CITY OF BULVERDE, TEXAS

ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2020

CITY OF

Bulverde

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CITY OF BULVERDE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SCHEDULE

CITY OF BULVERDE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS (CONTINUED)

CITY OF BULVERDE

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	WILLIAM KRAWIETZ
CITY COUNCIL	MARK MORKOVSKY
	YVONNE L. CHAPMAN
	CHARLES L. HUGHES
	ASHLEY ORNDORFF
	GENE HARTMAN
	MECHELLE SALMON
CITY MANAGER	DANNY BATTS
ATTORNEY	JASON RAMMEL

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council
City of Bulverde

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, the business-type activities, and the aggregate remaining fund information of City of Bulverde, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Bulverde's basic financial statements as a whole. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements are the responsibility of management and were derived from and relates 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

January 19, 2021

CITY OF

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Bulverde's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2020. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's net position was $18.2 million at September 30, 2020.

- During the year, the City's governmental expenses were $268 thousand less than the $5.9 million generated in general and program revenues for governmental activities. The total cost of the City's program expenses increased 37.0% from last year. This increase was primarily due to street maintenance incurred during the current year.

- The general fund reported a fund balance this year of $4.2 million, a decrease of 12.6%.

- The City did not issue any new bonds during the fiscal year ending September 30, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

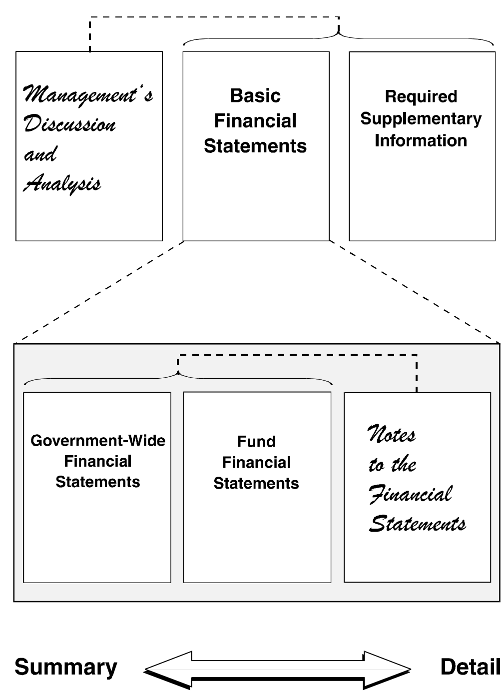
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

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

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

- *Proprietary fund* statements offer *short*- and *long-term* financial information about the activities the government operates *like businesses*.

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



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

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
		Fund Statements	
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds
Scope	Entire City's government (except fiduciary funds) and component units	The activities of the city that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water and sewer.
Required financial statements	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liabilitiy information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

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

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

- The government-wide financial statements of the City include the *Governmental Activities*. Most of the City's basic services are included here, such as general and administrative, public safety, planning and zoning, municipal court, building operations and maintenance, and public works. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government–wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position was $18.2 million at September 30, 2020. (See Table A-1).

Table A-1

City's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2020	2019	2020	2019	2020	2019	2020 - 2019
Assets:							
Current Assets	$ 6,086,280	$ 5,481,953	$ (28,410)	$ (46,413)	$ 6,057,870	$ 5,435,540	11.4%
Capital Assets (net)	5,459,754	5,630,909	7,864,079	8,169,211	13,323,833	13,800,120	-3.5%
Total Assets	11,546,034	11,112,862	7,835,669	8,122,798	19,381,703	19,235,660	0.8%
Deferred Ouflows	151,747	244,983	-	-	151,747	244,983	-38.1%
Liabilities:							
Current Liabilities	876,328	686,886	18,003	-	894,331	686,886	30.2%
Noncurrent Liabilities	194,420	544,992	-	-	194,420	544,992	-64.3%
Total Liabilities	1,070,748	1,231,878	18,003	-	1,088,751	1,231,878	-11.6%
Deferred Inflows	252,715	19,223	-	-	252,715	19,223	1214.6%
Net Position:							
Invested in Capital Assets	5,459,754	5,630,909	7,864,079	8,169,211	13,323,833	13,800,120	-3.5%
Restricted	1,076,778	922,597	-	-	1,076,778	922,597	16.7%
Unrestricted, (Deficit)	3,837,786	3,553,238	(46,413)	(46,413)	3,791,373	3,506,825	8.1%
Total Net Position	$ 10,374,318	$ 10,106,744	$ 7,817,666	$ 8,122,798	$ 18,191,984	$ 18,229,542	-0.2%

The unrestricted net position represents resources available to fund the programs of the City next year.

Governmental Activities

The City's total governmental revenues were $5.8 million, of which 71.5% of the City's revenue came from taxes compared to 71.9% in the prior year. Table A-2 reports the summarized changes in net position.

Table A-2

Changes in City's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2020	2019	2020	2019	2020	2019	2020 - 2019
Program Revenues:							
Charges for Services	$ 1,430,226	$ 1,288,133	$ 439,492	$ 360,185	$ 1,869,718	$ 1,648,318	13.4%
Operating Grants and Contrubutions	16,388	17,615	-	-	16,388	17,615	-7.0%
General Revenues:							
Taxes	4,203,103	3,651,826	-	-	4,203,103	3,651,826	15.1%
Interest Earnings	47,867	79,763	-	-	47,867	79,763	-40.0%
Miscellaneous	181,169	44,468	-	-	181,169	44,468	307.4%
TOTAL REVENUES	5,878,753	5,081,805	439,492	360,185	6,318,245	5,441,990	16.1%
Progam Expenses:							
General and Administrative	405,524	397,314	744,624	665,316	1,150,148	1,062,630	8.2%
Municipal Court	250,274	254,208	-	-	250,274	254,208	-1.5%
Public Safety	1,434,897	1,493,526	-	-	1,434,897	1,493,526	-3.9%
Public Works	1,389,211	430,023	-	-	1,389,211	430,023	223.1%
Parks & Recreation	146,625	117,111	-	-	146,625	117,111	25.2%
Planning and Development	290,560	238,116	-	-	290,560	238,116	22.0%
Culture & Recreation	108,986	-	-	-	108,986	-	100.0%
Non-Departmental Functions	1,585,102	1,174,561	-	-	1,585,102	1,174,561	35.0%
TOTAL EXPENSES	5,611,179	4,104,859	744,624	665,316	6,355,803	4,770,175	33.2%
Change in Net Position	$ 267,574	$ 976,946	$ (305,132)	$ (305,131)	$ (37,558)	$ 671,815	-105.6%

Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. The cost of all *governmental* activities this year was $5.6 million. 25.5% of the cost was paid by those who directly benefited from the programs. Taxpayers paid for the majority of the rest of these activities through property taxes, sales tax, and franchise taxes of $1.5 million, $2.2 million, and $372 thousand, respectively.

Table A-3

Net Cost of Selected City Functions

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2020	2019	2020 - 2019	2020	2019	2020 - 2019
General and Administrative	$ 405,524	$ 397,314	2.1%	$ 405,524	$ 397,314	2.1%
Municipal Court	250,274	254,208	-1.5%	(358,472)	(441,213)	-18.8%
Public Safety	1,434,897	1,493,526	-3.9%	1,319,563	1,426,286	-7.5%
Public Works	1,389,211	430,023	223.1%	666,677	(113,064)	-689.6%
Parks & Recreation	146,625	117,111	25.2%	146,625	117,111	25.2%
Planning and Development	290,560	238,116	22.0%	290,560	238,116	22.0%
Culture & Recreation	108,986	-	100.0%	108,986	-	100.0%
Non-Departmental Function	1,585,102	1,174,561	35.0%	1,585,102	1,174,561	35.0%

Business-Type Activities

Total charges for waste water treatment services were $439 thousand while total operating expenses, including current depreciation expense, was $745 thousand, resulting in a net loss for the year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled $5.9 million, an increase of 15.2% from the preceding year. Expenditures from governmental fund types totaled $5.4 million, an increase of 37.2% from the preceding year. After other financing sources and uses, total fund balance for governmental fund types increased from the prior year by $434 thousand.

General Fund Budgetary Highlights

The City's general fund actual revenues were $695 thousand more than budgeted amounts and expenditures were $557 thousand less than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2020, the City had invested $18.5 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount less accumulated depreciation totaling $5.2 million results in a total Net Capital Asset Value of $13.3 million.

Table A-4
City's Capital Assets

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2020	2019	2020	2019	2020	2019	2020 - 2019
Land	$ 192,821	$ 192,821	$ 286,625	$ 286,625	$ 479,446	$ 479,446	0.0%
Buildings and Improvements	2,992,310	3,043,011	9,153,971	9,153,971	12,146,281	12,196,982	-1.7%
Vehicles and Equipment	1,282,163	1,242,641	-	-	1,282,163	1,242,641	3.2%
Infrastructure	4,592,969	3,993,887	-	-	4,592,969	3,993,887	15.0%
Signs	25,225	67,494	-	-	25,225	67,494	-62.6%
Construction in Progress	-	494,562	-	-	-	494,562	-100.0%
Totals at Historical Cost	9,085,488	9,034,416	9,440,596	9,440,596	18,526,084	18,475,012	0.6%
Total Accumulated Depreciation	(3,625,734)	(3,403,507)	(1,576,517)	(1,271,385)	(5,202,251)	(4,674,892)	6.5%
Net Capital Assets	$ 5,459,754	$ 5,630,909	$ 7,864,079	$ 8,169,211	$ 13,323,833	$ 13,800,120	-3.0%

More detailed information about the City's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end, the City had no outstanding long-term debt obligation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2020-2021 Fiscal Year will be a year of asset construction and continued community planning for the Bulverde area. The revenues and expenses for the 2020-2021 Fiscal Year budget preparation are $5,214,634.

In addition to the construction efforts occurring around the City during the upcoming year, the community will be providing dialogue on a major design and engineering effort that TxDOT is progressing to improve the Highway 46 corridor that stretches through Bulverde. These efforts will require a great deal of public deliberation throughout the process, but will pay long term dividends as the community continues to grow. Those that fail to plan, plan to fail.

In addition to these ongoing planning efforts, the City will also be looking toward developing implementation strategies for the various planning initiatives which have already been completed during the last couple of fiscal years that covered topics such as Transportation and Mobility, Regional Wastewater, Drainage and Floodplain Management, and visioning for the Downtown Bulverde Village area. While it is hoped that the development community will be providing much of the identified infrastructure as the area develops, there are numerous projects that will also require a public funding component. For instance, the City Council has initiated a major design/engineering effort for Streetscape Improvements to Bulverde Road that were identified in the Downtown Bulverde Village Visioning study. The fiscally conservative spending habits of the Bulverde City Council and staff have allowed a fund balance to accrue that will be able to accommodate some of these initiatives, but additional funding mechanisms may also have to be explored. In addition, the leveraging of State grant sources and funding partnerships with other area agencies will continue to be sought where applicable.

Overall, the community is poised for many new challenges in the near-future, mainly in the arenas of planning for the rapid growth that is already occurring. The City is positioning itself to help manage and guide this growth in order to maintain the high-quality of life that residents of the Texas Hill Country and the greater Bulverde area have come to expect.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Hall at (830) 980-8832.

CITY OF Bulverde

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BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
    - Governmental Funds
    - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF BULVERDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 2,166,555	$ -	$ 2,166,555
Investments	3,130,577	-	3,130,577
Receivables (net of allowances for uncollectibles):			
Ad Valorem Taxes	25,253	-	25,253
Other	569,177	166,308	735,485
Internal Balances	194,718	(194,718)	-
Total Current Assets	6,086,280	(28,410)	6,057,870
Noncurrent Assets:			
Capital Assets:			
Land	192,821	286,625	479,446
Building and Improvements	2,992,310	9,153,971	12,146,281
Vehicles and Equipment	1,282,163	-	1,282,163
Infrastructure	4,592,969	-	4,592,969
Signs	25,225	-	25,225
Accumulated Depreciation	(3,625,734)	(1,576,517)	(5,202,251)
Total Noncurrent Assets	5,459,754	7,864,079	13,323,833
TOTAL ASSETS	11,546,034	7,835,669	19,381,703
DEFERRED OUTFLOWS			
Deferred Pension Related Outflows	136,581	-	136,581
Deferred OPEB Related Outflows	15,166	-	15,166
TOTAL DEFERRED OUTFLOWS	$ 151,747	$ -	$ 151,747

See accompanying notes to basic financial statements.

CITY OF BULVERDE
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 493,522	$ 18,003	$ 511,525
Wages and Salaries Payable	24,196	-	24,196
Intergovernmental Payable	2,151	-	2,151
Other Current Liabilities	40,350	-	40,350
Accrued Compensated Absences	100,447	-	100,447
Unearned Revenue	215,662	-	215,662
Total Current Liabilities	876,328	18,003	894,331
Noncurrent Liabilities:			
Net Pension Liability	119,933	-	119,933
Total OPEB Liability	74,487	-	74,487
Total Noncurrent Liabilities	194,420	-	194,420
TOTAL LIABILITIES	1,070,748	18,003	1,088,751
DEFERRED INFLOWS			
Deferred Pension Related Inflows	252,715	-	252,715
TOTAL DEFERRED INFLOWS	252,715	-	252,715
NET POSITION			
Net Investment in Capital Assets	5,459,754	7,864,079	13,323,833
Restricted for:			
Police, Court, and Child Safety	442,310	-	442,310
Tree Preservation	99,432	-	99,432
Drainage	500,223	-	500,223
Hotel/Motel	34,813	-	34,813
Unrestricted, (Deficit)	3,837,786	(46,413)	3,791,373
TOTAL NET POSITION	$ 10,374,318	$ 7,817,666	$ 18,191,984

See accompanying notes to basic financial statements.

CITY OF BULVERDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

		Program Revenues		
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General & Administrative	$ 405,524	$ -	$ -	$ -
Municipal Court	250,274	608,746	-	-
Public Safety	1,434,897	98,946	16,388	-
Public Works	1,389,211	722,534	-	-
Parks & Recreation	146,625	-	-	-
Planning & Development	290,560	-	-	-
Culture & Recreation	108,986	-	-	-
Non-Departmental Functions	1,585,102	-	-	-
Total Governmental Activities	5,611,179	1,430,226	16,388	-
Business-Type Activities:				
Wastewater Treatment	744,624	439,492	-	-
Total Business-Type Activities	744,624	439,492	-	-
Total Primary Government	$ 6,355,803	$ 1,869,718	$ 16,388	$ -
General Revenues:				
Taxes				
Sales Taxes				
Ad Valorem Taxes				
Franchise Taxes				
Mixed Bevarage Taxes				
Hotel/Motel Occupancy Taxes				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position Primary Government		
Total Governmental Activities	Business-Type Activities	Total
$ (405,524)	$ -	$ (405,524)
358,472	-	358,472
(1,319,563)	-	(1,319,563)
(666,677)	-	(666,677)
(146,625)	-	(146,625)
(290,560)	-	(290,560)
(108,986)	-	(108,986)
(1,585,102)	-	(1,585,102)
(4,164,565)	-	(4,164,565)
-	(305,132)	(305,132)
-	(305,132)	(305,132)
(4,164,565)	(305,132)	(4,469,697)
2,215,849	-	2,215,849
1,484,430	-	1,484,430
372,027	-	372,027
4,585	-	4,585
126,212	-	126,212
47,867	-	47,867
181,169	-	181,169
4,432,139	-	4,432,139
267,574	(305,132)	(37,558)
10,106,744	8,122,798	18,229,542
$ 10,374,318	$ 7,817,666	$ 18,191,984

CITY OF BULVERDE
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 1,771,552	$ 395,003	$ 2,166,555
Investments	2,451,821	678,756	3,130,577
Receivables (net of allowances for uncollectibles):			
Property Taxes	25,253	-	25,253
Other Receivables	530,547	38,630	569,177
Due from Other Funds	194,718	-	194,718
TOTAL ASSETS	$ 4,973,891	$ 1,112,389	$ 6,086,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES			
Liabilities:			
Accounts Payable	$ 458,043	$ 35,479	$ 493,522
Wages and Salaries Payable	24,064	132	24,196
Intergovernmental Payable	2,151	-	2,151
Other Current Liabilities	40,350	-	40,350
Unearned Revenues	215,662	-	215,662
Total Liabilities	740,270	35,611	775,881
Deferred Inflows of Resources:			
Unavailable Property Tax Revenue	22,142	-	22,142
Total Deferred Inflows of Resources	22,142	-	22,142
Fund Balances:			
Restricted for:			
Police Seizure	-	21,793	21,793
Hotel/Motel	-	34,813	34,813
Child Safety	-	79,033	79,033
Building Security and Technology	-	328,784	328,784
Tree Preservation	-	99,432	99,432
Police Training & Donations	-	12,700	12,700
Drainage	-	500,223	500,223
Unassigned	4,211,479	-	4,211,479
Total Fund Balances	4,211,479	1,076,778	5,288,257
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	$ 4,973,891	$ 1,112,389	$ 6,086,280

See accompanying notes to basic financial statements.

CITY OF BULVERDE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 5,288,257
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		5,459,754
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		22,142
Net Pension liabilities (and related deferred outflows and inflows of resources) do not provide current financial resources and are not reported in the funds.		
Net Pension Liability	(119,933)	
Pension Related Deferred Outflows	136,581	
Pension Related Deferred Inflows	(252,715)	(236,067)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the governmental funds		
OPEB Liability	(74,487)	
OPEB Related Deferred Outflows	15,166	(59,321)
Accrued compensated absenses are not due and payable in the current period and, therefore, not reported in the funds.		(100,447)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 10,374,318

See accompanying notes to basic financial statements.

CITY OF BULVERDE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	$ 1,475,892	$ -	$ 1,475,892
Sales Taxes	2,215,849	-	2,215,849
Franchise Fees	372,027	-	372,027
Mixed Beverage Taxes	4,585	-	4,585
Hotel/Motel Tax	-	126,212	126,212
Intergovernmental Revenues and Grants	101,923	12,311	114,234
Fines and Penalties	513,835	22,986	536,821
Charges for Services	769,578	25,981	795,559
Interest Income	47,109	758	47,867
Miscellaneous	167,134	1,591	168,725
TOTAL REVENUES	5,667,932	189,839	5,857,771
EXPENDITURES			
Current:			
General and Administrative	376,528	-	376,528
Mayor and Council	3,874	-	3,874
Municipal Court	248,103	2,364	250,467
Non-Departmental Functions	1,070,761	-	1,070,761
Public Safety	1,308,688	891	1,309,579
Public Works	1,286,116	-	1,286,116
Parks and Recreation	94,555	-	94,555
Planning and Development	289,626	-	289,626
Professional Services	514,344	-	514,344
Culture & Recreation	-	108,987	108,987
Capital Outlay	132,460	-	132,460
TOTAL EXPENDITURES	5,325,055	112,242	5,437,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	342,877	77,597	420,474
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	13,275	-	13,275
Transfers In (Out)	(961,263)	961,263	-
TOTAL OTHER FINANCING SOURCES (USES)	(947,988)	961,263	13,275
Net Change in Fund Balance	(605,111)	1,038,860	433,749
Fund Balances at Beginning of Year	4,816,590	37,918	4,854,508
Fund Balances at End of Year	$ 4,211,479	$ 1,076,778	$ 5,288,257

See accompanying notes to basic financial statements.

CITY OF BULVERDE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 433,749
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	213,168	
Depreciation Expense	(383,492)	(170,324)
In the Statement of Activities, only the gain or loss on the disposal of a capital asset is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of disposed assets.		(831)
Revenues in the Statement of Revenues that provided current financial resources are not reported as revenues in the activities.		8,538
Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined pension expense exceeded contributions.		32,231
Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorde based on the actuarially determined cost of the plan. This is the amuont that actuarially determined OPEB expense exceeded contributions.		(8,388)
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(27,402)
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ 267,573

See accompanying notes to basic financial statements.

CITY OF BULVERDE
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2020

	Business-Type Activities
	Wastewater Treatment
ASSETS	
Current Assets:	
Accounts Receivable	$ 166,308
Capital Assets:	
Land	286,625
Buildings and Improvements	9,153,971
Accumulated Depreciation	(1,576,517)
TOTAL ASSETS	8,030,387
LIABILITIES	
Accounts Payable	18,003
Due To Other Funds	194,718
TOTAL LIABILITIES	212,721
NET POSITION	
Net Investment Capital Assets	7,864,079
Unrestricted, (Deficit)	(46,413)
TOTAL NET POSITION	$ 7,817,666

See accompanying notes to basic financial statements.

CITY OF BULVERDE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Wastewater Treatment
OPERATING REVENUES	
Charges for Services	$ 439,492
TOTAL OPERATING REVENUES	439,492
OPERATING EXPENSES	
Supplies	200
Contractual Services	439,292
Depreciation	305,132
TOTAL OPERATING EXPENSES	744,624
NET INCOME (LOSS)	(305,132)
Net Position at Beginning of Year	8,122,798
Net Position at End of Year	$ 7,817,666

See accompanying notes to basic financial statements.

CITY OF BULVERDE
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities
	Wastewater Treatment
Cash Flows From Operating Activities	
Cash Received From Customers	$ 400,962
Cash Paid to Suppliers for Goods & Services	(421,489)
Net Cash Provided (Used) by Operating Activities	(20,527)
Cash Flows From Noncapital Financing Activities:	
Interfund Payables (Receivables)	20,527
Net Cash Provided (Used by Noncapital Financing Activities	20,527
Net Increase (Decrease) in Cash and Investments	-
Cash and Investments at Beginning of Year	-
Cash and Investments at End of Year	$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	$ (305,132)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	305,132
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(38,530)
Increase (Decrease) in	
Accounts Payable	18,003
Total Adjustments to Reconcile Operating Activities	284,605
Net Cash Provided (Used) by Operating Activities	$ (20,527)

See accompanying notes to basic financial statements.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bulverde ("City") are presented in accordance with generally accepted accounting principles (GAAP) as applied to state and local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

   In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

   The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

   The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

   Separate **fund financial statements** are provided for governmental funds which meet the criteria as ***major governmental fund***. The general fund is the only major fund of the City.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues.* Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

Governmental fund level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental fund:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

The City has several nonmajor special revenue funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's Proprietary Fund is the Wastewater Treatment Fund (used to account for the provision of wastewater services to residents).

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than AAA or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The City has all its monies in interest bearing checking accounts, savings accounts, government investment pools, and certificates of deposit. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

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

The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool maintains a consistent net asset value per share that approximates the fair value of the underlying securities. These investments are reported at net asset value.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Management has estimated that all past due property tax receivables are collectible, and thus, the allowance is zero as of September 30, 2020.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. ACCOUNTS RECEIVABLE (Continued)

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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” on the fund statements.

8. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with an estimated useful life in excess of two years and an individual cost greater than $5,000. Infrastructure assets include City-owned streets, sewer, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of 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. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Estimated Life
Buildings and Improvements	10 to 50 years
Vehicles and Equipment	5 to 7 years
Streets and Infrastructure	20 years
Signs	10 years

9. COMPENSATED ABSENCES

Employees earn vacation leave at varying rates depending on length of service: 10 days leave per year for the first four years (not available for use until first six months of service is completed), an additional 5 days per year for each year through fourteen years, and an additional 5 days per year after fourteen years up to a maximum of 20 days per year. Annual leave in excess of 240 hours will not be carried over, except with City Administrator approval. Accumulated vacation pay at September 30, 2020 of $100,447 has been recorded as accrued compensated absences of the Governmental Activities.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. COMPENSATED ABSENCES (Continued)

Employees earn sick leave at the rate of 1 day per month after six months of employment. No sick leave days are paid when an employee leaves city employment and no liability is reported for unpaid sick leave. Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

10. DEFERRED INFLOWS AND OUTFLOWS 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension and OPEB related deferred outflows of resources. The deferred pension and OPEB related outflows result from contributions made after the measurement date and changes in assumptions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resource in the period the amounts become available. Available means due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The deferred pension related inflows result from differences between expected and actual experiences and differences between expected and actual investment return.

11. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Developer platting revenue received in advance of expenses/expenditures are reflected as unearned revenue.

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities statement of net position. On new bond issues, bond premiums and discounts are amortized over the life of the discount.

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

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. PENSIONS

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

14. OPEB LIABILITY

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' Total OPEB Liability 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.

15. FUND EQUITY

Fund balances in governmental funds are classified as follows:

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

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

Committed – Represents amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government 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 – Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council is the only entity that may make assignments at this time as the Council has not designated any other individuals with the authority to make assignments.

Unassigned – Represents the residual balance that may be spent on any other purpose of the City.

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

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

17. USE OF ESTIMATES

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

NOTE B -- CASH AND CASH EQUIVALENTS

The City considers all checking and money market accounts as cash and cash equivalents. At year-end, the carrying amount of the City's deposits with the City's depository, were $2,165,555 plus $1,000 petty cash and the bank balance was $2,405,704. Of the bank balance, $250,000 was covered by federal depository insurance and the City's depository had pledged securities having a market value of $2,500,000. Funds were fully insured and collateralized.

NOTE C -- INVESTMENTS

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

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. The Act requires that the Council review the investment policy at least annually, investment officers obtain minimum investment training, and investment officers sign quarterly investment reports submitted to Council. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that the City complied with all provisions of the Act.

NOTE C -- INVESTMENTS (Continued)

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City's investment policy further limits investments to: (1) federally insured bank deposits, (2) collateralized bank deposits, (3) U.S. Government Treasury bills and notes, including sweep accounts that invest in them, (4) U.S. Government Agencies, and (5) Public Funds Investment Pools. No other investments may be made without authorization of City Council.

The City's investments at September 30, 2020 are as follows:

	Reported Value	Fair Value	Weighted Avg Maturity (Days)
Investment Pools:			
MBIA Texas Class	$ 2,880,497	$ 2,880,497	1
Logic	250,080	250,080	1
Total Investments	$ 3,130,577	$ 3,130,577	

All of the City's investments carried at fair value are valued using quoted market prices (Level 1 inputs).

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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

NOTE C -- INVESTMENTS (Continued)

GASB Statement No. 40 requires additional disclosures addressing other common risks of deposits and investments as follows:

a. Credit Risk

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

b. Custodial Credit Risk

   Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

   Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. At year end, the City was not significantly exposed to custodial credit risk.

c. Concentration of Credit Risk

   The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to a concentration of credit risk.

d. Interest Rate Risk

   This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. 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.

NOTE D -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Comal County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2019, upon which the fiscal 2020 levy was based, was $722,292,710 (i.e., market value less exemptions). The estimated market value was $1,025,191,201, making the taxable value 70.5% of the estimated market value.

NOTE D -- PROPERTY TAX CALENDAR

The City is permitted by the Constitution of the State of Texas to levy taxes up to $2.50 per $100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to $1.50 per $100 of assessed valuation may be used for the payment of long-term debt. The tax rate to finance general governmental services for the year ended September 30, 2020, was $0.180000 per $100 of assessed value, which means that the City has a tax margin of $2.320000 for each $100 value and could increase its annual tax levy by approximately $16,757,191 based upon the present assessed valuation before the limit is reached. However, the City may not adopt a tax rate that exceeds the effective tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

NOTE E -- OTHER RECEIVABLES

Other receivables for the City as of September 30, 2020 are as follows:

	Governmental Funds		Proprietary Fund	
	General Fund	Nonmajor Funds	Wastewater Treatment	Total
Sales Tax	$ 401,259	$ -	$ -	$ 401,259
Franchise Taxes	99,629	-	-	99,629
Hotel/Motel Tax	-	38,630	-	38,630
Miscellaneous	29,659	-	166,308	195,967
Total Other Receivables	$ 530,547	$ 38,630	$ 166,308	$ 735,485

NOTE F -- DUE TO/FROM OTHER FUNDS

As of September 30, 2020, interfund receivables and payables that resulted from various interfund transactions were as follows:

Due To	Due From	Amount	Reason/Intent
General Fund	Wastewater Treatment Fund	$ 194,718	Reimbursement of Expenses
		$ 194,718	

NOTE G -- TRANSFERS BETWEEN FUNDS

Transfers between funds during the year ended September 30, 2020 were as follows:

Transfer In	Transfer Out	Amount	Purpose
Nonmajor Governmental Funds	General Fund	$ 961,263	Transfer of restricted funds
		$ 961,263	

NOTE H -- CAPITAL ASSETS

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

Governmental Activities	Balance 10/1/2019	Additions	Disposals/ Transfers	Balance 9/30/2020
Land	$ 192,821	$ -	$ -	$ 192,821
Buildings and Improvements	3,043,011	-	(50,701)	2,992,310
Vehicles and Equipment	1,242,641	108,648	(69,126)	1,282,163
Infrastructure	3,993,887	-	599,082	4,592,969
Signs	67,494	-	(42,269)	25,225
Construction in Progress	494,562	104,520	(599,082)	-
	9,034,416	213,168	(162,096)	9,085,488
Less Accumulated Depreciation				
Buildings and Improvements	(559,481)	(67,758)	6,275	(620,964)
Vehicles and Equipment	(1,016,855)	(113,517)	113,552	(1,016,820)
Infrastructure	(1,779,847)	(199,694)	-	(1,979,541)
Signs	(47,324)	(2,523)	41,438	(8,409)
	(3,403,507)	(383,492)	161,265	(3,625,734)
Governmental Capital Assets, Net	$ 5,630,909	$ (170,324)	$ (831)	$ 5,459,754
Business Type Activities				
Land	$ 286,625	$ -	$ -	$ 286,625
Buildings and Improvements	9,153,971	-	-	9,153,971
	9,440,596	-	-	9,440,596
Less Accumulated Depreciation				
Buildings and Improvements	(1,271,385)	(305,132)	-	(1,576,517)
	(1,271,385)	(305,132)	-	(1,576,517)
Business Type Capital Assets, Net	$ 8,169,211	$ (305,132)	$ -	$ 7,864,079

Land and construction in progress are not depreciated.

NOTE H -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

General & Administrative	$ 22,636
Public Safety	101,922
Public Works	207,291
Parks and Recreation	51,643
Total Depreciation Expense - Governmental Activities	$ 383,492

NOTE I -- LONG-TERM OBLIGATIONS

The changes in long-term obligations during the year are summarized as follows:

Governmental Activities	Balance 10/1/2019	Additions	Reductions	Balance 9/30/2020	Due Within One Year
Compensated Absences	$ 73,045	$ 100,447	$ (73,045)	$ 100,447	$ 100,447

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. **Plan Description**

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

2. **Benefits Provided**

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

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

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Texas Municipal Retirement System (Continued)

2. Benefits Provided (Continued)

The City of Bulverde has a 6% employee deposit rate and a 2 to 1 matching ratio. They currently have no military service credit as well as no buy back election. The City of Bulverde plan provisions have a 5 year vesting period. An employee is eligible to retire after 5 year of service at the age of 60 or after 20 years of service at any age. The statutory maximum percentage is removed.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to but Not Yet Receiving Benefits	31
Active Employees	27
	70

3. Contributions

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

For the year ending September 30, 2020, employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 9.05% and 10.00% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were $161,979, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) or Asset was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Texas Municipal Retirement System (Continued)

5. Actuarial Assumptions

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

Inflation	2.50% per year
Salary Increases	3.50% to 11.50% including Inflation
Investment Rate of Return*	6.75%

* Presented net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding the expected inflation.

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Texas Municipal Retirement System (Continued)

5. **Actuarial Assumptions** (Continued)

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	100.00%	

6. **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.

7. **Discount Rate Sensitivity Analysis**

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	$ 619,705	$ 119,933	$ (281,847)

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Texas Municipal Retirement System (Continued)

8. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2018	$ 2,992,864	$ 2,500,175	$ 492,689
Changes for the year:			
Service Cost	227,344	-	227,344
Interest	202,708	-	202,708
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(186,968)	-	(186,968)
Changes of Assumptions	5,036	-	5,036
Contributions - Employer	-	141,724	(141,724)
Contributions - Employee	-	93,944	(93,944)
Net Investment Income	-	387,459	(387,459)
Benefit Payments, Including Refunds of Employee Contributions	(206,911)	(206,911)	-
Administrative Expense	-	(2,184)	2,184
Other Changes	-	(67)	67
Net Changes	41,209	413,965	(372,756)
Balance at December 31, 2019	$ 3,034,073	$ 2,914,140	$ 119,933

9. Pension Plan Fiduciary Net Position

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

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Texas Municipal Retirement System (Continued)

10. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of $129,772. Also as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ -	$ (160,777)
Changes in Actuarial Assumptions	13,617	-
Differences Between Projected and Actual Investment Earnings	-	(91,938)
Contributions Subsequent to the Measurement Date	122,964	-
	$ 136,581	$ (252,715)

Deferred outflows of resources in the amount of $122,964 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year Ended December 31,	
2020	$ (61,482)
2021	(68,162)
2022	(45,311)
2023	(64,143)
2024	-
Thereafter	-
	$ (239,098)

NOTE K -- OTHER POST EMPLOYMENT BENEFIT (OPEB)

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). 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.

NOTE K -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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 annual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. Membership in the plan at December 31, 2019, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled to but Not Yet Receiving Benefits	8
Active Employees	27
	46

The SDBF required contribution rates, based on these assumptions, are as follows:

For the Calendar Year Ended December 31,	Total SBDF Contribution Rate	Retiree Portion of SDBF Contribution Rate
2018	0.13%	0.01%
2019	0.12%	0.01%
2020	0.14%	0.02%

These contribution rates are based on actuarial assumptions developed primarily form the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.

These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.75% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% miniumum 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.

NOTE K -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's Total OPEB Liability (TOL), based on the actuarial factors, as of December 31, 2019 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2018	$ 52,303
Changes for the year:	
Service Cost	3,758
Interest	2,007
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	2,001
Changes of Assumptions or Other Inputs	14,575
Benefit Payments	(157)
Net Changes	22,184
Balance at December 31, 2019	$ 74,487

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

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

	Discount Rate 1.75%	Discount Rate 2.75%	Discount Rate 3.75%
Total OPEB Liability	$ 95,127	$ 74,487	$ 59,338

For the year ended September 30, 2020, the City recognized OPEB expense of $8,677. Also as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 3,263	$ -
Changes in Actuarial Assumptions	11,657	-
Contributions Subsequent to the Measurement Date	246	-
	$ 15,166	$ -

NOTE K -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

Deferred outflows of resources in the amount of $246 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year Ended December 31,		
2020	$	2,912
2021		2,912
2022		2,912
2023		2,912
2024		2,345
Thereafter		927
	$	14,920

NOTE L -- COMMITMENTS AND CONTINGENCIES

Litigation

The City is the subject of various claims and litigation from time to time that arise in the course of its operations. Management is of the opinion that any proceedings known to exist as of September 30, 2020 are not likely to have a material adverse effect on the City's financial position.

Risk Management

The City has identified possible risk of losses arising from events such as the following:

1. Torts.
2. Theft of, damage to, or destruction of assets.
3. Errors and omissions.
4. Job-related illnesses or injuries to employees.
5. Acts of God.

The City contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-government group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2020, were $62,989.

NOTE L -- COMMITMENTS AND CONTINGENCIES (Continued)

380 Development Agreements

In September 2012, the City of Bulverde entered into a 380 Development agreement to encourage growth within the City. The agreement involves the City reimbursing the project costs through refunding a portion of sales and use taxes generated by the projects up to a maximum amount. The City will start accruing sales tax rebate based on the sales tax collections to date in anticipation of the developer's request for payment. The original agreement was amended in December 2014 to include that the Developer would fund all costs and expenses associated with the construction of the City Wastewater Improvements and then convey to the City said Wastewater Improvements and related access easements in accordance the conditions set forth in the Wastewater Service Agreement. The terms of the economic development reimbursement agreement are as follows:

> The City shall pay to the Developer 100% of the City's share of Sales and Use Tax proceeds generated with the property until the total amount equals the City Wastewater Improvement costs plus interest at the rate of 5% per annum. At such time, then the City shall thereafter remit 75% of all Sales and Use Tax proceeds collected from within the property for the remainder of the 10 year period, and thereafter the payment shall reduce to 50% of all Sales and Use Tax proceeds generated within the property until the expiration date. The agreement was set for a maximum grant amount of $10,349,968 and 25 years.

The following table represents the maximum balance due as of September 30, 2020:

Development	Sales Tax Refund Agreement	Maximum Grant Amount (Base)	Payments as of 9/30/2020	Maximum Balance Due
Singing Hills	75%	$ 10,349,968	$ 441,487	$ 9,908,481
WWTP Improvements	75%	600,445	734,984	-
		$ 10,950,413	$ 1,176,471	$ 9,908,481

Wastewater Services Agreement

On February 18, 2015, the City contracted with Guadalupe-Blanco River Authority (GBRA) to operate the wastewater treatment plant on the City's behalf. The City will pay GBRA in accordance with the contract, for the expenses incurred by GBRA in operating and maintaining the City's system and for performing billing and collection services, and for, compensation due GBRA for performing those services. The agreement concluded on August 31, 2018 and was automatically renewed for an additional seven (7) year term.

Hotel Conference Center Lease Agreement

On June 24, 2016, the City signed a lease for conference center space at Hampton Inn at Singing Hills for a term of 120 months starting September 2017 and is scheduled to expire in August 2027. Rent is $200,000 per year, payable through a rebate to the landlord of 100% of the hotel/motel tax payments, up to a maximum rebate of $2,000,000 over the initial term. The City is also responsible for payment of its electrical consumption, certain repairs and replacements, insurance premiums and service and rental fees. The City has the option to renew for a period of 3 years after the termination date. The total rent for the year ended September 30, 2020, paid as a rebate of hotel/motel tax to the landlord was $108,986.

CITY OF

Bulverde

FRONT PORCH OF THE TEXAS HILL COUNTRY™

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Notes to Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Notes to the Schedule of Changes – Net Pension Liability and Related Ratios
- Schedule of Changes – Total Other Post-Employment Benefit Liability and Related Ratios

CITY OF BULVERDE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		**Actual**	Variance Favorable
	Original	Final	**Amounts**	(Unfavorable)
REVENUES				
Ad Valorem Taxes	$ 1,447,950	$ 1,447,950	**$ 1,475,892**	$ 27,942
Sales Taxes	2,071,092	1,868,092	**2,215,849**	347,757
Franchise Fees	369,000	369,000	**372,027**	3,027
Mixed Beverage Taxes	4,200	4,200	**4,585**	385
Intergovernmental Revenue and Grants	357,344	49,344	**101,923**	52,579
Fines and Penalties	658,327	550,600	**513,835**	(36,765)
Charges for Services	490,450	571,177	**769,578**	198,401
Interest Income	57,000	57,000	**47,109**	(9,891)
Miscellaneous	34,000	55,454	**167,134**	111,680
TOTAL REVENUES	5,489,363	4,972,817	**5,667,932**	695,115
EXPENDITURES				
General and Administrative:				
Salaries	319,412	316,776	**315,083**	1,693
Supplies	7,100	11,865	**11,864**	1
Contractual	55,595	53,466	**49,581**	3,885
Total General and Administrative	382,107	382,107	**376,528**	5,579
Mayor and Council:				
Supplies	1,900	1,700	**724**	976
Contractual	19,690	19,890	**3,150**	16,740
Total Mayor and Council	21,590	21,590	**3,874**	17,716
Municipal Court:				
Salaries	205,255	210,573	**205,954**	4,619
Supplies	9,000	9,000	**7,799**	1,201
Contractual	57,575	52,257	**34,350**	17,907
Total Municipal Court	271,830	271,830	**248,103**	23,727
Non-Departmental Functions:				
Supplies	40,222	36,975	**29,615**	7,360
Contractual	1,715,009	1,057,757	**1,041,146**	16,611
Total Non-Departmental Functions	1,755,231	1,094,732	**1,070,761**	23,971
Public Safety:				
Salaries	1,356,688	1,356,688	**1,218,140**	138,548
Supplies	22,300	21,164	**9,000**	12,164
Contractual	107,048	99,710	**81,548**	18,162
Capital Outlay	123,862	132,336	**124,138**	8,198
Total Public Safety	$ 1,609,898	$ 1,609,898	**$ 1,432,826**	$ 177,072

CITY OF BULVERDE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		**Actual**	Variance Favorable
	Original	Final	**Amounts**	(Unfavorable)
EXPENDITURES (CONT.)				
Public Works:				
Salaries	$ 197,020	$ 190,065	**$ 185,001**	$ 5,064
Supplies	5,001	4,455	**4,455**	-
Contractual	1,145,849	1,244,904	**1,096,660**	148,244
Capital Outlay	499	499	**374**	125
Total Public Works	1,348,369	1,439,923	**1,286,490**	153,433
Parks and Recreation:				
Salaries	61,435	61,435	**38,199**	23,236
Supplies	5,000	5,000	**1,556**	3,444
Contractual	86,700	78,753	**54,800**	23,953
Capital Outlay	5,000	12,948	**7,948**	5,000
Total Parks and Recreation	158,135	158,136	**102,503**	55,633
Planning and Development:				
Salaries	307,906	301,906	**260,070**	41,836
Supplies	6,500	6,500	**3,908**	2,592
Contractual	39,170	45,170	**25,648**	19,522
Total Planning and Development	353,576	353,576	**289,626**	63,950
Visitor Events Center:				
Supplies	1,600	1,600	**-**	1,600
Contractual	8,400	8,400	**-**	8,400
Total Visitor Events Center	10,000	10,000	**-**	10,000
Professional Services:				
Contractual	548,627	540,127	**514,344**	25,783
Total Professional Services	548,627	540,127	**514,344**	25,783
TOTAL EXPENDITURES	$ 6,459,363	$ 5,881,919	**$ 5,325,055**	$ 556,864
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (970,000)	$ (909,102)	**$ 342,877**	$ 1,251,979

CITY OF
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CITY OF BULVERDE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts			Variance
	Original	Final	**Actual Amounts**	Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	$ -	$ 13,275	**$ 13,275**	$ -
Transfers In (Out)	-	-	**(961,263)**	(961,263)
TOTAL OTHER FINANCING SOURCES (USES)	-	13,275	**(947,988)**	(961,263)
Net Change in Fund Balance	(970,000)	(895,827)	**(605,111)**	290,716
Fund Balances at Beginning of Year	4,816,590	4,816,590	**4,816,590**	-
Fund Balances at End of Year	$ 3,846,590	$ 3,920,763	**$ 4,211,479**	$ 290,716

The above deficit for current operations was approved by City Council as a use of prior fund balance.

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The General Fund is the only fund which has a legally adopted annual budget.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. The actual expenditures did not exceed the appropriated budget for 2020.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year.

CITY OF BULVERDE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX CALENDAR YEARS

Total Pension Liability	2014	2015	2016	2017	2018	2019
Service Cost	$ 137,904	$ 158,694	$ 187,381	$ 188,920	$ 199,640	$ 227,344
Interest (on the Total Pension Liability)	112,194	125,684	146,798	168,306	183,838	202,708
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	(45,953)	58,422	33,784	(74,631)	6,449	(186,968)
Change of Assumptions	-	48,185	-	-	-	5,036
Benefit Payments, Including Refunds of Employee Contributions	(17,646)	(26,020)	(26,020)	(74,170)	(41,540)	(206,911)
Net Change in Total Pension Liability	186,499	364,965	341,943	208,425	348,387	41,209
Total Pension Liability - Beginning	1,542,645	1,729,144	2,094,109	2,436,052	2,644,477	2,992,864
Total Pension Liability - Ending	$ 1,729,144	$ 2,094,109	$ 2,436,052	$ 2,644,477	$ 2,992,864	$ 3,034,073

Plan Fiduciary Net Position	2014	2015	2016	2017	2018	2019
Contributions - Employer	$ 75,584	$ 82,459	$ 101,969	$ 120,798	$ 140,766	$ 141,724
Contributions - Employee	66,988	71,807	82,790	82,738	88,532	93,944
Net Investment Income	78,841	2,333	115,613	275,044	(71,568)	387,459
Benefit Payments, Including Refunds of Employee Contributions	(17,646)	(26,020)	(26,020)	(74,170)	(41,540)	(206,911)
Administrative Expense	(823)	(1,420)	(1,305)	(1,424)	(1,381)	(2,184)
Other	(68)	(71)	(70)	(72)	(72)	(67)
Net Change in Plan Fiduciary Net Position	202,876	129,088	272,977	402,914	114,737	413,965
Plan Fiduciary Net Position - Beginning	1,377,583	1,580,459	1,709,547	1,982,524	2,385,438	2,500,175
Plan Fiduciary Net Position - Ending	$ 1,580,459	$ 1,709,547	$ 1,982,524	$ 2,385,438	$ 2,500,175	$ 2,914,140
Net Pension Liability (Asset) - Ending	$ 148,685	$ 384,562	$ 453,528	$ 259,039	$ 492,689	$ 119,933
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.40%	81.64%	81.38%	90.20%	83.54%	96.05%
Covered Payroll	$ 1,116,461	$ 1,196,786	$ 1,379,830	$ 1,378,975	$ 1,475,537	$ 1,565,728
Net Pension Liability as a Percentage of Covered Payroll	13.32%	32.13%	32.87%	18.78%	33.39%	7.66%

Note: The schedule above reflects the changes in the net pension liability for the current and previous five years. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The City will build this schedule over the 10-year period beginning December 31, 2014 as data becomes available.

CITY OF BULVERDE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SEVEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	$ 73,177	$ 95,183	$ 109,144	$ 119,851	$ 137,354	$ 143,299	$ 161,979
Contributions in Relation to the Actuarially Determined Contribution	73,177	80,651	95,661	112,363	135,546	143,299	161,979
Contribution Deficiency (Excess)	$ -	$ 14,532	$ 13,483	$ 7,488	$ 1,808	$ -	$ -
Covered Payroll	$ 1,090,594	$ 1,175,404	$ 1,314,743	$ 1,339,733	$ 1,453,744	$ 1,560,363	$ 1,660,746
Contributions as a Percentage of Covered Payroll	6.71%	6.86%	7.28%	8.39%	9.32%	9.18%	9.75%

Note: The schedule above reflects the TMRS contributions made by the City for the current year and the previous six years. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The City will build this schedule over the 10-year period beginning September 30, 2014 as data becomes available.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

CITY OF BULVERDE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – OTHER POST EMPLOYMENT BENEFIT
LIABILITY AND RELATED RATIOS
LAST THREE CALENDAR YEARS

Total OPEB Liability	2017	2018	2019
Service Cost	$ 2,620	$ 3,099	$ 3,758
Interest (on the Total OPEB Liability)	1,608	1,712	2,007
Changes of Benefit Terms	-		
Difference between Expected and Actual Experience	-	2,188	2,001
Change of Assumptions	4,841	(4,783)	14,575
Benefit Payments	(138)	(148)	(157)
Net Change in Total OPEB Liability	8,931	2,068	22,184
Total OPEB Liability - Beginning	41,304	50,235	52,303
Total OPEB Liability - Ending	$ 50,235	$ 52,303	$ 74,487
Covered Payroll	$ 1,378,975	$ 1,475,537	$ 1,565,728
Net OPEB Liability as a Percentage of Covered Payroll	3.64%	3.54%	4.76%

Note: The schedule above reflects the changes in net pension liability for the current year and the previous two years. GASB Statement No. 75 requires 10 years of data to be provided in this schedule. The City will build this schedule over the 10- year period beginning December 31, 2017 as data becomes available.

NOTES TO SCHEDULE OF CHANGES

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Methods and Assumptions Used to Determine Contribution Rate

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.75% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% miniumum 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.

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SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Combining Statement – Nonmajor Governmental Funds
- Comparative Statements – Police Seizure Fund
- Comparative Statements – Hotel/Motel Fund
- Comparative Statements – Child Safety Fund
- Comparative Statements – Court Security Fund
- Comparative Statements – Court Technology Fund
- Comparative Statements – Tree Preservation Fund
- Comparative Statements – LEOSE Grant Fund
- Comparative Statements – Police Donations Fund
- Comparative Statements – Drainage Fund
- Comparative Statements – Proprietary Water/Sewer Utility Fund

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	$ 1,771,552	$ 1,159,845
Investments	2,451,821	3,477,510
Receivables (net of allowances for uncollectibles):		
Property Taxes	25,253	15,710
Other Receivables	530,547	627,993
Accrued Interest Receivable	-	4,654
Due From Other Funds	194,718	174,191
TOTAL ASSETS	$ 4,973,891	$ 5,459,903
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES		
Liabilities:		
Accounts Payable	$ 458,043	$ 345,116
Wages and Salaries Payable	24,064	14,452
Intergovernmental Payable	2,151	100,111
Other Current Liabilities	40,350	42,095
Unearned Revenue	215,662	112,067
Due to Other Funds	-	15,868
Total Liabilities	740,270	629,709
Deferred Inflows of Resources:		
Unavailable Property Tax Revenue	22,142	13,604
Total Deferred Inflows of Resources	22,142	13,604
Fund Balances:		
Restricted for:		
Child Safety	-	68,985
Building Security and Technology	-	307,839
Police Donations	-	7,855
Drainage	-	500,000
Unassigned	4,211,479	3,931,911
Total Fund Balances	4,211,479	4,816,590
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,973,891	$ 5,459,903

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Ad Valorem Taxes	**$ 1,475,892**	$ 1,128,325
Sales Taxes	**2,215,849**	1,979,987
Franchise Fees	**372,027**	385,405
Mixed Bevarage Taxes	**4,585**	4,395
Intergovernmental Revenues & Grants	**101,923**	91,240
Fines and Penalties	**513,835**	586,838
Charges for Services	**769,578**	651,670
Interest Income	**47,109**	79,721
Miscellaneous	**167,134**	20,468
TOTAL REVENUES	**5,667,932**	4,928,049
EXPENDITURES		
Current:		
General and Administrative	**376,528**	322,592
Mayor and Council	**3,874**	8,336
Municipal Court	**248,103**	247,792
Non-Departmental Functions	**1,070,761**	437,252
Public Safety	**1,308,688**	1,289,270
Public Works	**1,286,116**	467,400
Parks and Recreation	**94,555**	113,566
Planning and Development	**289,626**	231,767
Visitor Events Center	**-**	106
Professional Services	**514,344**	584,947
Capital Outlay	**132,460**	107,335
TOTAL EXPENDITURES	**5,325,055**	3,810,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	**342,877**	1,117,686
OTHER FINANCING SOURCES (USES)		
Proceeds from Sale of Capital Assets	**13,275**	-
Transfers In (Out)	**(961,263)**	54,809
TOTAL OTHER FINANCING SOURCES (USES)	**(947,988)**	54,809
Net Change in Fund Balance	**(605,111)**	1,172,495
Fund Balances at Beginning of Year	**4,816,590**	3,644,095
Fund Balances at End of Year	**$ 4,211,479**	$ 4,816,590

CITY OF BULVERDE
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Police Seizure Fund	Hotel/Motel Fund	Child Safety Fund	Court Security Fund
ASSETS				
Cash and Cash Equivalents	$ 21,793	$ 13,642	$ 3,949	$ 28,584
Investments	-	18,020	75,084	120,134
Receivables:				
Other Receivables	-	38,630	-	-
TOTAL ASSETS	$ 21,793	$ 70,292	$ 79,033	$ 148,718
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ 35,479	$ -	$ -
Wages and Salaries Payable	-	-	-	132
Total Liabilities	-	35,479	-	132
Fund Balances:				
Restricted For:				
Police Seizure	21,793	-	-	-
Hotel/Motel	-	34,813	-	-
Child Safety	-	-	79,033	-
Building Security & Technology	-	-	-	148,586
Tree Preservation	-	-	-	-
Police Training & Donations	-	-	-	-
Drainage	-	-	-	-
Total Fund Balances	21,793	34,813	79,033	148,586
TOTAL LIABILITIES & FUND BALANCES	$ 21,793	$ 70,292	$ 79,033	$ 148,718

Court Technology Fund	Tree Preservation Fund	LEOSE Grant Fund	Police Donations Fund	Drainage Fund	Total Nonmajor Governmental Funds
$ 10,009	$ 4,326	$ 4,695	$ 8,005	$ 300,000	$ 395,003
170,189	95,106	-	-	200,223	678,756
-	-	-	-	-	38,630
$ 180,198	$ 99,432	$ 4,695	$ 8,005	$ 500,223	$ 1,112,389
$ -	$ -	$ -	$ -	$ -	$ 35,479
-	-	-	-	-	132
-	-	-	-	-	35,611
-	-	-	-	-	21,793
-	-	-	-	-	34,813
-	-	-	-	-	79,033
180,198	-	-	-	-	328,784
-	99,432	-	-	-	99,432
-	-	4,695	8,005	-	12,700
-	-	-	-	500,223	500,223
180,198	99,432	4,695	8,005	500,223	1,076,778
$ 180,198	$ 99,432	$ 4,695	$ 8,005	$ 500,223	$ 1,112,389

CITY OF BULVERDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020

	Police Seizure Fund	Hotel/Motel Fund	Child Safety Fund	Court Security Fund
REVENUES				
Hotel Motel Tax	$ -	$ 126,212	$ -	$ -
Intergovernmental Revenues & Grants	-	-	10,792	-
Fines and Penalties	-	-	-	13,747
Charges for Services	-	-	-	-
Interest Income	2	20	84	134
Miscellaneous	1,441	-	-	-
TOTAL REVENUES	1,443	126,232	10,876	13,881
EXPENDITURES				
Municipal Court	-	-	-	2,240
Public Safety	-	-	566	-
Culture & Recreation	-	108,987	-	-
TOTAL EXPENDITURES	-	108,987	566	2,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,443	17,245	10,310	11,641
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	68,723	136,945
TOTAL OTHER FINANCING SOURCES (USES)	-	-	68,723	136,945
Net Change in Fund Balance	1,443	17,245	79,033	148,586
Fund Balances at Beginning of Year	20,350	17,568	-	-
Fund Balances at End of Year	$ 21,793	$ 34,813	$ 79,033	$ 148,586

Court Technology Fund	Tree Preservation Fund	LEOSE Grant Fund	Police Donations Fund	Drainage Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 126,212
-	-	1,519	-	-	12,311
9,239	-	-	-	-	22,986
-	25,981	-	-	-	25,981
189	106	-	-	223	758
-	-	-	150	-	1,591
9,428	26,087	1,519	150	223	189,839
124	-	-	-	-	2,364
-	-	325	-	-	891
-	-	-	-	-	108,987
124	-	325	-	-	112,242
9,304	26,087	1,194	150	223	77,597
170,894	73,345	3,501	7,855	500,000	961,263
170,894	73,345	3,501	7,855	500,000	961,263
180,198	99,432	4,695	8,005	500,223	1,038,860
-	-	-	-	-	37,918
$ 180,198	$ 99,432	$ 4,695	$ 8,005	$ 500,223	$ 1,076,778

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
POLICE SEIZURE FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 21,793**	$ 22,050
Due from Other Funds	**-**	(1,700)
TOTAL ASSETS	**$ 21,793**	$ 20,350
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Police Seizure	**21,793**	20,350
Total Fund Balances	**21,793**	20,350
TOTAL LIABILITIES & FUND BALANCES	**$ 21,793**	$ 20,350

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
POLICE SEIZURE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Miscellaneous	$ 1,441	$ -
Interest Income	2	-
TOTAL REVENUES	1,443	-
EXPENDITURES		
Public Safety	-	-
TOTAL EXPENDITURES	-	-
Net Change in Fund Balance	1,443	-
Fund Balances at Beginning of Year	20,350	20,350
Fund Balances at End of Year	$ 21,793	$ 20,350

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
HOTEL/MOTEL FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 13,642**	$ -
Investments	**18,020**	-
Receivables (net of allowances for uncollectibles):		
Other Receivables	**38,630**	-
Due from Other Funds	**-**	17,568
TOTAL ASSETS	**$ 70,292**	$ 17,568
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ 35,479**	$ -
Total Liabilities	**35,479**	-
Fund Balances:		
Restricted for Hotel/Motel	**34,813**	17,568
Total Fund Balances	**34,813**	17,568
TOTAL LIABILITIES & FUND BALANCES	**$ 70,292**	$ 17,568

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
HOTEL/MOTEL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Hotel/Motel Tax	**$ 126,212**	$ 157,427
Interest Income	**20**	-
TOTAL REVENUES	**126,232**	157,427
EXPENDITURES		
Culture & Recreation	**108,987**	152,362
TOTAL EXPENDITURES	**108,987**	152,362
Net Change in Fund Balance	**17,245**	5,065
Fund Balances at Beginning of Year	**17,568**	12,503
Fund Balances at End of Year	**$ 34,813**	$ 17,568

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
CHILD SAFETY FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 3,949**	$ -
Investments	**75,084**	-
TOTAL ASSETS	**$ 79,033**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Child Safety	**79,033**	-
Total Fund Balances	**79,033**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 79,033**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CHILD SAFETY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Intergovernmental Revenues & Grants	**$ 10,792**	$ -
Interest Income	**84**	-
TOTAL REVENUES	**10,876**	-
EXPENDITURES		
Public Safety	**566**	-
TOTAL EXPENDITURES	**566**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	**10,310**	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**68,723**	-
TOTAL OTHER FINANCING SOURCES (USES)	**68,723**	-
Net Change in Fund Balance	**79,033**	-
Fund Balances at Beginning of Year	**-**	-
Fund Balances at End of Year	**$ 79,033**	$ -

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
COURT SECURITY FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 28,584**	$ -
Investments	**120,134**	-
TOTAL ASSETS	**$ 148,718**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:		
Wages and Salaries Payable	**$ 132**	$ -
Total Liabilities	**132**	-
Fund Balances:		
Restricted for Building Security & Technology	**148,586**	-
Total Fund Balances	**148,586**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 148,718**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
COURT SECURITY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Fines and Penalties	**$ 13,747**	$ -
Interest Income	**134**	-
TOTAL REVENUES	**13,881**	-
EXPENDITURES		
Municipal Court	**2,240**	-
TOTAL EXPENDITURES	**2,240**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	**11,641**	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**136,945**	-
TOTAL OTHER FINANCING SOURCES (USES)	**136,945**	-
Net Change in Fund Balance	**148,586**	-
Fund Balances at Beginning of Year	**-**	-
Fund Balances at End of Year	**$ 148,586**	$ -

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
COURT TECHNOLGY FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 10,009**	$ -
Investments	**170,189**	-
TOTAL ASSETS	**$ 180,198**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Building Security & Technology	**180,198**	-
Total Fund Balances	**180,198**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 180,198**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COURT TECHNOLOGY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Fines and Penalties	$ 9,239	$ -
Interest Income	189	-
TOTAL REVENUES	9,428	-
EXPENDITURES		
Municipal Court	124	-
TOTAL EXPENDITURES	124	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,304	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	170,894	-
TOTAL OTHER FINANCING SOURCES (USES)	170,894	-
Net Change in Fund Balance	180,198	-
Fund Balances at Beginning of Year	-	-
Fund Balances at End of Year	$ 180,198	$ -

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
TREE PRESERVATION FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 4,326**	$ -
Investments	**95,106**	-
TOTAL ASSETS	**$ 99,432**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Tree Preservation	**99,432**	-
Total Fund Balances	**99,432**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 99,432**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
TREE PRESERVATION FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Charges for Services	**$ 25,981**	$ -
Interest Income	**106**	-
TOTAL REVENUES	**26,087**	-
EXPENDITURES		
General and Administrative	**-**	-
TOTAL EXPENDITURES	**-**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	**26,087**	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**73,345**	-
TOTAL OTHER FINANCING SOURCES (USES)	**73,345**	-
Net Change in Fund Balance	**99,432**	-
Fund Balances at Beginning of Year	**-**	-
Fund Balances at End of Year	**$ 99,432**	$ -

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
LEOSE GRANT FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 4,695**	$ -
TOTAL ASSETS	**$ 4,695**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Police Training & Donations	**4,695**	-
Total Fund Balances	**4,695**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 4,695**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
LEOSE GRANT FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Intergovernmental Revenues & Grants	**$ 1,519**	$ -
TOTAL REVENUES	**1,519**	-
EXPENDITURES		
Public Safety	**325**	-
TOTAL EXPENDITURES	**325**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	**1,194**	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**3,501**	-
TOTAL OTHER FINANCING SOURCES (USES)	**3,501**	-
Net Change in Fund Balance	**4,695**	-
Fund Balances at Beginning of Year	**-**	-
Fund Balances at End of Year	**$ 4,695**	$ -

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
POLICE DONATIONS FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 8,005**	$ -
TOTAL ASSETS	**$ 8,005**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Police Training & Donations	**8,005**	-
Total Fund Balances	**8,005**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 8,005**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
POLICE DONATIONS FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Miscellaneous	$ 150	$ -
TOTAL REVENUES	150	-
EXPENDITURES		
Public Safety	-	-
TOTAL EXPENDITURES	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	150	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	7,855	-
TOTAL OTHER FINANCING SOURCES (USES)	7,855	-
Net Change in Fund Balance	8,005	-
Fund Balances at Beginning of Year	-	-
Fund Balances at End of Year	$ 8,005	$ -

CITY OF BULVERDE
COMPARATIVE BALANCE SHEETS
DRAINAGE FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	**$ 300,000**	$ -
Investments	**200,223**	-
TOTAL ASSETS	**$ 500,223**	$ -
LIABILITIES AND FUND BALANCES		
Liabilities:	**$ -**	$ -
Fund Balances:		
Restricted for Drainage	**500,223**	-
Total Fund Balances	**500,223**	-
TOTAL LIABILITIES & FUND BALANCES	**$ 500,223**	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DRAINAGE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Interest Income	$ 223	$ -
TOTAL REVENUES	223	-
EXPENDITURES		
Public Works	-	-
TOTAL EXPENDITURES	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	223	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	500,000	-
TOTAL OTHER FINANCING SOURCES (USES)	500,000	-
Net Change in Fund Balance	500,223	-
Fund Balances at Beginning of Year	-	-
Fund Balances at End of Year	$ 500,223	$ -

CITY OF BULVERDE
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets:		
Accounts Receivable	**$ 166,308**	$ 127,778
Capital Assets:		
Land	**286,625**	286,625
Buildings and Improvements	**9,153,971**	9,153,971
Accumulated Depreciation	**(1,576,517)**	(1,271,385)
TOTAL ASSETS	**8,030,387**	8,296,989
LIABILITIES		
Accounts Payable	**18,003**	-
Due To Other Funds	**194,718**	174,191
TOTAL LIABILITIES	**212,721**	174,191
NET POSITION		
Net Investment Capital Assets	**7,864,079**	8,169,211
Unrestricted, (Deficit)	**(46,413)**	(46,413)
TOTAL NET POSITION	**$ 7,817,666**	$ 8,122,798

CITY OF BULVERDE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Operating Revenues		
Charges for Services	**$ 439,492**	$ 360,185
Total Operating Revenues	**439,492**	360,185
Operating Expenses Before Depreciation		
Supplies	**200**	4,075
Contractual Services	**439,292**	356,110
Total Operating Expenses Before Depreciation	**439,492**	360,185
Operating Income Before Depreciation	**-**	-
Depreciation	**305,132**	305,131
Operating Income (Loss)	**(305,132)**	(305,131)
NET CHANGE IN NET POSITION	**(305,132)**	(305,131)
Net Position at Beginning of Year	**8,122,798**	8,427,929
Net Position at End of Year	**$ 7,817,666**	$ 8,122,798

CITY OF BULVERDE
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Cash Received From Customers	**$ 400,962**	$ 332,243
Cash Paid to Suppliers for Goods & Services	**(421,489)**	(360,185)
Net Cash Provided (Used) by Operating Activities	**(20,527)**	(27,942)
Cash Flows From Noncapital Financing Activities:		
Interfund Payables (Receivables)	**20,527**	27,942
Net Cash Provided (Used by Noncapital Financing Activities	**20,527**	27,942
Net Increase (Decrease) in Cash and Investments	**-**	-
Cash and Investments at Beginning of Year	**-**	-
Cash and Investments at End of Year:	**$ -**	$ -

	2020	2019
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	**$ (305,132)**	$ (305,131)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	**305,132**	305,131
(Increase) Decrease in Operating Assets:		
Accounts Receivable	**(38,530)**	(27,942)
Increase (Decrease) in Accounts Payable	**18,003**	-
Total Adjustments to Reconcile Operating Activities	**284,605**	277,189
Net Cash Provided (Used) by Operating Activities	**$ (20,527)**	$ (27,942)

CITY OF Bulverde

FRONT PORCH OF THE TEXAS HILL COUNTRY™