924	762	33,686
Total	64,856	2,516	67,372

**Business-Type Activities**

The City's bond issuances for business-type activities are as follows:

Business-Type Activities

Description	Original Issue	Final Maturity	Coupon Rate%	Original	Outstanding Balance 9/30/2022
Bond Series 2012	4/2/2012	3/1/2022	0.008%-2.48%	\$ 279,000	\$ -
Bond Series 2017	3/30/2017	3/1/2037	.120%-2.87%	1,000,000	775,000
Bond Series 2018	10/4/2017	3/1/2047	0.73%-2.19%	10,335,000	9,915,000
				<u>\$ 11,614,000</u>	<u>\$ 10,690,000</u>

	Beginning Balance 10/01/2021	Issued Current	Retired Current	Ending Balance 9/30/2022
Deferred Outflow/Inflow of Resources				
Unamortized Premium / Discount	\$ 179,970	\$ -	\$ 7,281	\$ 172,689

Business-Type Activities	Balance 9/30/2021	Additions	Reductions	Ending Balance	Amount Due within One Year
Water & Sewer Fund					
Bonds Payable	10,983,000	-	(293,000)	10,690,000	275,000
Total Business-Type Bonds	<u>10,983,000</u>	<u>-</u>	<u>(293,000)</u>	<u>10,690,000</u>	<u>275,000</u>

**Note 2 – Detail Notes on all Funds – Continued**

**E. Long-Term Liabilities – Continued**

The annual debt service requirements to maturity for business-type long-term debt obligations are as follows:

Fiscal Years Ending September 30,	Principal	Interest	Total
2023	\$ 265,000	\$ 207,401	\$ 472,401
2024	275,000	203,671	478,671
2025	280,000	199,439	479,439
2026	290,000	194,666	484,666
2027	305,000	188,654	493,654
All years thereafter	9,275,000	2,056,169	11,331,169
<b>Total</b>	<b>\$ 10,690,000</b>	<b>\$ 3,050,000</b>	<b>\$ 13,740,000</b>

Capital Leases

\$4,470,386 lease payable; due in semi-annual payments of \$188,702, including interest, through October 1, 2036; interest at 2.02%. All funds used to purchase Schneider AMI Meters

\$4,214,011

<b>Business-Type Activities</b>	2021	Additions	Reductions	Ending Balance	Amount Due within One Year
Water & Sewer Fund					
Capital Leases	4,483,235		(269,224)	4,214,011	192,604
<b>Total Business-Type Leases</b>	<u>4,483,235</u>	<u>-</u>	<u>(269,224)</u>	<u>4,214,011</u>	<u>192,604</u>

The annual debt service requirements to maturity for business-type capital leases are as follows:

Fiscal Years Ending September 30,	Principal	Interest	Total
2023	\$ 192,604	\$ 84,155	\$ 276,759
2024	204,763	80,204	284,967
2025	217,415	76,004	293,419
2026	230,580	71,546	302,126
2027	244,274	66,819	311,093
All years thereafter	3,124,376	340,867	3,465,243
<b>Total</b>	<b>4,214,011</b>	<b>719,594</b>	<b>4,933,606</b>

### **Note 3 – Defined Benefit – Pension Plan - TMRS**

#### ***Plan Description***

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

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

#### ***Benefits Provided***

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

At retirement, the benefits are calculated as if the sum of the employee's contributions, with interest, and the city-financing monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

#### ***Employees covered by benefit terms***

	TMRS
Inactive employees or beneficiaries currently receiving benefits	49
Inactive employees entitled to but no yet receiving benefits	143
Active employees	152
Total participants	344

#### ***Contributions***

The contribution rates for employees in TMRS is 7% of employee gross earnings, and the City matching percentages is 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

**Note 3 – Defined Benefit – Pension Plan – TMRS - Continued**

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 were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.40% and 6.40% in calendar year 2021 and 2022 respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$388,686 and were equal to the required contributions.

***Net Pension Liability***

The City's Net Pension Liability was measured as of December 31, 2021, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Schedule of Actuarial Assumptions

Valuation Date	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increase	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table based on 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 Assumption	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(1) 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.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index). A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the City's fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan

**Note 3 – Defined Benefit – Pension Plan – TMRS - Continued**

investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e. the employer normal cost).

***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.

	Pension Liability (Asset) (a)	Fiduciary Net Position (b)	Pension Liability (Asset) (a) - (b)
Balance at December 31, 2020	\$ 12,298,193	\$ 11,893,405	\$ 404,788
Changes for the year:			
Service Cost	548,211	-	548,211
Interest	831,658	-	831,658
Change of benefit terms	-	-	-
Difference between expected and actual experience	(9,792)	-	(9,792)
Changes of assumptions	-	-	-
Contributions - employer	-	340,570	(340,570)
Contributions - employee	-	274,655	(274,655)
Net investment income	-	1,551,737	(1,551,737)
Benefit payments, including refunds of employee contributions	(502,867)	(502,867)	-
Administrative expense	-	(7,174)	7,174
Other Changes	-	49	(49)
Net Changes	867,210	1,656,970	(789,760)
<b>Balance at December 31, 2021</b>	<b>\$ 13,165,403</b>	<b>\$ 13,550,375</b>	<b>\$ (384,972)</b>

**Note 3 – Defined Benefit – Pension Plan – TMRS - Continued**

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

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

**Note 3 – Defined Benefit – Pension Plan – TMRS - Continued**

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 1,746,118	\$ (384,972)	\$ (2,093,520)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions***

For the year ended September 30, 2022, the City recognized pension income in the amount of \$118,741.

At September 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 213,696
Changes in actuarial assumptions	\$ 26,184	\$ -
Differences between projected and actual investment earnings (net of current year amortization)	\$ -	\$ 795,716
Contributions subsequent to the measurement date	286,883	
Total	\$ 313,067	\$ 1,009,412

**Note 3 – Defined Benefit – Pension Plan – TMRS - Continued**

\$286,883 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions expense as follows:

Fiscal Year Ending September 30,	
2023	\$ (284,020)
2024	\$ (371,508)
2025	\$ (177,912)
2026	\$ (149,788)
2027	\$ -
Thereafter	\$ -

**Note 4 – Other Post Employment Benefits**

***Plan Description***

The City also participates in a single-employer, defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other post employment 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 considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

***Employees Covered by Benefit Terms***

	TMRS
Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but no yet receiving benefits	11
Active employees	128
Total participants	197

**Note 4 – Other Post Employment Benefits – Continued**

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Summary of Actuarial Assumptions:**

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount rate*	1.84%
Retirees' share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under requirements of GASB no. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to floor.

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

***Total OPEB Liability***

Employees for the City of Alamo were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.40% and 6.40% in calendar 2021 and 2022 respectively. The City's contributions to TMRS for year ended September 30, 2022 were \$11,840, and were equal to the required Contributions.



**Note 4 – Other Post Employment Benefits - Continued**

	<u>OPEB Liability</u>
Balance at December 31, 2020	\$ 342,349
Changes for the year:	
Service Cost	28,015
Interest	7,067
Change in benefit terms	-
Difference between expected and actual experience	(14,680)
Changes in assumptions	12,229
Benefit payments, including refunds of employee contributions	<u>(6,042)</u>
Net Changes	<u>26,589</u>
<b>Balance at December 31, 2021</b>	<b><u>\$ 368,938</u></b>

***Sensitivity of the Total OPEB Liability to Changes in the Discount rate***

The following presents the total OPEB liability of the City, Calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (0.84) or 1 Percentage higher (2.84) than the current rate.

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net OPEB liability	\$ 460,440	\$ 368,938	\$ 300,271

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

For the year ended September 30, 2022 the City recognized OPEB expense in the amount of \$45,414.

**Note 4 – Other Post Employment Benefits - Continued**

At September 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,304	\$ 26,846
Changes in assumptions and other inputs	79,543	6,690
Differences between projected actual investment earnings (net of current year amortization)	-	-
Contributions made subsequent to measurement date	10,213	-
Total	<u>\$ 92,060</u>	<u>\$ 33,536</u>

\$10,213 of deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2023	\$ 10,332
2024	\$ 10,332
2025	\$ 9,646
2026	\$ 9,757
2027	\$ 8,439
Thereafter	\$ (195)

**Note 5– 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

**Note 5– Urban County- Continued**

incurred by those cities. The City received \$280,066 for expenses incurred between October 1, 2021 to September 30, 2022.

**Note 6- Commitments and Contingencies**

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.

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.

Litigation

The City is involved in litigation claims against it from time to time that are generally incidental to its operations. However, it is the opinion of the City's management that the City's liability in those cases that are not covered by liability insurance will not be material to the financial statements for these contingent liabilities. As of September 30, 2022, the City was a defendant in various lawsuits as to which the ultimate resolution and possibility of any unfavorable outcome is not yet determinable. At the present time, the City does not anticipate any material losses as a result of these lawsuits.

**Note 7 – Risk Management**

The City of Alamo is exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors-and-omissions; catastrophes, and medical claims by employees; job-related illnesses and injuries and pollution claims for which the City carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or

**Note 7 – Risk Management- Continued**

jury awards have exceeded policy limits in any of the past three years. The City is member of an intergovernmental risk pool.

The risk pool is an interlocal non-assessable agency with present unreserved resources in excess of \$357,000,000 (as of September 30, 2022, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A- and above rated companies in amounts ranging from \$10,000,000 to 275,000,000 depending on the type of insurance coverage. City management is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

**Note 8 – Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 26, 2023, and the determined there were no other events other than the one listed above that would require disclosure.

## **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  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Plan Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 548,211	\$ 518,533	\$ 519,378	\$ 484,744	\$ 436,093	\$ 433,217	\$ 425,360	\$ 377,477
Interest (on the total pension liability)	831,658	787,423	732,247	714,270	673,375	628,448	601,851	559,416
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(9,792)	(171,473)	(24,177)	(482,533)	(167,328)	(134,575)	(5,511)	(50,144)
Change of assumptions	-	-	71,592	-	-	-	15,891	-
Benefit payments, including refunds of employee contributions	(502,867)	(485,104)	(477,275)	(457,687)	(263,521)	(262,383)	(395,703)	(213,261)
<b>Net Change in Total Pension Liability</b>	<b>867,210</b>	<b>649,379</b>	<b>821,765</b>	<b>258,794</b>	<b>678,619</b>	<b>664,707</b>	<b>641,888</b>	<b>673,488</b>
<b>Total Pension Liability - Beginning</b>	<b>12,298,193</b>	<b>11,648,814</b>	<b>10,827,049</b>	<b>10,568,255</b>	<b>9,889,636</b>	<b>9,224,929</b>	<b>8,583,041</b>	<b>7,909,553</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 13,165,403</b>	<b>\$ 12,298,193</b>	<b>\$ 11,648,814</b>	<b>\$ 10,827,049</b>	<b>\$ 10,568,255</b>	<b>\$ 9,889,636</b>	<b>\$ 9,224,929</b>	<b>\$ 8,583,041</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 340,570	\$ 361,446	\$ 359,136	\$ 349,681	\$ 336,920	\$ 331,899	\$ 331,056	\$ 318,951
Contributions - employee	274,655	262,681	259,949	245,564	221,367	218,355	217,242	216,594
Net investment income	1,551,737	830,178	1,447,037	(284,902)	1,121,988	494,584	10,566	370,245
Benefit payments, including refunds of employee contributions	(502,867)	(485,104)	(477,275)	(457,687)	(263,521)	(262,383)	(395,703)	(213,261)
Administrative expense	(7,174)	(5,368)	(8,167)	(5,501)	(5,812)	(5,583)	(6,434)	(3,865)
Other	49	(208)	(245)	(287)	(295)	(318)	(318)	(318)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,656,970</b>	<b>963,625</b>	<b>1,580,435</b>	<b>(153,132)</b>	<b>1,410,647</b>	<b>776,554</b>	<b>156,409</b>	<b>688,346</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>11,893,405</b>	<b>10,929,781</b>	<b>9,349,347</b>	<b>9,502,479</b>	<b>8,091,832</b>	<b>7,315,261</b>	<b>7,158,853</b>	<b>6,470,507</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 13,550,375</b>	<b>\$ 11,893,406</b>	<b>\$ 10,929,782</b>	<b>\$ 9,349,347</b>	<b>\$ 9,502,479</b>	<b>\$ 8,091,815</b>	<b>\$ 7,315,262</b>	<b>\$ 7,158,853</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ (384,972)</b>	<b>\$ 404,787</b>	<b>\$ 719,032</b>	<b>\$ 1,477,702</b>	<b>\$ 1,065,776</b>	<b>\$ 1,797,821</b>	<b>\$ 1,909,667</b>	<b>\$ 1,424,188</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>102.92%</b>	<b>96.71%</b>	<b>93.83%</b>	<b>86.35%</b>	<b>89.92%</b>	<b>81.82%</b>	<b>79.30%</b>	<b>83.41%</b>
<b>Covered Payroll</b>	<b>\$ 5,493,101</b>	<b>\$ 5,253,626</b>	<b>\$ 5,198,981</b>	<b>\$ 4,911,287</b>	<b>\$ 4,427,336</b>	<b>\$ 4,367,106</b>	<b>\$ 4,367,106</b>	<b>\$ 3,998,291</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>-7.01%</b>	<b>7.70%</b>	<b>13.83%</b>	<b>30.09%</b>	<b>24.07%</b>	<b>41.17%</b>	<b>43.73%</b>	<b>35.62%</b>

CITY OF ALAMO  
SCHEDULE OF CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Fiscal Year Ended September 30,					
	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 388,686	\$ 340,570	\$ 361,446	\$ 359,136	\$ 349,681	\$ 336,920
Contributions in relation to actuarially determined contribution	<u>(388,686)</u>	<u>(340,570)</u>	<u>(361,446)</u>	<u>(359,136)</u>	<u>(349,681)</u>	<u>(336,920)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,284,101	\$ 5,493,101	\$ 5,253,636	\$ 5,198,981	\$ 4,911,287	\$ 4,427,336
Contributions as a percentage of covered payroll	6.19%	6.20%	6.88%	6.91%	7.12%	7.61%

CITY OF ALAMO  
NOTES TO SCHEDULE OF CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table based on rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(1) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:** There were no benefit changes during the year.



CITY OF ALAMO  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Plan Year Ended December 31,				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 28,015	\$ 21,540	\$ 18,716	\$ 17,681	\$ 14,167
Interest (on the total OPEB liability)	7,067	7,801	7,572	7,137	6,764
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(14,680)	(6,252)	3,852	(20,848)	-
Change of assumptions	12,229	47,390	50,125	(13,978)	15,866
Benefit payments, including refunds of employee contributions	(6,042)	(2,101)	(2,080)	(1,965)	(1,771)
<b>Net Change in Total OPEB Liability</b>	<u>26,589</u>	<u>68,378</u>	<u>78,185</u>	<u>(11,973)</u>	<u>35,026</u>
<b>Total OPEB Liability - Beginning</b>	<u>342,349</u>	<u>273,971</u>	<u>195,786</u>	<u>207,759</u>	<u>172,733</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 368,938</u></u>	<u><u>\$ 342,349</u></u>	<u><u>\$ 273,971</u></u>	<u><u>\$ 195,786</u></u>	<u><u>\$ 207,759</u></u>
 <b>Covered Payroll</b>	 \$ 5,493,101	 \$ 5,253,626	 \$ 5,198,981	 \$ 4,911,287	 \$ 4,427,336
 <b>Total OPEB Liability as a Percentage of Covered Payroll</b>	 6.72%	 6.52%	 5.27%	 3.99%	 4.69%

CITY OF ALAMO  
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	N/A
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	2.00%
Retirement Age	N/A
Mortality	Service retirees: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**Other Information:**

There were no benefit changes during the year.

CITY OF ALAMO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes		<div>Budgeted Amounts</div>		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 3,746,500	\$ 4,031,949	\$ 3,951,944	\$ (80,005)
5120	General Sales and Use Taxes	3,736,600	4,188,224	4,176,990	(11,234)
5170	Franchise Tax	555,000	555,000	633,832	78,832
5180	Other Taxes	1,000	1,000	15,670	14,670
5190	Penalty and Interest on Taxes	95,000	95,000	88,880	(6,120)
5200	Licenses and Permits	238,600	473,600	279,346	(194,254)
5300	Intergovernmental Revenue and Grants	95,000	461,000	710,797	249,797
5400	Charges for Services	2,756,514	2,756,514	3,032,394	275,880
5510	Fines	385,350	385,350	237,377	(147,973)
5610	Investment Earnings	8,000	8,000	27,412	19,412
5620	Rents and Royalties	9,000	9,000	3,070	(5,930)
5700	Other Revenue	153,380	153,380	308,487	155,107
5020	Total Revenues	11,779,944	13,118,017	13,466,199	348,182
EXPENDITURES:					
Current:					
0100	General Government	4,856,706	5,196,793	4,839,829	356,964
0200	Public Safety	5,000,865	5,082,083	4,976,485	105,598
0300	Highway and Streets	704,655	838,136	835,321	2,815
0500	Culture and Recreation	1,312,565	1,482,572	1,361,960	120,612
Debt Service:					
0710	Principal on Debt	125,198	125,198	125,195	3
0720	Interest on Debt	3,734	3,734	3,732	2
Capital Outlay:					
0800	Capital Outlay	50,000	874,980	743,207	131,773
6030	Total Expenditures	12,053,723	13,603,496	12,885,729	717,767
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(273,779)	(485,479)	580,470	1,065,949
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	30,000	30,676	676
7915	Transfers In	390,000	571,700	450,946	(120,754)
8911	Transfers Out	(116,221)	(116,221)	(116,221)	-
7080	Total Other Financing Sources (Uses)	273,779	485,479	365,401	(120,078)
1200	Net Change	-	-	945,871	945,871
0100	Fund Balance - October 1 (Beginning)	7,589,283	7,589,283	7,589,283	-
3000	Fund Balance - September 30 (Ending)	\$ 7,589,283	\$ 7,589,283	\$ 8,535,154	\$ 945,871

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## **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, 2022**

	<b>1</b>	<b>2</b>	<b>3</b>
<b>Year Ended September 30,</b>	<b>Tax Rates Maintenance</b>	<b>Debt Service</b>	<b>Assessed/ Appraised Value for City Tax Purposes</b>
2013 & Prior Years	Various	Various	Various
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	0.5014	0.0803	716,527,207
2022	0.5102	0.0715	777,836,331

CITY OF ALAMO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

Data Control Codes		200	201	202	204
		Urban County Fund	Tax Increment Fund	Hotel/Motel Fund	Asset Forfeiture Fund
<b>ASSETS</b>					
1010	Cash and Cash Equivalents	\$ -	\$ 941,827	\$ 39,070	\$ 38,139
1030	Investments - Current	-	-	565,960	-
1050	Taxes Receivable	-	-	-	-
1051	Allowance for Uncollectible Taxes (credit)	-	-	-	-
1150	Accounts Receivable, Net	-	-	144,601	-
1260	Due from Other Governments	574,272	-	-	-
1300	Due from Other Funds	-	-	4,504	-
1000	Total Assets	<u>\$ 574,272</u>	<u>\$ 941,827</u>	<u>\$ 754,135</u>	<u>\$ 38,139</u>
<b>LIABILITIES</b>					
2230	Unearned Revenues	\$ 574,272	\$ -	\$ -	\$ 5,181
2000	Total Liabilities	<u>574,272</u>	<u>-</u>	<u>-</u>	<u>5,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3470	Special Projects	-	941,827	754,135	32,958
3480	Debt Service	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>941,827</u>	<u>754,135</u>	<u>32,958</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 574,272</u>	<u>\$ 941,827</u>	<u>\$ 754,135</u>	<u>\$ 38,139</u>



205 State Forfeiture Fund	Total Nonmajor Special Revenue Funds	500 Debt Service Fund	501 Interest and Series 2013	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
\$ 1,861	\$ 1,020,897	\$ 632,871	\$ 112,283	\$ 745,154	\$ 1,766,051
-	565,960	1,114,178	-	1,114,178	1,680,138
-	-	70,176	-	70,176	70,176
-	-	(7,018)	-	(7,018)	(7,018)
-	144,601	-	-	-	144,601
-	574,272	-	-	-	574,272
-	4,504	-	-	-	4,504
<u>\$ 1,861</u>	<u>\$ 2,310,234</u>	<u>\$ 1,810,207</u>	<u>\$ 112,283</u>	<u>\$ 1,922,490</u>	<u>\$ 4,232,724</u>
\$ -	\$ 579,453	\$ -	\$ -	\$ -	\$ 579,453
<u>-</u>	<u>579,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,453</u>
-	-	59,164	-	59,164	59,164
<u>-</u>	<u>-</u>	<u>59,164</u>	<u>-</u>	<u>59,164</u>	<u>59,164</u>
1,861	1,730,781	-	-	-	1,730,781
-	-	1,751,043	112,283	1,863,326	1,863,326
<u>1,861</u>	<u>1,730,781</u>	<u>1,751,043</u>	<u>112,283</u>	<u>1,863,326</u>	<u>3,594,107</u>
<u>\$ 1,861</u>	<u>\$ 2,310,234</u>	<u>\$ 1,810,207</u>	<u>\$ 112,283</u>	<u>\$ 1,922,490</u>	<u>\$ 4,232,724</u>

CITY OF ALAMO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes	200 Urban County Fund	201 Tax Increment Fund	202 Hotel/Motel Fund	204 Asset Forfeiture Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5180 Other Taxes	-	-	63,552	-
5190 Penalty and Interest on Taxes	-	-	-	-
5300 Intergovernmental Revenue and Grants	280,066	-	-	-
5610 Investment Earnings	-	3,427	4,124	124
5700 Other Revenue	-	182,670	-	40,158
5020 Total Revenues	<u>280,066</u>	<u>186,097</u>	<u>67,676</u>	<u>40,282</u>
EXPENDITURES:				
Current:				
0100 General Government	-	-	102,767	16,534
0200 Public Safety	-	-	-	-
0600 Economic Development	-	92,412	-	-
Debt Service:				
0710 Principal on Debt	-	-	-	-
0720 Interest on Debt	-	-	-	-
0790 Other Debt Service	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	<u>280,066</u>	<u>-</u>	<u>-</u>	<u>10,662</u>
6030 Total Expenditures	<u>280,066</u>	<u>92,412</u>	<u>102,767</u>	<u>27,196</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>93,685</u>	<u>(35,091)</u>	<u>13,086</u>
OTHER FINANCING SOURCES (USES):				
7911 Issuance of Bonds	-	-	-	-
7915 Transfers In	-	116,221	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>116,221</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	209,906	(35,091)	13,086
0100 Fund Balance - October 1 (Beginning)	274,084	731,921	789,226	19,872
1300 Prior Period Adjustment	<u>(274,084)</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 941,827</u>	<u>\$ 754,135</u>	<u>\$ 32,958</u>

205 State Forfeiture Fund	Total Nonmajor Special Revenue Funds	500 Debt Service Fund	501 Interest and Series 2013	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 558,175	\$ -	\$ 558,175	\$ 558,175
-	63,552	-	-	-	63,552
-	-	14,681	-	14,681	14,681
-	280,066	-	-	-	280,066
6	7,681	8,876	559	9,435	17,116
1,489	224,317	8,627	-	8,627	232,944
1,495	575,616	590,359	559	590,918	1,166,534
-	119,301	415	-	415	119,716
10	10	-	-	-	10
-	92,412	-	-	-	92,412
-	-	1,105,000	-	1,105,000	1,105,000
-	-	274,412	-	274,412	274,412
-	-	4,921,188	-	4,921,188	4,921,188
-	290,728	-	-	-	290,728
10	502,451	6,301,015	-	6,301,015	6,803,466
1,485	73,165	(5,710,656)	559	(5,710,097)	(5,636,932)
-	-	4,495,000	-	4,495,000	4,495,000
-	116,221	964,772	-	964,772	1,080,993
-	-	426,188	-	426,188	426,188
-	116,221	5,885,960	-	5,885,960	6,002,181
1,485	189,386	175,304	559	175,863	365,249
376	1,815,479	1,575,739	111,724	1,687,463	3,502,942
-	(274,084)	-	-	-	(274,084)
\$ 1,861	\$ 1,730,781	\$ 1,751,043	\$ 112,283	\$ 1,863,326	\$ 3,594,107

**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, 2022**

	<b>Business Type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Water Sewer Fund</b>	<b>Total Enterprise Fund</b>
<b>Operating Revenues</b>		
Charges for Services	5,564,053	5,024,454
Other revenues	79,655	79,655
<b>Total Operating Revenues</b>	<b>5,643,708</b>	<b>5,104,109</b>
<b>Operating Expenses</b>		
Payments to Employees	1,268,962	846,930
Payments to Supplies and Others	2,024,061	2,335,352
<b>Total Operating expenses</b>	<b>3,293,023</b>	<b>3,182,282</b>
<b>Income Before Non-Operating Revenues (Expenses)</b>	<b>2,350,685</b>	<b>2,350,685</b>
<b>Non-Operating Revenues (Expenses)</b>		
Interest Revenue	19,539	19,539
Federal Grants	196,482	196,482
<b>Net Non-Operating Revenues (Expenses)</b>		
<b>Net Revenue Available for Debt Service</b>	<b>2,566,706</b>	<b>2,566,706</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, 2022**

**With Comparative Totals for September 30, 2021**

<b><u>Governmental Funds Capital Assets</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Land and Right of Way	\$ 1,731,590	\$ 1,731,590
Construction in Progress	280,066	-
Building and Improvements	13,168,533	13,168,533
Vehicles	4,113,348	3,903,391
Machinery and Equipment	3,498,178	3,082,383
Infrastructure	16,800,369	16,800,369
<b>Total Governmental Funds Capital Assets</b>	<b><u>\$ 39,592,084</u></b>	<b><u>\$ 38,686,266</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	2,275,833
General Fund Revenues	11,220,986	10,315,168
<b>Total Investments in Governmental Funds Capital Assets</b>	<b><u>\$ 39,592,084</u></b>	<b><u>\$ 38,686,266</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, 2022**

<b><u>Function and Activity</u></b>	<b>Governmental Funds Capital Assets September 30, 2021</b>	<b>Additions</b>	<b>Reclassifications/D eductions</b>	<b>Governmental Funds Capital Assets September 30, 2022</b>
General Government	\$ 5,907,730	\$ 45,120	\$ -	5,952,850
Public Safety	7,178,948	497,399	127,746	7,548,601
Highways and Streets	16,866,113	460,046	-	17,326,159
Health and Welfare	1,544,779	31,000	-	1,575,779
Culture and Recreation	7,188,694	-	-	7,188,694
	-	-	-	-
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 38,686,264</b>	<b>\$ 1,033,566</b>	<b>\$ 127,746</b>	<b>\$ 39,592,084</b>

**City of Alamo, Texas**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**Year Ended September 30, 2022**

<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	\$ 395,421	\$ -	\$ 5,952,851
Public Safety	-	-	2,087,668	3,137,462	2,323,470	-	7,548,600
Highways and Streets	-	280,066	89,789	524,455	573,448	15,858,402	17,326,160
Health and Welfare	-	-	1,503,677	72,102	-	-	1,575,779
Culture and Recreation	-	-	5,964,715	76,174	205,838	941,967	7,188,694
<b>Total General Fixed Assets</b>	<b>\$ 1,731,590</b>	<b>\$ 280,066</b>	<b>\$ 13,168,532</b>	<b>\$ 4,113,349</b>	<b>\$ 3,498,177</b>	<b>\$ 16,800,369</b>	<b>\$ 39,592,084</b>



## **STATISTICAL SECTION**

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 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	\$ 14,832,643
Restricted	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	7,250,254
Unrestricted	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	7,473,974
<b>Total Governmental Activities Net Position</b>	<b>\$ 18,840,052</b>	<b>\$ 20,358,001</b>	<b>\$ 20,779,374</b>	<b>\$ 20,087,767</b>	<b>\$ 22,011,749</b>	<b>\$ 22,756,375</b>	<b>\$ 23,541,038</b>	<b>\$ 22,558,606</b>	<b>\$ 25,988,971</b>	<b>\$ 29,556,871</b>
<b>Business-Type Activities</b>										
Net Investment in capital assets	\$ 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	\$ 24,745,156
Restricted	-	-	-	-	-	-	10,223,794	10,377,226	7,786,113	2,647,753
Unrestricted	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	4,660,681
<b>Total Business-Type Activities Net Position</b>	<b>\$ 24,207,038</b>	<b>\$ 25,400,431</b>	<b>\$ 25,124,066</b>	<b>\$ 25,114,653</b>	<b>\$ 25,248,253</b>	<b>\$ 25,131,569</b>	<b>\$ 25,750,424</b>	<b>\$ 29,792,059</b>	<b>\$ 31,439,955</b>	<b>\$ 32,053,590</b>
<b>Primary Government</b>										
Net Investment in capital assets	\$ 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	\$ 39,577,799
Restricted	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	9,898,007
Unrestricted	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	12,134,655
<b>Total Primary Government Net Position</b>	<b>\$ 43,047,090</b>	<b>\$ 45,758,432</b>	<b>\$ 45,903,440</b>	<b>\$ 45,202,420</b>	<b>\$ 47,260,002</b>	<b>\$ 47,887,944</b>	<b>\$ 49,291,462</b>	<b>\$ 52,350,665</b>	<b>\$ 57,428,926</b>	<b>\$ 61,610,461</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 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	\$ 5,475,625
Public Safety	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	5,101,058
Highways and streets	791,483	618,237	650,109	742,394	1,107,940	592,114	1,195,126	787,351	988,402	1,199,912
Health and welfare	252,775	255,552	277,341	317,566	298,817	230,586	241,880	204,994	280,531	194,915
Culture and recreation	799,113	832,050	890,470	840,164	930,782	1,109,758	1,223,173	1,051,002	976,155	1,409,463
Interest on long-term debt	401,141	243,693	347,026	363,387	312,456	286,645	259,746	346,482	319,904	323,656
Economic Development	268,008	367,914	421,173	396,258	416,229	256,933	255,005	530,593	391,189	194,462
<b>Total Governmental Activities Net Position</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>\$ 13,899,091</b>
<b>Business-Type Activities</b>										
Water and Sewer	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	4,252,063
<b>Total Business-Type Activities Net Position</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>4,252,063</b>
<b>Total Primary Government Expenses</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>\$ 18,151,154</b>
<b>Program Revenue</b>										
<b>Governmental Activities</b>										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	139,285	151,369	170,208	192,336	216,257	239,556	309,529	365,802	406,035	422,966
Public Safety	563,257	681,410	767,639	802,605	623,525	454,237	543,819	376,549	374,298	419,321
Highways and streets	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	2,679,681
Health and welfare	10,914	19,271	15,643	14,966	14,732	16,205	22,931	17,319	18,154	-
Culture and recreation	76,342	96,181	101,742	89,162	139,442	127,697	127,617	60,252	122,922	33,498
Operating grants and contributions	519,801	383,318	392,832	314,057	1,239,115	463,046	678,895	2,781,730	1,091,078	1,284,549
Capital grants and contributions	-	195,000	-	-	-	-	-	-	-	-
<b>Total Primary Governmental Activities</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>\$ 4,840,015</b>
<b>Business-Type Activities</b>										
Charges for services	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	5,564,053
Operating grants and contributions	-	-	-	-	-	-	-	-	-	196,482
Capital grants and contributions	1,992,606	956,583	38,450	-	-	-	-	-	994,347	-
<b>Total Business-Type Activities Program Revenues</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>5,760,535</b>
<b>Total Primary Government Program Expenses</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>\$ 10,600,550</b>
<b>Net (expense)/revenue</b>										
Governmental Activities	\$ (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)	\$ (9,059,076)
Business-Type Activities	2,868,750	1,739,181	742,792	564,868	584,648	389,541	587,090	938,283	2,642,854	1,508,472
<b>Total Primary Government Net Expense</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>	<b>\$ (7,550,604)</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenue and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Taxes										
Property taxes	\$ 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	\$ 4,382,309
Sales taxes	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	5,569,320
Franchise taxes	497,435	511,976	514,954	526,425	537,167	557,694	575,790	572,112	598,554	633,832
Hotel/motel taxes	135,899	131,149	130,731	120,183	96,008	90,228	107,966	41,048	94,454	79,222
Investment earning	52,794	42,343	39,591	40,722	65,424	128,358	172,097	64,796	12,778	86,013
Miscellaneous	50,863	132,171	155,547	111,836	207,947	159,342	230,297	265,213	258,360	668,864
Grants and contribution not restricted	-	-	-	-	-	-	13,118	26,225	19,309	-
Transfers	373,324	549,300	956,213	549,300	549,300	549,300	350,923	(2,990,674)	996,658	994,031
<b>Total Governmental Activities</b>	<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>	<u>\$ 12,413,591</u>
<b>Business-Type Activities</b>										
Investment earning	\$ 1,504	\$ 879	\$ 1,106	\$ 5,554	\$ 16,711	\$ 47,537	\$ 218,129	\$ 82,352	\$ 1,699	\$ 99,193
Miscellaneous	-	2,633	-	-	1,650	-	-	-	-	-
Transfers	(373,324)	(549,300)	(956,213)	(549,300)	(549,300)	(549,300)	(350,923)	2,990,674	(996,658)	(994,031)
<b>Total Business-Type Activities</b>	<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>	<u>(894,838)</u>
<b>Total Primary Government</b>	<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>	<u>\$ 11,518,753</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 797,112	\$ 1,517,949	\$ 1,462,559	\$ (298,197)	\$ 1,469,342	\$ 913,408	\$ 426,788	\$ (623,343)	\$ 3,430,653	\$ 3,354,515
Business-Type Activities	2,496,930	1,193,393	(212,315)	21,122	53,709	(112,222)	454,296	4,011,309	1,647,895	613,634
<b>Total Primary Government</b>	<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>	<u>\$ 3,968,149</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,397,945	4,263,616	4,657,972	4,437,711	4,116,015	3,769,911	5,983,318	7,589,283	7,589,283	8,535,154
<b>Total General Fund</b>	<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>	<u>\$ 7,589,283</u>	<u>\$ 8,535,154</u>
 <b>All Other Governmental Funds</b>										
Restricted	\$ 8,531,071	\$ 7,362,329	\$ 4,951,466	\$ 4,579,468	\$ 4,800,121	\$ 5,314,824	\$ 5,881,452	\$ 6,507,745	\$ 6,507,745	\$ 7,513,059
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<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>	<u>\$ 6,507,745</u>	<u>\$ 7,513,059</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 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	\$ 10,792,493
Fines	464,604	534,424	646,975	614,993	475,042	342,999	351,858	301,196	284,678	237,377
Licenses and permits	97,109	100,448	111,964	128,594	141,026	140,526	186,686	241,485	259,003	279,346
Charges for services	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	3,032,394
Local events and contributions	41,249	36,463	32,725	48,693	69,225	52,143	54,701	21,360	64,981	1,284,549
Other revenues	50,913	124,471	161,998	111,936	234,339	179,892	241,247	299,713	355,560	542,045
Other	478,552	541,855	360,107	265,368	1,169,890	410,903	637,312	2,773,556	1,045,406	109,907
Interest revenue	52,794	42,343	39,590	40,722	65,424	128,358	172,097	64,796	12,778	86,013
<b>Total Revenues</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>\$ 16,364,124</b>
<b>Expenditures</b>										
General Government	\$ 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	\$ 5,512,202
Public Safety	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	4,976,495
Highways and streets	743,220	562,193	590,526	666,445	633,853	641,120	1,103,248	722,400	939,670	835,321
Health and welfare	232,853	237,441	252,224	251,847	245,589	255,443	229,049	176,313	241,501	-
Culture and recreation	736,130	766,766	810,378	750,957	846,669	1,027,353	1,107,501	963,979	941,350	1,361,960
Economic Development	243,521	224,817	384,608	343,008	379,598	247,522	42,956	499,460	186,050	194,462
Capital Outlay	1,366,563	2,591,683	1,986,439	1,550,006	943,793	507,877	419,610	366,727	589,743	1,033,935
Debt Principal	928,095	935,867	958,370	976,959	1,289,056	1,068,172	1,087,438	1,495,429	1,470,774	6,176,934
Debt Interest	411,774	399,567	375,255	352,952	341,024	317,847	291,701	370,899	355,846	283,441
Bond Issuance cost	258,793	-	-	-	-	-	-	153,513	-	-
<b>Total Expenditures</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>	<b>\$ 20,374,750</b>
Excess of Revenues Over (Under) Expenditures	(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	(4,010,626)
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 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	1,531,939
Transfer Out	(1,111,887)	(594,666)	(638,879)	(752,712)	(585,863)	(597,931)	(807,419)	(4,702,690)	(613,221)	(537,908)
Proceeds from refunding bonds	3,835,000	-	-	-	-	-	-	5,590,000	-	-
Proceeds from General obligation Bonds	7,075,000	-	-	-	-	-	-	-	-	4,495,000
Payment to Bond Escrow Agent	(3,893,686)	-	-	-	-	-	-	(1,710,762)	-	-
Premium on Refunding Bonds	620,092	-	-	-	-	-	-	375,275	-	426,188
Proceeds on sale of assets	-	7,700	-	-	16,110	-	-	13,069	-	320,676
Other Resources	-	-	-	-	-	-	-	-	-	-
Loan proceeds	-	112,500	-	-	896,614	-	155,000	-	-	-
<b>Total Other Financing Sources (Uses)</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>\$ 6,235,895</b>
<b>Net Change in Fund Balances</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>	<b>\$ 2,225,269</b>
Debt service as a percentage of noncapital expenditures	13.84%	13.85%	12.81%	11.52%	12.57%	12.09%	11.12%	14.22%	14.29%	33.40%

**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
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
2022	4,510,119	5,569,320	633,832	7,922	71,300	10,792,493

**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>
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%
2022	1,004,009,306	60,169,716	-	123,193,937	940,985,085	0.5817	1,064,179,022	88%



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

<u>Fiscal Year</u>	<u>City of Alamo</u>			<u>Overlapping Rates</u>			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	
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
2022	0.5226	0.0591	0.5817	0.5750	1.2167	0.1718	2.5452

**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)**

Tax Payer	2022			2012		
	Tax Value	Rank	Percentage of Total Taxable Value	Tax Value	Rank	Percentage of Total Taxable Value
Wal-Mart Real Estate Bus Trust	\$ 17,807,785	1	2.68%	\$ 11,749,767	1	2.05%
Kim-Taek & Nancy Vargas Trusts	14,146,897	2	2.13%			
AEP Texas Central Co.	10,325,580	3	1.56%	3,183,230	9	0.56%
Wilder Corporation of Delaware	9,202,066	4	1.39%	7,647,117	3	1.33%
H E Butt Grocery Company	6,994,736	5	1.05%	8,048,927	2	1.40%
Wal-Mart Stores Texas, LLC	6,666,589	6	1.01%	4,896,934	4	0.85%
Guardia Family	6,145,092	7	0.93%			
DCTN3 Texas Portfolio, LLC	5,190,000	8	0.78%			
MHC Alamo Palms, LLC	4,489,974	9	0.68%			
Touchstone Realty ALMO LLC	4,389,926	10	0.66%	4,215,857	6	0.74%
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>\$ 85,358,645</u>		<u>12.87%</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>
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%
2022	4,358,898	4,365,493	100.2%	134,642	4,500,135	103.2%

\* Tax Levy including modifications through the year

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

Fiscal Year	Water	Sewer	Total
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
2022	2,856,334	2,707,719	5,564,053

**CITY OF ALAMO, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2022**  
**(amounts expressed in thousands)**

Governmental Unit	Date	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct:</b>				
City of Alamo	9/30/2022	\$ 8,680	100%	\$ 8,680
<b>Overlapping:</b>				
Pharr, San Juan, Alamo ISD	9/30/2022	260,995	9.8%	25,604
Hidalgo County	9/30/2022	367,135	2.0%	7,306
Hidalgo County Irrigation District #1	9/30/2022	240,946	2.1%	4,963
South Texas College	9/30/2022	112,070	1.9%	2,085
South Texas ISD	9/30/2022	-	0.0%	-
<b>Total Direct Debt</b>				<u>8,680</u>
<b>Total Net Overlapping Debt</b>				<u>39,958</u>
<b>Total Direct and Overlapping Debt</b>				<u><u>\$ 48,638</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)
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
2022	8,680,000	1,750,147	6,929,853	0.85%	342

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			
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
2022	8,680,000	528,005	64,855	10,690,000	4,214,012	24,176,872	6.80%	1,194

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 2021 Tax Roll for Fiscal Year 2022	\$ 940,985,085
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/> 94,098,509
Total Bonded Debt	8,680,000
Deduct amount available in debt service fund	<hr/> 1,750,147
Applicable Debt	<hr/> 6,929,853
Economic Debt Margin	<hr/> <hr/> \$ 87,168,655



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

Fiscal Year	Revenue Bonds					
	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022	5,663,247	3,293,023	2,370,224	10,690,000	219,939	0.22

**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>
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%
2022	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>2022</b>	
<b>Employees</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
Vangaurd 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)**

		<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Fiscal Year</b>
		<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>General Government</b>				
01-510	Mayor and City Council	5	5	5
01-512	Planning and Comm. Develop	3	4	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	2	2
01-526	Finance	4	5	5
01-529	Information Technology	2	2	2
01-550	Storm Water	2	2	2
<b>Public Safety</b>				
01-513	Police	47	48	48
01-516	Fire	21	22	22
<b>Highways and Streets</b>				
01-518	Streets	16	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	11.50	13	13
01-519	Museum	1	1	1
01-521	Swimming Pool	2.50	2.50	2.50
<b>General Fund Total</b>		<u>131</u>	<u>138</u>	<u>138</u>
<b>Utility</b>				
03-530	Water	11	11	11
03-531	Sewer	4	5	5
03-534	Water Plant	5	5	5
03-536	Billing	4	4.5	4.5
<b>Water/Sewer Fund Total</b>		<u>24</u>	<u>26</u>	<u>26</u>
<b>Grand Total</b>		<u>155</u>	<u>163</u>	<u>163</u>

**Source:** City of Alamo Finance Department

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

<u>Function</u>	<u>2021</u>	<u>2022</u>
<b>Public Safety - Police</b>		
Physical Arrests	2025	2160
Parking Violations	5	8
Traffic Violations	3936	3989
<b>Public Safety - Fire</b>		
Number of Calls Answered	1560	1595
Inspections	250	261
<b>Highways and Streets</b>		
Traffic Signs Repaired	42	36
<b>Solid Waste Services</b>		
Materials Recycled - Tons	2200	1900
<b>Culture and Recreation</b>		
Programs	9	9
Parks Maintained	7	7
<b>Water</b>		
New Connections	1058	1200
Water Main Breaks	165	190
Average Daily Consumption (millions of gallons)	1.764	1.964
<b>Wastewater</b>		
Average Daily Sewage Treatment (millions of gallons)	1.683	1.785

**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>2022</u>
<b>Miles of Streets:</b>	
Paved	126.25
<b>Miles of Sewer:</b>	
Storm	45.09
Sanitary	93.45
Storm Drainage Ditches	14.54
<b>Building Permits:</b>	
Permits Issued	819
Estimated Value	\$ 175,154
<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**

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# **ADRIAN WEBB, CPA**

**Certified Public Accountant**

**McAllen, Texas**

## **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***

Independent Auditor's Report

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, 2022, 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 May 26, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Alamo's internal control over financial reporting (internal control) as a basis for designing 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 City of Alamo's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Alamo's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Alamo' 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 financial statement. 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 result 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.

*Adrian Webb, CPA*

ADRIAN WEBB, CPA  
Certified Public Accountant  
McAllen, Texas

May 26, 2023

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# **ADRIAN WEBB, CPA**

**Certified Public Accountant**

**McAllen, Texas**

## **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 compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Alamo, Texas major federal programs for the year ended September 30, 2022. City of Alamo, Texas 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 City of Alamo, Texas major 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 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 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, 2022.

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## **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 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 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.

*Adrian Webb, CPA*  
ADRIAN WEBB, CPA  
McAllen, Texas

May 26, 2023

CITY OF ALAMO, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**I. Summary of the Auditor's Results:**

**Financial Section:**

- |  |            |
|--|------------|
| A. The type of report issued:<br>opinion   | Unmodified |
| B. Internal control over financial statements:   |            |
| Material Weakness(es) identified?  | No         |
| Significant Deficiency(ies) identified which<br>were not considered material weaknesses? | No         |
| C. Noncompliance material to the financial statements noted.                             | No         |

**Federal Awards Section:**

- |  |            |
|--|------------|
| D. The type of report issued:<br>opinion   | Unmodified |
| E. Internal control over Major Programs:   |            |
| Material Weakness(es) identified?  | No         |
| Significant Deficiency(ies) identified which<br>were not considered material weaknesses?                     | No         |
| F. Any audit findings disclosed that are required to be reported in<br>accordance with the Uniform Guidance? | No         |
| G. Identification of major programs:   |            |
| CFDA 21.019 – American Recovery Plan Act   |            |
| CFDA 16.034 – Coronavirus Emergency Supplemental Funding Program   |            |
| CFDA 14.218 – Community Development Block Grant  |            |
| CFDA 14-228 – Department of Housing and Community Affairs  |            |
| H. Dollar threshold to distinguish between type A and type B programs:                                       | \$750,000  |
| I. Auditee qualifies as a low-risk auditee   | No         |



CITY OF ALAMO, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**II. Financial Statement Findings**

None Identified

**II. Findings Relating to Federal Awards and Questions Costs.**

None Identified

**CITY OF ALAMO, TEXAS**  
Schedule of Expenditures of Federal Awards  
For the Year ended September 30, 2022

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>US Department of Justice</u></b>			
Passed through Direct Programs:			
Byrne Justice Assistance Grant Program	16.738	15PBJA-21-GG-01858-JAGX	10,043
APD Body Worn Camera Upgrade Project		4381301	33,020
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1575	9,178
Border Security Task Force		4394501	78,735
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>130,976</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-2021-SS-00054	18,948
State Homeland Security Program	97.067	EMW-2020-SS-00054	57,292
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>76,240</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	280,066
Texas Department of Housing and Community Affairs	14.228	B-20-DW-48-0001	192,367
TOTAL HOUSING AND URBAN DEVELOPMENT			<u>472,433</u>
<b><u>U.S. Department of the Treasury:</u></b>			
Direct Program			
American Recovery Act Plan (ARPA)	21.019	746000004	293,685
TOTAL DEPARTMENT OF TREASURY			<u>293,685</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	196,482
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>196,482</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,169,816</u></u>

CITY OF ALAMO, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022, City of Alamo, Texas has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.