



**CITY OF BULVERDE, TEXAS**

**ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2022**



CITY OF BULVERDE  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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CITY OF BULVERDE  
PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

WILLIAM KRAWIETZ

CITY COUNCIL

MARK MORKOVSKY

YVONNE L. CHAPMAN

CHARLES L. HUGHES

CLINT HAYS

DAVID BULLOCK

MECHELLE SALMON

CITY MANAGER

CHARLES WEST

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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bulverde, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bulverde, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Bulverde's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Bulverde's ability to continue as a going concern for a reasonable period of time.

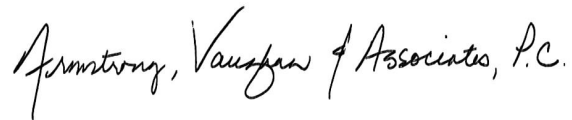
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

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

### ***Supplementary 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.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 20, 2023

## 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, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

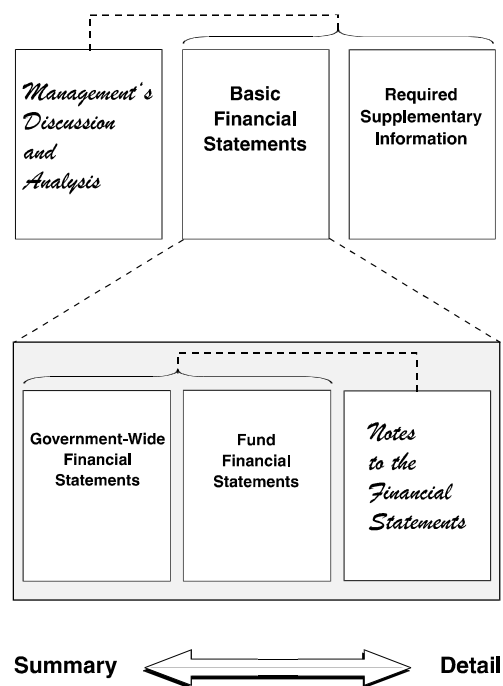
- The City's net position was \$21.6 million at September 30, 2022.
- During the year, the City's governmental expenses were \$2.1 million less than the \$8.5 million generated in general and program revenues for governmental activities. The total cost of the City's program expenses increased 7.4% from last year. This increase was primarily due to street and ditch maintenance as well as engineering fees incurred during the current year.
- The general fund reported a fund balance this year of \$5.6 million, a decrease of 10.7%.
- The City did not issue any new bonds during the fiscal year ending September 30, 2022.

### 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.

| <b>Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements</b> |                                                                                    |                                                                                                                                                                                             |                                                                                          |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                                                                                               | <b>Fund Statements</b>                                                             |                                                                                                                                                                                             |                                                                                          |
| <i>Type of Statements</i>                                                                     | Government-wide                                                                    | Governmental Funds                                                                                                                                                                          | Proprietary Funds                                                                        |
| <i>Scope</i>                                                                                  | 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.             |
| <i>Required financial statements</i>                                                          | • 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<br>• Statement of Cash Flows |
| <i>Accounting basis and measurement focus</i>                                                 | Accrual accounting and economic resources focus                                    | Modified accrual accounting and current financial resources focus                                                                                                                           | Accrual accounting and economic resources focus                                          |
| <i>Type of asset/liability information</i>                                                    | All assets and liabilities, both financial and capital, short-term and long-term   | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included                                                             | All assets and liabilities, both financial and capital, and short-term and long-term     |
| <i>Type of inflow/outflow information</i>                                                     | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter. | All revenues and expenses during year, regardless of when cash is received or paid       |

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 \$21.6 million at September 30, 2022. (See Table A-1).

**Table A-1**  
City's Net Position

|                            | Governmental<br>Activities |                      | Business-Type<br>Activities |                     | Total                |                      | Percentage<br>Change |
|----------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|----------------------|
|                            | 2022                       | 2021                 | 2022                        | 2021                | 2022                 | 2021                 | 2022 - 2021          |
| <i>Assets:</i>             |                            |                      |                             |                     |                      |                      |                      |
| Current Assets             | \$ 9,121,040               | \$ 9,210,879         | \$ 120,310                  | \$ 99,957           | \$ 9,241,350         | \$ 9,310,836         | -0.7%                |
| Capital Assets (net)       | 7,907,174                  | 5,236,683            | 7,253,815                   | 7,558,947           | 15,160,989           | 12,795,630           | 18.5%                |
| Other Assets               | 86,315                     | -                    | -                           | -                   | 86,315               | -                    | 100.0%               |
| <i>Total Assets</i>        | <u>17,114,529</u>          | <u>14,447,562</u>    | <u>7,374,125</u>            | <u>7,658,904</u>    | <u>24,488,654</u>    | <u>22,106,466</u>    | 10.8%                |
| <i>Deferred Outflows</i>   | <u>154,443</u>             | <u>154,045</u>       | <u>-</u>                    | <u>-</u>            | <u>154,443</u>       | <u>154,045</u>       | 0.3%                 |
| <i>Liabilities:</i>        |                            |                      |                             |                     |                      |                      |                      |
| Current Liabilities        | 2,624,673                  | 2,021,716            | 34,263                      | 14,804              | 2,658,936            | 2,036,520            | 30.6%                |
| Noncurrent Liabilities     | 105,339                    | 194,645              | -                           | -                   | 105,339              | 194,645              | -45.9%               |
| <i>Total Liabilities</i>   | <u>2,730,012</u>           | <u>2,216,361</u>     | <u>34,263</u>               | <u>14,804</u>       | <u>2,764,275</u>     | <u>2,231,165</u>     | 23.9%                |
| <i>Deferred Inflows</i>    | <u>266,373</u>             | <u>191,926</u>       | <u>-</u>                    | <u>-</u>            | <u>266,373</u>       | <u>191,926</u>       | 38.8%                |
| <i>Net Position:</i>       |                            |                      |                             |                     |                      |                      |                      |
| Invested in Capital Assets | 7,907,174                  | 5,236,683            | 7,253,815                   | 7,558,947           | 15,160,989           | 12,795,630           | 18.5%                |
| Restricted                 | 1,047,034                  | 1,055,468            | -                           | -                   | 1,047,034            | 1,055,468            | -0.8%                |
| Unrestricted, (Deficit)    | 5,318,379                  | 5,901,169            | 86,047                      | 85,153              | 5,404,426            | 5,986,322            | -9.7%                |
| <i>Total Net Position</i>  | <u>\$ 14,272,587</u>       | <u>\$ 12,193,320</u> | <u>\$ 7,339,862</u>         | <u>\$ 7,644,100</u> | <u>\$ 21,612,449</u> | <u>\$ 19,837,420</u> | 8.9%                 |

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 \$8.5 million, of which 64.8% of the City's revenue came from taxes compared to 63.3% in the prior year. Table A-2 reports the summarized changes in net position.

**Table A-2**  
Changes in City's Net Position

|                                       | Governmental<br>Activities |                      | Business-Type<br>Activities |                     | Total                |                      | Percentage<br>Change |
|---------------------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|----------------------|
|                                       | 2022                       | 2021                 | 2022                        | 2021                | 2022                 | 2021                 | 2022 - 2021          |
| <i>Program Revenues:</i>              |                            |                      |                             |                     |                      |                      |                      |
| Charges for Services                  | \$ 2,797,283               | \$ 2,333,409         | \$ 483,027                  | \$ 527,757          | \$ 3,280,310         | \$ 2,861,166         | 14.6%                |
| Operating Grants and<br>Contributions | 10,614                     | 406,173              | -                           | -                   | 10,614               | 406,173              | -97.4%               |
| <i>General Revenues:</i>              |                            |                      |                             |                     |                      |                      |                      |
| Taxes                                 | 5,308,637                  | 4,969,716            | -                           | -                   | 5,308,637            | 4,969,716            | 6.8%                 |
| Interest Earnings                     | 55,661                     | 17,910               | -                           | -                   | 55,661               | 17,910               | 210.8%               |
| Miscellaneous                         | 139,391                    | 129,886              | -                           | -                   | 139,391              | 129,886              | 7.3%                 |
| <b>TOTAL REVENUES</b>                 | <b>8,311,586</b>           | <b>7,857,094</b>     | <b>483,027</b>              | <b>527,757</b>      | <b>8,794,613</b>     | <b>8,384,851</b>     | <b>4.9%</b>          |
| <i>Program Expenses:</i>              |                            |                      |                             |                     |                      |                      |                      |
| General and Administrative            | 353,718                    | 366,522              | 787,265                     | 701,323             | 1,140,983            | 1,067,845            | 6.8%                 |
| Municipal Court                       | 315,211                    | 268,560              | -                           | -                   | 315,211              | 268,560              | 17.4%                |
| Public Safety                         | 1,806,571                  | 1,584,259            | -                           | -                   | 1,806,571            | 1,584,259            | 14.0%                |
| Public Works                          | 1,522,289                  | 1,578,665            | -                           | -                   | 1,522,289            | 1,578,665            | -3.6%                |
| Parks & Recreation                    | 236,010                    | 193,227              | -                           | -                   | 236,010              | 193,227              | 22.1%                |
| Planning and Development              | 316,922                    | 300,589              | -                           | -                   | 316,922              | 300,589              | 5.4%                 |
| Culture & Recreation                  | 208,875                    | 177,208              | -                           | -                   | 208,875              | 177,208              | 17.9%                |
| Non-Departmental Functions            | 1,472,723                  | 1,569,062            | -                           | -                   | 1,472,723            | 1,569,062            | -6.1%                |
| <b>TOTAL EXPENSES</b>                 | <b>6,232,319</b>           | <b>6,038,092</b>     | <b>787,265</b>              | <b>701,323</b>      | <b>7,019,584</b>     | <b>6,739,415</b>     | <b>4.2%</b>          |
| Change in Net Position                | 2,079,267                  | 1,819,002            | (304,238)                   | (173,566)           | 1,775,029            | 1,645,436            | 7.9%                 |
| Beginning Net Position                | 12,193,320                 | 10,374,318           | 7,644,100                   | 7,817,666           | 19,837,420           | 18,191,984           | 9.0%                 |
| Ending Net Position                   | <b>\$ 14,272,587</b>       | <b>\$ 12,193,320</b> | <b>\$ 7,339,862</b>         | <b>\$ 7,644,100</b> | <b>\$ 21,612,449</b> | <b>\$ 19,837,420</b> | <b>8.9%</b>          |

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 \$6.5 million. 43.3% 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 \$1.7 million, \$3.1 million, and \$477 thousand, respectively.

**Table A-3**  
Net Cost of Selected City Functions

|                            | Total Cost of<br>Services |            | Percentage<br>Change | Net Cost of<br>Services |            | Percentage<br>Change |
|----------------------------|---------------------------|------------|----------------------|-------------------------|------------|----------------------|
|                            | 2022                      | 2021       | 2022 - 2021          | 2022                    | 2021       | 2022 - 2021          |
| General and Administrative | \$ 353,718                | \$ 366,522 | -3.5%                | \$ 353,718              | \$ 366,522 | -3.5%                |
| Municipal Court            | 315,211                   | 268,560    | 17.4%                | (652,569)               | (504,225)  | 29.4%                |
| Public Safety              | 1,806,571                 | 1,584,259  | 14.0%                | 1,685,344               | 1,060,485  | 58.9%                |
| Public Works               | 1,522,289                 | 1,578,665  | -3.6%                | (196,601)               | 135,642    | -244.9%              |
| Parks & Recreation         | 236,010                   | 193,227    | 22.1%                | 236,010                 | 193,227    | 22.1%                |
| Planning and Development   | 316,922                   | 300,589    | 5.4%                 | 316,922                 | 300,589    | 5.4%                 |
| Culture & Recreation       | 208,875                   | 177,208    | 17.9%                | 208,875                 | 177,208    | 17.9%                |
| Non-Departmental Function  | 1,472,723                 | 1,569,062  | -6.1%                | 1,472,723               | 1,569,062  | -6.1%                |

## Business-Type Activities

Total charges for waste water treatment services were \$483 thousand while total operating expenses, including current depreciation expense, was \$787 thousand, resulting in a net loss for the year.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$8.5 million, an increase of 8.6% from the preceding year. Expenditures from governmental fund types totaled \$9.2 million, an increase of 57.1% from the preceding year primarily due to the purchase of land and related costs for new Public Safety Building. After other financing sources and uses, total fund balance for governmental fund types decreased from the prior year by \$676 thousand.

## General Fund Budgetary Highlights

The City's general fund actual revenues were \$1.9 million more than budgeted amounts and expenditures were \$1.1 million more than budgeted amounts.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2022, the City had invested \$21.8 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount less accumulated depreciation totaling \$6.6 million results in a total Net Capital Asset Value of \$15.2 million.

**Table A-4**  
City's Capital Assets

|                                | Governmental<br>Activities |                     | Business-Type<br>Activities |                     | Total                |                      | Percentage<br>Change |
|--------------------------------|----------------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|----------------------|
|                                | 2022                       | 2021                | 2022                        | 2021                | 2022                 | 2021                 | 2022 - 2021          |
| Land                           | \$ 1,590,074               | \$ 192,821          | \$ 286,625                  | \$ 286,625          | \$ 1,876,699         | \$ 479,446           | 724.6%               |
| Construction in Progress       | 1,589,668                  | -                   | -                           | -                   | 1,589,668            | -                    | 100.0%               |
| Buildings and Improvements     | 2,992,310                  | 2,992,310           | 9,153,971                   | 9,153,971           | 12,146,281           | 12,146,281           | 0.0%                 |
| Vehicles and Equipment         | 1,547,538                  | 1,451,657           | -                           | -                   | 1,547,538            | 1,451,657            | 6.6%                 |
| Infrastructure                 | 4,592,969                  | 4,592,969           | -                           | -                   | 4,592,969            | 4,592,969            | 0.0%                 |
| Signs                          | 25,225                     | 25,225              | -                           | -                   | 25,225               | 25,225               | 0.0%                 |
| Totals at Historical Cost      | 12,337,784                 | 9,254,982           | 9,440,596                   | 9,440,596           | 21,778,380           | 18,695,578           | 33.3%                |
| Total Accumulated Depreciation | (4,430,610)                | (4,018,299)         | (2,186,781)                 | (1,881,649)         | (6,617,391)          | (5,899,948)          | 10.3%                |
| Net Capital Assets             | <u>\$ 7,907,174</u>        | <u>\$ 5,236,683</u> | <u>\$ 7,253,815</u>         | <u>\$ 7,558,947</u> | <u>\$ 15,160,989</u> | <u>\$ 12,795,630</u> | 51.0%                |

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 2022-2023 Fiscal Year will be a year of asset construction and continued community planning for the Bulverde area. The revenues 2022-2023 Fiscal Year budget preparation are \$6,663,600 while expenditures and transfers to other funds are estimated to be \$6,642,900.

The current tax rate for the City of Bulverde is .1708 and with increased property values the rate is expected to remain the same or possibly be lowered for the next Fiscal Year.

During Fiscal Year of 2022-2023, the City will be updating the current Master Plan, Transportation Plans and reviewing all development related ordinances to ensure the management the rapid growth that we have been experiencing. The City is positioning itself to manage and guide this growth 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.



## 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, 2022

|                                                        | Primary Government |                    |                    |
|--------------------------------------------------------|--------------------|--------------------|--------------------|
|                                                        | Governmental       | Business-Type      | Total              |
|                                                        | Activities         | Activities         |                    |
| <b>ASSETS</b>                                          |                    |                    |                    |
| <i>Current Assets:</i>                                 |                    |                    |                    |
| Cash and Cash Equivalents                              | \$ 3,916,561       | \$ -               | \$ 3,916,561       |
| Investments                                            | 4,383,224          | -                  | 4,383,224          |
| Receivables (net of allowances<br>for uncollectibles): |                    |                    |                    |
| Ad Valorem Taxes                                       | 20,308             | -                  | 20,308             |
| Other                                                  | 726,705            | 181,994            | 908,699            |
| Internal Balances                                      | 61,684             | (61,684)           | -                  |
| Prepaid Items                                          | 12,558             | -                  | 12,558             |
| Total Current Assets                                   | <u>9,121,040</u>   | <u>120,310</u>     | <u>9,241,350</u>   |
| <i>Noncurrent Assets:</i>                              |                    |                    |                    |
| Capital Assets:                                        |                    |                    |                    |
| Land                                                   | 1,590,074          | 286,625            | 1,876,699          |
| Building and Improvements                              | 2,992,310          | 9,153,971          | 12,146,281         |
| Vehicles and Equipment                                 | 1,547,538          | -                  | 1,547,538          |
| Infrastructure                                         | 4,592,969          | -                  | 4,592,969          |
| Signs                                                  | 25,225             | -                  | 25,225             |
| Construction in Progress                               | 1,589,668          | -                  | 1,589,668          |
| Accumulated Depreciation                               | <u>(4,430,610)</u> | <u>(2,186,781)</u> | <u>(6,617,391)</u> |
| Total Capital Assets                                   | 7,907,174          | 7,253,815          | 15,160,989         |
| Net Pension Asset                                      | 86,315             | -                  | 86,315             |
| Total Noncurrent Assets                                | <u>7,993,489</u>   | <u>7,253,815</u>   | <u>15,247,304</u>  |
| <b>TOTAL ASSETS</b>                                    | <u>17,114,529</u>  | <u>7,374,125</u>   | <u>24,488,654</u>  |
| <b>DEFERRED OUTFLOWS</b>                               |                    |                    |                    |
| Deferred Pension Related Outflows                      | 132,619            | -                  | 132,619            |
| Deferred OPEB Related Outflows                         | 21,824             | -                  | 21,824             |
| <b>TOTAL DEFERRED OUTFLOWS</b>                         | <u>\$ 154,443</u>  | <u>\$ -</u>        | <u>\$ 154,443</u>  |

See accompanying notes to basic financial statements.

CITY OF BULVERDE  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2022

|                                  | Primary Government   |                     |                      |
|----------------------------------|----------------------|---------------------|----------------------|
|                                  | Governmental         | Business-Type       |                      |
|                                  | Activities           | Activities          | Total                |
| <b>LIABILITIES</b>               |                      |                     |                      |
| <i>Current Liabilities:</i>      |                      |                     |                      |
| Accounts Payable                 | \$ 637,178           | \$ 34,263           | \$ 671,441           |
| Wages and Salaries Payable       | 34,890               | -                   | 34,890               |
| Other Current Liabilities        | 109,825              | -                   | 109,825              |
| Accrued Compensated Absences     | 128,924              | -                   | 128,924              |
| Unearned Revenue                 | 1,713,856            | -                   | 1,713,856            |
| Total Current Liabilities        | <u>2,624,673</u>     | <u>34,263</u>       | <u>2,658,936</u>     |
| <i>Noncurrent Liabilities:</i>   |                      |                     |                      |
| Total OPEB Liability             | <u>105,339</u>       | <u>-</u>            | <u>105,339</u>       |
| Total Noncurrent Liabilities     | <u>105,339</u>       | <u>-</u>            | <u>105,339</u>       |
| <b>TOTAL LIABILITIES</b>         | <u>2,730,012</u>     | <u>34,263</u>       | <u>2,764,275</u>     |
| <b>DEFERRED INFLOWS</b>          |                      |                     |                      |
| Deferred Pension Related Inflows | 265,953              | -                   | 265,953              |
| Deferred OPEB Related Inflows    | 420                  | -                   | 420                  |
| <b>TOTAL DEFERRED INFLOWS</b>    | <u>266,373</u>       | <u>-</u>            | <u>266,373</u>       |
| <b>NET POSITION</b>              |                      |                     |                      |
| Net Investment in Capital Assets | 7,907,174            | 7,253,815           | 15,160,989           |
| Restricted for:                  |                      |                     |                      |
| Police, Court, and Child Safety  | 578,126              | -                   | 578,126              |
| Tree Preservation                | 8                    | -                   | 8                    |
| Drainage                         | 409,691              | -                   | 409,691              |
| Hotel/Motel                      | 59,209               | -                   | 59,209               |
| Unrestricted                     | <u>5,318,379</u>     | <u>86,047</u>       | <u>5,404,426</u>     |
| <b>TOTAL NET POSITION</b>        | <u>\$ 14,272,587</u> | <u>\$ 7,339,862</u> | <u>\$ 21,612,449</u> |

See accompanying notes to basic financial statements.

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

|                                   |              | Program Revenues     |                                    |                                  |
|-----------------------------------|--------------|----------------------|------------------------------------|----------------------------------|
| Functions and Programs            | Expenses     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government:               |              |                      |                                    |                                  |
| Governmental Activities:          |              |                      |                                    |                                  |
| General & Administrative          | \$ 353,718   | \$ -                 | \$ -                               | \$ -                             |
| Municipal Court                   | 315,211      | 967,780              | -                                  | -                                |
| Public Safety                     | 1,806,571    | 110,613              | 10,614                             | -                                |
| Public Works                      | 1,522,289    | 1,718,890            | -                                  | -                                |
| Parks & Recreation                | 236,010      | -                    | -                                  | -                                |
| Planning & Development            | 316,922      | -                    | -                                  | -                                |
| Culture & Recreation              | 208,875      | -                    | -                                  | -                                |
| Non-Departmental Functions        | 1,472,723    | -                    | -                                  | -                                |
| Total Governmental Activities     | 6,232,319    | 2,797,283            | 10,614                             | -                                |
| Business-Type Activities:         |              |                      |                                    |                                  |
| Wastewater Treatment              | 787,265      | 483,027              | -                                  | -                                |
| Total Business-Type Activities    | 787,265      | 483,027              | -                                  | -                                |
| Total Primary Government          | \$ 7,019,584 | \$ 3,280,310         | \$ 10,614                          | \$ -                             |
| 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<br>Governmental<br>Activities | Business-Type<br>Activities | Total                |
|-------------------------------------|-----------------------------|----------------------|
| \$ (353,718)                        | \$ -                        | \$ (353,718)         |
| 652,569                             | -                           | 652,569              |
| (1,685,344)                         | -                           | (1,685,344)          |
| 196,601                             | -                           | 196,601              |
| (236,010)                           | -                           | (236,010)            |
| (316,922)                           | -                           | (316,922)            |
| (208,875)                           | -                           | (208,875)            |
| <u>(1,472,723)</u>                  | <u>-</u>                    | <u>(1,472,723)</u>   |
| <u>(3,424,422)</u>                  | <u>-</u>                    | <u>(3,424,422)</u>   |
| <br>                                |                             |                      |
| <u>-</u>                            | <u>(304,238)</u>            | <u>(304,238)</u>     |
| <u>-</u>                            | <u>(304,238)</u>            | <u>(304,238)</u>     |
| <br>                                |                             |                      |
| <u>(3,424,422)</u>                  | <u>(304,238)</u>            | <u>(3,728,660)</u>   |
| <br>                                |                             |                      |
| 2,834,481                           | -                           | 2,834,481            |
| 1,742,692                           | -                           | 1,742,692            |
| 476,910                             | -                           | 476,910              |
| 33,703                              | -                           | 33,703               |
| 220,851                             | -                           | 220,851              |
| 55,661                              | -                           | 55,661               |
| 139,391                             | -                           | 139,391              |
| <u>5,503,689</u>                    | <u>-</u>                    | <u>5,503,689</u>     |
| <br>                                |                             |                      |
| 2,079,267                           | (304,238)                   | 1,775,029            |
| <br>                                |                             |                      |
| <u>12,193,320</u>                   | <u>7,644,100</u>            | <u>19,837,420</u>    |
| <br>                                |                             |                      |
| <u>\$ 14,272,587</u>                | <u>\$ 7,339,862</u>         | <u>\$ 21,612,449</u> |

CITY OF BULVERDE  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

|                                                                                     | General<br>Fund            | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------------------------------|----------------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>                                                                       |                            |                                   |                                |
| Cash and Cash Equivalents                                                           | \$ 3,403,013               | \$ 513,548                        | \$ 3,916,561                   |
| Investments                                                                         | 3,794,136                  | 589,088                           | 4,383,224                      |
| Receivables (net of allowances for uncollectibles):                                 |                            |                                   |                                |
| Property Taxes                                                                      | 20,308                     | -                                 | 20,308                         |
| Other Receivables                                                                   | 674,717                    | 51,988                            | 726,705                        |
| Due from Other Funds                                                                | 61,684                     | 2,050                             | 63,734                         |
| Prepaid Items                                                                       | 12,558                     | -                                 | 12,558                         |
| <b>TOTAL ASSETS</b>                                                                 | <b><u>\$ 7,966,416</u></b> | <b><u>\$ 1,156,674</u></b>        | <b><u>\$ 9,123,090</u></b>     |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES &amp; FUND BALANCES</b>           |                            |                                   |                                |
| <i>Liabilities:</i>                                                                 |                            |                                   |                                |
| Accounts Payable                                                                    | \$ 527,816                 | \$ 109,362                        | \$ 637,178                     |
| Wages and Salaries Payable                                                          | 34,612                     | 278                               | 34,890                         |
| Due to Other Funds                                                                  | 2,050                      |                                   | 2,050                          |
| Other Current Liabilities                                                           | 109,825                    | -                                 | 109,825                        |
| Unearned Revenues                                                                   | 1,713,856                  | -                                 | 1,713,856                      |
| <i>Total Liabilities</i>                                                            | <u>2,388,159</u>           | <u>109,640</u>                    | <u>2,497,799</u>               |
| <i>Deferred Inflows of Resources:</i>                                               |                            |                                   |                                |
| Unavailable Property Tax Revenue                                                    | 20,308                     | -                                 | 20,308                         |
| <i>Total Deferred Inflows of Resources</i>                                          | <u>20,308</u>              | <u>-</u>                          | <u>20,308</u>                  |
| <i>Fund Balances:</i>                                                               |                            |                                   |                                |
| Nonspendable:                                                                       |                            |                                   |                                |
| Prepaid Items                                                                       | 12,558                     | -                                 | 12,558                         |
| Restricted for:                                                                     |                            |                                   |                                |
| Police Seizure                                                                      | -                          | 43,225                            | 43,225                         |
| Hotel/Motel                                                                         | -                          | 59,209                            | 59,209                         |
| Child Safety                                                                        | -                          | 98,442                            | 98,442                         |
| Building Security and Technology                                                    | -                          | 411,131                           | 411,131                        |
| Tree Preservation                                                                   | -                          | 8                                 | 8                              |
| Police Training & Donations                                                         | -                          | 25,328                            | 25,328                         |
| Drainage                                                                            | -                          | 409,691                           | 409,691                        |
| Assigned for:                                                                       |                            |                                   |                                |
| Capital Expenditures                                                                | 2,000,000                  | -                                 | 2,000,000                      |
| Unassigned                                                                          | 3,545,391                  | -                                 | 3,545,391                      |
| <i>Total Fund Balances</i>                                                          | <u>5,557,949</u>           | <u>1,047,034</u>                  | <u>6,604,983</u>               |
| <b>TOTAL LIABILITIES,<br/>DEFERRED INFLOWS OF<br/>RESOURCES &amp; FUND BALANCES</b> | <b><u>\$ 7,966,416</u></b> | <b><u>\$ 1,156,674</u></b>        | <b><u>\$ 9,123,090</u></b>     |

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, 2022

|                                               |              |
|-----------------------------------------------|--------------|
| TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS | \$ 6,604,983 |
|-----------------------------------------------|--------------|

Amounts reported for governmental activities in the Statement of  
Net Position are different because:

|                                                                                                                              |           |
|------------------------------------------------------------------------------------------------------------------------------|-----------|
| Capital Assets used in governmental activities are not financial<br>resources and, therefore, are not reported in the funds. | 7,907,174 |
|------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                  |        |
|----------------------------------------------------------------------------------------------------------------------------------|--------|
| Other long-term assets are not available to pay for current-period<br>expenditures and, therefore, are unavailable in the funds. | 20,308 |
|----------------------------------------------------------------------------------------------------------------------------------|--------|

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 Asset                 | 86,315           |          |
| Pension Related Deferred Outflows | 132,619          |          |
| Pension Related Deferred Inflows  | <u>(265,953)</u> | (47,019) |

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                 | (105,339)    |          |
| OPEB Related Deferred Outflows | 21,824       |          |
| OPEB Related Deferred Inflows  | <u>(420)</u> | (83,935) |

|                                                                                                                          |                  |
|--------------------------------------------------------------------------------------------------------------------------|------------------|
| Accrued compensated absences are not due and payable in the<br>current period and, therefore, not reported in the funds. | <u>(128,924)</u> |
|--------------------------------------------------------------------------------------------------------------------------|------------------|

|                                              |                             |
|----------------------------------------------|-----------------------------|
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES | <u><u>\$ 14,272,587</u></u> |
|----------------------------------------------|-----------------------------|

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

|                                                              | General<br>Fund            | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                            |                                   |                                |
| Ad Valorem Taxes                                             | \$ 1,745,751               | \$ -                              | \$ 1,745,751                   |
| Sales Taxes                                                  | 2,834,481                  | -                                 | 2,834,481                      |
| Franchise Fees                                               | 476,910                    | -                                 | 476,910                        |
| Mixed Beverage Taxes                                         | 33,703                     | -                                 | 33,703                         |
| Hotel/Motel Tax                                              | -                          | 220,851                           | 220,851                        |
| Intergovernmental Revenues and Grants                        | 103,093                    | 10,614                            | 113,707                        |
| Fines and Penalties                                          | 794,470                    | 43,934                            | 838,404                        |
| Charges for Services                                         | 1,713,961                  | 141,825                           | 1,855,786                      |
| Interest Income                                              | 50,058                     | 5,603                             | 55,661                         |
| Miscellaneous                                                | 115,660                    | 21,431                            | 137,091                        |
| <b>TOTAL REVENUES</b>                                        | <u>7,868,087</u>           | <u>444,258</u>                    | <u>8,312,345</u>               |
| <b>EXPENDITURES</b>                                          |                            |                                   |                                |
| <i>Current:</i>                                              |                            |                                   |                                |
| General and Administrative                                   | 332,644                    | -                                 | 332,644                        |
| Mayor and Council                                            | 3,767                      | -                                 | 3,767                          |
| Municipal Court                                              | 324,067                    | 2,547                             | 326,614                        |
| Non-Departmental Functions                                   | 370,779                    | -                                 | 370,779                        |
| Public Safety                                                | 1,682,072                  | 8,224                             | 1,690,296                      |
| Public Works                                                 | 485,346                    | -                                 | 485,346                        |
| Parks and Recreation                                         | 182,659                    | -                                 | 182,659                        |
| Planning and Development                                     | 326,606                    | -                                 | 326,606                        |
| Visitor Events Center                                        | -                          | -                                 | -                              |
| Professional Services                                        | 1,101,944                  | -                                 | 1,101,944                      |
| Culture and Recreation                                       | -                          | 208,875                           | 208,875                        |
| Capital Outlay                                               | 3,961,596                  | -                                 | 3,961,596                      |
| <b>TOTAL EXPENDITURES</b>                                    | <u>8,771,480</u>           | <u>219,646</u>                    | <u>8,991,126</u>               |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(903,393)</u>           | <u>224,612</u>                    | <u>(678,781)</u>               |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                    |                            |                                   |                                |
| Proceeds from Sale of Capital Assets                         | 2,300                      | -                                 | 2,300                          |
| Transfers In (Out)                                           | <u>233,046</u>             | <u>(233,046)</u>                  | <u>-</u>                       |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>235,346</u>             | <u>(233,046)</u>                  | <u>2,300</u>                   |
| Net Change in Fund Balance                                   | (668,047)                  | (8,434)                           | (676,481)                      |
| Fund Balances at Beginning of Year                           | <u>6,225,996</u>           | <u>1,055,468</u>                  | <u>7,281,464</u>               |
| Fund Balances at End of Year                                 | <u><u>\$ 5,557,949</u></u> | <u><u>\$ 1,047,034</u></u>        | <u><u>\$ 6,604,983</u></u>     |

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, 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (676,481)

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       | 3,082,802        |           |
| Depreciation Expense | <u>(412,311)</u> | 2,670,491 |

Revenues in the Statement of Revenues that provided current  
financial resources are not reported as revenues in the activities. (3,059)

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. 114,250

Governmental funds report required contributions to OPEB as  
expenditures. However, in the Statement of Activities the cost of  
the expense is recorded based on the actuarially determined cost of  
the plan. This is the amount that actuarially determined OPEB  
expense exceeded contributions. (12,677)

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. (13,257)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 2,079,267

CITY OF BULVERDE  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2022

|                                  | Business-Type<br>Activities<br><u>Wastewater<br/>Treatment</u> |
|----------------------------------|----------------------------------------------------------------|
| <b>ASSETS</b>                    |                                                                |
| Current Assets:                  |                                                                |
| Cash and Cash Equivalents        | \$           -                                                 |
| Accounts Receivable              | 181,994                                                        |
| Capital Assets:                  |                                                                |
| Land                             | 286,625                                                        |
| Buildings and Improvements       | 9,153,971                                                      |
| Accumulated Depreciation         | <u>(2,186,781)</u>                                             |
| <b>TOTAL ASSETS</b>              | <u>7,435,809</u>                                               |
| <b>LIABILITIES</b>               |                                                                |
| Accounts Payable                 | 34,263                                                         |
| Due to Other Funds               | <u>61,684</u>                                                  |
| <b>TOTAL LIABILITIES</b>         | <u>95,947</u>                                                  |
| <b>NET POSITION</b>              |                                                                |
| Net Investment in Capital Assets | 7,253,815                                                      |
| Unrestricted                     | <u>86,047</u>                                                  |
| <b>TOTAL NET POSITION</b>        | <u><u>\$ 7,339,862</u></u>                                     |

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, 2022

|                                          | Business-Type<br>Activities<br>Wastewater<br>Treatment |
|------------------------------------------|--------------------------------------------------------|
| <b>OPERATING REVENUES</b>                |                                                        |
| Charges for Services                     | \$ 483,027                                             |
| <b>TOTAL OPERATING REVENUES</b>          | <u>483,027</u>                                         |
| <b>OPERATING EXPENSES</b>                |                                                        |
| Contractual Services                     | 482,133                                                |
| Depreciation                             | <u>305,132</u>                                         |
| <b>TOTAL OPERATING EXPENSES</b>          | <u>787,265</u>                                         |
| <b>NET INCOME (LOSS)</b>                 | <u>(304,238)</u>                                       |
| <b>Net Position at Beginning of Year</b> | <u>7,644,100</u>                                       |
| <b>Net Position at End of Year</b>       | <u><u>\$ 7,339,862</u></u>                             |

See accompanying notes to basic financial statements.

CITY OF BULVERDE  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

|                                                                                                      | Business-Type<br>Activities<br>Wastewater<br>Treatment |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Cash Flows From Operating Activities</b>                                                          |                                                        |
| Cash Received From Customers                                                                         | \$ 393,987                                             |
| Cash Paid to Suppliers for Goods & Services                                                          | (462,674)                                              |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                              | <u>(68,687)</u>                                        |
| <b>Cash Flows From Noncapital Financing Activities:</b>                                              |                                                        |
| Interfund Payables (Receivables)                                                                     | 61,684                                                 |
| <b>Net Cash Provided (Used by Noncapital Financing Activities)</b>                                   | <u>61,684</u>                                          |
| <b>Net Increase (Decrease) in Cash and Investments</b>                                               | (7,003)                                                |
| <b>Cash and Investments at Beginning of Year</b>                                                     | <u>7,003</u>                                           |
| <b>Cash and Investments at End of Year</b>                                                           | <u><u>\$ -</u></u>                                     |
| Reconciliation of Operating Income to Net Cash<br>Provided (Used) by Operating Activities:           |                                                        |
| Operating Income                                                                                     | \$ (304,238)                                           |
| Adjustments to Reconcile Operating<br>Income to Net Cash Provided<br>(Used) by Operating Activities: |                                                        |
| Depreciation                                                                                         | 305,132                                                |
| (Increase) Decrease in<br>Operating Assets:                                                          |                                                        |
| Accounts Receivable                                                                                  | (89,040)                                               |
| Increase (Decrease) in<br>Accounts Payable                                                           | <u>19,459</u>                                          |
| Total Adjustments to Reconcile<br>Operating Activities                                               | <u>235,551</u>                                         |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                              | <u><u>\$ (68,687)</u></u>                              |

See accompanying notes to basic financial statements.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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).

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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, 2022.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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:

| <u>Asset</u>               | <u>Estimated Life</u> |
|----------------------------|-----------------------|
| 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, 2022 of \$128,924 has been recorded as accrued compensated absences of the Governmental Activities.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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 and grant funds 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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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.

18. ADOPTION OF GASB STATEMENT NO. 87

The City adopted GASB Statement No. 87, Leases, effective October 1, 2021. Statement No. 87 establishes standards for recognizing and measuring right of use assets and lease liabilities related to contracts granting the use and control of assets. The adoption of this standard resulted in no changes to the financial statements.

**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 \$3,915,561 plus \$1,000 petty cash and the bank balance was \$4,495,710. 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 \$5,500,000. 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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE C -- INVESTMENTS (Continued)**

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 failed to approve the investment policy for the year ended September 30, 2022. Additionally, the City did not have a signed copy of the fourth quarter investment report on hand. The City complied with all other provisions of the Act.

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, 2022 are as follows:

|                   | <u>Reported Value</u>      | <u>Weighted Avg<br/>Maturity (Days)</u> |
|-------------------|----------------------------|-----------------------------------------|
| Investment Pools: |                            |                                         |
| Texas Class       | \$ 2,811,083               | 31                                      |
| Logic             | <u>1,572,141</u>           | 14                                      |
| Total Investments | <u><u>\$ 4,383,224</u></u> |                                         |

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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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, 2021, upon which the fiscal 2022 levy was based, was \$900,322,214 (i.e., market value less exemptions). The estimated market value was \$1,285,127,568, making the taxable value 70.1% of the estimated market value.

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, 2022, was \$0.170800 per \$100 of assessed value, which means that the City has a tax margin of \$2.329200 for each \$100 value and could increase its annual tax levy by approximately \$20,970,305 based upon the present assessed valuation before the limit is reached. However, the City generally may not increase the maintenance and operations portion of the property tax rate (that funds the General Fund) more than 3.5% annually (based on a three-year average) without an election.

**NOTE E -- OTHER RECEIVABLES**

Other receivables for the City as of September 30, 2022 are as follows:

|                         | Governmental Funds |                  | Proprietary Fund     |                   |
|-------------------------|--------------------|------------------|----------------------|-------------------|
|                         | General Fund       | Nonmajor Funds   | Wastewater Treatment | Total             |
| Sales Tax               | \$ 540,878         | \$ -             | \$ -                 | \$ 540,878        |
| Franchise Taxes         | 113,275            | -                | -                    | 113,275           |
| Hotel/Motel Tax         | -                  | 51,988           | -                    | 51,988            |
| Miscellaneous           | 20,564             | -                | 181,994              | 202,558           |
| Total Other Receivables | <u>\$ 674,717</u>  | <u>\$ 51,988</u> | <u>\$ 181,994</u>    | <u>\$ 908,699</u> |

**NOTE F -- DUE TO/FROM OTHER FUNDS**

As of September 30, 2022, 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 | \$ 61,684        | Reimbursement of Expenses |
| Nonmajor Governmental Funds | General Fund              | 2,050            | Reimbursement of Expenses |
|                             |                           | <u>\$ 63,734</u> |                           |

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE G -- TRANSFERS BETWEEN FUNDS**

Transfers between funds during the year ended September 30, 2022 were as follows:

| Transfer In  | Transfer Out                | Amount            | Purpose                          |
|--------------|-----------------------------|-------------------|----------------------------------|
| General Fund | Nonmajor Governmental Funds | \$ 233,046        | Transfer use of restricted funds |
|              |                             | <u>\$ 233,046</u> |                                  |

**NOTE H -- CAPITAL ASSETS**

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

| <i>Governmental Activities</i>    | Balance<br>10/1/2021 | Additions           | Disposals/<br>Transfers | Balance<br>9/30/2022 |
|-----------------------------------|----------------------|---------------------|-------------------------|----------------------|
| Land                              | \$ 192,821           | \$ 1,397,253        | \$ -                    | \$ 1,590,074         |
| Buildings and Improvements        | 2,992,310            | -                   | -                       | 2,992,310            |
| Vehicles and Equipment            | 1,451,657            | 95,881              | -                       | 1,547,538            |
| Infrastructure                    | 4,592,969            | -                   | -                       | 4,592,969            |
| Signs                             | 25,225               | -                   | -                       | 25,225               |
| Construction in Progress          | -                    | 1,589,668           | -                       | 1,589,668            |
|                                   | <u>9,254,982</u>     | <u>3,082,802</u>    | <u>-</u>                | <u>12,337,784</u>    |
| Less Accumulated Depreciation     |                      |                     |                         |                      |
| Buildings and Improvements        | (688,722)            | (67,758)            | -                       | (756,480)            |
| Vehicles and Equipment            | (1,109,456)          | (125,697)           | -                       | (1,235,153)          |
| Infrastructure                    | (2,209,189)          | (216,333)           | -                       | (2,425,522)          |
| Signs                             | (10,932)             | (2,523)             | -                       | (13,455)             |
|                                   | <u>(4,018,299)</u>   | <u>(412,311)</u>    | <u>-</u>                | <u>(4,430,610)</u>   |
| Governmental Capital Assets, Net  | <u>\$ 5,236,683</u>  | <u>\$ 2,670,491</u> | <u>\$ -</u>             | <u>\$ 7,907,174</u>  |
| <i>Business Type Activities</i>   |                      |                     |                         |                      |
| Land                              | \$ 286,625           | \$ -                | \$ -                    | \$ 286,625           |
| Buildings and Improvements        | 9,153,971            | -                   | -                       | 9,153,971            |
|                                   | <u>9,440,596</u>     | <u>-</u>            | <u>-</u>                | <u>9,440,596</u>     |
| Less Accumulated Depreciation     |                      |                     |                         |                      |
| Buildings and Improvements        | (1,881,649)          | (305,132)           | -                       | (2,186,781)          |
|                                   | <u>(1,881,649)</u>   | <u>(305,132)</u>    | <u>-</u>                | <u>(2,186,781)</u>   |
| Business Type Capital Assets, Net | <u>\$ 7,558,947</u>  | <u>\$ (305,132)</u> | <u>\$ -</u>             | <u>\$ 7,253,815</u>  |

Land and construction in progress are not depreciated.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE H -- CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the governmental functions as follows:

|                                                      |                   |
|------------------------------------------------------|-------------------|
| General & Administrative                             | \$ 22,636         |
| Public Safety                                        | 110,970           |
| Public Works                                         | 224,226           |
| Parks and Recreation                                 | 54,479            |
| Total Depreciation Expense - Governmental Activities | <u>\$ 412,311</u> |

**NOTE I -- LONG-TERM OBLIGATIONS**

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

| <u>Governmental Activities</u> | <u>Balance<br/>10/1/2021</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance<br/>9/30/2022</u> | <u>Due Within<br/>One Year</u> |
|--------------------------------|------------------------------|------------------|-------------------|------------------------------|--------------------------------|
| Compensated Absences           | \$ 115,667                   | \$ 128,924       | \$(115,667)       | \$ 128,924                   | \$ 128,924                     |

Historically, the General Fund has been used to pay for accrued compensated absences. Because of the on-demand nature of compensated absences, the City reports the liability for accrued compensated absences as a current liability on the Statement of Net Position.

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS**

Texas Municipal Retirement System

**1. Plan Description**

The City participates as one of 892 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, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

Texas Municipal Retirement System (Continued)

**2. Benefits Provided (Continued)**

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.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

|                                                                  |       |
|------------------------------------------------------------------|-------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 13    |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 39    |
| Active Employees                                                 | 30    |
|                                                                  | <hr/> |
|                                                                  | 82    |
|                                                                  | <hr/> |

**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, 2022, 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 9.26% and 9.19% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$176,830, 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, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

Texas Municipal Retirement System (Continued)

**5. Actuarial Assumptions**

The Total Pension Liability in the December 31, 2021 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 are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate 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. 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).

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

Texas Municipal Retirement System (Continued)

**5. Actuarial Assumptions (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return<br/>(Arithmetic)</u> |
|----------------------------------|--------------------------|------------------------------------------------------------------------|
| Global Equity                    | 35.00%                   | 7.55%                                                                  |
| Core Fixed Income                | 6.00%                    | 2.00%                                                                  |
| Non-Core Fixed Income            | 20.00%                   | 5.68%                                                                  |
| Other Public and Private Markets | 12.00%                   | 7.22%                                                                  |
| Real Estate                      | 12.00%                   | 6.85%                                                                  |
| Hedge Funds                      | 5.00%                    | 5.35%                                                                  |
| Private Equity                   | 10.00%                   | 10.00%                                                                 |
|                                  | <u>100.00%</u>           |                                                                        |

**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:

|                               | <u>Discount Rate<br/>5.75%</u> | <u>Discount Rate<br/>6.75%</u> | <u>Discount Rate<br/>7.75%</u> |
|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net Pension Liability (Asset) | \$ 544,716                     | \$ (86,315)                    | \$ (594,148)                   |

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

Texas Municipal Retirement System (Continued)

**8. Changes in Net Pension Liability**

|                                                                  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability (Asset) |
|------------------------------------------------------------------|----------------------------|--------------------------------|----------------------------------|
| Balance at December 31, 2020                                     | \$ 3,374,149               | \$ 3,278,165                   | \$ 95,984                        |
| Changes for the year:                                            |                            |                                |                                  |
| Service Cost                                                     | 261,197                    | -                              | 261,197                          |
| Interest                                                         | 233,110                    | -                              | 233,110                          |
| Change of Benefit Terms                                          | -                          | -                              | -                                |
| Difference Between Expected and<br>Actual Experience             | 25,958                     | -                              | 25,958                           |
| Changes of Assumptions                                           | -                          | -                              | -                                |
| Contributions - Employer                                         | -                          | 167,420                        | (167,420)                        |
| Contributions - Employee                                         | -                          | 108,681                        | (108,681)                        |
| Net Investment Income                                            | -                          | 428,426                        | (428,426)                        |
| Benefit Payments, Including Refunds<br>of Employee Contributions | (102,534)                  | (102,534)                      | -                                |
| Administrative Expense                                           | -                          | (1,977)                        | 1,977                            |
| Other Changes                                                    | -                          | 14                             | (14)                             |
| Net Changes                                                      | 417,731                    | 600,030                        | (182,299)                        |
| Balance at December 31, 2021                                     | \$ 3,791,880               | \$ 3,878,195                   | \$ (86,315)                      |

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

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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, 2022, the City recognized pension expense of \$62,271. Also as of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                 | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-----------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between Expected and<br>Actual Economic Experience  | \$ -                                 | \$ (44,286)                         |
| Changes in Actuarial Assumptions                                | 1,679                                | -                                   |
| Differences Between Projected and<br>Actual Investment Earnings | -                                    | (221,667)                           |
| Contributions Subsequent to the<br>Measurement Date             | 130,940                              | -                                   |
|                                                                 | <u>\$ 132,619</u>                    | <u>\$ (265,953)</u>                 |

Deferred outflows of resources in the amount of \$130,940 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, 2022. 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, |           |                  |
| 2022                                 | \$        | (81,191)         |
| 2023                                 |           | (100,025)        |
| 2024                                 |           | (41,631)         |
| 2025                                 |           | (41,427)         |
| Thereafter                           |           | -                |
|                                      | <u>\$</u> | <u>(264,274)</u> |

**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.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**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, 2021, the valuation and measurement date, consisted of:

|                                                                  |    |
|------------------------------------------------------------------|----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 12 |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 8  |
| Active Employees                                                 | 30 |
|                                                                  | 50 |

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

| <u>For the Calendar Year Ended December 31,</u> | <u>Total SDBF<br/>Contribution Rate</u> | <u>Retiree Portion of<br/>SDBF Contribution Rate</u> |
|-------------------------------------------------|-----------------------------------------|------------------------------------------------------|
| 2020                                            | 0.14%                                   | 0.02%                                                |
| 2021                                            | 0.11%                                   | 0.04%                                                |
| 2022                                            | 0.12%                                   | 0.05%                                                |

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

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                           | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Salary Increases                    | 3.50% to 11.50% Including Inflation                                                                                                                                                                                                                                                                                                                                                                                                        |
| Discount Rate                       | 1.84% (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% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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

The City's Total OPEB Liability (TOL), based on the actuarial factors, as of December 31, 2021 was calculated as follows:

|                                                      | Total OPEB<br>Liability |
|------------------------------------------------------|-------------------------|
| Balance at December 31, 2020                         | \$ 98,661               |
| Changes for the year:                                |                         |
| Service Cost                                         | 5,796                   |
| Interest                                             | 2,024                   |
| Change of Benefit Terms                              | -                       |
| Difference Between Expected and<br>Actual Experience | (4,258)                 |
| Changes of Assumptions or Other Inputs               | 3,841                   |
| Benefit Payments                                     | (725)                   |
| Net Changes                                          | 6,678                   |
| Balance at December 31, 2021                         | \$ 105,339              |

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 1.84% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (0.84%) and 1-percentage point higher (2.84%) than the current rate:

|                      | Discount Rate<br>0.84% | Discount Rate<br>1.84% | Discount Rate<br>2.84% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | \$ 134,452             | \$ 105,339             | \$ 83,925              |

For the year ended September 30, 2022, the City recognized OPEB expense of \$13,588. Also as of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|----------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between Expected and<br>Actual Economic Experience | \$ -                                 | \$ (420)                            |
| Changes in Actuarial Assumptions                               | 21,112                               | -                                   |
| Contributions Subsequent to the<br>Measurement Date            | 712                                  | -                                   |
|                                                                | \$ 21,824                            | \$ (420)                            |

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

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

Deferred outflows of resources in the amount of \$712 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, 2022. 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, |    |               |
|--------------------------------------|----|---------------|
| 2022                                 | \$ | 5,768         |
| 2023                                 |    | 5,768         |
| 2024                                 |    | 5,201         |
| 2025                                 |    | 3,783         |
| 2026                                 |    | 172           |
| Thereafter                           |    | -             |
|                                      | \$ | <u>20,692</u> |

**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, 2022 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, 2022, were \$75,193.

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE L -- COMMITMENTS AND CONTINGENCIES (Continued)**

*Construction Commitments*

The City had the following commitments in place as of September 30, 2022:

| Commitment             | Estimated Project<br>Cost to City | Expended to<br>Date | Estimated Future<br>Commitment |
|------------------------|-----------------------------------|---------------------|--------------------------------|
| Street Maintenance     | \$ 1,073,642                      | \$ 822,714          | \$ 250,928                     |
| Public Safety Building | 4,612,968                         | 1,349,092           | 3,263,876                      |
| Engineering Fees       | 305,020                           | 269,730             | 35,290                         |
|                        | <u>\$ 5,991,630</u>               | <u>\$ 2,441,536</u> | <u>\$ 3,550,094</u>            |

*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, 2022:

| Development       | Sales Tax Refund<br>Agreement | Maximum Grant<br>Amount (Base) | Current Year<br>Reductions | Payments as of<br>9/30/2022 | Maximum<br>Balance Due |
|-------------------|-------------------------------|--------------------------------|----------------------------|-----------------------------|------------------------|
| Singing Hills     | 75%                           | \$ 10,349,968                  | \$ 220,610                 | \$ 860,228                  | \$ 9,489,740           |
| WWTP Improvements | 75%                           | 600,445                        | -                          | 734,984                     | -                      |
|                   |                               | <u>\$ 10,950,413</u>           | <u>\$ 220,610</u>          | <u>\$ 1,595,212</u>         | <u>\$ 9,489,740</u>    |

CITY OF BULVERDE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE L -- COMMITMENTS AND CONTINGENCIES (Continued)**

*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.

**NOTE M -- TAX ABATEMENT**

The City entered into an agreement on June 24, 2016 with a business who constructed a hotel and conference center. The agreement is a one-time initiative to incentivize the Hotel construct and maintain a conference center within the City. The agreement is in accordance with Section 351.101(a) of the Texas Tax Code which provides in pertinent part that revenue from the "municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following: (1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both (2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants; and (3) advertising and conducting solicitations and promotion programs to attract tourist and convention delegates or registrants to the municipality or its vicinity". The agreement provides for the payment of hotel occupancy taxes (HOT) to the Hotel to support the maintenance and operations of the hotel and conference center. The terms of the agreement call for a payment of \$200,000 annually of HOT revenues collected by the City for a period of no less than ten years or until the Hotel achieves \$2,000,000 in gross room revenues with a maximum period of 10 years. The City is also responsible for payment of its electrical consumption, certain repairs and replacements, insurance premiums and service and fees. The City has the option to renew for a period of 3 years after the termination date. The City paid a total of \$208,875 of HOT revenues collected during the year ending September 30, 2022. As of September 30, 2022, the City has a potential commitment remaining of \$1,000,000.

## 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, 2022

|                                         | Budget Amounts      |                     | Actual                     | Variance                   |
|-----------------------------------------|---------------------|---------------------|----------------------------|----------------------------|
|                                         | Original            | Final               | Amounts                    | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                         |                     |                     |                            |                            |
| Ad Valorem Taxes                        | \$ 1,788,000        | \$ 1,788,000        | <b>\$ 1,745,751</b>        | \$ (42,249)                |
| Sales Taxes                             | 2,238,000           | 2,238,000           | <b>2,834,481</b>           | 596,481                    |
| Franchise Fees                          | 351,000             | 351,000             | <b>476,910</b>             | 125,910                    |
| Mixed Beverage Taxes                    | 4,200               | 4,200               | <b>33,703</b>              | 29,503                     |
| Intergovernmental Revenue and Grants    | 100,000             | 100,000             | <b>103,093</b>             | 3,093                      |
| Fines and Penalties                     | 609,130             | 560,100             | <b>794,470</b>             | 234,370                    |
| Charges for Services                    | 846,000             | 895,030             | <b>1,713,961</b>           | 818,931                    |
| Interest Income                         | 11,000              | 11,000              | <b>50,058</b>              | 39,058                     |
| Miscellaneous                           | 37,000              | 37,000              | <b>115,660</b>             | 78,660                     |
| <b>TOTAL REVENUES</b>                   | <u>5,984,330</u>    | <u>5,984,330</u>    | <u><b>7,868,087</b></u>    | <u>1,883,757</u>           |
| <b>EXPENDITURES</b>                     |                     |                     |                            |                            |
| <i>General and Administrative:</i>      |                     |                     |                            |                            |
| Personnel                               | 421,015             | 406,873             | <b>312,427</b>             | 94,446                     |
| Supplies                                | 6,600               | 8,789               | <b>7,536</b>               | 1,253                      |
| Contractual                             | 21,700              | 24,785              | <b>12,681</b>              | 12,104                     |
| Capital Outlay                          | -                   | 8,866               | <b>8,866</b>               | -                          |
| <i>Total General and Administrative</i> | <u>449,315</u>      | <u>449,313</u>      | <u><b>341,510</b></u>      | <u>107,803</u>             |
| <i>Mayor and Council:</i>               |                     |                     |                            |                            |
| Supplies                                | 1,500               | 1,500               | -                          | 1,500                      |
| Contractual                             | 7,000               | 7,000               | <b>3,767</b>               | 3,233                      |
| <i>Total Mayor and Council</i>          | <u>8,500</u>        | <u>8,500</u>        | <u><b>3,767</b></u>        | <u>4,733</u>               |
| <i>Municipal Court:</i>                 |                     |                     |                            |                            |
| Personnel                               | 218,189             | 216,954             | <b>218,082</b>             | (1,128)                    |
| Supplies                                | 9,000               | 8,806               | <b>9,845</b>               | (1,039)                    |
| Contractual                             | 87,750              | 89,182              | <b>96,140</b>              | (6,958)                    |
| <i>Total Municipal Court</i>            | <u>314,939</u>      | <u>314,942</u>      | <u><b>324,067</b></u>      | <u>(9,125)</u>             |
| <i>Non-Departmental Functions:</i>      |                     |                     |                            |                            |
| Supplies                                | 18,000              | 18,000              | <b>7,910</b>               | 10,090                     |
| Contractual                             | 269,950             | 269,950             | <b>362,869</b>             | (92,919)                   |
| Capital Outlay                          | -                   | 1,400,000           | <b>1,397,253</b>           | 2,747                      |
| <i>Total Non-Departmental Functions</i> | <u>287,950</u>      | <u>1,687,950</u>    | <u><b>1,768,032</b></u>    | <u>(80,082)</u>            |
| <i>Public Safety:</i>                   |                     |                     |                            |                            |
| Personnel                               | 1,406,840           | 1,416,470           | <b>1,459,861</b>           | (43,391)                   |
| Supplies                                | 12,300              | 13,076              | <b>13,996</b>              | (920)                      |
| Contractual                             | 114,300             | 208,216             | <b>208,215</b>             | 1                          |
| Capital Outlay                          | 62,900              | 440,345             | <b>1,732,763</b>           | (1,292,418)                |
| <i>Total Public Safety</i>              | <u>\$ 1,596,340</u> | <u>\$ 2,078,107</u> | <u><b>\$ 3,414,835</b></u> | <u>\$(1,336,728)</u>       |

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, 2022

|                                                              | Budget Amounts      |                      | Actual              | Variance                   |
|--------------------------------------------------------------|---------------------|----------------------|---------------------|----------------------------|
|                                                              | Original            | Final                | Amounts             | Favorable<br>(Unfavorable) |
| <b>EXPENDITURES (CONT.)</b>                                  |                     |                      |                     |                            |
| <i>Public Works:</i>                                         |                     |                      |                     |                            |
| Personnel                                                    | \$ 199,221          | \$ 203,984           | \$ 204,651          | \$ (667)                   |
| Supplies                                                     | 5,350               | 6,550                | 7,589               | (1,039)                    |
| Contractual                                                  | 260,564             | 254,601              | 273,106             | (18,505)                   |
| Capital Outlay                                               | -                   | 1,004,543            | 822,714             | 181,829                    |
| <i>Total Public Works</i>                                    | <u>465,135</u>      | <u>1,469,678</u>     | <u>1,308,060</u>    | <u>161,618</u>             |
| <i>Parks and Recreation:</i>                                 |                     |                      |                     |                            |
| Personnel                                                    | 53,014              | 54,439               | 52,757              | 1,682                      |
| Supplies                                                     | 5,000               | 5,142                | 5,142               | -                          |
| Contractual                                                  | 144,600             | 143,032              | 124,760             | 18,272                     |
| Capital Outlay                                               | 5,000               | 5,000                | -                   | 5,000                      |
| <i>Total Parks and Recreation</i>                            | <u>207,614</u>      | <u>207,613</u>       | <u>182,659</u>      | <u>24,954</u>              |
| <i>Planning and Development:</i>                             |                     |                      |                     |                            |
| Personnel                                                    | 326,356             | 326,428              | 303,022             | 23,406                     |
| Supplies                                                     | 8,500               | 8,047                | 7,536               | 511                        |
| Contractual                                                  | 18,000              | 18,380               | 16,048              | 2,332                      |
| <i>Total Planning and Development</i>                        | <u>352,856</u>      | <u>352,855</u>       | <u>326,606</u>      | <u>26,249</u>              |
| <i>Visitor Events Center:</i>                                |                     |                      |                     |                            |
| Supplies                                                     | 1,000               | 1,000                | -                   | 1,000                      |
| Contractual                                                  | 4,500               | 4,500                | -                   | 4,500                      |
| <i>Total Visitor Events Center</i>                           | <u>5,500</u>        | <u>5,500</u>         | <u>-</u>            | <u>5,500</u>               |
| <i>Professional Services:</i>                                |                     |                      |                     |                            |
| Contractual                                                  | 1,171,638           | 1,171,637            | 1,101,944           | 69,693                     |
| <i>Total Professional Services</i>                           | <u>1,171,638</u>    | <u>1,171,637</u>     | <u>1,101,944</u>    | <u>69,693</u>              |
| <b>TOTAL EXPENDITURES</b>                                    | <u>\$ 4,859,787</u> | <u>\$ 7,746,095</u>  | <u>\$ 8,771,480</u> | <u>\$(1,025,385)</u>       |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>\$ 1,124,543</u> | <u>\$(1,761,765)</u> | <u>\$ (903,393)</u> | <u>\$ 858,372</u>          |



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, 2022

|                                           | <u>Budget Amounts</u> |                     | <u>Actual</u>       | Variance                                 |
|-------------------------------------------|-----------------------|---------------------|---------------------|------------------------------------------|
|                                           | <u>Original</u>       | <u>Final</u>        | <u>Amounts</u>      | <u>Favorable</u><br><u>(Unfavorable)</u> |
| <b>OTHER FINANCING</b>                    |                       |                     |                     |                                          |
| <b>SOURCES (USES)</b>                     |                       |                     |                     |                                          |
| Proceeds from Sale of Capital Assets      | \$ -                  | \$ -                | \$ 2,300            | \$ 2,300                                 |
| Transfers In (Out)                        | <u>(1,124,543)</u>    | <u>276,300</u>      | <u>233,046</u>      | <u>(43,254)</u>                          |
| <b>TOTAL OTHER FINANCING</b>              |                       |                     |                     |                                          |
| <b>SOURCES (USES)</b>                     | <u>(1,124,543)</u>    | <u>276,300</u>      | <u>235,346</u>      | <u>(40,954)</u>                          |
| Net Change in Fund Balance                | <u>-</u>              | <u>(1,485,465)</u>  | <u>(668,047)</u>    | <u>817,418</u>                           |
| <b>Fund Balances at Beginning of Year</b> | <u>6,225,996</u>      | <u>6,225,996</u>    | <u>6,225,996</u>    | <u>-</u>                                 |
| <b>Fund Balances at End of Year</b>       | <u>\$ 6,225,996</u>   | <u>\$ 4,740,531</u> | <u>\$ 5,557,949</u> | <u>\$ 817,418</u>                        |



CITY OF BULVERDE  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
SEPTEMBER 30, 2022

**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 exceed the appropriated budget for 2022 by \$1,083,995.

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 EIGHT CALENDAR YEARS

|                                                                           | Total Pension Liability     |                     |                     |                     |
|---------------------------------------------------------------------------|-----------------------------|---------------------|---------------------|---------------------|
|                                                                           | 2014                        | 2015                | 2016                | 2017                |
| Service Cost                                                              | \$ 137,904                  | \$ 158,694          | \$ 187,381          | \$ 188,920          |
| Interest (on the Total Pension Liability)                                 | 112,194                     | 125,684             | 146,798             | 168,306             |
| Changes of Benefit Terms                                                  | -                           | -                   | -                   | -                   |
| Difference between Expected<br>and Actual Experience                      | (45,953)                    | 58,422              | 33,784              | (74,631)            |
| Change of Assumptions                                                     | -                           | 48,185              | -                   | -                   |
| Benefit Payments, Including Refunds of<br>Employee Contributions          | (17,646)                    | (26,020)            | (26,020)            | (74,170)            |
| Net Change in Total Pension Liability                                     | 186,499                     | 364,965             | 341,943             | 208,425             |
| Total Pension Liability - Beginning                                       | 1,542,645                   | 1,729,144           | 2,094,109           | 2,436,052           |
| Total Pension Liability - Ending                                          | <u>\$ 1,729,144</u>         | <u>\$ 2,094,109</u> | <u>\$ 2,436,052</u> | <u>\$ 2,644,477</u> |
|                                                                           | Plan Fiduciary Net Position |                     |                     |                     |
|                                                                           | 2014                        | 2015                | 2016                | 2017                |
| Contributions - Employer                                                  | \$ 75,584                   | \$ 82,459           | \$ 101,969          | \$ 120,798          |
| Contributions - Employee                                                  | 66,988                      | 71,807              | 82,790              | 82,738              |
| Net Investment Income                                                     | 78,841                      | 2,333               | 115,613             | 275,044             |
| Benefit Payments, Including Refunds of<br>Employee Contributions          | (17,646)                    | (26,020)            | (26,020)            | (74,170)            |
| Administrative Expense                                                    | (823)                       | (1,420)             | (1,305)             | (1,424)             |
| Other                                                                     | (68)                        | (71)                | (70)                | (72)                |
| Net Change in Plan Fiduciary Net Position                                 | 202,876                     | 129,088             | 272,977             | 402,914             |
| Plan Fiduciary Net Position - Beginning                                   | 1,377,583                   | 1,580,459           | 1,709,547           | 1,982,524           |
| Plan Fiduciary Net Position - Ending                                      | <u>\$ 1,580,459</u>         | <u>\$ 1,709,547</u> | <u>\$ 1,982,524</u> | <u>\$ 2,385,438</u> |
| Net Pension Liability (Asset) - Ending                                    | \$ 148,685                  | \$ 384,562          | \$ 453,528          | \$ 259,039          |
| Plan Fiduciary Net Position as a<br>Percentage of Total Pension Liability | 91.40%                      | 81.64%              | 81.38%              | 90.20%              |
| Covered Payroll                                                           | \$ 1,116,461                | \$ 1,196,786        | \$ 1,379,830        | \$ 1,378,975        |
| Net Pension Liability as a Percentage<br>of Covered Payroll               | 13.32%                      | 32.13%              | 32.87%              | 18.78%              |

Note: The schedule above reflects the changes in the net pension liability for the current and previous seven 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.

| Total Pension Liability     |                     |                     |                     |
|-----------------------------|---------------------|---------------------|---------------------|
| 2018                        | 2019                | 2020                | 2021                |
| \$ 199,640                  | \$ 227,344          | \$ 246,826          | \$ 261,197          |
| 183,838                     | 202,708             | 208,761             | 233,110             |
| -                           | -                   | -                   | -                   |
| 6,449                       | (186,968)           | 13,963              | 25,958              |
| -                           | 5,036               | -                   | -                   |
| (41,540)                    | (206,911)           | (129,474)           | (102,534)           |
| 348,387                     | 41,209              | 340,076             | 417,731             |
| 2,644,477                   | 2,992,864           | 3,034,073           | 3,374,149           |
| <u>\$ 2,992,864</u>         | <u>\$ 3,034,073</u> | <u>\$ 3,374,149</u> | <u>\$ 3,791,880</u> |
| Plan Fiduciary Net Position |                     |                     |                     |
| 2018                        | 2019                | 2020                | 2021                |
| \$ 140,766                  | \$ 141,724          | \$ 170,815          | \$ 167,420          |
| 88,532                      | 93,944              | 102,488             | 108,681             |
| (71,568)                    | 387,459             | 221,682             | 428,426             |
| (41,540)                    | (206,911)           | (129,474)           | (102,534)           |
| (1,381)                     | (2,184)             | (1,431)             | (1,977)             |
| (72)                        | (67)                | (55)                | 14                  |
| 114,737                     | 413,965             | 364,025             | 600,030             |
| 2,385,438                   | 2,500,175           | 2,914,140           | 3,278,165           |
| <u>\$ 2,500,175</u>         | <u>\$ 2,914,140</u> | <u>\$ 3,278,165</u> | <u>\$ 3,878,195</u> |
| \$ 492,689                  | \$ 119,933          | \$ 95,984           | \$ (86,315)         |
| 83.54%                      | 96.05%              | 97.16%              | 102.28%             |
| \$ 1,475,537                | \$ 1,565,728        | \$ 1,708,135        | \$ 1,811,351        |
| 33.39%                      | 7.66%               | 5.62%               | -4.77%              |

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

| Fiscal Year Ending<br>September 30, | Actuarially<br>Determined<br>Contributions | Contributions<br>in Relation<br>to the<br>Actuarially<br>Determined<br>Contributions | Contributions<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a<br>Percentage<br>of Covered<br>Payroll |
|-------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------|--------------------|--------------------------------------------------------------|
| 2014                                | \$ 73,177                                  | \$ 73,177                                                                            | \$ -                                    | \$ 1,090,594       | 6.71%                                                        |
| 2015                                | 95,183                                     | 80,651                                                                               | 14,532                                  | 1,175,404          | 6.86%                                                        |
| 2016                                | 109,144                                    | 95,661                                                                               | 13,483                                  | 1,314,743          | 7.28%                                                        |
| 2017                                | 119,851                                    | 112,363                                                                              | 7,488                                   | 1,339,733          | 8.39%                                                        |
| 2018                                | 137,354                                    | 135,546                                                                              | 1,808                                   | 1,453,744          | 9.32%                                                        |
| 2019                                | 143,299                                    | 143,299                                                                              | -                                       | 1,560,363          | 9.18%                                                        |
| 2020                                | 161,979                                    | 161,979                                                                              | -                                       | 1,660,746          | 9.75%                                                        |
| 2021                                | 168,631                                    | 168,631                                                                              | -                                       | 1,783,691          | 9.45%                                                        |
| 2022                                | 176,830                                    | 176,830                                                                              | -                                       | 1,920,389          | 9.21%                                                        |

Note: The schedule above reflects the TMRS contributions made by the City for the current year and the previous seven 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 | 23 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.<br>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 FIVE CALENDAR YEARS

|                                                       | Total OPEB Liability |                  |                  |                  |                   |
|-------------------------------------------------------|----------------------|------------------|------------------|------------------|-------------------|
|                                                       | 2017                 | 2018             | 2019             | 2020             | 2021              |
| Service Cost                                          | \$ 2,620             | \$ 3,099         | \$ 3,758         | \$ 4,612         | \$ 5,796          |
| Interest (on the Total OPEB Liability)                | 1,608                | 1,712            | 2,007            | 2,107            | 2,024             |
| Changes of Benefit Terms                              | -                    |                  |                  |                  |                   |
| Difference between Expected and Actual Experience     | -                    | 2,188            | 2,001            | 1,615            | (4,258)           |
| Change of Assumptions                                 | 4,841                | (4,783)          | 14,575           | 16,182           | 3,841             |
| Benefit Payments                                      | (138)                | (148)            | (157)            | (342)            | (725)             |
| Net Change in Total OPEB Liability                    | 8,931                | 2,068            | 22,184           | 24,174           | 6,678             |
| Total OPEB Liability - Beginning                      | 41,304               | 50,235           | 52,303           | 74,487           | 98,661            |
| Total OPEB Liability - Ending                         | <u>\$ 50,235</u>     | <u>\$ 52,303</u> | <u>\$ 74,487</u> | <u>\$ 98,661</u> | <u>\$ 105,339</u> |
| Covered Payroll                                       | \$ 1,378,975         | \$ 1,475,537     | \$ 1,565,728     | \$ 1,708,135     | \$ 1,811,351      |
| Net OPEB Liability as a Percentage of Covered Payroll | 3.64%                | 3.54%            | 4.76%            | 5.78%            | 5.82%             |

Note: The schedule above reflects the changes in net pension liability for the current year and the previous four 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                       | 1.84% (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% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |



## 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, 2022 AND 2021

|                                                                               | <u>2022</u>                | <u>2021</u>                |
|-------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                                                 |                            |                            |
| Cash and Cash Equivalents                                                     | \$ 3,403,013               | \$ 4,317,046               |
| Investments                                                                   | 3,794,136                  | 3,110,989                  |
| Receivables (net of allowances for uncollectibles):                           |                            |                            |
| Property Taxes                                                                | 20,308                     | 23,366                     |
| Other Receivables                                                             | 674,717                    | 643,504                    |
| Due From Other Funds                                                          | 61,684                     | -                          |
| Prepaid Items                                                                 | 12,558                     | 5,200                      |
| <b>TOTAL ASSETS</b>                                                           | <u><u>\$ 7,966,416</u></u> | <u><u>\$ 8,100,105</u></u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES &amp; FUND BALANCES</b>     |                            |                            |
| <i>Liabilities:</i>                                                           |                            |                            |
| Accounts Payable                                                              | \$ 527,816                 | \$ 703,485                 |
| Wages and Salaries Payable                                                    | 34,612                     | 28,099                     |
| Intergovernmental Payable                                                     | -                          | 138,581                    |
| Due to Other Funds                                                            | 2,050                      | -                          |
| Other Current Liabilities                                                     | 109,825                    | 67,175                     |
| Unearned Revenue                                                              | 1,713,856                  | 913,403                    |
| <i>Total Liabilities</i>                                                      | <u><u>2,388,159</u></u>    | <u><u>1,850,743</u></u>    |
| <i>Deferred Inflows of Resources:</i>                                         |                            |                            |
| Unavailable Property Tax Revenue                                              | 20,308                     | 23,366                     |
| <i>Total Deferred Inflows of Resources</i>                                    | <u><u>20,308</u></u>       | <u><u>23,366</u></u>       |
| <i>Fund Balances:</i>                                                         |                            |                            |
| Nonspendable:                                                                 |                            |                            |
| Prepaid Items                                                                 | 12,558                     | 5,200                      |
| Assigned:                                                                     |                            |                            |
| Capital Expenditures                                                          | 2,000,000                  | -                          |
| Unassigned                                                                    | 3,545,391                  | 6,220,796                  |
| <i>Total Fund Balances</i>                                                    | <u><u>5,557,949</u></u>    | <u><u>6,225,996</u></u>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u><u>\$ 7,966,416</u></u> | <u><u>\$ 8,100,105</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                                              | <u>2022</u>         | <u>2021</u>         |
|--------------------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                              |                     |                     |
| Ad Valorem Taxes                                             | \$ 1,745,751        | \$ 1,652,718        |
| Sales Taxes                                                  | 2,834,481           | 2,544,405           |
| Franchise Fees                                               | 476,910             | 373,136             |
| Mixed Bevarage Taxes                                         | 33,703              | 10,641              |
| Intergovernmental Revenues & Grants                          | 103,093             | 509,677             |
| Fines and Penalties                                          | 794,470             | 631,114             |
| Charges for Services                                         | 1,713,961           | 1,542,950           |
| Interest Income                                              | 50,058              | 17,095              |
| Miscellaneous                                                | 115,660             | 116,076             |
| <b>TOTAL REVENUES</b>                                        | <u>7,868,087</u>    | <u>7,397,812</u>    |
| <b>EXPENDITURES</b>                                          |                     |                     |
| <i>Current:</i>                                              |                     |                     |
| General and Administrative                                   | 332,644             | 341,815             |
| Mayor and Council                                            | 3,767               | 2,812               |
| Municipal Court                                              | 324,067             | 266,645             |
| Non-Departmental Functions                                   | 370,779             | 274,100             |
| Public Safety                                                | 1,682,072           | 1,482,520           |
| Public Works                                                 | 485,346             | 1,248,836           |
| Parks and Recreation                                         | 182,659             | 130,693             |
| Planning and Development                                     | 326,606             | 303,712             |
| Visitor Events Center                                        | -                   | 11,862              |
| Professional Services                                        | 1,101,944           | 1,096,830           |
| Capital Outlay                                               | 3,961,596           | 223,470             |
| <b>TOTAL EXPENDITURES</b>                                    | <u>8,771,480</u>    | <u>5,383,295</u>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(903,393)</u>    | <u>2,014,517</u>    |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                    |                     |                     |
| Proceeds from Sale of Capital Assets                         | 2,300               | -                   |
| Transfers In (Out)                                           | 233,046             | -                   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>235,346</u>      | <u>-</u>            |
| Net Change in Fund Balance                                   | <u>(668,047)</u>    | <u>2,014,517</u>    |
| Fund Balances at Beginning of Year                           | <u>6,225,996</u>    | <u>4,211,479</u>    |
| Fund Balances at End of Year                                 | <u>\$ 5,557,949</u> | <u>\$ 6,225,996</u> |

CITY OF BULVERDE  
COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

|                                                  | Police<br>Seizure<br>Fund | Hotel/Motel<br>Fund | Child<br>Safety<br>Fund | Court<br>Security<br>Fund |
|--------------------------------------------------|---------------------------|---------------------|-------------------------|---------------------------|
| <b>ASSETS</b>                                    |                           |                     |                         |                           |
| Cash and Cash Equivalents                        | \$ 41,175                 | \$ 95,423           | \$ 22,910               | \$ 69,245                 |
| Investments                                      | -                         | 18,185              | 75,772                  | 121,234                   |
| Receivables:                                     |                           |                     |                         |                           |
| Other Receivables                                | -                         | 51,988              | -                       | -                         |
| Due from Other Funds                             | 2,050                     | -                   | -                       | -                         |
| <b>TOTAL ASSETS</b>                              | <u>\$ 43,225</u>          | <u>\$ 165,596</u>   | <u>\$ 98,682</u>        | <u>\$ 190,479</u>         |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>         |                           |                     |                         |                           |
| <i>Liabilities:</i>                              |                           |                     |                         |                           |
| Accounts Payable                                 | \$ -                      | \$ 106,387          | \$ 240                  | \$ 5                      |
| Wages and Salaries Payable                       | -                         | -                   | -                       | 278                       |
| <i>Total Liabilities</i>                         | <u>-</u>                  | <u>106,387</u>      | <u>240</u>              | <u>283</u>                |
| <i>Fund Balances:</i>                            |                           |                     |                         |                           |
| Restricted For:                                  |                           |                     |                         |                           |
| Police Seizure                                   | 43,225                    | -                   | -                       | -                         |
| Hotel/Motel                                      | -                         | 59,209              | -                       | -                         |
| Child Safety                                     | -                         | -                   | 98,442                  | -                         |
| Building Security & Technology                   | -                         | -                   | -                       | 190,196                   |
| Tree Preservation                                | -                         | -                   | -                       | -                         |
| Police Training & Donations                      | -                         | -                   | -                       | -                         |
| Drainage                                         | -                         | -                   | -                       | -                         |
| <i>Total Fund Balances</i>                       | <u>43,225</u>             | <u>59,209</u>       | <u>98,442</u>           | <u>190,196</u>            |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u>\$ 43,225</u>          | <u>\$ 165,596</u>   | <u>\$ 98,682</u>        | <u>\$ 190,479</u>         |

| Court<br>Technology<br>Fund | Tree<br>Preservation<br>Fund | LEOSE<br>Grant<br>Fund | Police<br>Donations<br>Fund | Drainage<br>Fund  | Total<br>Nonmajor<br>Governmental<br>Funds |
|-----------------------------|------------------------------|------------------------|-----------------------------|-------------------|--------------------------------------------|
| \$ 49,195                   | \$ -                         | \$ 7,366               | \$ 20,684                   | \$ 207,550        | \$ 513,548                                 |
| 171,748                     | 8                            | -                      | -                           | 202,141           | 589,088                                    |
| -                           | -                            | -                      | -                           | -                 | 51,988                                     |
| -                           | -                            | -                      | -                           | -                 | 2,050                                      |
| <u>\$ 220,943</u>           | <u>\$ 8</u>                  | <u>\$ 7,366</u>        | <u>\$ 20,684</u>            | <u>\$ 409,691</u> | <u>\$ 1,156,674</u>                        |

|          |          |          |              |          |                |
|----------|----------|----------|--------------|----------|----------------|
| \$ 8     | \$ -     | \$ -     | \$ 2,722     | \$ -     | \$ 109,362     |
| -        | -        | -        | -            | -        | 278            |
| <u>8</u> | <u>-</u> | <u>-</u> | <u>2,722</u> | <u>-</u> | <u>109,640</u> |

|                   |             |                 |                  |                   |                     |
|-------------------|-------------|-----------------|------------------|-------------------|---------------------|
| -                 | -           | -               | -                | -                 | 43,225              |
| -                 | -           | -               | -                | -                 | 59,209              |
| -                 | -           | -               | -                | -                 | 98,442              |
| 220,935           | -           | -               | -                | -                 | 411,131             |
| -                 | 8           | -               | -                | -                 | 8                   |
| -                 | -           | 7,366           | 17,962           | -                 | 25,328              |
| -                 | -           | -               | -                | 409,691           | 409,691             |
| <u>220,935</u>    | <u>8</u>    | <u>7,366</u>    | <u>17,962</u>    | <u>409,691</u>    | <u>1,047,034</u>    |
| <u>\$ 220,943</u> | <u>\$ 8</u> | <u>\$ 7,366</u> | <u>\$ 20,684</u> | <u>\$ 409,691</u> | <u>\$ 1,156,674</u> |

CITY OF BULVERDE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022

|                                                              | Police<br>Seizure<br>Fund | Hotel/Motel<br>Fund | Child<br>Safety<br>Fund | Court<br>Security<br>Fund |
|--------------------------------------------------------------|---------------------------|---------------------|-------------------------|---------------------------|
| <b>REVENUES</b>                                              |                           |                     |                         |                           |
| Hotel Motel Tax                                              | \$ -                      | \$ 220,851          | \$ -                    | \$ -                      |
| Intergovernmental Revenues & Grants                          | -                         | -                   | 9,374                   | -                         |
| Fines and Penalties                                          | -                         | -                   | -                       | 23,727                    |
| Charges for Services                                         | -                         | -                   | -                       | -                         |
| Interest Income                                              | 113                       | 148                 | 615                     | 982                       |
| Miscellaneous                                                | 16,231                    | -                   | -                       | -                         |
| <b>TOTAL REVENUES</b>                                        | <u>16,344</u>             | <u>220,999</u>      | <u>9,989</u>            | <u>24,709</u>             |
| <b>EXPENDITURES</b>                                          |                           |                     |                         |                           |
| Municipal Court                                              | -                         | -                   | -                       | 2,547                     |
| Public Safety                                                | 328                       | -                   | 2,153                   | -                         |
| Public Works                                                 | -                         | -                   | -                       | -                         |
| Parks and Recreation                                         | -                         | -                   | -                       | -                         |
| Culture and Recreation                                       | -                         | 208,875             | -                       | -                         |
| <b>TOTAL EXPENDITURES</b>                                    | <u>328</u>                | <u>208,875</u>      | <u>2,153</u>            | <u>2,547</u>              |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>16,016</u>             | <u>12,124</u>       | <u>7,836</u>            | <u>22,162</u>             |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                    |                           |                     |                         |                           |
| Transfers In (Out)                                           | <u>2,050</u>              | <u>-</u>            | <u>-</u>                | <u>-</u>                  |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>2,050</u>              | <u>-</u>            | <u>-</u>                | <u>-</u>                  |
| Net Change in Fund Balance                                   | 18,066                    | 12,124              | 7,836                   | 22,162                    |
| Fund Balances at Beginning of Year                           | <u>25,159</u>             | <u>47,085</u>       | <u>90,606</u>           | <u>168,034</u>            |
| Fund Balances at End of Year                                 | <u>\$ 43,225</u>          | <u>\$ 59,209</u>    | <u>\$ 98,442</u>        | <u>\$ 190,196</u>         |

| Court<br>Technology<br>Fund | Tree<br>Preservation<br>Fund | LEOSE<br>Grant<br>Fund | Police<br>Donations<br>Fund | Drainage<br>Fund  | Total<br>Nonmajor<br>Governmental<br>Funds |
|-----------------------------|------------------------------|------------------------|-----------------------------|-------------------|--------------------------------------------|
| \$ -                        | \$ -                         | \$ -                   | \$ -                        | \$ -              | \$ 220,851                                 |
| -                           | -                            | 1,240                  | -                           | -                 | 10,614                                     |
| 20,207                      | -                            | -                      | -                           | -                 | 43,934                                     |
| -                           | 141,825                      | -                      | -                           | -                 | 141,825                                    |
| 1,389                       | 721                          | -                      | -                           | 1,635             | 5,603                                      |
| -                           | -                            | -                      | 5,200                       | -                 | 21,431                                     |
| <u>21,596</u>               | <u>142,546</u>               | <u>1,240</u>           | <u>5,200</u>                | <u>1,635</u>      | <u>444,258</u>                             |
| -                           | -                            | -                      | -                           | -                 | 2,547                                      |
| -                           | -                            | -                      | 5,743                       | -                 | 8,224                                      |
| -                           | -                            | -                      | -                           | -                 | -                                          |
| -                           | -                            | -                      | -                           | -                 | -                                          |
| -                           | -                            | -                      | -                           | -                 | 208,875                                    |
| <u>-</u>                    | <u>-</u>                     | <u>-</u>               | <u>5,743</u>                | <u>-</u>          | <u>219,646</u>                             |
| <u>21,596</u>               | <u>142,546</u>               | <u>1,240</u>           | <u>(543)</u>                | <u>1,635</u>      | <u>224,612</u>                             |
| -                           | (235,096)                    | -                      | -                           | -                 | (233,046)                                  |
| <u>-</u>                    | <u>(235,096)</u>             | <u>-</u>               | <u>-</u>                    | <u>-</u>          | <u>(233,046)</u>                           |
| 21,596                      | (92,550)                     | 1,240                  | (543)                       | 1,635             | (8,434)                                    |
| <u>199,339</u>              | <u>92,558</u>                | <u>6,126</u>           | <u>18,505</u>               | <u>408,056</u>    | <u>1,055,468</u>                           |
| <u>\$ 220,935</u>           | <u>\$ 8</u>                  | <u>\$ 7,366</u>        | <u>\$ 17,962</u>            | <u>\$ 409,691</u> | <u>\$ 1,047,034</u>                        |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
POLICE SEIZURE FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                      | <u>2022</u>             | <u>2021</u>             |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                        |                         |                         |
| Cash and Cash Equivalents                            | \$ 41,175               | \$ 25,159               |
| Due from Other Funds                                 | <u>2,050</u>            | <u>-</u>                |
| <b>TOTAL ASSETS</b>                                  | <u><u>\$ 43,225</u></u> | <u><u>\$ 25,159</u></u> |
| <br><b>LIABILITIES AND FUND BALANCES</b>             |                         |                         |
| <i>Liabilities:</i>                                  | <u>\$ -</u>             | <u>\$ -</u>             |
| <i>Fund Balances:</i>                                |                         |                         |
| Restricted for Police Seizure                        | <u>43,225</u>           | <u>25,159</u>           |
| <i>Total Fund Balances</i>                           | <u><u>43,225</u></u>    | <u><u>25,159</u></u>    |
| <br><b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 43,225</u></u> | <u><u>\$ 25,159</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
POLICE SEIZURE FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                                              | <u>2022</u>             | <u>2021</u>             |
|--------------------------------------------------------------|-------------------------|-------------------------|
| <b>REVENUES</b>                                              |                         |                         |
| Miscellaneous                                                | \$ 16,231               | \$ 3,310                |
| Interest Income                                              | 113                     | 56                      |
| <b>TOTAL REVENUES</b>                                        | <u>16,344</u>           | <u>3,366</u>            |
| <b>EXPENDITURES</b>                                          |                         |                         |
| Public Safety                                                | <u>328</u>              | <u>-</u>                |
| <b>TOTAL EXPENDITURES</b>                                    | <u>328</u>              | <u>-</u>                |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>16,016</u>           | <u>3,366</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                         |
| Transfers In (Out)                                           | <u>2,050</u>            | <u>-</u>                |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <u>2,050</u>            | <u>-</u>                |
| Net Change in Fund Balance                                   | 18,066                  | 3,366                   |
| <b>Fund Balances at Beginning of Year</b>                    | <u>25,159</u>           | <u>21,793</u>           |
| <b>Fund Balances at End of Year</b>                          | <u><u>\$ 43,225</u></u> | <u><u>\$ 25,159</u></u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
HOTEL/MOTEL FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                      | <u>2022</u>              | <u>2021</u>              |
|------------------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                        |                          |                          |
| Cash and Cash Equivalents                            | \$ 95,423                | \$ 24,440                |
| Investments                                          | 18,185                   | 18,038                   |
| Receivables (net of allowances for uncollectibles):  |                          |                          |
| Other Receivables                                    | <u>51,988</u>            | <u>59,888</u>            |
| <b>TOTAL ASSETS</b>                                  | <u><u>\$ 165,596</u></u> | <u><u>\$ 102,366</u></u> |
| <br><b>LIABILITIES AND FUND BALANCES</b>             |                          |                          |
| <i>Liabilities:</i>                                  |                          |                          |
| Accounts Payable                                     | <u>\$ 106,387</u>        | <u>\$ 55,281</u>         |
| <i>Total Liabilities</i>                             | <u>106,387</u>           | <u>55,281</u>            |
| <br><i>Fund Balances:</i>                            |                          |                          |
| Restricted for Hotel/Motel                           | <u>59,209</u>            | <u>47,085</u>            |
| <i>Total Fund Balances</i>                           | <u>59,209</u>            | <u>47,085</u>            |
| <br><b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 165,596</u></u> | <u><u>\$ 102,366</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
HOTEL/MOTEL FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>      | <u>2021</u>      |
|-------------------------------------------|------------------|------------------|
| <b>REVENUES</b>                           |                  |                  |
| Hotel/Motel Tax                           | \$ 220,851       | \$ 189,461       |
| Interest Income                           | <u>148</u>       | <u>20</u>        |
| <b>TOTAL REVENUES</b>                     | <u>220,999</u>   | <u>189,481</u>   |
| <b>EXPENDITURES</b>                       |                  |                  |
| Culture and Recreation                    | <u>208,875</u>   | <u>177,209</u>   |
| <b>TOTAL EXPENDITURES</b>                 | <u>208,875</u>   | <u>177,209</u>   |
| Net Change in Fund Balance                | 12,124           | 12,272           |
| <b>Fund Balances at Beginning of Year</b> | <u>47,085</u>    | <u>34,813</u>    |
| <b>Fund Balances at End of Year</b>       | <u>\$ 59,209</u> | <u>\$ 47,085</u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
CHILD SAFETY FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                      | <u>2022</u>             | <u>2021</u>             |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                        |                         |                         |
| Cash and Cash Equivalents                            | \$ 22,910               | \$ 15,448               |
| Investments                                          | <u>75,772</u>           | <u>75,158</u>           |
| <b>TOTAL ASSETS</b>                                  | <u><u>\$ 98,682</u></u> | <u><u>\$ 90,606</u></u> |
| <br><b>LIABILITIES AND FUND BALANCES</b>             |                         |                         |
| <i>Liabilities:</i>                                  |                         |                         |
| Accounts Payable                                     | <u>\$ 240</u>           | <u>\$ -</u>             |
| <i>Total Liabilities</i>                             | <u>240</u>              | <u>-</u>                |
| <br><i>Fund Balances:</i>                            |                         |                         |
| Restricted for Child Safety                          | <u>98,442</u>           | <u>90,606</u>           |
| <i>Total Fund Balances</i>                           | <u>98,442</u>           | <u>90,606</u>           |
| <br><b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 98,682</u></u> | <u><u>\$ 90,606</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
CHILD SAFETY FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>             | <u>2021</u>             |
|-------------------------------------------|-------------------------|-------------------------|
| <b>REVENUES</b>                           |                         |                         |
| Intergovernmental Revenues & Grants       | \$ 9,374                | \$ 11,581               |
| Interest Income                           | 615                     | 75                      |
| <b>TOTAL REVENUES</b>                     | <u>9,989</u>            | <u>11,656</u>           |
| <b>EXPENDITURES</b>                       |                         |                         |
| Public Safety                             | 2,153                   | 83                      |
| <b>TOTAL EXPENDITURES</b>                 | <u>2,153</u>            | <u>83</u>               |
| Net Change in Fund Balance                | 7,836                   | 11,573                  |
| <b>Fund Balances at Beginning of Year</b> | <u>90,606</u>           | <u>79,033</u>           |
| <b>Fund Balances at End of Year</b>       | <u><u>\$ 98,442</u></u> | <u><u>\$ 90,606</u></u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
COURT SECURITY FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                      | <u>2022</u>              | <u>2021</u>              |
|------------------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                        |                          |                          |
| Cash and Cash Equivalents                            | \$ 69,245                | \$ 47,806                |
| Investments                                          | <u>121,234</u>           | <u>120,253</u>           |
| <b>TOTAL ASSETS</b>                                  | <u><u>\$ 190,479</u></u> | <u><u>\$ 168,059</u></u> |
| <br><b>LIABILITIES AND FUND BALANCES</b>             |                          |                          |
| <i>Liabilities:</i>                                  |                          |                          |
| Accounts Payable                                     | \$ 5                     | \$ -                     |
| Wages and Salaries Payable                           | <u>278</u>               | <u>25</u>                |
| <i>Total Liabilities</i>                             | <u><u>283</u></u>        | <u><u>25</u></u>         |
| <br><i>Fund Balances:</i>                            |                          |                          |
| Restricted for Building Security & Technology        | <u>190,196</u>           | <u>168,034</u>           |
| <i>Total Fund Balances</i>                           | <u><u>190,196</u></u>    | <u><u>168,034</u></u>    |
| <br><b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 190,479</u></u> | <u><u>\$ 168,059</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
COURT SECURITY FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>              | <u>2021</u>              |
|-------------------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                           |                          |                          |
| Fines and Penalties                       | \$ 23,727                | \$ 21,723                |
| Interest Income                           | 982                      | 119                      |
| <b>TOTAL REVENUES</b>                     | <u>24,709</u>            | <u>21,842</u>            |
| <b>EXPENDITURES</b>                       |                          |                          |
| Municipal Court                           | <u>2,547</u>             | <u>2,394</u>             |
| <b>TOTAL EXPENDITURES</b>                 | <u>2,547</u>             | <u>2,394</u>             |
| Net Change in Fund Balance                | 22,162                   | 19,448                   |
| <b>Fund Balances at Beginning of Year</b> | <u>168,034</u>           | <u>148,586</u>           |
| <b>Fund Balances at End of Year</b>       | <u><u>\$ 190,196</u></u> | <u><u>\$ 168,034</u></u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
COURT TECHNOLOGY FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                      | <u>2022</u>              | <u>2021</u>              |
|------------------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                        |                          |                          |
| Cash and Cash Equivalents                            | \$ 49,195                | \$ 28,981                |
| Investments                                          | <u>171,748</u>           | <u>170,358</u>           |
| <b>TOTAL ASSETS</b>                                  | <u><u>\$ 220,943</u></u> | <u><u>\$ 199,339</u></u> |
| <br><b>LIABILITIES AND FUND BALANCES</b>             |                          |                          |
| <i>Liabilities:</i>                                  |                          |                          |
| Accounts Payable                                     | <u>\$ 8</u>              | <u>\$ -</u>              |
| <i>Total Liabilities</i>                             | <u>8</u>                 | <u>-</u>                 |
| <br><i>Fund Balances:</i>                            |                          |                          |
| Restricted for Building Security & Technology        | <u>220,935</u>           | <u>199,339</u>           |
| <i>Total Fund Balances</i>                           | <u><u>220,935</u></u>    | <u><u>199,339</u></u>    |
| <br><b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 220,943</u></u> | <u><u>\$ 199,339</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
COURT TECHNOLOGY FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>              | <u>2021</u>              |
|-------------------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                           |                          |                          |
| Fines and Penalties                       | \$ 20,207                | \$ 18,971                |
| Interest Income                           | 1,389                    | 170                      |
| <b>TOTAL REVENUES</b>                     | <u>21,596</u>            | <u>19,141</u>            |
| <b>EXPENDITURES</b>                       |                          |                          |
| Municipal Court                           | -                        | -                        |
| <b>TOTAL EXPENDITURES</b>                 | <u>-</u>                 | <u>-</u>                 |
| Net Change in Fund Balance                | 21,596                   | 19,141                   |
| <b>Fund Balances at Beginning of Year</b> | <u>199,339</u>           | <u>180,198</u>           |
| <b>Fund Balances at End of Year</b>       | <u><u>\$ 220,935</u></u> | <u><u>\$ 199,339</u></u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
TREE PRESERVATION FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                  | <u>2022</u>        | <u>2021</u>             |
|--------------------------------------------------|--------------------|-------------------------|
| <b>ASSETS</b>                                    |                    |                         |
| Cash and Cash Equivalents                        | \$ -               | \$ 2,360                |
| Investments                                      | <u>8</u>           | <u>90,198</u>           |
| <b>TOTAL ASSETS</b>                              | <u><u>\$ 8</u></u> | <u><u>\$ 92,558</u></u> |
| <b>LIABILITIES AND FUND BALANCES</b>             |                    |                         |
| <i>Liabilities:</i>                              | <u>\$ -</u>        | <u>\$ -</u>             |
| <i>Fund Balances:</i>                            |                    |                         |
| Restricted for Tree Preservation                 | <u>8</u>           | <u>92,558</u>           |
| <i>Total Fund Balances</i>                       | <u><u>8</u></u>    | <u><u>92,558</u></u>    |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 8</u></u> | <u><u>\$ 92,558</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
TREE PRESERVATION FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                                                      | <u>2022</u>        | <u>2021</u>             |
|----------------------------------------------------------------------|--------------------|-------------------------|
| <b>REVENUES</b>                                                      |                    |                         |
| Charges for Services                                                 | \$ 141,825         | \$ 2,133                |
| Interest Income                                                      | 721                | 92                      |
| <b>TOTAL REVENUES</b>                                                | <u>142,546</u>     | <u>2,225</u>            |
| <b>EXPENDITURES</b>                                                  |                    |                         |
| Parks and Recreation                                                 | -                  | 9,099                   |
| <b>TOTAL EXPENDITURES</b>                                            | <u>-</u>           | <u>9,099</u>            |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>142,546</u>     | <u>(6,874)</u>          |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                    |                         |
| Transfers In (Out)                                                   | <u>(235,096)</u>   | <u>-</u>                |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <u>(235,096)</u>   | <u>-</u>                |
| Net Change in Fund Balance                                           | (92,550)           | (6,874)                 |
| <b>Fund Balances at Beginning of Year</b>                            | <u>92,558</u>      | <u>99,432</u>           |
| <b>Fund Balances at End of Year</b>                                  | <u><u>\$ 8</u></u> | <u><u>\$ 92,558</u></u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
LEOSE GRANT FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                  | <u>2022</u>            | <u>2021</u>            |
|--------------------------------------------------|------------------------|------------------------|
| <b>ASSETS</b>                                    |                        |                        |
| Cash and Cash Equivalents                        | <u>\$ 7,366</u>        | <u>\$ 6,126</u>        |
| <b>TOTAL ASSETS</b>                              | <u><u>\$ 7,366</u></u> | <u><u>\$ 6,126</u></u> |
| <b>LIABILITIES AND FUND BALANCES</b>             |                        |                        |
| <i>Liabilities:</i>                              | <u>\$ -</u>            | <u>\$ -</u>            |
| <i>Fund Balances:</i>                            |                        |                        |
| Restricted for Police Training & Donations       | <u>7,366</u>           | <u>6,126</u>           |
| <i>Total Fund Balances</i>                       | <u><u>7,366</u></u>    | <u><u>6,126</u></u>    |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 7,366</u></u> | <u><u>\$ 6,126</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
LEOSE GRANT FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>     | <u>2021</u>     |
|-------------------------------------------|-----------------|-----------------|
| <b>REVENUES</b>                           |                 |                 |
| Intergovernmental Revenues & Grants       | \$ 1,240        | \$ 1,431        |
| <b>TOTAL REVENUES</b>                     | <u>1,240</u>    | <u>1,431</u>    |
| <b>EXPENDITURES</b>                       |                 |                 |
| Public Safety                             | -               | -               |
| <b>TOTAL EXPENDITURES</b>                 | <u>-</u>        | <u>-</u>        |
| Net Change in Fund Balance                | 1,240           | 1,431           |
| <b>Fund Balances at Beginning of Year</b> | <u>6,126</u>    | <u>4,695</u>    |
| <b>Fund Balances at End of Year</b>       | <u>\$ 7,366</u> | <u>\$ 6,126</u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
POLICE DONATIONS FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                  | <u>2022</u>             | <u>2021</u>             |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                    |                         |                         |
| Cash and Cash Equivalents                        | <u>\$ 20,684</u>        | <u>\$ 18,505</u>        |
| <b>TOTAL ASSETS</b>                              | <u><u>\$ 20,684</u></u> | <u><u>\$ 18,505</u></u> |
| <b>LIABILITIES AND FUND BALANCES</b>             |                         |                         |
| <i>Liabilities:</i>                              |                         |                         |
| Accounts Payable                                 | <u>\$ 2,722</u>         | <u>\$ -</u>             |
| <i>Total Liabilities</i>                         | <u><u>\$ 2,722</u></u>  | <u><u>\$ -</u></u>      |
| <i>Fund Balances:</i>                            |                         |                         |
| Restricted for Police Training & Donations       | <u>17,962</u>           | <u>18,505</u>           |
| <i>Total Fund Balances</i>                       | <u><u>17,962</u></u>    | <u><u>18,505</u></u>    |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 20,684</u></u> | <u><u>\$ 18,505</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
POLICE DONATIONS FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>      | <u>2021</u>      |
|-------------------------------------------|------------------|------------------|
| <b>REVENUES</b>                           |                  |                  |
| Miscellaneous                             | \$ 5,200         | \$ 10,500        |
| <b>TOTAL REVENUES</b>                     | <u>5,200</u>     | <u>10,500</u>    |
| <b>EXPENDITURES</b>                       |                  |                  |
| Public Safety                             | <u>5,743</u>     | -                |
| <b>TOTAL EXPENDITURES</b>                 | <u>5,743</u>     | -                |
| Net Change in Fund Balance                | (543)            | 10,500           |
| <b>Fund Balances at Beginning of Year</b> | <u>18,505</u>    | <u>8,005</u>     |
| <b>Fund Balances at End of Year</b>       | <u>\$ 17,962</u> | <u>\$ 18,505</u> |

CITY OF BULVERDE  
COMPARATIVE BALANCE SHEETS  
DRAINAGE FUND  
SEPTEMBER 30, 2022 AND 2021

|                                                  | <u>2022</u>              | <u>2021</u>              |
|--------------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                    |                          |                          |
| Cash and Cash Equivalents                        | \$ 207,550               | \$ 207,550               |
| Investments                                      | <u>202,141</u>           | <u>200,506</u>           |
| <b>TOTAL ASSETS</b>                              | <u><u>\$ 409,691</u></u> | <u><u>\$ 408,056</u></u> |
| <b>LIABILITIES AND FUND BALANCES</b>             |                          |                          |
| <i>Liabilities:</i>                              | <u>\$ -</u>              | <u>\$ -</u>              |
| <i>Fund Balances:</i>                            |                          |                          |
| Restricted for Drainage                          | <u>409,691</u>           | <u>408,056</u>           |
| <i>Total Fund Balances</i>                       | <u><u>409,691</u></u>    | <u><u>408,056</u></u>    |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <u><u>\$ 409,691</u></u> | <u><u>\$ 408,056</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
DRAINAGE FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                           | <u>2022</u>       | <u>2021</u>       |
|-------------------------------------------|-------------------|-------------------|
| <b>REVENUES</b>                           |                   |                   |
| Interest Income                           | \$ 1,635          | \$ 283            |
| <b>TOTAL REVENUES</b>                     | <u>1,635</u>      | <u>283</u>        |
| <b>EXPENDITURES</b>                       |                   |                   |
| Public Works                              | -                 | 92,450            |
| <b>TOTAL EXPENDITURES</b>                 | <u>-</u>          | <u>92,450</u>     |
| Net Change in Fund Balance                | 1,635             | (92,167)          |
| <b>Fund Balances at Beginning of Year</b> | <u>408,056</u>    | <u>500,223</u>    |
| <b>Fund Balances at End of Year</b>       | <u>\$ 409,691</u> | <u>\$ 408,056</u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENTS OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2022 AND 2021

|                               | <u>2022</u>                | <u>2021</u>                |
|-------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                 |                            |                            |
| Current Assets:               |                            |                            |
| Cash and Cash Equivalents     | \$       -                 | \$     7,003               |
| Accounts Receivable           | 181,994                    | 92,954                     |
| Capital Assets:               |                            |                            |
| Land                          | 286,625                    | 286,625                    |
| Buildings and Improvements    | 9,153,971                  | 9,153,971                  |
| Accumulated Depreciation      | <u>(2,186,781)</u>         | <u>(1,881,649)</u>         |
| <b>TOTAL ASSETS</b>           | <u>7,435,809</u>           | <u>7,658,904</u>           |
| <b>LIABILITIES</b>            |                            |                            |
| Accounts Payable              | \$    34,263               | \$    14,804               |
| Due To Other Funds            | <u>61,684</u>              | <u>-</u>                   |
| <b>TOTAL LIABILITIES</b>      | <u>95,947</u>              | <u>14,804</u>              |
| <b>NET POSITION</b>           |                            |                            |
| Net Investment Capital Assets | 7,253,815                  | 7,558,947                  |
| Unrestricted, (Deficit)       | <u>86,047</u>              | <u>85,153</u>              |
| <b>TOTAL NET POSITION</b>     | <u><u>\$ 7,339,862</u></u> | <u><u>\$ 7,644,100</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                                     | <u>2022</u>                | <u>2021</u>                |
|-----------------------------------------------------|----------------------------|----------------------------|
| <b>Operating Revenues</b>                           |                            |                            |
| Charges for Services                                | \$ 483,027                 | \$ 527,757                 |
| <b>Total Operating Revenues</b>                     | <u>483,027</u>             | <u>527,757</u>             |
| <b>Operating Expenses Before Depreciation</b>       |                            |                            |
| Supplies                                            | -                          | 75                         |
| Contractual Services                                | 482,133                    | 396,116                    |
| <b>Total Operating Expenses Before Depreciation</b> | <u>482,133</u>             | <u>396,191</u>             |
| Operating Income Before Depreciation                | 894                        | 131,566                    |
| Depreciation                                        | 305,132                    | 305,132                    |
| Operating Income (Loss)                             | <u>(304,238)</u>           | <u>(173,566)</u>           |
| <b>NET CHANGE IN NET POSITION</b>                   | <b>(304,238)</b>           | <b>(173,566)</b>           |
| <b>Net Position at Beginning of Year</b>            | <u>7,644,100</u>           | <u>7,817,666</u>           |
| <b>Net Position at End of Year</b>                  | <u><u>\$ 7,339,862</u></u> | <u><u>\$ 7,644,100</u></u> |

CITY OF BULVERDE  
COMPARATIVE STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|                                                                                                | <u>2022</u>        | <u>2021</u>       |
|------------------------------------------------------------------------------------------------|--------------------|-------------------|
| <b>Cash Flows From Operating Activities</b>                                                    |                    |                   |
| Cash Received From Customers                                                                   | \$ 393,987         | \$ 601,111        |
| Cash Paid to Suppliers for Goods & Services                                                    | <u>(462,674)</u>   | <u>(399,390)</u>  |
| Net Cash Provided (Used) by Operating Activities                                               | <u>(68,687)</u>    | <u>201,721</u>    |
| <b>Cash Flows From Noncapital Financing Activities:</b>                                        |                    |                   |
| Interfund Payables (Receivables)                                                               | <u>61,684</u>      | <u>(194,718)</u>  |
| Net Cash Provided (Used) by Noncapital Financing Activities                                    | <u>61,684</u>      | <u>(194,718)</u>  |
| Net Increase (Decrease) in Cash and Investments                                                | (7,003)            | 7,003             |
| Cash and Investments at Beginning of Year                                                      | <u>7,003</u>       | <u>-</u>          |
| Cash and Investments at End of Year:                                                           | <u>\$ -</u>        | <u>\$ 7,003</u>   |
|                                                                                                | <u>2022</u>        | <u>2021</u>       |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:        |                    |                   |
| Operating Income                                                                               | \$ (304,238)       | \$ (173,566)      |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: |                    |                   |
| Depreciation                                                                                   | 305,132            | 305,132           |
| (Increase) Decrease in Operating Assets:                                                       |                    |                   |
| Accounts Receivable                                                                            | (89,040)           | 73,354            |
| Increase (Decrease) in Accounts Payable                                                        | <u>19,459</u>      | <u>(3,199)</u>    |
| Total Adjustments to Reconcile Operating Activities                                            | <u>235,551</u>     | <u>375,287</u>    |
| Net Cash Provided (Used) by Operating Activities                                               | <u>\$ (68,687)</u> | <u>\$ 201,721</u> |

