

**CITY OF GARDEN RIDGE, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**





CITY OF GARDEN RIDGE, TEXAS  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2018

CITY OFFICIALS

MAYOR	LARRY THOMPSON
MAYOR PRO-TEM	JOHN R. MCCAWE
CITY COUNCIL	ROBB ERICKSON BRYAN LANTZY TODD ARVIDSON KAY BOWER
CITY ADMINISTRATOR/TREASURER	NANCY CAIN
CITY SECRETARY	VACANT
ATTORNEY	DENTON, NAVARRO, ROCHA, BERNAL, & ZECH P.C.

CITY OF GARDEN RIDGE, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

**TABLE OF CONTENTS**

**INTRODUCTORY SCHEDULE**

	<u>PAGE</u>
TITLE PAGE	i.
CITY OFFICIALS	ii
TABLE OF CONTENTS	iii

**FINANCIAL SECTION**

INDEPENDENT AUDITOR’S REPORT.....	1
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	4
BASIC FINANCIAL STATEMENTS.....	11
STATEMENT OF NET POSITION.....	12
STATEMENT OF ACTIVITIES.....	14
BALANCE SHEET.....	16
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET TO THE STATEMENT OF NET POSITION .....	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS .....	19
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	21
STATEMENT OF NET POSITION – PROPRIETARY FUND .....	22
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUND.....	24
STATEMENT OF CASH FLOWS - PROPRIETARY FUND.....	25
NOTES TO FINANCIAL STATEMENTS .....	27
REQUIRED SUPPLEMENTARY INFORMATION.....	53
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND .....	54
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND .....	57
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS.....	58
SCHEDULE OF EMPLOYER CONTRIBUTIONS .....	59
SCHEDULE OF CHANGES – TOTAL OTHER POST EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS .....	60

CITY OF GARDEN RIDGE, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

**TABLE OF CONTENTS**

**FINANCIAL SECTION (CONTINUED)**

SUPPLEMENTARY INFORMATION .....	61
COMPARATIVE BALANCE SHEETS - GENERAL FUND.....	62
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND .....	63
COMPARATIVE BALANCE SHEETS - DEBT SERVICE FUND.....	66
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND .....	67
COMPARATIVE BALANCE SHEETS - CAPITAL PROJECTS FUND.....	68
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND .....	69
COMPARATIVE BALANCE SHEETS - NONMAJOR FUNDS - ASSET FORFEITURE FUND.....	70
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR FUNDS - ASSET FORFEITURE FUND.....	71
COMPARATIVE STATEMENTS OF NET POSITION - WATER FUND.....	72
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION - WATER FUND .....	74
COMPARATIVE STATEMENTS OF CASH FLOWS - WATER FUND.....	75

**STATISTICAL SECTION**

NET POSITION, BY COMPONENT - LAST TEN FISCAL YEARS.....	78
CHANGE IN NET POSITION - LAST TEN FISCAL YEARS.....	80
FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS .....	84
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS .....	86
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS.....	88
DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN FISCAL YEARS .....	89
PRINCIPAL PROPERTY TAX PAYERS - CURRENT AND NINE YEARS AGO.....	90
PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS.....	91
ASSESSED VALUE - LAST TEN FISCAL YEARS .....	92
RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS.....	93
DEBT MARGIN INFORMATION - LAST TEN FISCAL YEARS .....	94
DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN FISCAL YEARS.....	95
TOP TEN PRINCIPAL EMPLOYERS - CURRENT AND NINE YEARS AGO .....	96





## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Garden Ridge, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Ridge, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Ridge, Texas, as of September 30, 2018, 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.

## ***Emphasis of Matter***

As discussed in Note 1W of the financial statements, in October 2017, the City adopted new accounting guidance from the Governmental Accounting Standards Board Statement No. 75 related to accounting for postemployment benefits other than pensions (OPEB). This resulted in a restatement of prior year balances. Our opinion is not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes – Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes – Other Post Employment Benefits as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden Ridge, Texas', basic financial statements. The comparative financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements are fairly stated, in all material respects, in relation to the financial statements as a whole.



The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Armstrong, Vaughan & Associates, P.C.*

Armstrong, Vaughan & Associates, P.C.

January 11, 2019



## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of City of Garden Ridge’s annual financial report presents our discussion and analysis of the City’s financial performance during the fiscal year ended September 30, 2018. Please read it in conjunction with the City’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

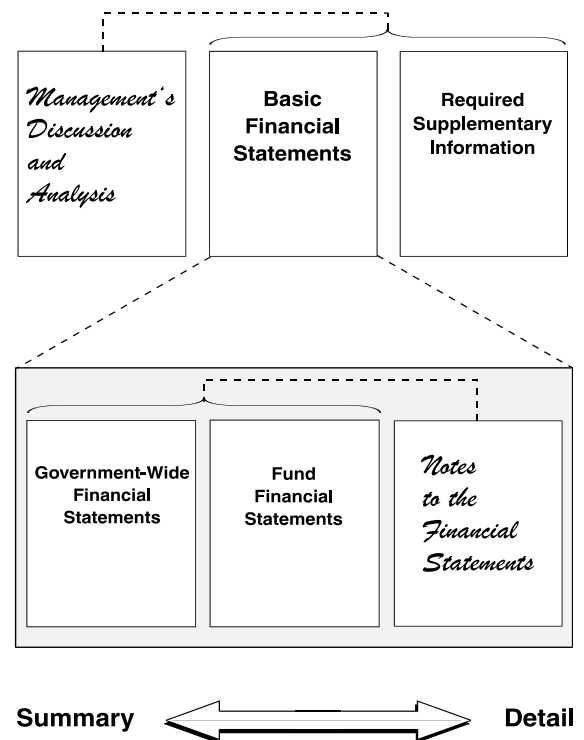
- The City’s total combined net position was \$13.94 million at September 30, 2018.
- During the year, the City’s governmental operating expenses (including transfers to the business-type activities) were \$415.7 thousand more than the \$3.92 million generated in program and general revenues for the governmental activities.
- The total cost of the City’s programs increased to \$3.23 million and no new programs were added this year.
- The general fund reported a fund balance this year of \$2.21 million of which \$2.06 million was unassigned.
- The City advance refunded \$2.52 million of the 2009 series certificates of obligation during the fiscal year ending September 30, 2018.

### 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*, such as water services.

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



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

Figure A-2 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.

<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 the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water
<i>Required financial statements</i>	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditure & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position • 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

### **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 plus deferred outflows and liabilities plus deferred inflows—is one way to measure the City’s financial health or *position*.

- Over time, increases or decreases in the City’s net position is 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 nonfinancial 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 public safety, public works and general administration. Property taxes, franchise fees 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. The proprietary fund consists of the City water works fund.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### Net Position

The City's combined net position was \$13.9 million at September 30, 2018. (See Table A-1).

**Table A-1**  
City of Garden Ridge Net Position  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
<b>Assets</b>							
Current Assets	\$ 2,951.5	\$ 2,618.2	\$ 1,855.1	\$ 1,630.3	\$ 4,806.6	\$ 4,248.5	13.1%
Restricted and Other Assets	844.0	2,813.0	149.6	124.4	993.6	2,937.4	-66.2%
Capital Assets (net)	11,488.7	11,824.1	13,493.1	12,791.4	24,981.7	24,615.5	1.5%
<b>Total Assets</b>	<u>15,284.2</u>	<u>17,255.3</u>	<u>15,497.8</u>	<u>14,546.1</u>	<u>30,782.0</u>	<u>31,801.4</u>	-3.2%
<b>Total Deferred Outflows of Resources</b>	<u>151.6</u>	<u>228.2</u>	<u>89.4</u>	<u>40.8</u>	<u>241.0</u>	<u>269.0</u>	-10.4%
<b>Liabilities</b>							
Current Liabilities	1,297.4	2,378.0	790.4	722.0	2,087.8	3,100.0	-32.7%
Long-term Liabilities	7,488.4	8,019.1	7,436.9	7,772.7	14,925.3	15,791.8	-5.5%
<b>Total Liabilities</b>	<u>8,785.8</u>	<u>10,397.1</u>	<u>8,227.3</u>	<u>8,494.7</u>	<u>17,013.1</u>	<u>18,891.8</u>	-9.9%
<b>Deferred Inflows of Resources</b>	<u>60.5</u>	<u>29.5</u>	<u>13.3</u>	<u>6.4</u>	<u>73.8</u>	<u>35.9</u>	105.4%
<b>Net Position</b>							
Invested in Capital Assets	3,829.1	3,568.2	5,715.6	4,694.0	9,544.6	8,262.2	15.5%
Restricted	599.1	671.6	145.1	152.7	744.2	824.3	-9.7%
Unrestricted	2,161.3	2,817.3	1,485.9	1,239.2	3,647.2	4,056.5	-10.1%
<b>Total Net Position</b>	<u>\$ 6,589.5</u>	<u>\$ 7,057.1</u>	<u>\$ 7,346.5</u>	<u>\$ 6,085.9</u>	<u>\$ 13,936.0</u>	<u>\$ 13,143.0</u>	6.0%

Note: Comparative information for 2017 has not been restated for the effects of the adoption of GASB Statement No. 75 as the information is not available. See note 1W for more detail.

## Changes in Net Position

The City's total governmental revenues were \$3.92 million, of which 76.0% of the City's revenue came from taxes compared to 76.8% in the prior year. A total of 13.2% of the revenues are from those who directly received the service. The total cost of all governmental programs and services was \$3.23 million and charges for these services were \$519 thousand. Table A-2 reports the summarized changes in net position.

**Table A-2**  
Changes in City of Garden Ridge's Net Position  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2018	2017	2018	2017	2018	2017	2018-2017
Program Revenues:							
Charges for Services Operating/Capital	\$ 518.5	\$ 496.8	\$ 1,888.3	\$ 1,546.9	\$ 2,406.8	\$ 2,043.7	17.8%
Grants	294.1	271.5	-	-	294.1	271.5	8.3%
General Revenues:							
Property Taxes	2,227.2	2,167.2	-	-	2,227.2	2,167.2	2.8%
Tax Franchise	501.6	489.8	-	-	501.6	489.8	2.4%
Sales Taxes	250.2	245.0	-	-	250.2	245.0	2.1%
Investment Earnings	48.5	37.8	14.5	13.5	63.0	51.3	22.8%
Other	78.5	68.3	-	0.9	78.5	69.2	13.4%
Total Revenues	<u>3,918.6</u>	<u>3,776.5</u>	<u>1,902.8</u>	<u>1,561.3</u>	<u>5,821.4</u>	<u>5,337.7</u>	9.1%
General Government	753.5	769.4	-	-	753.5	769.4	-2.1%
Police Protection	1,274.1	1,283.4	-	-	1,274.1	1,283.4	-0.7%
Municipal Court	78.1	74.3	-	-	78.1	74.3	5.2%
Public Facilities	911.7	864.7	-	-	911.7	864.7	5.4%
Debt Service	215.6	227.6	-	-	215.6	227.6	-5.3%
Water	-	-	1,729.8	1,697.9	1,729.8	1,697.9	1.9%
Total Expenses	<u>3,233.0</u>	<u>3,219.4</u>	<u>1,729.8</u>	<u>1,697.9</u>	<u>4,962.8</u>	<u>4,917.3</u>	0.9%
Transfers	<u>(1,101.3)</u>	<u>554.3</u>	<u>1,101.3</u>	<u>(554.3)</u>	<u>-</u>	<u>-</u>	0.0%
Increase (Decrease) in Net Position	<u>\$ (415.7)</u>	<u>\$ 1,111.2</u>	<u>\$ 1,274.3</u>	<u>\$ (690.9)</u>	<u>\$ 858.6</u>	<u>\$ 420.4</u>	104.2%

Note: Comparative information for 2017 has not been restated for the effects of the adoption of GASB Statement No. 75 as the information is not available. See note 1W for more detail.

### Governmental Activities

Property tax rates increased to \$0.323146 per \$100 of assessed value. An increase in the valuation of taxable property along with the increase in tax rate lead to a 2.8% increase in tax revenues to \$2.23 million.

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 net cost of all *governmental* activities this year was \$2.42 million.
- The amount that taxpayers paid for these activities through taxes was \$2.98 million.
- \$519 thousand of the cost was paid by those who directly benefited from the programs.

**Table A-3**  
Net Cost of Selected City Functions  
(in thousands of dollars)

	Total Cost of Services			Net Cost of Services		Total Percentage Change
	2018	2017	% Change	2018	2017	2018-2017
General Administration	\$ 753.5	\$ 769.4	-2.1%	\$ 493.4	\$ 479.2	3.0%
Police Protection	1,274.1	1,283.4	-0.7%	906.8	928.3	-2.3%
Municipal Court	78.1	74.3	5.2%	78.1	74.3	5.2%
Public Facilities	911.7	864.7	5.4%	726.5	741.7	-2.0%
Debt Service	215.6	227.6	-5.3%	215.6	227.6	-5.3%
Water Services	1,729.8	1,697.9	1.9%	(158.6)	151.0	-205.0%

### Business-Type Activities

Revenues of the City's business-type activities were \$1.89 million, and expenses were \$1.73 million.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenue from governmental fund types totaled \$3.92 million, an increase of 3.8%.

### General Fund Budgetary Highlights

Over the course of the year, the City revised its budget to increase revenues and expenditures. Actual expenditures were \$219 thousand less than the final budgeted amounts. All major expenditure divisions had a positive variance, with the exception of Debt Service. Total revenues were \$85 thousand more than final budgeted amounts. The City increased the overall fund balance by \$340 thousand more than expected from the final budget.

The City had 10 months of operating expenditures in the unassigned fund balance.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2018, the City had invested \$35.9 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.). More detailed information about the City's capital assets is presented in the notes to the financial statements.

**Table A-4**  
City's Capital Assets  
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Land	\$ 481.9	\$ 481.9	\$ 140.0	\$ 140.0	\$ 621.9	\$ 621.9	0.0%
Water Rights	-	-	454.1	454.1	454.1	454.1	0.0%
Buildings and Improvements	3,759.7	3,728.3	94.2	94.2	3,853.9	3,822.5	0.8%
Other Improvements	-	-	13,404.6	10,787.0	13,404.6	10,787.0	24.3%
Equipment	634.2	686.8	779.6	781.1	1,413.7	1,467.9	-3.7%
Infrastructure	12,537.2	9,598.1	-	-	12,537.2	9,598.1	30.6%
Construction in Progress	-	2,839.6	3,632.0	5,101.3	3,632.0	7,940.9	-54.3%
Totals at Historical Cost	<u>17,413.0</u>	<u>17,334.7</u>	<u>18,504.5</u>	<u>17,357.7</u>	<u>35,917.5</u>	<u>34,692.4</u>	3.5%
Total Accumulated Depreciation	(5,924.3)	(5,510.6)	(5,011.4)	(4,566.3)	(10,935.8)	(10,076.8)	8.5%
Net Capital Assets	<u>\$ 11,488.7</u>	<u>\$ 11,824.1</u>	<u>\$ 13,493.1</u>	<u>\$ 12,791.4</u>	<u>\$ 24,981.7</u>	<u>\$ 24,615.5</u>	1.5%

### Long Term Debt

At year-end the City had \$15.6 million in bonds and leases outstanding as shown in Table A-5. More detailed information about the City's debt is presented in the notes to the financial statements.

**Table A-5**  
City's Long Term Debt  
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Bonds and Lease Payable	<u>\$ 7,722.1</u>	<u>\$ 8,255.9</u>	<u>\$ 7,845.0</u>	<u>\$ 8,097.4</u>	<u>\$ 15,567.1</u>	<u>\$ 16,353.3</u>	-4.8%
Total Bonds & Lease Payable	<u>\$ 7,722.1</u>	<u>\$ 8,255.9</u>	<u>\$ 7,845.0</u>	<u>\$ 8,097.4</u>	<u>\$ 15,567.1</u>	<u>\$ 16,353.3</u>	-4.8%



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

- The 2018 Taxable Value for the City of Garden Ridge increased \$13,923,670 over the City's 2017 Taxable Value.
- The City's adopted a tax rate of \$0.323146 which is the same as the fiscal year 2018 tax rate.
- General Fund Revenues for the 2019 Fiscal Year are expected to decrease by \$38 thousand compared to 2018 actual revenues. Decrease is predominately due to a decrease in permits and miscellaneous revenues.
- The City of Garden Ridge should continue to see development interest and activity along F.M. 2252.
- The City's budgeted general fund balance for 2019 is not expected to change appreciably by the close of the fiscal year.

Other significant items planned for next year:

- The Capital Improvement Projects to be funded by the 2015 Combination Tax and Revenue Certificates of Obligation for water, drainage and streets infrastructure and Community Center and City Parks improvements are expected to continue during the 2019 fiscal year.
- Rewrite of the City's zoning and subdivision ordinances to align with the Master Land Use Plan adopted in 2017 are expected to be completed during the 2019 fiscal year.
- The City will continue looking at a possible sewer system and additional waterlines along F.M. 2252.
- City employees will receive a 3% cost of living increase.
- The City's employee's health and dental insurance rates saw an increase for 2019.
- The City will continue to enhance communications with its citizens.
- The City will continue all existing services and is planning to establish an emergency management and expand the volunteer program.
- The City anticipates adoption of a new Employee Policy Manual in 2019. The manual may include the addition of short and long-term disability programs to replace the current sick leave policy.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Garden Ridge 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 the City Administrator by phone 210-651-6632.



## **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 fund

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 GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,768,344	\$ 1,684,603	\$ 4,452,947
Receivables:			
Taxes (Net of Uncollectible)	52,497	-	52,497
Other	126,614	170,529	297,143
Prepaid Items	4,082	-	4,082
Restricted Assets:			
Cash and Investments	848,505	145,100	993,605
Internal Balance	(4,475)	4,475	-
Capital Assets:			
Land	481,923	139,954	621,877
Water Rights	-	454,144	454,144
Buildings and Improvements	3,759,757	94,183	3,853,940
Water Lines and Extensions	-	13,404,560	13,404,560
Equipment and Vehicles	634,159	779,583	1,413,742
Infrastructure	12,537,175	-	12,537,175
Construction in Progress	-	3,632,043	3,632,043
Accumulated Depreciation	(5,924,345)	(5,011,413)	(10,935,758)
<b>TOTAL ASSETS</b>	<u>15,284,236</u>	<u>15,497,761</u>	<u>30,781,997</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Debt Refunding	62,569	67,530	130,099
Deferred Pension Related Outflows	84,504	20,760	105,264
Deferred Other Post-Employment Benefit Related Outflows	4,571	1,195	5,766
<b>TOTAL DEFERRED OUTFLOWS     OF RESOURCES</b>	<u>\$ 151,644</u>	<u>\$ 89,485</u>	<u>\$ 241,129</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION (CONT.)  
SEPTEMBER 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 413,837	\$ 39,458	\$ 453,295
Accrued Liabilities	52,869	15,946	68,815
Accrued Interest Payable	38,746	39,649	78,395
Unearned Revenue	22,056	-	22,056
Vacation Leave Payable	78,727	17,746	96,473
Customer Deposits	145,581	191,330	336,911
<i>Noncurrent Liabilities:</i>			
Due within One Year	545,557	486,256	1,031,813
Due in more than One Year	7,176,573	7,358,704	14,535,277
Net Pension Liability	249,578	61,930	311,508
Other Post-Employment Benefit Liability	62,308	16,286	78,594
<b>TOTAL LIABILITIES</b>	<u>8,785,832</u>	<u>8,227,305</u>	<u>17,013,137</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Related Inflows	60,546	13,308	73,854
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>60,546</u>	<u>13,308</u>	<u>73,854</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,829,106	5,715,624	9,544,730
Restricted for:			
Child Safety	29,758	-	29,758
Court Security/Technology	8,803	-	8,803
Impact Fees	-	145,100	145,100
Debt Service	168,499	-	168,499
Donations	2,677	-	2,677
Public, Educational, & Governmental (PEG) Capital Fees	112,687	-	112,687
Police Asset Forfeiture	276,679	-	276,679
Unrestricted	2,161,293	1,485,909	3,647,202
<b>TOTAL NET POSITION</b>	<u>\$ 6,589,502</u>	<u>\$ 7,346,633</u>	<u>\$ 13,936,135</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<i>Governmental Activities:</i>				
General Administration	\$ 753,492	\$ 257,121	\$ 3,012	\$ -
Police Protection	1,274,116	138,382	228,944	-
Municipal Court	78,147	-	-	-
Public Facilities	911,704	123,010	12,169	50,000
Interest on Long-term Debt	215,593	-	-	-
<i>Total Governmental Activities</i>	<u>3,233,052</u>	<u>518,513</u>	<u>244,125</u>	<u>50,000</u>
<i>Business-Type Activities:</i>				
Water Utility	1,729,799	1,888,364	-	-
<i>Total Business-Type Activities</i>	<u>1,729,799</u>	<u>1,888,364</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u><u>\$ 4,962,851</u></u>	<u><u>\$ 2,406,877</u></u>	<u><u>\$ 244,125</u></u>	<u><u>\$ 50,000</u></u>
<b>General Revenues:</b>				
Taxes:				
General Property Taxes				
Franchise Taxes				
Sales Taxes				
Interest and Investment Earnings				
Miscellaneous				
<b>Total General Revenues</b>				
Transfers				
Change in Net Position				
<b>Net Position Beginning of Year</b>				
Prior Period Adjustment				
<b>Net Position at End of Year</b>				

See accompanying notes to basic financial statements.

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (493,359)	\$ -	\$ (493,359)
(906,790)	-	(906,790)
(78,147)	-	(78,147)
(726,525)	-	(726,525)
(215,593)	-	(215,593)
<u>(2,420,414)</u>	<u>-</u>	<u>(2,420,414)</u>
-	158,565	158,565
<u>-</u>	<u>158,565</u>	<u>158,565</u>
<u>(2,420,414)</u>	<u>158,565</u>	<u>(2,261,849)</u>
2,227,239	-	2,227,239
501,558	-	501,558
250,201	-	250,201
48,514	14,505	63,019
78,493	-	78,493
<u>3,106,005</u>	<u>14,505</u>	<u>3,120,510</u>
<u>(1,101,263)</u>	<u>1,101,263</u>	<u>-</u>
(415,672)	1,274,333	858,661
7,057,054	6,085,860	13,142,914
<u>(51,880)</u>	<u>(13,560)</u>	<u>(65,440)</u>
<u>\$ 6,589,502</u>	<u>\$ 7,346,633</u>	<u>\$ 13,936,135</u>

CITY OF GARDEN RIDGE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018

	Major Funds		
	General	Debt Service	Capital Projects Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,296,576	\$ 193,493	\$ -
Receivables:			
Taxes (Net of Uncollectible)	34,280	18,217	-
Other	126,614	-	-
Prepaid Items	4,082	-	-
Restricted Assets:			
Cash and Investments	-	-	848,505
<b>TOTAL ASSETS</b>	<u>\$ 2,461,552</u>	<u>\$ 211,710</u>	<u>\$ 848,505</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 130,254	\$ -	\$ 418,567
Accrued Expenditures	52,870	-	-
Unearned Revenue	22,056	-	-
Due to Other Funds	-	4,475	-
Deposits	9,000	-	-
<i>Total Liabilities</i>	<u>214,180</u>	<u>4,475</u>	<u>418,567</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	33,686	17,901	-
<i>Total Deferred Inflows of Resources</i>	<u>33,686</u>	<u>17,901</u>	<u>-</u>
<i>Fund Balances:</i>			
Non-Spendable:			
Prepaid Items	4,082	-	-
Restricted for:			
Child Safety	29,758	-	-
Court Security	8,803	-	-
Debt Service	-	189,334	-
Donations	2,677	-	-
PEG Capital Fees	112,687	-	-
Police Asset Forfeiture	-	-	-
Assigned for:			
Capital Projects	-	-	429,938
Unassigned:	2,055,679	-	-
<i>Total Fund Balances</i>	<u>2,213,686</u>	<u>189,334</u>	<u>429,938</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>	<u>\$ 2,461,552</u>	<u>\$ 211,710</u>	<u>\$ 848,505</u>

See accompanying notes to basic financial statements.



<u>Nonmajor</u>		<u>Total</u>
Asset Seizure		Governmental Funds
\$ 278,275		\$ 2,768,344
-		52,497
-		126,614
-		4,082
-		848,505
<u>\$ 278,275</u>		<u>\$ 3,800,042</u>
\$ 1,596		\$ 550,417
-		52,870
-		22,056
-		4,475
-		9,000
<u>1,596</u>		<u>638,818</u>
-		51,587
-		51,587
-		4,082
-		29,758
-		8,803
-		189,334
-		2,677
-		112,687
276,679		276,679
-		429,938
-		2,055,679
<u>276,679</u>		<u>3,109,637</u>
<u>\$ 278,275</u>		<u>\$ 3,800,042</u>



CITY OF GARDEN RIDGE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 3,109,637
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		11,488,669
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		51,587
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.		(78,727)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds:		
Bonds Payable and Capital Leases		(7,722,130)
Losses on debt refundings do not consume current financial resources and are not reported in the funds.		62,569
Net pension liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the funds.		
Net Pension Liability	(249,578)	
Pension Related Deferred Outflows(Inflows)	<u>23,958</u>	(225,620)
Other Post-Employment Benefit Liabilities (and related deferred inflows and outflows of resources) do not consume financial resources are not reported in the governmental funds:		
Other Post-Employment Benefit Liability	(62,308)	
Other Post-Employment Benefit Related Deferred Outflows	<u>4,571</u>	(57,737)
Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.		<u>(38,746)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ 6,589,502</u></u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2018

	Major Funds		
	General	Debt Service	Capital Projects Fund
<b>REVENUES</b>			
Taxes	\$ 1,704,183	\$ 772,572	\$ -
Franchise Fees	501,558	-	-
Licenses and Permits	159,213	-	-
Charges for Services	220,357	-	-
Fines and Forfeits	138,397	-	-
Miscellaneous	120,510	509	67,521
<b>TOTAL REVENUES</b>	<u>2,844,218</u>	<u>773,081</u>	<u>67,521</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
General Administration	613,353	-	-
Municipal Court	77,276	-	-
Police Protection	1,155,636	-	-
Public Facilities	562,440	-	-
Capital Outlay	97,820	-	99,546
<i>Debt Service:</i>			
Interest and Agent Fees	2,308	239,013	-
Principal	37,207	518,600	-
<b>TOTAL EXPENDITURES</b>	<u>2,546,040</u>	<u>757,613</u>	<u>99,546</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>298,178</u>	<u>15,468</u>	<u>(32,025)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Capital Leases	54,893	-	-
Proceeds from Sale of Equipment	5,000	-	-
Transfers In (Out)	(18,468)	(273,901)	(808,894)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>41,425</u>	<u>(273,901)</u>	<u>(808,894)</u>
<b>Net Change in Fund Balances</b>	339,603	(258,433)	(840,919)
<b>Fund Balances - October 1</b>	<u>1,874,083</u>	<u>447,767</u>	<u>1,270,857</u>
<b>Fund Balances - September 30</b>	<u>\$ 2,213,686</u>	<u>\$ 189,334</u>	<u>\$ 429,938</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>		<u>Total</u>
Asset Seizure		Governmental Funds
\$ -		\$ 2,476,755
-		501,558
-		159,213
-		220,357
226,217		364,614
157		188,697
<u>226,374</u>		<u>3,911,194</u>
-		613,353
-		77,276
-		1,155,636
-		562,440
61,025		258,391
-		241,321
-		555,807
<u>61,025</u>		<u>3,464,224</u>
<u>165,349</u>		<u>446,970</u>
-		54,893
-		5,000
<u>-</u>		<u>(1,101,263)</u>
<u>-</u>		<u>(1,041,370)</u>
165,349		(594,400)
<u>111,330</u>		<u>3,704,037</u>
<u>\$ 276,679</u>		<u>\$ 3,109,637</u>



CITY OF GARDEN RIDGE, TEXAS  
RECONCILIATION OF THE STATEMENTS OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ (594,400)
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	174,401	
Depreciation	<u>(509,868)</u>	(335,467)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		685
The issuance of long-term debt (e.g. bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Proceeds from Capital Lease	(54,893)	
Principal Payments on Bonds	518,600	
Amortization of Premium on Bonds	32,906	
Principal Portion of Capital Lease Payments	37,207	
Amortization of Book Losses on Debt Refundings	<u>(8,939)</u>	524,881
Some 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:		
Accrued Interest	1,696	
Compensated Absences	<u>3,901</u>	5,597
Governmental funds report required contributions to employee pensions 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 pension expense exceeded contributions.		(11,110)
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.		<u>(5,858)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ (415,672)</u></u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2018

**ASSETS**

*Current Assets:*

Cash and Cash Equivalents	\$ 1,684,603
Accounts Receivable - Customers	170,529
Due from Other Funds	4,475
<i>Total Current Assets</i>	1,859,607

*Other Assets:*

Restricted Cash and Investments - Impact Fees	145,100
<i>Total Other Assets</i>	145,100

*Capital Assets:*

Land	139,954
Water Rights	454,144
Buildings	94,183
Water Lines, Wells & Tanks	13,404,560
Vehicles & Equipment	779,583
Construction in Progress	3,632,043
Accumulated Depreciation	(5,011,413)
<i>Total Capital Assets, Net of Depreciation</i>	13,493,054
<b>TOTAL ASSETS</b>	<b>15,497,761</b>

**DEFERRED OUTFLOWS  
OF RESOURCES**

Deferred Loss on Debt Refunding	67,530
Deferred Pension Related Outflows	20,760
Deferred Other Post-Employment Benefit Related Outflows	1,195
<b>TOTAL DEFERRED OUTFLOWS  OF RESOURCES</b>	<b>\$ 89,485</b>

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONT.)  
SEPTEMBER 30, 2018

**LIABILITIES**

*Current Liabilities:*

Accounts Payable	\$ 39,458
Accrued Liabilities	15,946
Accrued Interest Payable	39,649
Vacation Leave Payable	17,746
Customer Deposits	191,330
Due Within One Year	486,256
<i>Total Current Liabilities</i>	790,385

*Noncurrent Liabilities:*

Due in More Than One Year	7,358,704
Net Pension Liability	61,930
Other Post-Employment Benefit Liability	16,286
<i>Total Noncurrent Liabilities</i>	8,713,561

<b>TOTAL LIABILITIES</b>	9,503,946
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**DEFERRED INFLOWS  
OF RESOURCES**

Deferred Pension Related Inflows	13,308
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<b>TOTAL DEFERRED INFLOWS  OF RESOURCES</b>	13,308
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**NET POSITION**

Net Investment in Capital Assets	5,715,624
Restricted Water Impact Fees	145,100
Unrestricted	1,485,909

<b>TOTAL NET POSITION</b>	\$ 7,346,633
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CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<b>OPERATING REVENUE</b>	
Water Sales	\$ 1,616,097
Meter Installation Fees	31,800
Other	82,144
<b>TOTAL OPERATING REVENUE</b>	<u>1,730,041</u>
 <b>OPERATING EXPENSES</b>	
Personnel Costs	428,803
Plant Operations and Maintenance	362,871
General and Administrative	156,834
Capital Outlay	1,075
Depreciation	473,014
<b>TOTAL OPERATING EXPENSES</b>	<u>1,422,597</u>
 <b>OPERATING INCOME (LOSS)</b>	 <u>307,444</u>
 <b>NONOPERATING INCOME (EXPENSES)</b>	
Impact Fees	158,323
Interest Income	14,505
Interest Expense	(212,022)
Bond Issuance Costs	(95,180)
<b>TOTAL NONOPERATING INCOME (EXPENSES)</b>	<u>(134,374)</u>
 <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	 173,070
 Transfers In (Out)	 <u>1,101,263</u>
 <b>CHANGE IN NET POSITION</b>	 1,274,333
 <b>NET POSITION AT BEGINNING OF YEAR</b>	 6,085,860
 Prior Period Adjustment	 <u>(13,560)</u>
 <b>TOTAL NET POSITION AT END OF YEAR</b>	 <u><u>\$ 7,346,633</u></u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,731,306
Cash paid to suppliers for goods and services	(523,146)
Cash paid to employees for services and benefits	<u>(429,733)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>778,427</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Net Customer Deposits Received (Returned)	7,193
Interfund Receivables/Payables and Transfers	<u>1,068,437</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>1,075,630</u>
 <b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Capital Acquisition	(1,174,692)
Cash received for Impact Fees	158,323
Proceeds from Capital Lease	26,378
Proceeds from Debt Issuance	2,834,523
Principal Payments on Debt	(3,047,840)
Interest Paid for Financing Activities	<u>(446,809)</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(1,650,117)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income and Other Income	<u>14,505</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>14,505</u>
 <b>NET INCREASE (DECREASE) IN CASH</b>	 218,445
 <b>CASH AND CASH EQUIVALENTS AT OCTOBER 1:</b>	
Cash and Cash Equivalents	1,458,548
Restricted Cash and Cash Equivalents	<u>152,710</u>
	<u>1,611,258</u>
 <b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:</b>	
Cash and Cash Equivalents	1,684,603
Restricted Cash and Cash Equivalents	<u>145,100</u>
	<u>\$ 1,829,703</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF CASH FLOWS (CONT.)  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 307,444
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	473,014
Change in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	1,265
Decrease (Increase) in Prepaid Items	-
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(2,366)
Increase (Decrease) in Vacation Payable	(5,365)
Increase (Decrease) in Pension Liability	2,904
Increase (Decrease) in Other Post-Employment Benefit Liabilities	1,531
 <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	 <b>\$ 778,427</b>

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

**A. THE FINANCIAL REPORTING ENTITY**

In evaluating how to define the government for financial purposes, management has considered all potential component units. 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.

**B. 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 segment is 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 and proprietary funds. The General Fund, Debt Service Fund and Capital Projects Fund meet the criteria of a **major governmental fund**. The City's other governmental fund is the Seizure Fund (Special Revenue Fund). This fund is reflected in a separate column in the Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. 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, are revenue from the investments, intergovernmental revenue and charges for services. Property taxes are recognized in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

**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 unearned 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 funds:

**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 government, public safety, public facilities, municipal court and capital acquisition.

**The Debt Service Fund** is used to account for all funds collected and disbursed in the retirement of governmental debt.

**The Capital Projects Fund** is used to account for the proceeds from bond issues and other resources specifically designated for capital expenditures.

The City's non-major governmental fund is the Asset Seizure Fund (a special revenue fund).



CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONT.)**

**Proprietary fund level financial statements** are used to account for activities 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 Water-Works Fund (used to account for the provision of water services to residents). The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**D. 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.

**E. 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 A 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) - (d); or, (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, money market accounts, or investments in TexPool. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair value in accordance with GASB 31.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**F. 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. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

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.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible.

**G. PREPAID ITEMS**

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

**H. 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. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**I. RESTRICTED ASSETS**

Certain deposits and payments of Proprietary Fund, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by agreements. Funds are also segregated to provide for capital projects and debt services as provided under contractual agreements and bond indenture agreements.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**J. 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 a cost of \$5,000 or more. Infrastructure assets include City-owned streets, 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 assets 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>YEARS</u>
Buildings and Improvements	20 to 40 years
Improvements Other than Buildings	20 to 40 years
Utility System in Service	10 to 50 years
Machinery and Equipment	3 to 10 years

**K. COMPENSATED ABSENCES**

Employees earn vacation leave at a rate of 4.0 hours per bi-weekly pay period after completion of probationary period. Vacation leave rates increase periodically based on the longevity of employment. Employees earn sick leave at the rate of 4.0 hours per bi-weekly pay period.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of the Enterprise Fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay at September 30, 2018, of \$78,727 and \$17,746 has been recorded in accrued liabilities of the Governmental Activities and the Proprietary Fund, respectively.

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.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**L. UNEARNED REVENUE**

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

**M. 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category: deferred loss on debt refunding reported in the government-wide statement of net position and deferred pension and OPEB related outflows reported on the government-wide and proprietary statements. A deferred loss on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred pension and OPEB related outflows result from contributions made after the measurement date and changes in assumptions.

*Deferred inflows of resources* represents 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 reporting. Unavailable revenues from property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when 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. Property tax revenues not expected to be available for the current period are reflected as unavailable revenue as an inflow of resource in the period the amounts become available. The deferred pension related inflows result from differences between expected and actual experiences and differences in between expected and actual investment return.

**N. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bond. Bond issuance costs are expensed when incurred.

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 GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**O. 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 only be used for a specific purpose 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 may make assignments through formal documentation in the minutes. The City Council authorized (by way of policy) the City Administrator to also make assignments. The City Administrator's assignments do not require formal action; however, the City Administrator has not assigned any funds at this time.

**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, assigned third, and unassigned fourth.

**P. 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.

**Q. INTERFUND TRANSACTIONS**

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

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**R. OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

**S. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**T. OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY**

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

**U. 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.

**V. RECLASSIFICATIONS**

Certain reclassifications have been made to the prior periods presented to conform to the current presentation. These reclassifications had no effect on fund equity.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**W. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT**

For the year ending September 30, 2018, the City implemented Government Accounting Standards Board Statement No. 75 related to accounting for postemployment benefits other than pensions (OPEB). This new standard requires that the City's OPEB plan recognize the total OPEB liability (asset) and OPEB related deferred inflows and outflows of resources on the City's government-wide statements. This change required a prior period adjustment to restate prior years in accordance with the change in accounting principle. The prior period adjustment recorded represents the total OPEB liability at September 30, 2017, less associated OPEB related deferred outflows and inflows of resources. The amount of the restatement can be seen in more detail in Note 11.

**NOTE 2 – DEPOSIT AND INVESTMENTS**

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash and Cash Equivalents

At September 30, 2018, the amount of the city's deposits in bank was \$1,753,571, and the carrying amount was \$1,747,677. Of the bank balance, \$250,000 was covered by federal deposit insurance and the City's depository had pledged securities having a face value of \$11,090,000 as collateral for the City's deposits. All cash deposits held in the bank were secured through FDIC or pledged securities at September 30, 2018.

2. Investments

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

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

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONT.)**

2. Investments (Cont.)

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 investments as of September 30, 2018 were at Texpool (an AAAM rated, 2a7-like, public funds external investment pool). The investment is reported at share price which approximates fair value. The amount invested with Texpool as of September 30, 2018 is \$3,697,910. During the period, the City did not invest in any investments which were not held at September 30, 2018.

Fair Value Measurement is measured by the City using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments carried at fair value are valued using quoted market prices (Level 1 inputs).

3. Analysis of Specific Deposit and Investment Risks

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

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 exposed to custodial credit risk.



CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONT.)**

3. Analysis of Specific Deposit and Investment Risks (Cont.)

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.

4. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

5. Public Funds Investment Pools

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 AAAM 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 is invested in TexPool which has an AAAM rating by Standard & Poor's.

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 3 – RECEIVABLES**

Receivables as of year-end for the government’s individual major funds and the enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>		Proprietary Fund	Total
	General	Debt Service		
<i>Receivables:</i>				
Property Taxes	\$ 76,107	\$ 40,444	\$ -	\$ 116,551
Less Allowance for Uncollectibles	(41,827)	(22,227)	-	(64,054)
Sales Taxes	42,447	-	-	42,447
Franchise Taxes	22,161	-	-	22,161
Customer Accounts	62,006	-	170,529	232,535
Net Total Receivables	<u>\$ 160,894</u>	<u>\$ 18,217</u>	<u>\$ 170,529</u>	<u>\$ 349,640</u>

**NOTE 4 – 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, 2017, upon which the fiscal 2017 levy was based, was \$689,519,241 (i.e., market value less exemptions).

The estimated market value was \$795,003,590, making the taxable value 86.7% of the estimated market value. Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related Ad Valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

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 combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2018, was \$0.323146 per \$100 of assessed value, which means that the City has a tax margin of \$2.176854 for each \$100 value and could increase its annual tax levy by approximately \$15.0 million based upon the present assessed valuation of \$689,519,241 before the limit is reached. However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code by more than three percent (3%) without holding a public hearing. The Property Tax Code subjects an increase in the effective tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year’s effective tax rate.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 5 – INTERFUND RECEIVABLE/PAYABLE**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of September 30, 2018, balances of interfund amounts receivable or payable have been recorded as follows:

	Due From	Due To	Purpose
<i>Debt Service Fund:</i>			
Proprietary Fund	\$ -	\$ 4,475	Bond Overpayment
	<u>-</u>	<u>4,475</u>	
<i>Proprietary Fund:</i>			
Debt Service Fund	4,475	-	Bond Overpayment
	<u>4,475</u>	<u>-</u>	
	<u>\$ 4,475</u>	<u>\$ 4,475</u>	

**NOTE 6 – CAPITAL ASSETS**

Governmental capital asset activity for the year ended September 30, 2018, was as follows:

	Balances At October 1, 2017	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2018
<u>Governmental Activities</u>				
Land	\$ 481,923	\$ -	\$ -	\$ 481,923
Buildings & Improvements	3,728,314	35,443	(4,000)	3,759,757
Equipment & Vehicles	686,810	39,514	(92,165)	634,159
Infrastructure	9,598,108	-	2,939,067	12,537,175
Construction in Progress	2,839,623	99,444	(2,939,067)	-
	<u>17,334,778</u>	<u>174,401</u>	<u>(96,165)</u>	<u>17,413,014</u>
Less Accumulated Depreciation				
Buildings & Improvements	(1,402,897)	(126,674)	4,000	(1,525,571)
Equipment & Vehicles	(480,983)	(69,649)	92,165	(458,467)
Infrastructure	(3,626,762)	(313,545)	-	(3,940,307)
	<u>(5,510,642)</u>	<u>(509,868)</u>	<u>96,165</u>	<u>(5,924,345)</u>
Government Capital Assets, Net	<u>\$ 11,824,136</u>	<u>\$ (335,467)</u>	<u>\$ -</u>	<u>\$ 11,488,669</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 6 – CAPITAL ASSETS (CONT.)**

Business-type capital asset activity for the year ended September 30, 2018, was as follows:

	Balances At October 1, 2017	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2018
<u>Business-Type Activities</u>				
Land	\$ 139,954	\$ -	\$ -	\$ 139,954
Buildings & Improvements	94,183	-	-	94,183
Water Rights	454,144	-	-	454,144
Water Lines & Extensions	10,787,005	-	2,617,555	13,404,560
Equipment & Vehicles	781,121	26,378	(27,916)	779,583
Construction in Progress	5,101,284	1,148,314	(2,617,555)	3,632,043
	<u>17,357,691</u>	<u>1,174,692</u>	<u>(27,916)</u>	<u>18,504,467</u>
Less Accumulated Depreciation				
Buildings & Improvements	(65,572)	(2,925)	-	(68,497)
Water Lines & Extensions	(3,956,178)	(401,995)	-	(4,358,173)
Equipment & Vehicles	(544,565)	(68,094)	27,916	(584,743)
	<u>(4,566,315)</u>	<u>(473,014)</u>	<u>27,916</u>	<u>(5,011,413)</u>
Business-Type Capital Assets, Net	<u>\$ 12,791,376</u>	<u>\$ 701,678</u>	<u>\$ -</u>	<u>\$ 13,493,054</u>

Land, Water Rights, and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 101,994
Police Protection	346,662
Public Facilities	61,212
Total Depreciation Expense - Governmental Activities	<u>\$ 509,868</u>

**NOTE 7 – TRANSFERS**

Interfund transfers during the year ending September 30, 2018 were as follows:

Transfers From	Transfers To	Amount	Purpose
General Fund	Capital Projects Fund	18,468	Street Impact Fee Transfer
Debt Service Fund	Water Fund	120,727	Transfer for Debt Service
Debt Service Fund	Capital Projects Fund	153,174	Transfer for Capital Assets
Capital Projects Fund	Water Fund	980,536	Transfer for Capital Assets

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 8 – LONG-TERM DEBT**

At September 30, 2018, the City’s long-term bonded debt consisted of the following:

Governmental Activities:	Range of Interest Rates	Original Amount
Certificates of Obligations Series 2009	3.000%-4.000%	\$ 855,000
Certificates of Obligations Series 2012	2.000%-3.250%	3,351,600
Certificates of Obligations Series 2012	2.000%-3.000%	1,925,000
Certificates of Obligations Series 2015	2.000%-4.000%	3,639,500

Business Activities:	Range of Interest Rates	Original Amount
Certificates of Obligations Series 2009	3.000%-5.000%	\$ 4,000,000
Certificates of Obligations Series 2012	2.000%-3.250%	2,633,400
Certificates of Obligations Series 2015	2.000%-4.000%	2,635,500
General Obligation Refunding Bonds, Series 2017	3.000%-4.000%	2,620,000

Changes in the City’s long-term debt during the fiscal year ended September 30, 2018 is as follows:

Governmental Activities:	Balance 10/1/17	Additions	Retirements	Balance Outstanding 9/30/18	Due in One Year
2009 Series	\$ 110,000	\$ -	\$ (110,000)	\$ -	\$ -
2012 Series	2,861,600	-	(103,600)	2,758,000	162,400
2012 Series	1,350,000	-	(160,000)	1,190,000	180,000
2015 Series	3,439,400	-	(145,000)	3,294,400	147,900
Capital Lease	36,397	54,893	(37,205)	54,085	22,975
Premiums	458,551	-	(32,906)	425,645	32,282
	<u>\$ 8,255,948</u>	<u>\$ 54,893</u>	<u>\$ (588,711)</u>	<u>\$ 7,722,130</u>	<u>\$ 545,557</u>

Business-Type Activities:	Balance 10/1/17	Additions	Retirements	Balance Outstanding 9/30/18	Due in One Year
2009 Series	\$ 2,985,000	\$ -	\$ (2,800,000)	\$ 185,000	\$ 185,000
2012 Series	2,248,400	-	(81,400)	2,167,000	127,600
2015 Series	2,490,600	-	(105,000)	2,385,600	107,100
2017 Series	-	2,620,000	(40,000)	2,580,000	-
Capital Lease	44,059	26,378	(21,440)	48,997	27,382
Premiums	329,360	214,523	(65,520)	478,363	39,174
	<u>\$ 8,097,419</u>	<u>\$ 2,860,901</u>	<u>\$ (3,113,360)</u>	<u>\$ 7,844,960</u>	<u>\$ 486,256</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 8 – LONG-TERM DEBT (CONT.)**

**A. General Obligation Bonds**

These bonds are supported by a pledge of the City's faith and credit. The related bond ordinances require a levy and collection of a tax without limitation as to rate or amount on all property subject to taxation by the City sufficient in amount to pay the principal and interest on such bonds as they shall become due. The ordinances also require that a sinking fund be created and administered by the City solely for the purpose of paying principal and interest when due. Specific sinking fund reserve requirements for the City's general obligation bonds are being followed.

On October 7, 2009, the City issued \$4,000,000 Certificates of Obligations Series 2009 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city, as well as pledged revenue of up to \$1,000 of the surplus revenues from the Proprietary Fund. The certificates were issued for the purpose of paying contractual obligations of the City for the construction and equipping of water improvements to include an elevated storage tank, pumps, and water well.

On October 7, 2009, the City issued \$855,000 Certificates of Obligations Series 2009 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all payable property within the city. The certificates were issued to refund the remaining bonds outstanding of the Certificates of Obligations Series 1998.

On October 10, 2012, the City issued \$5,985,000 Certificates of Obligations Series 2012 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city, as well as pledged revenue of up to \$1,000 of the surplus revenues from the Proprietary Fund. The certificates were issued for the purpose of paying contractual obligations of the City for the construction of city street and drainage improvements; and improvements and extensions of the City's water system.

On October 10, 2012, the City issued \$1,925,000 Certificates of Obligations Series 2012 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all payable property within the city. The certificates were issued to advance refund the remaining bonds outstanding of the Certificates of Obligations Series 2002 and \$1,335,000 of the Certificates of Obligations Series 2005. The refunding saved the City a total of \$188,521 with a net present value of \$173,073.

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 8 – LONG-TERM DEBT (CONT.)**

**A. General Obligation Bonds (Cont.)**

On July 9, 2015, the City issued \$6,275,000 Certificates of Obligations Series 2015 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city, as well as pledged revenue of up to \$1,000 of the surplus revenues from the Proprietary Fund. The certificates were issued for the purpose of paying contractual obligations of the City for the construction of city street and drainage improvements; improvements and extensions of the City’s water system; renovation of the City’s community/civic center; and park improvements.

On October 4, 2017, the City issued \$2,620,000 Certificates of Obligations Series 2017 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city. The certificates were issued to advance refund \$2,620,000 of the Certificates of Obligations Series 2012. The refunding saved the City a total of \$209,902 with a net present value of \$182,669.

**B. Debt Amortization**

Advance refundings of debt result in differences between the carrying amount of refunded obligations and the payments to defease the debt. These differences are recorded on the Statement of Net Position and amortized over the life of the shorter of the new or refunded obligations. As of September 30, 2018, the City reported \$130,099 in deferred refunding losses that will be amortized in future periods.

Requirements to amortize all long-term bond debt over the remaining lives are as follows:

Governmental Activities:

Fiscal Year Ending September 30	Principal	Interest	Total
2019	\$ 490,300	\$ 224,507	\$ 714,807
2020	508,800	213,621	722,421
2021	519,500	200,761	720,261
2022	530,900	186,848	717,748
2023	487,300	172,503	659,803
2024-2028	2,186,100	644,757	2,830,857
2029-2033	2,012,000	275,558	2,287,558
2034-2035	507,500	20,474	527,974
	<u>\$ 7,242,400</u>	<u>\$ 1,939,029</u>	<u>\$ 9,181,429</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 8 – LONG-TERM DEBT (CONT.)**

**B. Debt Amortization (Cont.)**

Business -Type Activities:

Fiscal Year Ending September 30	Principal	Interest	Total
2019	\$ 419,700	\$ 235,406	\$ 655,106
2020	441,200	223,617	664,817
2021	450,500	211,453	661,953
2022	469,100	198,341	667,441
2023	482,700	184,410	667,110
2024-2028	2,628,900	686,733	3,315,633
2029-2033	2,058,000	225,360	2,283,360
2034-2035	367,500	14,826	382,326
	<u>\$ 7,317,600</u>	<u>\$ 1,980,146</u>	<u>\$ 9,297,746</u>

Requirements to amortize capital leases over the remaining lives are as follows:

Year Ending September 30,	Governmental Activities	Business-Type Activities
2019	\$ 25,846	\$ 29,836
2020	16,039	5,973
2021	5,973	5,973
2022	5,973	5,973
2023	5,973	5,973
	<u>59,804</u>	<u>53,728</u>
Less: Amount Representing Interest	(5,719)	(4,731)
	<u>\$ 54,085</u>	<u>\$ 48,997</u>

The City leased capital assets for governmental and business type activities in the amount of \$82,687 and \$93,755, respectively. Accumulated depreciation on the capital assets leased for governmental and business-type activities was \$10,731 and \$17,697, respectively, as of September 30, 2018.

**NOTE 9 – PRIOR PERIOD ADJUSTMENT**

In accordance with GASB Statement No. 75, the City has recorded a prior period adjustment to recognize the Other Post-Employment Benefit (OPEB) liability as described in Note 11, below. The OPEB liability at September 30, 2017 was allocated between the general fund and the water fund resulting in a prior period adjustment to restate the beginning fund balances as of September 30, 2017 as follows:

	General Fund	Water Fund
Beginning Fund Balance/Net Position, as Previously Reported	\$ 7,057,054	\$ 6,085,860
Understated OPEB Liability	(51,880)	(13,560)
Beginning Fund Balance/Net Position, Restated	<u>\$ 7,005,174</u>	<u>\$ 6,072,300</u>



CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 10 – EMPLOYEES’ RETIREMENT SYSTEM**

**A. Plan Description**

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

**B. Benefits Provided**

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

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

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

	2017
Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to but Not Yet Receiving Benefits	21
Active employees	29
	64

**C. 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.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 10 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)**

**C. Contributions (Cont.)**

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.21% and 7.84% in calendar years 2016 and 2017, respectively. The City’s contributions to TMRS for the year ended September 30, 2018 were \$123,980 and were equal to the required contributions.

**D. Net Pension Liability**

The City’s Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**E. Actuarial Assumptions**

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3.0% per year
Investment Rate of Return*	6.75%

\* Presented net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 10 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)**

**E. Actuarial Assumptions (Cont.)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target 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). The target allocation and best estimates of real rates of returns for each major asset class in the fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
	<u>100.00%</u>	

**F. 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.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 10 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)**

**G. Changes in the Net Pension Liability**

The below schedule presents the changes in the Net Pension Liability as of December 31, 2017:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2016	\$ 2,506,366	\$ 2,078,539	\$ 427,827
Changes for the year:			
Service Cost	174,081	-	174,081
Interest	173,326	-	173,326
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	27,159	-	27,159
Changes of Assumptions	-	-	-
Contributions - Employer	-	126,816	(126,816)
Contributions - Employee	-	77,232	(77,232)
Net Investment Income	-	288,406	(288,406)
Benefit Payments, Including Refunds of Employee Contributions	(51,233)	(51,233)	-
Administrative Expense	-	(1,493)	1,493
Other Changes	-	(76)	76
Net Changes	<u>323,333</u>	<u>439,652</u>	<u>(116,319)</u>
Balance at December 31, 2017	<u>\$ 2,829,699</u>	<u>\$ 2,518,191</u>	<u>\$ 311,508</u>

	2016	2017
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.93%	88.99%
Covered Employee Payroll	\$ 1,412,801	\$ 1,544,639
Net Pension Liability as a Percentage of Covered Payroll	30.28%	20.17%

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 728,028	\$ 311,508	\$ (30,387)

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 10 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)**

**H. Pension Plan Fiduciary Net Position**

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$137,895. Also as of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ (5,695)
Changes in Actuarial Assumptions	16,888	-
Differences Between Projected and Actual Investment Earnings	-	(68,159)
Contributions Subsequent to the Measurement Date	88,376	-
	\$ 105,264	\$ (73,854)

Deferred outflows of resources in the amount of \$88,376 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2018	\$ 6,450
2019	(5,589)
2020	(28,207)
2021	(29,620)
	\$ (56,966)

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (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 GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)**

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other post-employment benefit”, or OPEB. Membership in the plan December 31, 2017, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to but Not Yet Receiving Benefits	4
Active Employees	29
	45

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

For the Plan Year Ended December 31,	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2017	0.16%	0.02%
2018	0.80%	0.03%

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Morality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method. The assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.31% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)**

The City’s Total OPEB Liability (TOL), based on the actuarial factors, as of December 31, 2017 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2016	\$ 65,662
Changes for the year:	
Service Cost	4,171
Interest	2,555
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	6,516
Benefit Payments	(310)
Net Changes	12,932
Balance at December 31, 2017	\$ 78,594

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 3.31% as well as what the City’s TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

	Discount Rate 2.31%	Discount Rate 3.31%	Discount Rate 4.31%
Total OPEB Liability	\$ 95,284	\$ 78,594	\$ 65,572

For the year ended September 30, 2018, the City recognized OPEB expense of \$7,825. Also as of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 5,416	\$ -
Contributions Subsequent to the Measurement Date	350	-
	\$ 5,766	\$ -

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)**

Deferred outflows of resources in the amount of \$350 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,		
2018	\$	1,099
2019		1,099
2020		1,099
2021		1,099
2022		1,020
	<u>\$</u>	<u>5,416</u>

**NOTE 12 – RISK MANAGEMENT**

The City of Garden Ridge, Texas, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover this risk the City contracts with the Texas Municipal League (TML) to provide insurance coverage for Property/Casualty and Worker’s Compensation. TML is a multi-employer 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, 2018, were \$74,800.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

*Litigation*

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City’s liability in these cases, if decided adversely to the City, will not have a material effect on the City’s financial position.

*Commitments – Maintenance Yard*

The City entered into a communications facility license agreement with New Cingular Wireless PCS, LLC and T-Mobile USA, Inc. for the use of land at the City’s maintenance yard for construction of a cell tower. Future minimum rental revenues under the lease for the next four years are as follows:

<u>Years Ending September 30,</u>		
2019	\$	45,600
2020		47,400
2021		47,760
2022		51,720
	<u>\$</u>	<u>45,600</u>



## **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
- Schedule of Changes – Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Schedule of Changes – Total Other Post-Employment Benefit Liability and Related Ratios

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
<i>Taxes:</i>				
Ad Valorem	\$ 1,458,069	\$ 1,465,569	<b>\$ 1,453,982</b>	\$ (11,587)
Sales	230,000	230,000	<b>250,201</b>	20,201
<i>Total Taxes</i>	<u>1,688,069</u>	<u>1,695,569</u>	<u><b>1,704,183</b></u>	<u>8,614</u>
<i>Franchise Fees:</i>				
Cable	58,200	58,200	<b>57,244</b>	(956)
Electric	315,000	315,000	<b>334,009</b>	19,009
Gas	13,608	13,876	<b>13,876</b>	-
Telephone	34,400	34,400	<b>32,367</b>	(2,033)
Water	62,000	62,000	<b>64,062</b>	2,062
<i>Total Franchise Fees</i>	<u>483,208</u>	<u>483,476</u>	<u><b>501,558</b></u>	<u>18,082</u>
<i>Licenses and Permits:</i>				
Building & Electrical	130,000	130,000	<b>152,038</b>	22,038
Other	3,600	6,600	<b>7,175</b>	575
<i>Total Licenses and Permits</i>	<u>133,600</u>	<u>136,600</u>	<u><b>159,213</b></u>	<u>22,613</u>
<i>Charges for Services:</i>				
Rental Fees	134,980	134,356	<b>134,475</b>	119
Planning & Variance	3,800	3,800	<b>629</b>	(3,171)
Garbage Collection	79,300	83,100	<b>82,588</b>	(512)
Pet Registration	2,500	2,500	<b>2,665</b>	165
<i>Total Charges for Services</i>	<u>220,580</u>	<u>223,756</u>	<u><b>220,357</b></u>	<u>(3,399)</u>
<i>Fines and Forfeitures:</i>				
Court Fines	140,610	131,610	<b>126,767</b>	(4,843)
Warrant Fees & Fines	11,000	11,000	<b>11,630</b>	630
<i>Total Fines and Forfeitures</i>	<u>\$ 151,610</u>	<u>\$ 142,610</u>	<u><b>\$ 138,397</b></u>	<u>\$ (4,213)</u>

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL – GENERAL FUND (CONT.)  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES (CONT.)</b>				
<i>Other Sources:</i>				
Interest	\$ 4,800	\$ 18,000	\$ 30,328	\$ 12,328
Impact Fees	15,390	15,390	18,468	3,078
Contributions	4,900	4,600	13,519	8,919
Miscellaneous	38,770	38,770	58,195	19,425
<i>Total Other Sources</i>	<u>63,860</u>	<u>76,760</u>	<u>120,510</u>	<u>43,750</u>
<b>TOTAL REVENUES</b>	<u>2,740,927</u>	<u>2,758,771</u>	<u>2,844,218</u>	<u>85,447</u>
<b>EXPENDITURES</b>				
<i>General Administration:</i>				
Personnel	240,147	244,329	240,967	3,362
Contract Fees	229,503	227,440	193,816	33,624
Administrative	303,739	292,486	168,623	123,863
Capital Outlay	25,000	50,000	64,936	(14,936)
Insurance	9,819	9,947	9,947	-
<i>Total General Administration</i>	<u>808,208</u>	<u>824,202</u>	<u>678,289</u>	<u>145,913</u>
<i>Municipal Court:</i>				
Personnel	54,567	54,558	54,713	(155)
Contract Fees	9,600	10,400	9,600	800
Operations & Maintenance	14,750	15,556	12,963	2,593
<i>Total Municipal Court</i>	<u>78,917</u>	<u>80,514</u>	<u>77,276</u>	<u>3,238</u>
<i>Police Protection:</i>				
Personnel	1,073,715	1,073,713	1,016,069	57,644
Operations & Maintenance	115,000	114,500	118,685	(4,185)
Capital Outlay	27,629	27,693	28,515	(822)
Insurance	16,318	15,465	15,465	-
Leases	5,525	5,525	5,417	108
<i>Total Police Protection</i>	<u>\$ 1,238,187</u>	<u>\$ 1,236,896</u>	<u>\$ 1,184,151</u>	<u>\$ 52,745</u>

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL – GENERAL FUND (CONT.)  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>EXPENDITURES (CONT.)</b>				
<i>Public Facilities:</i>				
Personnel	\$ 373,834	\$ 373,061	\$ 356,221	\$ 16,840
Contract Fees	2,025	3,025	1,263	1,762
Operations & Maintenance	51,250	56,450	52,236	4,214
Streets and Drainage	7,100	7,100	5,389	1,711
Insurance	2,813	2,872	2,872	-
Animal Control & Park	74,635	68,535	69,277	(742)
Library	14,010	15,450	13,200	2,250
Community Center	61,900	63,120	61,982	1,138
Capital Outlay	9,060	10,560	4,369	6,191
<i>Total Public Facilities</i>	<u>596,627</u>	<u>600,173</u>	<u>566,809</u>	<u>33,364</u>
<i>Debt Service:</i>				
Principal	10,165	10,165	37,207	(27,042)
Interest and Agent Fees	12,921	12,921	2,308	10,613
<i>Total Debt Service</i>	<u>23,086</u>	<u>23,086</u>	<u>39,515</u>	<u>(16,429)</u>
<b>TOTAL EXPENDITURES</b>	<u>2,745,025</u>	<u>2,764,871</u>	<u>2,546,040</u>	<u>218,831</u>
<b>Excess (Deficiency) Over (Under) Expenditures</b>	<u>(4,098)</u>	<u>(6,100)</u>	<u>298,178</u>	<u>304,278</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease Proceeds	-	-	54,893	54,893
Proceeds from Sale of Assets	3,000	5,000	5,000	-
Transfers In(Out)	-	-	(18,468)	(18,468)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,000</u>	<u>5,000</u>	<u>41,425</u>	<u>36,425</u>
<b>Net Change in Fund Balance</b>	(1,098)	(1,100)	339,603	340,703
<b>Fund Balance - October 1</b>	<u>1,874,083</u>	<u>1,874,083</u>	<u>1,874,083</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 1,872,985</u>	<u>\$ 1,872,983</u>	<u>\$ 2,213,686</u>	<u>\$ 340,703</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL – GENERAL FUND  
SEPTEMBER 30, 2018

**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 provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund and Debt Service Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. As of September 30, 2018 the expenditures did not exceed appropriations in total in the General Fund.

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 reappropriated and honored during the subsequent year.

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS  
LAST FOUR CALENDAR YEARS

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 136,727	\$ 156,540	\$ 160,212	\$ 174,081
Interest (on the Total Pension Liability)	129,152	143,776	159,773	173,326
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(14,048)	26,730	(57,945)	27,159
Change of Assumptions	-	52,564	-	-
Benefit Payments, Including Refunds of Employee Contributions	(54,069)	(51,596)	(85,152)	(51,233)
Net Change in Total Pension Liability	197,762	328,014	176,888	323,333
Total Pension Liability - Beginning	1,803,702	2,001,464	2,329,478	2,506,366
Total Pension Liability - Ending	<u>\$ 2,001,464</u>	<u>\$ 2,329,478</u>	<u>\$ 2,506,366</u>	<u>\$ 2,829,699</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 74,419	\$ 109,610	\$ 140,678	\$ 126,816
Contributions - Employee	64,346	71,675	70,640	77,232
Net Investment Income	87,453	2,508	123,795	288,406
Benefit Payments, Including Refunds of Employee Contributions	(54,069)	(51,596)	(85,152)	(51,233)
Administrative Expense	(913)	(1,527)	(1,397)	(1,493)
Other	(75)	(75)	(75)	(76)
Net Change in Plan Fiduciary Net Position	171,161	130,595	248,489	439,652
Plan Fiduciary Net Position - Beginning	1,528,294	1,699,455	1,830,050	2,078,539
Plan Fiduciary Net Position - Ending	<u>\$ 1,699,455</u>	<u>\$ 1,830,050</u>	<u>\$ 2,078,539</u>	<u>\$ 2,518,191</u>
Net Pension Liability - Ending	\$ 302,009	\$ 499,428	\$ 427,827	\$ 311,508
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.91%	78.56%	82.93%	88.99%
Covered Employee Payroll	\$ 1,286,918	\$ 1,433,517	\$ 1,412,801	\$ 1,544,639
Net Pension Liability as a Percentage of Covered Employee Payroll	23.47%	34.84%	30.28%	20.17%

Note: The schedule above reflects the changes in the net pension liability for the current year and the previous three years. GASB Statement No. 68 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, 2014 as data becomes available.

CITY OF GARDEN RIDGE, TEXAS  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 SEPTEMBER 30, 2018  
 LAST FOUR FISCAL YEARS

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 75,988	\$ 104,953	\$ 120,506	\$ 126,771
Contributions in Relation to the Actuarially Determined Contribution	76,052	139,953	120,506	126,771
Contribution Deficiency (Excess)	\$ (64)	\$ (35,000)	\$ -	\$ -
Covered Employee Payroll	\$ 1,344,402	\$ 1,394,604	\$ 1,502,505	\$ 1,599,220
Contributions as a Percentage of Covered Employee Payroll	5.66%	10.04%	8.02%	7.93%

Note: The schedule above reflects the changes in the net pension liability for the current year and the previous three 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, 2015 as data becomes available.

NOTES TO SCHEDULE OF 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	26 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% 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 2015 valuation pursuant to an experience study of the period 2010 - 2014. RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality	

**Other Information:**

Notes There were no benefit changes during the year.

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF CHANGES –OTHER POST EMPLOYMENT BENEFIT  
LIABILITY AND RELATED RATIOS  
SEPTEMBER 30, 2018  
LAST CALENDAR YEAR

Total OPEB Liability	2017
Service Cost	\$ 4,171
Interest (on the Total Pension Liability)	2,555
Changes of Benefit Terms	-
Difference between Expected and Actual Experience	-
Change of Assumptions	6,515
Benefit Payments	(309)
Net Change in Total Pension Liability	12,932
Total Pension Liability - Beginning	65,662
Total Pension Liability - Ending	\$ 78,594
Covered Employee Payroll	\$ 1,544,639
Net Pension Liability as a Percentage of Covered Employee Payroll	5.09%

Note: The schedule above reflects the changes in the net pension liability for the current year. 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 10.50% Including Inflation
Discount Rate	3.31% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% 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
- Comparative Statements – Debt Service Fund
- Comparative Statements – Capital Projects Fund
- Comparative Statements – Nonmajor Fund
- Comparative Statements – Proprietary Funds

CITY OF GARDEN RIDGE, TEXAS  
COMPARATIVE BALANCE SHEETS  
GENERAL FUND  
SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,296,576	\$ 1,881,498
Taxes Receivable (Net of Uncollectible of \$76,107 and \$41,827, respectively)	34,280	33,582
Due From Other Funds	-	28,351
Other Receivables	126,614	117,198
Prepaid Items	4,082	3,946
<b>TOTAL ASSETS</b>	<b>\$ 2,461,552</b>	<b>\$ 2,064,575</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 130,254	\$ 101,513
Accrued Expenditures	52,870	46,877
Unearned Revenue	22,056	-
Deposits	9,000	9,000
<i>Total Liabilities</i>	<b>214,180</b>	<b>157,390</b>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	33,686	33,102
<i>Total Deferred Inflows of Resources:</i>	<b>33,686</b>	<b>33,102</b>
 <i>Fund Balance:</i>		
Non-Spendable:		
Prepaid Items	4,082	3,946
Restricted:		
Child Safety	29,758	25,661
Court Security	8,803	8,359
Donations	2,677	-
PEG Capital Fees	112,687	97,704
Unassigned	2,055,679	1,738,413
<i>Total Fund Balance</i>	<b>2,213,686</b>	<b>1,874,083</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCE</b>	<b>\$ 2,461,552</b>	<b>\$ 2,064,575</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>REVENUES</b>		
<i>Taxes:</i>		
Ad Valorem	\$ 1,453,982	\$ 1,378,555
Sales	<b>250,201</b>	244,991
<i>Total Taxes</i>	<b>1,704,183</b>	1,623,546
 <i>Franchise Fees:</i>		
Cable	57,244	58,299
Electric	334,009	325,993
Gas	13,876	13,608
Telephone	32,367	29,268
Water	64,062	62,584
<i>Total Franchise Fees</i>	<b>501,558</b>	489,752
 <i>Licenses and Permits:</i>		
Building & Electrical	152,038	143,078
Other	7,175	3,690
<i>Total Licenses and Permits</i>	<b>159,213</b>	146,768
 <i>Charges for Services:</i>		
Rental Fees	134,475	117,670
Planning & Variance	629	4,725
Garbage Collection	82,588	82,825
Pet Registration	2,665	2,670
<i>Total Charges for Services</i>	<b>220,357</b>	207,890
 <i>Fines and Forfeitures:</i>		
Court Fines	126,767	130,680
Warrant Fees & Fines	11,630	11,240
<i>Total Fines &amp; Forfeitures</i>	<b>\$ 138,397</b>	<b>\$ 141,920</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>REVENUES (CONT.)</b>		
<i>Other Sources:</i>		
Interest	\$ 30,328	\$ 11,389
Impact Fees	18,468	-
Contributions	13,519	56,369
Miscellaneous	58,195	39,935
<i>Total Other Sources</i>	120,510	107,693
 <b>TOTAL REVENUES</b>	 <b>2,844,218</b>	 2,717,569
 <b>EXPENDITURES</b>		
<i>General Administration:</i>		
Personnel	240,967	235,043
Contract Fees	193,816	202,066
Administrative	168,623	135,226
Insurance	9,947	9,353
Other	-	75,000
Capital Outlay	64,936	19,235
<i>Total General Administration</i>	678,289	675,923
 <i>Municipal Court:</i>		
Personnel	54,713	52,272
Contract Fees	9,600	9,600
Operations & Maintenance	12,963	11,608
<i>Total Municipal Court</i>	77,276	73,480
 <i>Public Safety:</i>		
Personnel	1,016,069	977,802
Operations & Maintenance	118,685	98,367
Capital Outlay	28,515	47,318
Insurance	15,465	15,541
Lease Payments	5,417	4,514
<i>Total Public Safety</i>	\$ 1,184,151	\$ 1,143,542

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>EXPENDITURES (CONT.)</b>		
<i>Public Facilities:</i>		
Personnel	\$ 356,221	\$ 274,515
Contract Fees	1,263	8,502
Operations & Maintenance	52,236	43,761
Streets and Drainage	5,389	2,802
Insurance	2,872	2,679
Animal Control & Park	69,277	56,719
Library	13,200	104,591
Community Center	61,982	48,930
Capital Outlay	4,369	17,245
<i>Total Public Facilities</i>	566,809	559,744
 <i>Debt Service:</i>		
Principal	37,207	35,789
Interest and Agent Fees	2,308	2,948
<i>Total Debt Service</i>	39,515	38,737
 <b>TOTAL EXPENDITURES</b>	<b>2,546,040</b>	2,491,426
 <b>Excess (Deficiency) Over (Under) Expenditures</b>	<b>298,178</b>	226,143
 <b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Capital Lease	54,893	27,794
Proceeds from Sale of Equipment	5,000	31,382
Transfers In (Out)	(18,468)	(240,551)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>41,425</b>	(181,375)
 <b>Net Change in Fund Balance</b>	<b>339,603</b>	44,768
 <b>Fund Balance - October 1</b>	<b>1,874,083</b>	1,829,315
<b>Fund Balance - September 30</b>	<b>\$ 2,213,686</b>	\$ 1,874,083

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 DEBT SERVICE FUND  
 SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Cash	\$ 193,493	\$ 447,721
Taxes Receivable	18,217	17,846
<b>TOTAL ASSETS</b>	<b>\$ 211,710</b>	<b>\$ 465,567</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>		
<i>Liabilities:</i>		
Due to Other Funds	\$ 4,475	\$ -
<i>Total Liabilities</i>	4,475	-
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenues	17,901	17,800
<i>Total Deferred Inflows of Resources</i>	17,901	17,800
<i>Fund Balance:</i>		
Restricted	189,334	447,767
<i>Total Fund Balance:</i>	189,334	447,767
<b>TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 211,710</b>	<b>\$ 465,567</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 DEBT SERVICE FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>REVENUES</b>		
Ad Valorem Tax	\$ 772,572	\$ 780,284
Interest	<b>509</b>	565
<b>TOTAL REVENUES</b>	<b>773,081</b>	780,849
 <b>EXPENDITURES</b>		
Bond Interest and Fiscal Charges	<b>239,013</b>	251,400
Bond Principal	<b>518,600</b>	505,700
<b>TOTAL EXPENDITURES</b>	<b>757,613</b>	757,100
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>15,468</b>	23,749
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfer In/(Out)	<b>(273,901)</b>	420,733
<b>TOTAL OTHER FINANCING SOURCES SOURCES (USES)</b>	<b>(273,901)</b>	420,733
 <b>Net Change in Fund Balance</b>	<b>(258,433)</b>	444,482
 <b>Fund Balance - October 1</b>	<b>447,767</b>	3,285
<b>Fund Balance - September 30</b>	<b>\$ 189,334</b>	\$ 447,767

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Restricted Assets:		
Cash and Investments	\$ 848,505	\$ 2,784,670
<b>TOTAL ASSETS</b>	<b>\$ 848,505</b>	<b>\$ 2,784,670</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 418,567	\$ 1,513,813
<i>Total Liabilities</i>	<b>418,567</b>	1,513,813
 <i>Fund Balance:</i>		
Restricted	429,938	1,270,857
<i>Total Fund Balance</i>	<b>429,938</b>	1,270,857
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 848,505</b>	<b>\$ 2,784,670</b>



CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 CAPITAL PROJECTS FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>REVENUES</b>		
Interest	\$ 17,521	\$ 25,747
Miscellaneous	<b>50,000</b>	-
<b>TOTAL REVENUES</b>	<b>67,521</b>	25,747
 <b>EXPENDITURES</b>		
Capital Projects	<b>99,546</b>	2,797,375
<b>TOTAL EXPENDITURES</b>	<b>99,546</b>	2,797,375
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(32,025)</b>	(2,771,628)
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	<b>(808,894)</b>	365,634
<b>TOTAL OTHER FINANCING SOURCES SOURCES (USES)</b>	<b>(808,894)</b>	365,634
 <b>Net Change in Fund Balance</b>	<b>(840,919)</b>	(2,405,994)
 <b>Fund Balance - October 1</b>	<b>1,270,857</b>	3,676,851
<b>Fund Balance - September 30</b>	<b>\$ 429,938</b>	\$ 1,270,857

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 NONMAJOR FUNDS – ASSET SEIZURE  
 SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>ASSETS</b>		
Cash and Investments	<b>\$ 278,275</b>	\$ 116,425
 <b>TOTAL ASSETS</b>	<b>\$ 278,275</b>	\$ 116,425
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	<b>\$ 1,596</b>	\$ 5,095
<i>Total Liabilities</i>	<b>1,596</b>	5,095
 <i>Fund Balance:</i>		
Restricted	<b>276,679</b>	111,330
<i>Total Fund Balance</i>	<b>276,679</b>	111,330
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 278,275</b>	\$ 116,425

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 NONMAJOR FUNDS – ASSET SEIZURE  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>REVENUES</b>		
Fines and Forfeits	\$ 226,217	\$ 212,310
Interest	157	115
<b>TOTAL REVENUES</b>	<b>226,374</b>	212,425
 <b>EXPENDITURES</b>		
Capital Outlay	61,025	173,003
<b>TOTAL EXPENDITURES</b>	<b>61,025</b>	173,003
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>165,349</b>	39,422
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfer In	-	8,438
<b>TOTAL OTHER FINANCING SOURCES SOURCES (USES)</b>	<b>-</b>	8,438
 <b>Net Change in Fund Balance</b>	<b>165,349</b>	47,860
 <b>Fund Balance - October 1</b>	<b>111,330</b>	63,470
<b>Fund Balance - September 30</b>	<b>\$ 276,679</b>	\$ 111,330

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF NET POSITION  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 1,684,603	\$ 1,458,548
Accounts Receivable - Customers	170,529	171,794
Due from Other Funds	4,475	-
<i>Total Current Assets</i>	1,859,607	1,630,342
<i>Other Assets:</i>		
Restricted Cash and Investments	145,100	152,710
<i>Total Other Assets</i>	145,100	152,710
<i>Capital Assets:</i>		
Land	139,954	139,954
Water Rights	454,144	454,144
Buildings	94,183	94,183
Water Lines, Wells & Tanks	13,404,560	10,787,005
Vehicles & Equipment	779,583	781,121
Construction in Progress	3,632,043	5,101,284
Accumulated Depreciation	(5,011,413)	(4,566,315)
<i>Total Capital Assets, Net of Depreciation</i>	13,493,054	12,791,376
<b>TOTAL ASSETS</b>	<b>15,497,761</b>	<b>14,574,428</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Debt Refunding	67,530	-
Deferred Pension Related Outflows	20,760	40,822
Deferred Other Post-Employment Benefit Related Outflows	1,195	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 89,485</b>	<b>\$ 40,822</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF NET POSITION (CONT.)  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

<b>LIABILITIES</b>	<u>2018</u>	<u>2017</u>
<i>Current Liabilities:</i>		
Accounts Payable	\$ 39,458	\$ 44,706
Accrued Liabilities	15,946	13,064
Accrued Interest	39,649	46,206
Due to Other Funds	-	28,351
Vacation Leave Payable	17,746	23,111
Customer Deposits	191,330	184,137
Due Within One Year	486,256	410,767
<i>Noncurrent Liabilities:</i>		
Due In More Than One Year	7,358,704	7,686,652
Net Pension Liability	61,930	86,033
Other Post-Employment Benefit Liability	16,286	-
<b>TOTAL LIABILITIES</b>	<u><b>8,227,305</b></u>	<u><b>8,523,027</b></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Related Inflows	<u>13,308</u>	<u>6,363</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>13,308</b></u>	<u><b>6,363</b></u>
 <b>NET POSITION</b>		
Investment in Capital Assets	5,715,624	4,693,957
Restricted Water Impact Fees	145,100	152,710
Unrestricted	1,485,909	1,239,193
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 7,346,633</b></u></u>	<u><u><b>\$ 6,085,860</b></u></u>



CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND NET POSITON – WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>OPERATING REVENUE</b>		
Water Sales	\$ 1,616,097	\$ 1,423,511
Meter Installation Fees	31,800	41,075
Other	82,144	83,213
<b>TOTAL OPERATING REVENUE</b>	<b>1,730,041</b>	1,547,799
<b>OPERATING EXPENSES</b>		
Personnel Costs	428,803	384,037
Plant Operations and Maintenance	362,871	336,542
General and Administrative	156,834	142,396
Capital Outlay	1,075	91,470
Depreciation	473,014	441,454
<b>TOTAL OPERATING EXPENSES</b>	<b>1,422,597</b>	1,395,899
<b>OPERATING INCOME (LOSS)</b>	<b>307,444</b>	151,900
<b>NONOPERATING INCOME (EXPENSES)</b>		
Impact Fees	158,323	-
Interest Income	14,505	13,461
Interest Expense	(212,022)	(295,111)
Bond Issuance Costs	(95,180)	-
Gain(Loss) on Sale of Equipment	-	(6,937)
<b>TOTAL NONOPERATING INCOME (EXPENSES)</b>	<b>(134,374)</b>	(288,587)
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>173,070</b>	(136,687)
Transfers In (Out)	1,101,263	(554,254)
<b>CHANGE IN NET POSITION</b>	<b>1,274,333</b>	(690,941)
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>6,085,860</b>	6,776,801
Prior Period Adjustment	(13,560)	-
<b>TOTAL NET POSITION AT END OF YEAR</b>	<b>\$ 7,346,633</b>	\$ 6,085,860

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,731,306	\$ 1,533,422
Cash paid to suppliers for goods and services	(523,146)	(564,242)
Cash paid to employees for services and benefits	(429,733)	(378,589)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>778,427</b>	590,591
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Net Customer Deposits Received (Returned)	7,193	6,692
Interfund Receivables/Payables and Transfers	1,068,437	826,642
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>1,075,630</b>	833,334
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Capital Acquisition	(1,174,692)	(3,475,693)
Cash received for impact fees	158,323	-
Proceeds from Capital Lease	26,378	67,922
Proceeds from Debt Issuance	2,834,523	-
Principal Payments on Debt	(3,047,840)	(378,163)
Interest Paid for Financing Activities	(446,809)	(283,095)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<b>(1,650,117)</b>	(4,069,029)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income and Other Income	14,505	13,461
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>14,505</b>	13,461
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>218,445</b>	(2,631,643)
<b>CASH AND CASH EQUIVALENTS AT OCTOBER 1:</b>		
Cash and Cash Equivalents	1,458,548	3,774,416
Restricted Cash and Cash Equivalents	152,710	468,485
	<b>1,611,258</b>	4,242,901
<b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:</b>		
Cash and Cash Equivalents	1,684,603	1,458,548
Restricted Cash and Cash Equivalents	145,100	152,710
	<b>\$ 1,829,703</b>	\$ 1,611,258



CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF CASH FLOWS (CONT.)  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 307,444	\$ 151,900
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	473,014	441,454
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	1,265	(14,377)
Decrease (Increase) in Prepaid Items	-	1,504
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(2,366)	4,662
Increase (Decrease) in Vacation Payable	(5,365)	(1,454)
Increase (Decrease) in Pension Liabilities and related Deferred Inflows and Outflows of Resources	2,904	6,902
Increase (Decrease) in Other Post-Employment Benefit Liabilities and related Deferred Inflows and Outflows of Resources	1,531	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 778,427</b>	<b>\$ 590,591</b>



## STATISTICAL SECTION

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

### Financial Trends (Tables 1 through 4)

Net Position by Component  
Change in Net Position  
Fund Balances - Governmental Funds  
Changes in Fund Balances - Governmental Funds

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

### Revenue Capacity (Tables 5 through 9)

Tax Revenues by Source - Governmental Funds  
Direct and Overlapping Property Tax Rates  
Principal Property Taxpayers  
Property Tax Levies and Collections  
Assessed Value

*These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.*

### Debt Capacity (Tables 10 through 11)

Ratios of Outstanding Debt by Type  
Debt Margin Information

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

### Demographic and Economic Information (Tables 12 through 13)

Demographic and Economic Statistics  
Principal Employers

*These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.*

CITY OF GARDEN RIDGE, TEXAS  
NET POSITION, BY COMPONENT  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
<b>NET POSITION</b>				
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 3,056,435	\$ 4,290,587	\$ 3,320,483	\$ 3,553,731
Restricted	226,886	295,583	350,485	236,676
Unrestricted	1,429,820	351,468	1,341,098	1,056,721
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 4,713,141</u>	<u>\$ 4,937,638</u>	<u>\$ 5,012,066</u>	<u>\$ 4,847,128</u>
 <i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 3,125,456	\$ 1,760,141	\$ 2,688,473	\$ 2,981,297
Restricted	961,922	937,347	985,138	989,180
Unrestricted	1,725,627	3,092,950	2,572,195	2,768,462
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 5,813,005</u>	<u>\$ 5,790,438</u>	<u>\$ 6,245,806</u>	<u>\$ 6,738,939</u>
 <i>Primary Government</i>				
Net Investment in Capital Assets	\$ 6,181,891	\$ 6,050,728	\$ 6,008,956	\$ 6,535,028
Restricted	1,188,808	1,232,930	1,166,436	1,195,922
Unrestricted	3,155,447	3,444,418	4,082,480	3,855,117
 <i>Total Primary Government Net Position</i>	<u>\$ 10,526,146</u>	<u>\$ 10,728,076</u>	<u>\$ 11,257,872</u>	<u>\$ 11,586,067</u>

*Note: Years 2009-2014 have not been restated for adoption of GASB No. 68. Years 2009 – 2017 have not been restated for adoption of GASB No. 75.*

TABLE 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 3,461,062	\$ 4,206,390	\$ 4,134,312	\$ 3,726,037	\$ 3,568,188	\$ 3,829,106
158,793	140,910	132,531	196,833	671,600	599,103
<u>1,428,388</u>	<u>1,115,259</u>	<u>1,214,715</u>	<u>2,022,935</u>	<u>2,817,266</u>	<u>2,161,293</u>
<u>\$ 5,048,243</u>	<u>\$ 5,462,559</u>	<u>\$ 5,481,558</u>	<u>\$ 5,945,805</u>	<u>\$ 7,057,054</u>	<u>\$ 6,589,502</u>
\$ 3,138,760	\$ 2,879,943	\$ 2,802,056	\$ 2,725,436	\$ 4,693,957	\$ 5,715,624
1,168,024	1,070,641	326,619	468,485	152,710	145,100
<u>3,158,627</u>	<u>3,125,132</u>	<u>3,738,506</u>	<u>3,582,880</u>	<u>1,239,193</u>	<u>1,485,909</u>
<u>\$ 7,465,411</u>	<u>\$ 7,075,716</u>	<u>\$ 6,867,181</u>	<u>\$ 6,776,801</u>	<u>\$ 6,085,860</u>	<u>\$ 7,346,633</u>
\$ 6,599,822	\$ 7,086,333	\$ 6,936,368	\$ 6,451,473	\$ 8,262,145	\$ 9,544,730
1,326,817	1,211,551	459,150	665,318	824,310	744,203
<u>4,587,015</u>	<u>4,240,391</u>	<u>4,953,221</u>	<u>5,605,815</u>	<u>4,056,459</u>	<u>3,647,202</u>
<u>\$ 12,513,654</u>	<u>\$ 12,538,275</u>	<u>\$ 12,348,739</u>	<u>\$ 12,722,606</u>	<u>\$ 13,142,914</u>	<u>\$ 13,936,135</u>

CITY OF GARDEN RIDGE, TEXAS  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
<b>Expenses</b>				
<i>Governmental Activities</i>				
General Administration	\$ 719,763	\$ 599,815	\$ 675,369	\$ 687,622
Police Protection	951,919	1,045,040	1,054,547	1,059,925
Municipal Court	54,555	54,411	53,539	59,681
Public Facilities	460,226	517,969	475,642	490,398
Interest and Fiscal Charges	169,850	39,839	128,637	121,890
<i>Total Governmental Activities Expenses</i>	<u>2,356,313</u>	<u>2,257,074</u>	<u>2,387,734</u>	<u>2,419,516</u>
<i>Business-Type Activities</i>				
Water	775,060	1,002,722	982,475	1,078,976
<b>Total Primary Government Expenses</b>	<u>\$ 3,131,373</u>	<u>\$ 3,259,796</u>	<u>\$ 3,370,209</u>	<u>\$ 3,498,492</u>
<b>Program Revenues</b>				
<i>Governmental Activities</i>				
Charges for Service:				
General Administration	\$ 337,948	\$ 248,585	\$ 244,878	\$ 288,138
Police Protection	183,376	162,429	146,622	170,495
Public Facilities	64,300	74,040	67,168	85,389
Operating Grants and Contributions	87,318	74,648	27,754	49,237
Capital Grants and Contributions	-	-	-	-
<i>Total Governmental Activities Program Revenues</i>	<u>672,942</u>	<u>559,702</u>	<u>486,422</u>	<u>593,259</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water	1,331,826	960,585	1,418,583	1,167,466
Capital Grants and Contributions	37,500	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>1,369,326</u>	<u>960,585</u>	<u>1,418,583</u>	<u>1,167,466</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 2,042,268</u>	<u>\$ 1,520,287</u>	<u>\$ 1,905,005</u>	<u>\$ 1,760,725</u>

*Note: Years 2009-2014 have not been restated for adoption of GASB No. 68. Years 2009 – 2017 have not been restated for adoption of GASB No. 75.*

TABLE 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 661,157	\$ 706,719	\$ 752,203	\$ 675,567	\$ 769,406	\$ 753,492
1,040,620	1,098,517	1,151,588	1,105,268	1,283,354	1,274,116
64,158	68,488	69,997	76,819	74,313	78,147
514,462	582,289	621,000	750,765	864,668	911,704
471,942	134,765	316,428	454,501	227,646	215,593
<u>2,752,339</u>	<u>2,590,778</u>	<u>2,911,216</u>	<u>3,062,920</u>	<u>3,219,387</u>	<u>3,233,052</u>
<u>1,160,691</u>	<u>1,355,804</u>	<u>1,393,909</u>	<u>1,416,782</u>	<u>1,697,947</u>	<u>1,729,799</u>
<u>\$ 3,913,030</u>	<u>\$ 3,946,582</u>	<u>\$ 4,305,125</u>	<u>\$ 4,479,702</u>	<u>\$ 4,917,334</u>	<u>\$ 4,962,851</u>
\$ 235,281	\$ 248,025	\$ 220,335	\$ 201,198	\$ 236,988	\$ 257,121
198,850	125,042	135,457	142,357	141,920	138,382
104,350	103,310	119,821	121,508	117,880	123,010
60,249	27,806	17,476	80,461	271,538	244,125
-	-	-	-	-	50,000
<u>598,730</u>	<u>504,183</u>	<u>493,089</u>	<u>545,524</u>	<u>768,326</u>	<u>812,638</u>
1,687,250	1,090,452	1,180,196	1,512,787	1,546,906	1,888,364
-	306,000	-	-	-	-
<u>1,687,250</u>	<u>1,396,452</u>	<u>1,180,196</u>	<u>1,512,787</u>	<u>1,546,906</u>	<u>1,888,364</u>
<u>\$ 2,285,980</u>	<u>\$ 1,900,635</u>	<u>\$ 1,673,285</u>	<u>\$ 2,058,311</u>	<u>\$ 2,315,232</u>	<u>\$ 2,701,002</u>

CITY OF GARDEN RIDGE, TEXAS  
CHANGE IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
<b>Net (Expenses) Revenue</b>				
Governmental Activities	\$ (1,697,372)	\$ (1,901,312)	\$ (1,826,257)	\$ (2,153,609)
Business-Type Activities	(42,137)	436,108	88,490	526,559
<b>Total Primary Government</b>				
<b>Net Expenses</b>	<u>\$ (1,739,509)</u>	<u>\$ (1,465,204)</u>	<u>\$ (1,737,767)</u>	<u>\$ (1,627,050)</u>
<b>Governmental Revenues and Other</b>				
<b>Changes in Net Position</b>				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 1,140,105	\$ 1,431,850	\$ 1,469,966	\$ 1,494,460
Franchise Fees	291,868	297,837	319,006	325,347
Sales Taxes	148,704	143,045	162,379	161,559
Interest and Investment Earnings	18,950	35,991	12,238	5,555
Impact Fees	-	-	-	-
Miscellaneous	16,427	13,146	12,151	62,157
Transfers	102,279	-	-	(387,759)
<i>Total Governmental Activities</i>	<u>1,718,333</u>	<u>1,921,869</u>	<u>1,975,740</u>	<u>1,661,319</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	30,000	19,570	19,260	16,884
Miscellaneous	50	-	-	-
Transfers	(102,279)	-	-	387,759
<i>Total Business-Type Activities</i>	<u>(72,229)</u>	<u>19,570</u>	<u>19,260</u>	<u>404,643</u>
<b>Total Primary Government</b>	<u>\$ 1,646,104</u>	<u>\$ 1,941,439</u>	<u>\$ 1,995,000</u>	<u>\$ 2,065,962</u>
<b>Changes In Net Position</b>				
Government Activities	\$ 20,961	\$ 20,557	\$ 149,483	\$ (492,290)
Business-Type Activities	(114,366)	455,678	107,750	931,202
<b>Total Primary Government</b>	<u>\$ (93,405)</u>	<u>\$ 476,235</u>	<u>\$ 257,233</u>	<u>\$ 438,912</u>



TABLE 2 (CONT.)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (2,086,595)	\$ (2,418,127)	\$ (2,418,127)	\$ (2,517,396)	\$ (2,451,061)	\$ (2,420,414)
40,648	(213,713)	40,648	96,005	(151,041)	158,565
<u>\$ (2,045,947)</u>	<u>\$ (2,631,840)</u>	<u>\$ (2,377,479)</u>	<u>\$ (2,421,391)</u>	<u>\$ (2,602,102)</u>	<u>\$ (2,261,849)</u>
\$ 1,590,461	\$ 1,624,027	\$ 1,690,029	\$ 1,969,253	\$ 2,167,248	\$ 2,227,239
325,817	399,499	474,813	484,549	489,752	501,558
225,031	185,567	240,237	235,009	244,991	250,201
38,352	10,744	6,244	14,919	37,819	48,514
20,520	-	-	16,929	-	-
340,935	42,411	25,803	62,189	68,246	78,493
9,621	801,356	-	198,795	554,254	(1,101,263)
<u>2,550,737</u>	<u>3,063,604</u>	<u>2,437,126</u>	<u>2,981,643</u>	<u>3,562,310</u>	<u>2,004,742</u>
13,521	6,759	4,870	5,932	13,461	14,505
-	250	308	6,478	893	-
(9,621)	(801,356)	-	(198,795)	(554,254)	1,101,263
<u>3,900</u>	<u>(794,347)</u>	<u>5,178</u>	<u>(186,385)</u>	<u>(539,900)</u>	<u>1,115,768</u>
<u>\$ 2,554,637</u>	<u>\$ 2,269,257</u>	<u>\$ 2,442,304</u>	<u>\$ 2,795,258</u>	<u>\$ 3,022,410</u>	<u>\$ 3,120,510</u>
\$ 464,142	\$ 645,477	\$ 18,999	\$ 464,247	\$ 1,111,249	\$ (415,672)
44,548	(1,008,060)	(208,535)	(90,380)	(690,941)	1,274,333
<u>\$ 508,690</u>	<u>\$ (362,583)</u>	<u>\$ (189,536)</u>	<u>\$ 373,867</u>	<u>\$ 420,308</u>	<u>\$ 858,661</u>

CITY OF GARDEN RIDGE, TEXAS  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
Nonspendable Fund Balance:				
Prepaid Items	\$ 24,941	\$ 1,513	\$ 2,253	\$ 2,706
Restricted Fund Balance:				
Public Safety	-	-	-	9,041
Donations	20,370	8,613	9,107	10,410
PEG Capital Fees	-	-	24,809	35,653
Debt Service	97,841	203,761	297,988	136,866
Asset Forfeiture	105,649	83,209	18,581	44,706
Capital Projects Fund	-	-	-	-
Total Restricted Fund Balance	<u>223,860</u>	<u>295,583</u>	<u>350,485</u>	<u>236,676</u>
Assigned Fund Balance				
Capital Projects Fund	<u>138,589</u>	<u>152,377</u>	<u>153,187</u>	<u>-</u>
Unassigned	<u>1,279,327</u>	<u>1,169,406</u>	<u>1,123,997</u>	<u>829,680</u>
<i>Total Governmental Funds</i>	<u><u>\$ 1,666,717</u></u>	<u><u>\$ 1,618,879</u></u>	<u><u>\$ 1,629,922</u></u>	<u><u>\$ 1,069,062</u></u>

TABLE 3

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 686	\$ 312	\$ 2,368	\$ 4,807	\$ 3,946	\$ 4,082
14,935	20,249	27,755	30,606	34,020	38,561
10,785	13,561	15,517	17,596	-	2,677
46,387	56,945	71,782	85,161	97,704	112,687
52,491	57,212	12,402	3,285	447,767	189,334
75,333	37,074	5,791	63,470	111,330	276,679
3,051,863	1,806,774	3,838,367	3,676,851	1,270,857	429,938
3,251,794	1,991,815	3,971,614	3,876,969	1,961,678	1,049,876
-	-	-	-	-	-
1,305,811	1,255,867	1,443,699	1,691,145	1,738,413	2,055,679
<u>\$ 4,558,291</u>	<u>\$ 3,247,994</u>	<u>\$ 5,417,681</u>	<u>\$ 5,572,921</u>	<u>\$ 3,704,037</u>	<u>\$ 3,109,637</u>

CITY OF GARDEN RIDGE, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
<b>REVENUES</b>				
Taxes	\$ 1,283,518	\$ 1,578,764	\$ 1,634,958	\$ 1,651,819
Franchise Fees	291,868	297,837	319,006	325,346
Licenses and Permits	273,093	185,168	182,447	210,250
Charges for Services	128,755	127,268	129,200	162,957
Fines and Forfeits	247,521	229,462	164,564	215,110
Other Revenue	58,951	65,308	34,102	110,485
<b>TOTAL REVENUES</b>	<u>2,283,706</u>	<u>2,483,807</u>	<u>2,464,277</u>	<u>2,675,967</u>
<b>EXPENDITURES</b>				
General Government	554,331	564,052	564,328	585,350
Municipal Court	54,580	54,808	56,176	59,359
Police Protection	951,694	1,035,158	970,310	1,006,232
Public Facilities	330,566	368,676	274,546	294,287
Capital Outlay	232,338	36,955	130,959	586,100
Debt Service:				
Principal	294,187	352,359	325,000	223,045
Debt Issue Costs	-	41,971	-	-
Interest and Fiscal Charges	167,874	121,261	132,415	122,593
<b>TOTAL EXPENDITURES</b>	<u>2,585,570</u>	<u>2,575,240</u>	<u>2,453,734</u>	<u>2,876,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(301,864)</u>	<u>(91,433)</u>	<u>10,543</u>	<u>(200,999)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	855,000	-	-
Capital Lease Proceeds	-	-	-	22,898
Other Sources	60	1,625	500	5,000
Premium on Bonds	-	42,080	-	-
Payments to Escrow Agent	-	(855,110)	-	-
Transfers In (Out)	102,279	-	-	(387,759)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>102,339</u>	<u>43,595</u>	<u>500</u>	<u>(359,861)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (199,525)</u></u>	<u><u>\$ (47,838)</u></u>	<u><u>\$ 11,043</u></u>	<u><u>\$ (560,860)</u></u>
Debt Service as a percentage of Noncapital Expenditures	19.6%	18.7%	19.7%	24.6%

TABLE 4

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 1,818,985	\$ 1,809,097	\$ 1,908,884	\$ 2,187,962	\$ 2,403,830	\$ 2,476,755
325,817	399,499	474,813	484,549	489,752	501,558
153,738	172,677	141,784	122,422	146,768	159,213
186,084	179,648	198,102	200,120	207,890	220,357
252,544	148,320	146,164	210,854	354,230	364,614
406,171	56,690	39,127	102,565	134,120	188,697
<u>3,143,339</u>	<u>2,765,931</u>	<u>2,908,874</u>	<u>3,308,472</u>	<u>3,736,590</u>	<u>3,911,194</u>
541,259	566,245	582,105	595,850	656,688	613,353
64,272	68,710	69,045	74,678	73,480	77,276
985,112	1,034,779	1,066,476	1,031,584	1,096,224	1,155,636
316,290	430,409	388,500	448,299	542,499	562,440
631,274	1,778,233	1,885,468	320,744	3,054,176	258,391
349,596	352,793	367,255	441,627	541,489	555,807
185,346	-	124,317	-	-	-
177,237	229,619	220,407	498,153	254,348	241,321
<u>3,250,386</u>	<u>4,460,788</u>	<u>4,703,573</u>	<u>3,410,935</u>	<u>6,218,904</u>	<u>3,464,224</u>
<u>(107,047)</u>	<u>(1,694,857)</u>	<u>(1,794,699)</u>	<u>(102,463)</u>	<u>(2,482,314)</u>	<u>446,970</u>
5,270,962	-	3,639,500	-	-	-
29,905	-	26,195	55,308	27,794	54,893
-	-	4,000	3,600	31,382	5,000
247,620	-	294,691	-	-	-
(1,961,832)	-	-	-	-	-
9,621	(801,356)	-	198,795	554,254	(1,101,263)
<u>3,596,276</u>	<u>(801,356)</u>	<u>3,964,386</u>	<u>257,703</u>	<u>613,430</u>	<u>(1,041,370)</u>
<u>\$ 3,489,229</u>	<u>\$(2,496,213)</u>	<u>\$ 2,169,687</u>	<u>\$ 155,240</u>	<u>\$ (1,868,884)</u>	<u>\$ (594,400)</u>
25.8%	31.1%	19.7%	30.4%	25.1%	24.9%

CITY OF GARDEN RIDGE, TEXAS  
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total Revenue
2018	\$ 2,226,554	\$ 250,201	\$ 501,558	\$ 2,978,313
2017	2,158,839	244,991	489,752	2,893,582
2016	1,952,953	235,009	484,549	2,672,511
2015	1,668,647	240,237	474,813	2,383,697
2014	1,623,529	185,568	399,499	2,208,596
2013	1,593,954	225,031	325,817	2,144,802
2012	1,490,260	161,559	325,346	1,977,165
2011	1,472,579	162,254	319,006	1,953,839
2010	1,435,965	142,799	297,837	1,876,601
2009	1,135,056	148,462	291,868	1,575,386

CITY OF GARDEN RIDGE, TEXAS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TABLE 6

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	Basic Rate	Debt Service	Total	Comal County	Comal ISD	Emergency Service District 6	
2018	0.211012	0.112134	0.323146	0.357921	1.390000	0.069670	2.140737
2017	0.203241	0.115064	0.318305	0.342921	1.390000	0.072500	2.123726
2016	0.191800	0.108400	0.300200	0.342921	1.390000	0.086000	2.119121
2015	0.189900	0.085800	0.275700	0.342921	1.390000	0.071900	2.080521
2014	0.185746	0.097500	0.283246	0.314321	1.430000	0.072500	2.100067
2013	0.182658	0.100588	0.283246	0.314321	1.430000	0.072500	2.100067
2012	0.171176	0.097620	0.268796	0.305421	1.430000	0.072500	2.076717
2011	0.164696	0.098276	0.262972	0.334000	1.430000	0.072500	2.099472
2010	0.161900	0.092908	0.254808	0.312955	1.310000	0.030000	1.907763
2009	0.146696	0.062841	0.209537	0.308023	1.310000	0.030000	1.857560

Source: Comal County Tax Office

CITY OF GARDEN RIDGE, TEXAS  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT AND NINE YEARS AGO  
 (UNAUDITED)

TABLE 7

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percent Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent Total City Taxable Assessed Value
Hanson Aggregates	\$ 34,590,303	1	5.02%	\$ 24,594,910	1	4.52%
Tricon Precast	3,810,190	2	0.55%	-		-
Galo Equipment and Construction LLC	3,203,950	3	0.46%	-		-
Cara Graceland LLC	2,565,250	4	0.37%	-		-
Forterra BP	2,479,750	5	0.36%	-		-
Overman Tony M	2,457,020	6	0.36%	-		-
Hanson Brick (Land & Building)	1,941,440	7	0.28%	-		-
Voeller James N & Amy B	1,853,410	8	0.27%	-		-
AT&T Mobility LLC	1,822,360	9	0.26%	-		-
Finders Real Estate LLC	1,527,490	10	0.22%	-		-
Hanson Brick (Personal Property)	-		-	15,072,530	2	2.77%
Dean Word Company (Personal Property)	-		-	4,908,770	3	0.90%
Overman Properties V LLC	-		-	2,448,410	4	0.45%
Sheridan Homes SA LTD	-		-	2,383,560	5	0.44%
RH Of Texas LP	-		-	1,860,033	6	0.34%
L S 3009 II LTD	-		-	1,379,530	7	0.25%
Overman Properties III LLC	-		-	1,368,770	8	0.25%
RH of Texas LP	-		-	1,075,580	9	0.20%
Overman Properties IV LLC	-		-	1,065,680	10	0.20%
<b>TOTALS</b>	<b>\$ 56,251,163</b>		<b>8.16%</b>	<b>\$ 56,157,773</b>		<b>10.32%</b>
<b>TOTAL TAXABLE ASSESSED VALUE</b>	<b>\$ 689,519,241</b>			<b>\$ 543,918,293</b>		



CITY OF GARDEN RIDGE, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2018	\$ 2,228,324	\$ 2,213,070	99.32%	\$ -	\$ 2,213,070	99.32%
2017	2,153,408	2,119,815	98.44%	15,465	2,135,280	99.16%
2016	1,979,080	1,948,438	98.45%	14,076	1,962,514	99.16%
2015	1,692,751	1,667,834	98.53%	9,944	1,677,778	99.12%
2014	1,623,205	1,621,485	99.89%	7,701	1,629,186	100.37%
2013	1,586,961	1,580,018	99.56%	15,341	1,595,359	100.53%
2012	1,485,819	1,477,179	99.42%	15,174	1,492,353	100.44%
2011	1,455,522	1,449,561	99.59%	13,065	1,462,626	100.49%
2010	1,421,803	1,412,773	99.36%	23,025	1,435,798	100.98%
2009	1,139,766	1,123,993	98.62%	27,177	1,151,170	101.00%

Source: Comal County Tax Office

CITY OF GARDEN RIDGE, TEXAS  
 ASSESSED VALUE  
 LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2018	\$ 620,463,690	\$ 163,437,483	\$ 94,381,932	\$ 689,519,241	0.3231460
2017	592,677,878	169,660,937	85,926,656	676,412,159	0.3183050
2016	569,151,802	165,175,132	75,072,976	659,253,958	0.3002000
2015	535,825,084	143,635,227	65,477,311	613,983,000	0.2757000
2014	486,137,203	143,634,533	56,699,435	573,072,301	0.2832460
2013	470,101,195	143,057,486	52,875,332	560,283,349	0.2832460
2012	461,924,568	134,420,900	43,818,410	552,527,058	0.2687960
2011	436,188,800	158,569,330	39,062,089	555,696,041	0.2629720
2010	429,743,344	167,986,100	39,739,473	557,989,971	0.2548080
2009	401,942,887	169,083,578	27,108,172	543,918,293	0.2095370

Source: Comal County Appraisal District.

CITY OF GARDEN RIDGE, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 10

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Lease			
2018	\$ -	\$ 7,668,045	\$ -	\$ 54,085	\$ 7,722,130	1.12%	\$ 1,954
2017	-	8,219,551	-	36,399	8,255,950	1.22%	2,086
2016	-	8,759,368	-	44,390	8,803,758	1.34%	2,287
2015	-	9,208,443	-	16,908	9,225,351	1.50%	2,464
2014	-	5,331,500	-	9,969	5,341,469	0.93%	1,457
2013	-	5,827,343	-	27,562	5,854,905	1.04%	1,660
2012	-	2,450,472	-	14,853	2,465,325	0.45%	727
2011	-	2,904,399	-	-	2,904,399	0.52%	891
2010	-	3,117,080	120,000	-	3,237,080	0.58%	953
2009	-	3,260,000	235,000	42,359	3,537,359	0.65%	1,104

CITY OF GARDEN RIDGE, TEXAS  
DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 11

Taxable Assessed Value		<u>\$ 689,519,241</u>
<p>Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.</p>		
		\$ 68,951,924
<p>Amount of Applicable Debt:</p>		
General Obligation Debt Outstanding	\$ 7,722,130	
Less Funds Available in Debt Service Fund	<u>(189,334)</u>	<u>7,532,796</u>
 DEBT MARGIN		 <u><u>\$ 61,419,128</u></u>

	Fiscal Year				
	2014	2015	2016	2017	2018
Taxable Assessed Value	\$ 573,072,301	\$ 613,983,000	\$ 659,253,958	\$ 676,412,159	\$ 689,519,241
Debt Limit	\$ 56,028,335	\$ 61,398,300	\$ 65,925,396	\$ 67,641,216	\$ 68,951,924
Total Net Debt					
Applicable to Limit	<u>(11,292,788)</u>	<u>(8,685,006)</u>	<u>(8,307,805)</u>	<u>(7,808,183)</u>	<u>(7,532,796)</u>
Total Debt Margin	<u><u>\$ 44,735,547</u></u>	<u><u>\$ 52,713,294</u></u>	<u><u>\$ 57,617,591</u></u>	<u><u>\$ 59,833,033</u></u>	<u><u>\$ 61,419,128</u></u>

	Fiscal Year				
	2009	2010	2011	2012	2013
Taxable Assessed Value	\$ 543,918,293	\$ 557,989,971	\$ 555,696,041	\$ 552,527,058	\$ 560,283,349
Debt Limit	\$ 54,391,829	\$ 55,798,997	\$ 55,569,604	\$ 55,252,706	\$ 56,028,335
Total Net Debt					
Applicable to Limit	<u>(3,397,159)</u>	<u>(7,027,553)</u>	<u>(6,662,553)</u>	<u>(6,293,134)</u>	<u>(11,857,509)</u>
Total Debt Margin	<u><u>\$ 50,994,670</u></u>	<u><u>\$ 48,771,444</u></u>	<u><u>\$ 48,907,051</u></u>	<u><u>\$ 48,959,572</u></u>	<u><u>\$ 44,170,826</u></u>

CITY OF GARDEN RIDGE, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TABLE 12

Year	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2018	3,951	\$ 63,191	51.5	810	3.8%
2017	3,957	53,333	51.1	738	3.6%
2016	3,850	56,342	51.5	675	4.1%
2015	3,744	60,665	50.8	625	3.7%
2014	3,667	57,339	50.6	606	4.6%
2013	3,526	62,010	50.6	536	5.9%
2012	3,389	59,234	50.6	512	6.0%
2011	3,259	57,505	48.1	440	6.8%
2010	3,397	40,201	47.3	0	6.5%
2009	3,205	40,201	47.3	0	6.0%

Source: U.S. Census Bureau and Texas Workforce Commission

CITY OF GARDEN RIDGE, TEXAS  
TOP TEN PRINCIPAL EMPLOYERS  
SAN ANTONIO METROPOLITAN AREA  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

TABLE 13

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,000	1	3.41%	28,100	2	2.97%
Fort Sam Houston	32,000	2	2.95%	30,793	1	3.25%
H-E-B Food Stores	20,000	3	1.84%	14,588	4	1.54%
USAA	18,305	4	1.69%	14,852	3	1.57%
Randolph Air Force Base	11,000	5	1.01%	10,700	5	1.13%
Methodist Healthcare System	9,620	6	0.89%			
City of San Antonio	9,145	7	0.84%			
Baptist Health System	6,383	8	0.59%			
Wells Fargo	5,073	9	0.47%			
Harland Clarke	5,000	10	0.46%			
Frost Bank	-		-	3,982	8	0.42%
Bill Miller B-B-Q	-		-	4,190	7	0.44%
Valero Energy	-		-	3,777	9	0.40%
Brooks City-Base	-		-	3,406	10	0.36%
AT&T	-		-	5,000	6	0.53%
	<u>153,526</u>		<u>7.78%</u>	<u>119,388</u>		<u>12.61%</u>

The City of Garden Ridge is surrounded by the City of San Antonio and no data is available for the employers in Garden Ridge. The above data is for San Antonio.

Source: San Antonio Economic Development Foundation

