

CITY OF GARDEN RIDGE, TEXAS

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2020**





CITY OF GARDEN RIDGE, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020

CITY OFFICIALS

MAYOR

LARRY THOMPSON

MAYOR PRO-TEM

JOHN R. MCCAWE

CITY COUNCIL

LISA SWINT
BRYAN LANTZY
TODD ARVIDSON
KAY BOWER

CITY ADMINISTRATOR/TREASURER

NANCY CAIN

CITY SECRETARY

MARISA SPENCER

FINANCE DIRECTOR

KAREN FORD

ATTORNEY

DENTON, NAVARRO, ROCHA,
BERNAL, & ZECH P.C.

CITY OF GARDEN RIDGE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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, 2020, 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, 2020, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes – Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes – Other Post Employment Benefits (OPEB) 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.

December 18, 2020



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, 2020. Please read it in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

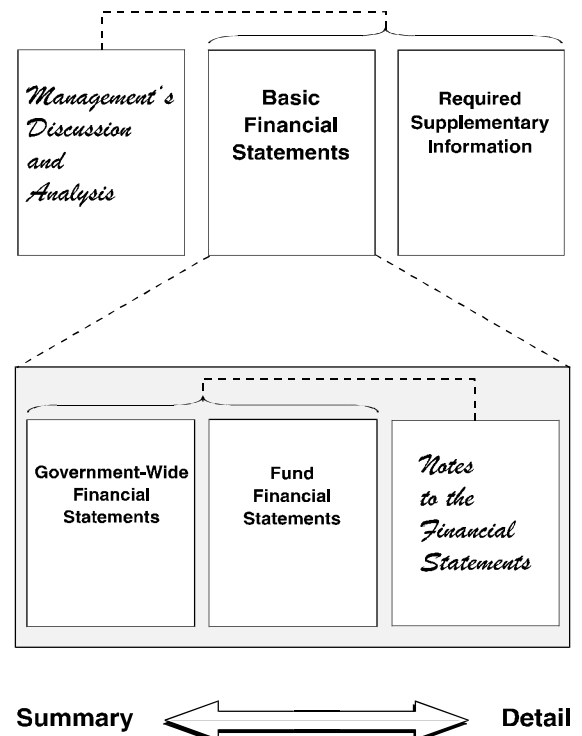
- The City’s total combined net position was \$15.2 million at September 30, 2020.
- During the year, the City’s governmental operating expenses (including transfers to the business-type activities) were \$844 thousand less than the \$4.2 million generated in program and general revenues for the governmental activities.
- The total cost of the City’s programs decreased to \$3.3 million and no new programs were added this year.
- The general fund reported a fund balance this year of \$3.1 million of which \$3.1 million was unassigned.

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.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
	Fund Statements		
<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, Expenditures & 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 \$15.2 million at September 30, 2020. (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 2020-2019
	2020	2019	2020	2019	2020	2019	
Assets							
Current Assets	\$ 3,957.1	\$ 2,947.0	\$ 2,464.0	\$ 2,039.8	\$ 6,421.0	\$ 4,986.8	28.8%
Restricted and Other	114.9	415.7	(114.9)	150.8	-	566.5	-100.0%
Capital Assets (net)	10,951.8	11,390.5	12,646.4	13,181.0	23,598.2	24,571.5	-4.0%
Total Assets	<u>15,023.8</u>	<u>14,753.2</u>	<u>14,995.5</u>	<u>15,371.6</u>	<u>30,019.3</u>	<u>30,124.8</u>	-0.4%
Total Deferred Outflows of Resources	<u>138.5</u>	<u>241.2</u>	<u>79.0</u>	<u>106.2</u>	<u>217.5</u>	<u>347.4</u>	-37.4%
Liabilities							
Current Liabilities	1,087.6	1,132.8	939.9	778.3	2,027.6	1,911.1	6.1%
Long-term Liabilities	6,417.8	7,110.0	6,465.9	6,995.6	12,883.8	14,105.6	-8.7%
Total Liabilities	<u>7,505.6</u>	<u>8,242.8</u>	<u>7,405.9</u>	<u>7,773.9</u>	<u>14,911.4</u>	<u>16,016.7</u>	-6.9%
Deferred Inflows of Resources	<u>92.1</u>	<u>30.5</u>	<u>21.6</u>	<u>6.1</u>	<u>113.6</u>	<u>36.6</u>	210.4%
Net Position							
Invested in Capital Assets	4,342.7	4,245.5	5,825.8	5,884.6	10,168.4	10,130.1	0.4%
Restricted	358.6	348.8	-	146.3	358.6	495.1	-27.6%
Unrestricted	2,863.3	2,126.6	1,821.4	1,667.0	4,684.7	3,793.6	23.5%
Total Net Position	<u>\$ 7,564.6</u>	<u>\$ 6,720.9</u>	<u>\$ 7,647.0</u>	<u>\$ 7,697.9</u>	<u>\$ 15,211.6</u>	<u>\$ 14,418.8</u>	5.5%

Changes in Net Position

The City's total governmental revenues were \$4.2 million, of which 77.9% of the City's revenue came from taxes compared to 80.8% in the prior year. A total of 12.6% of the revenues are from those who directly received the service. The total cost of all governmental programs and services was \$3.3 million and charges for these services were \$524.8 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 2020-2019
	2020	2019	2020	2019	2020	2019	
Program Revenues:							
Charges for Services	\$ 524.8	\$ 538.2	\$ 1,863.6	\$ 1,653.5	\$ 2,388.3	\$ 2,191.7	9.0%
Operating/Capital Grants	277.8	48.8	-	-	277.8	48.8	469.3%
General Revenues:							
Property Taxes	2,417.5	2,289.1	-	-	2,417.5	2,289.1	5.6%
Tax Franchise	497.2	499.9	-	-	497.2	499.9	-0.5%
Sales Taxes	355.6	270.0	-	-	355.6	270.0	31.7%
Investment Earnings	35.8	65.6	21.0	30.7	56.8	96.3	-41.0%
Other	82.8	74.1	1.8	0.8	84.5	74.9	12.8%
Total Revenues	<u>4,191.5</u>	<u>3,785.7</u>	<u>1,886.3</u>	<u>1,685.0</u>	<u>6,077.8</u>	<u>5,470.7</u>	11.1%
General Government	786.1	713.6	-	-	786.1	713.6	10.2%
Police Protection	1,250.1	1,312.7	-	-	1,250.1	1,312.7	-4.8%
Municipal Court	91.2	82.6	-	-	91.2	82.6	10.4%
Public Facilities	1,023.3	1,135.0	-	-	1,023.3	1,135.0	-9.8%
Debt Service	191.9	189.0	-	-	191.9	189.0	1.5%
Water	-	-	1,942.4	1,555.2	1,942.4	1,555.2	24.9%
Total Expenses	<u>3,342.5</u>	<u>3,432.9</u>	<u>1,942.4</u>	<u>1,555.2</u>	<u>5,284.9</u>	<u>4,988.1</u>	6.0%
Transfers	(5.2)	(221.5)	5.2	221.5	-	-	0.0%
Increase (Decrease) in Net Position	<u>\$ 843.7</u>	<u>\$ 131.1</u>	<u>\$ (50.8)</u>	<u>\$ 351.3</u>	<u>\$ 792.8</u>	<u>\$ 482.6</u>	64.3%

Governmental Activities

Property tax rates decreased slightly to \$0.321106 per \$100 of assessed value. An increase in the valuation of taxable property lead to a 5.6% increase in tax revenues to \$2.4 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 \$2.6 million.
- The amount that taxpayers paid for these activities through taxes was \$3.3 million.
- \$524.8 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
	2020	2019	% Change	2020	2019	2020-2019	
	General Administration	\$ 786.1	\$ 713.6	10.2%	\$ 241.7	\$ 425.6	-43.2%
Police Protection	1,250.1	1,312.7	-4.8%	1,097.1	1,157.6	-5.2%	
Municipal Court	91.2	82.6	10.4%	91.2	82.6	10.4%	
Public Facilities	1,023.3	1,135.0	-9.8%	918.2	991.1	-7.4%	
Debt Service	191.9	189.0	1.5%	191.9	189.0	1.5%	
Water Services	1,942.4	1,555.2	24.9%	78.7	(98.4)	-180.0%	

Business-Type Activities

Revenues of the City's business-type activities were \$1.9 million, and expenses were \$1.9 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenue from governmental fund types totaled \$4.1 million, an increase of 7.9%.

General Fund Budgetary Highlights

Over the course of the year, the City revised its budget to increase revenues and expenditures. Actual expenditures were \$187 thousand less than the final budgeted amounts. All major expenditure divisions had a positive variance, with the exception of Debt Service. Total revenues were \$388 thousand more than final budgeted amounts. The majority of the increase in revenues was related to a COVID related grant received from the State of Texas. The City increased the overall fund balance by \$739 thousand more than expected from the final budget.

The City had 10.9 months of operating expenditures in the unassigned fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the City had invested \$36.5 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
	2020	2019	2020	2019	2020	2019	2020-2019
	Land	\$ 481.9	\$ 481.9	\$ 140.0	\$ 140.0	\$ 621.9	\$ 621.9
Water Rights	-	-	454.1	454.1	454.1	454.1	0.0%
Buildings and Improvements	3,818.9	3,819.0	94.2	94.2	3,913.1	3,913.2	0.0%
Other Improvements	-	-	17,087.3	13,455.3	17,087.3	13,455.3	27.0%
Equipment	969.8	873.9	866.3	866.3	1,836.1	1,740.2	5.5%
Infrastructure	12,612.3	12,612.3	-	-	12,612.3	12,612.3	0.0%
Construction in Progress	-	-	-	3,632.0	-	3,632.0	-100.0%
Totals at Historical Cost	17,883.0	17,787.1	18,641.9	18,641.9	36,524.9	36,429.0	0.3%
Total Accumulated Depreciation	(6,931.2)	(6,396.7)	(5,995.5)	(5,460.9)	(12,926.8)	(11,857.5)	9.0%
Net Capital Assets	\$ 10,951.8	\$ 11,390.4	\$ 12,646.4	\$ 13,181.0	\$ 23,598.2	\$ 24,571.4	-4.0%

Long Term Debt

At year-end the City had \$13.5 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		Business-Type		Total		Total
	Activities		Activities				Percentage
	2020	2019	2020	2019	2020	2019	Change
Bonds and Lease Payable	\$ 6,653.8	\$ 7,198.6	\$ 6,877.8	\$ 7,358.7	\$ 13,531.5	\$ 14,557.3	-7.0%
Total Bonds & Lease Payable	\$ 6,653.8	\$ 7,198.6	\$ 6,877.8	\$ 7,358.7	\$ 13,531.5	\$ 14,557.3	-7.0%

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

- The 2021 Taxable Value for the City of Garden Ridge increased \$37,548,165 over the City's 2020 Taxable Value.
- The City's adopted a tax rate of \$0.321106 which is the same as the fiscal year 2020 tax rate.
- General Fund Revenues for the 2021 Fiscal Year are expected to increase by \$26 thousand compared to 2020 actual revenues. Increase is predominately due to an increase in Ad Valorem Tax.
- 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 2021 is not expected to change appreciably by the close of the fiscal year.

Other significant items planned for next year:

- Rewriting of the City's zoning and subdivision ordinances to align with the City's Master Land Use Plan and legislative changes will continue and are expected to be completed during the 2021 Fiscal Year.
- An Advanced Metering Infrastructure System (AMI) and Meter Data Management System (MDMS) will be installed during the 2021 Fiscal Year to replace the City's current Automatic Meter Reading System (AMR).
- The City will see installation of infrastructure for a wastewater system (pump and haul system) along F.M. during the 2021 Fiscal Year.
- Fiscal Year 2021 Reserves will pay for the AMI and MDMS system and wastewater system.
- Enhancements to Paul Davis Park will continue in 2021.
- The installation of touchless plumbing devices will be installed at all City facilities during the 2021 Fiscal Year as well as touchless entry systems in facilities where possible. These expenditures are made possible through the Corona Virus Relief Funds received from the federal government during the 2020 Fiscal Year.
- Mayor and City Council stipend will begin in Fiscal Year 2021.
- Leadership and employee training will continue during the 2021 Fiscal Year.
- During Fiscal Year 2021, all employees, other than department heads, will receive a 1.3% cost of living increase and will be eligible for additional performance awards.
- Department Heads receive a 3% salary increase and are not eligible for pay for performance award.
- A Step Salary System for salary uniformity will be developed and implemented for all City employees during 2021 Fiscal Year.
- City employee health and dental insurance rates increased in Fiscal Year 2021.

- The City will continue to enhance communications with citizens.
- The City will continue all existing services, as well as enhance existing services where possible.
- The City will continue a strong focus on the health and safety of City employees to ensure continuity of services during the Covid-19 health emergency.

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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,571,224	\$ 2,248,963	\$ 5,820,187
Receivables:			
Taxes (Net of Uncollectible)	54,705	-	54,705
Other	326,383	214,754	541,137
Prepaid Items	4,782	289	5,071
Internal Balance	114,881	(114,881)	-
Capital Assets:			
Land	481,923	139,954	621,877
Water Rights	-	454,144	454,144
Buildings and Improvements	3,818,958	94,183	3,913,141
Water Lines and Extensions	-	17,087,317	17,087,317
Equipment and Vehicles	969,798	866,319	1,836,117
Infrastructure	12,612,341	-	12,612,341
Accumulated Depreciation	(6,931,224)	(5,995,537)	(12,926,761)
TOTAL ASSETS	15,023,771	14,995,505	30,019,276
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Debt Refunding	44,691	57,140	101,831
Deferred Pension Related Outflows	83,297	19,539	102,836
Deferred Other Post-Employment Benefit Related Outflows	10,469	2,456	12,925
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 138,457	\$ 79,135	\$ 217,592

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION (CONT.)
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 159,308	\$ 189,234	\$ 348,542
Accrued Liabilities	61,608	14,267	75,875
Accrued Interest Payable	18,294	18,867	37,161
Vacation Leave Payable	121,311	24,362	145,673
Customer Deposits	148,323	200,947	349,270
<i>Noncurrent Liabilities:</i>			
Due within One Year	578,799	492,270	1,071,069
Due in more than One Year	6,074,974	6,385,499	12,460,473
Net Pension Liability	263,287	61,759	325,046
Other Post-Employment Benefit Liability	79,655	18,685	98,340
TOTAL LIABILITIES	<u>7,505,559</u>	<u>7,405,890</u>	<u>14,911,449</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	89,102	20,901	110,003
Deferred Other Post Employment Benefits Inflows	2,996	703	3,699
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>92,098</u>	<u>21,604</u>	<u>113,702</u>
NET POSITION			
Net Investment in Capital Assets	4,342,714	5,825,751	10,168,465
Restricted for:			
Child Safety	30,043	-	30,043
Court Security/Technology	4,681	-	4,681
Debt Service	36,369	-	36,369
Donations	7,042	-	7,042
Public, Educational, & Governmental (PEG) Capital Fees	43,856	-	43,856
Police Asset Forfeiture	236,599	-	236,599
Unrestricted	2,863,267	1,821,395	4,684,662
TOTAL NET POSITION	<u>\$ 7,564,571</u>	<u>\$ 7,647,146</u>	<u>\$ 15,211,717</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities:</i>				
General Administration	\$ 786,100	\$ 316,143	\$ 228,300	\$ -
Police Protection	1,250,096	112,301	40,713	-
Municipal Court	91,198	19	-	-
Public Facilities	1,023,324	96,295	8,797	-
Interest on Long-term Debt	191,911	-	-	-
<i>Total Governmental Activities</i>	<u>3,342,629</u>	<u>524,758</u>	<u>277,810</u>	<u>-</u>
 <i>Business-Type Activities:</i>				
Water Utility	1,942,376	1,863,673	-	-
<i>Total Business-Type Activities</i>	<u>1,942,376</u>	<u>1,863,673</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 5,285,005</u>	<u>\$ 2,388,431</u>	<u>\$ 277,810</u>	<u>\$ -</u>
 General Revenues:				
Taxes:				
General Property Taxes				
Franchise Taxes				
Sales Taxes				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
 Net Position Beginning of Year				
 Net Position at End of Year				

See accompanying notes to basic financial statements.

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (241,657)	\$ -	\$ (241,657)
(1,097,082)	-	(1,097,082)
(91,179)	-	(91,179)
(918,232)	-	(918,232)
(191,911)	-	(191,911)
<u>(2,540,061)</u>	<u>-</u>	<u>(2,540,061)</u>
<u>-</u>	<u>(78,703)</u>	<u>(78,703)</u>
<u>-</u>	<u>(78,703)</u>	<u>(78,703)</u>
<u>(2,540,061)</u>	<u>(78,703)</u>	<u>(2,618,764)</u>
2,417,465	-	2,417,465
497,241	-	497,241
355,616	-	355,616
35,838	20,984	56,822
82,761	1,756	84,517
<u>3,388,921</u>	<u>22,740</u>	<u>3,411,661</u>
<u>(5,166)</u>	<u>5,166</u>	<u>-</u>
843,694	(50,797)	792,897
<u>6,720,877</u>	<u>7,697,943</u>	<u>14,418,820</u>
<u>\$ 7,564,571</u>	<u>\$ 7,647,146</u>	<u>\$ 15,211,717</u>

CITY OF GARDEN RIDGE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Major Funds		
	General	Debt Service	Capital Projects Fund
ASSETS			
Cash and Cash Equivalents	\$ 2,927,425	\$ 38,321	368,880
Receivables:			
Taxes (Net of Uncollectible)	38,363	16,342	-
Other	326,383	-	-
Due from Other Funds	114,881	-	-
Prepaid Items	4,782	-	-
TOTAL ASSETS	<u>\$ 3,411,834</u>	<u>\$ 54,663</u>	<u>\$ 368,880</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 159,308	\$ -	\$ 139,323
Accrued Expenditures	61,609	-	-
Deposits	9,000	-	-
<i>Total Liabilities</i>	<u>229,917</u>	<u>-</u>	<u>139,323</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	39,016	16,624	-
<i>Total Deferred Inflows of Resources</i>	<u>39,016</u>	<u>16,624</u>	<u>-</u>
<i>Fund Balances:</i>			
Non-Spendable:			
Prepaid Items	4,782	-	-
Restricted for:			
Child Safety	30,043	-	-
Court Security	4,681	-	-
Debt Service	-	38,039	-
Donations	7,042	-	-
PEG Capital Fees	43,856	-	-
Police Asset Forfeiture	-	-	-
Assigned for:			
Capital Projects	-	-	229,557
Unassigned:	3,052,497	-	-
<i>Total Fund Balances</i>	<u>3,142,901</u>	<u>38,039</u>	<u>229,557</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES	<u>\$ 3,411,834</u>	<u>\$ 54,663</u>	<u>\$ 368,880</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>		Total
Asset		Governmental
Seizure		Funds
\$ 236,599		\$ 3,571,225
-		54,705
-		326,383
-		114,881
-		4,782
<u>\$ 236,599</u>		<u>\$ 4,071,976</u>
\$ -		\$ 298,631
-		61,609
-		9,000
<u>-</u>		<u>369,240</u>
-		55,640
<u>-</u>		<u>55,640</u>
-		4,782
-		30,043
-		4,681
-		38,039
-		7,042
-		43,856
236,599		236,599
-		229,557
-		3,052,497
<u>236,599</u>		<u>3,647,096</u>
<u>\$ 236,599</u>		<u>\$ 4,071,976</u>



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

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 3,647,096
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,951,796
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		55,640
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.		(121,311)
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		(6,653,773)
Losses on debt refundings do not consume current financial resources and are not reported in the funds.		44,691
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	(263,287)	
Pension Related Deferred Outflows(Inflows)	<u>(5,805)</u>	(269,092)
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	(79,655)	
Other Post-Employment Benefit Related Deferred Outflows/Inflows	<u>7,473</u>	(72,182)
Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.		<u>(18,294)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 7,564,571</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, 2020

	Major Funds		
	General	Debt Service	Capital Projects Fund
REVENUES			
Taxes	\$ 2,040,888	\$ 728,865	\$ -
Franchise Fees	497,241	-	-
Licenses and Permits	206,063	-	-
Charges for Services	204,040	-	-
Fines and Forfeits	112,301	-	-
Grants and Donations	236,244	-	-
Miscellaneous	78,969	1,400	2,260
TOTAL REVENUES	<u>3,375,746</u>	<u>730,265</u>	<u>2,260</u>
EXPENDITURES			
<i>Current:</i>			
General Administration	629,775	-	-
Municipal Court	82,861	-	-
Police Protection	1,148,537	-	-
Public Facilities	627,105	-	-
Capital Outlay	165,439	-	287
<i>Debt Service:</i>			
Interest and Agent Fees	2,088	214,924	-
Principal	36,841	508,800	-
TOTAL EXPENDITURES	<u>2,692,646</u>	<u>723,724</u>	<u>287</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>683,100</u>	<u>6,541</u>	<u>1,973</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Capital Leases	33,113	-	-
Proceeds from Sale of Equipment	38,378	-	-
Transfers In (Out)	-	-	(5,166)
TOTAL OTHER FINANCING SOURCES (USES)	<u>71,491</u>	<u>-</u>	<u>(5,166)</u>
Net Change in Fund Balances	754,591	6,541	(3,193)
Fund Balances - October 1	<u>2,388,310</u>	<u>31,498</u>	<u>232,750</u>
Fund Balances - September 30	<u>\$ 3,142,901</u>	<u>\$ 38,039</u>	<u>\$ 229,557</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>		<u>Total</u>
Asset Seizure		Governmental Funds
\$ -		\$ 2,769,753
-		497,241
-		206,063
-		204,040
37,584		149,885
-		236,244
5,074		87,703
<u>42,658</u>		<u>4,150,929</u>
-		629,775
-		82,861
-		1,148,537
-		627,105
42,208		207,934
-		217,012
-		545,641
<u>42,208</u>		<u>3,458,865</u>
<u>450</u>		<u>692,064</u>
-		33,113
-		38,378
<u>-</u>		<u>(5,166)</u>
<u>-</u>		<u>66,325</u>
450		758,389
<u>236,149</u>		<u>2,888,707</u>
<u>\$ 236,599</u>		<u>\$ 3,647,096</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, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 758,389

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	137,489	
Net Book Value of Disposed Capital Assets	(1,145)	
Depreciation	<u>(575,036)</u>	(438,692)

Revenues in the Statement of Activities that do not provide current
financial resources are not reported as revenues in the funds. 3,327

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	(33,113)	
Principal Payments on Bonds	508,800	
Amortization of Premium on Bonds	32,282	
Principal Portion of Capital Lease Payments	36,840	
Amortization of Book Losses on Debt Refundings	<u>(8,939)</u>	535,870

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	1,669	
Compensated Absences	<u>3,639</u>	5,308

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. (11,562)

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. (8,946)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 843,694

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2020

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 2,248,963
Accounts Receivable - Customers	214,754
Prepaid Items	289
<i>Total Current Assets</i>	2,464,006

Capital Assets:

Land	139,954
Water Rights	454,144
Buildings	94,183
Water Lines, Wells & Tanks	17,087,317
Vehicles & Equipment	866,319
Accumulated Depreciation	(5,995,537)
<i>Total Capital Assets, Net of Depreciation</i>	12,646,380
TOTAL ASSETS	15,110,386

DEFERRED OUTFLOWS

OF RESOURCES

Deferred Loss on Debt Refunding	57,140
Deferred Pension Related Outflows	19,539
Deferred Other Post-Employment Benefit Related Outflows	2,456
TOTAL DEFERRED OUTFLOWS	79,135
OF RESOURCES	\$ 79,135

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONT.)
SEPTEMBER 30, 2020

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 189,234
Accrued Liabilities	14,267
Accrued Interest Payable	18,867
Vacation Leave Payable	24,362
Customer Deposits	200,947
Due to Other Funds	114,881
Due Within One Year	492,270
<i>Total Current Liabilities</i>	1,054,828

Noncurrent Liabilities:

Due in More Than One Year	6,385,499
Net Pension Liability	61,759
Other Post-Employment Benefit Liability	18,685
<i>Total Noncurrent Liabilities</i>	6,465,943

TOTAL LIABILITIES	7,520,771
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**DEFERRED INFLOWS
OF RESOURCES**

Deferred Pension Related Inflows	20,901
Deferred OPEB Related Inflows	703
TOTAL DEFERRED INFLOWS OF RESOURCES	21,604

NET POSITION

Net Investment in Capital Assets	5,825,751
Unrestricted	1,821,395
TOTAL NET POSITION	\$ 7,647,146



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

OPERATING REVENUE	
Water Sales	\$ 1,752,249
Meter Installation Fees	25,175
Other	88,005
TOTAL OPERATING REVENUE	<u>1,865,429</u>
 OPERATING EXPENSES	
Personnel Costs	386,535
Plant Operations and Maintenance	371,796
General and Administrative	455,246
Depreciation	534,622
TOTAL OPERATING EXPENSES	<u>1,748,199</u>
OPERATING INCOME (LOSS)	<u>117,230</u>
 NONOPERATING INCOME (EXPENSES)	
Interest Income	20,984
Interest Expense	(194,177)
TOTAL NONOPERATING INCOME (EXPENSES)	<u>(173,193)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(55,963)
Transfers In (Out)	<u>5,166</u>
CHANGE IN NET POSITION	(50,797)
NET POSITION AT BEGINNING OF YEAR	<u>7,697,943</u>
TOTAL NET POSITION AT END OF YEAR	<u><u>\$ 7,647,146</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,946,764
Cash paid to suppliers for goods and services	(682,623)
Cash paid to employees for services and benefits	(384,741)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>879,400</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net Customer Deposits Received (Returned)	5,150
Interfund Receivables/Payables and Transfers	124,537
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>129,686</u>
 CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Principal Payments on Debt	(480,934)
Interest Paid for Financing Activities	(190,195)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(671,129)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income and Other Income	20,984
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>20,984</u>
 NET INCREASE (DECREASE) IN CASH	 358,941
 CASH AND CASH EQUIVALENTS AT OCTOBER 1:	
Cash and Cash Equivalents	1,743,712
Restricted Cash and Cash Equivalents	146,310
	<u>1,890,022</u>
 CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:	
Cash and Cash Equivalents	2,248,963
Restricted Cash and Cash Equivalents	-
	<u>\$ 2,248,963</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, 2020

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 117,230
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	534,622
Change in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	81,335
Increase (Decrease) in Accounts Payable & Accrued Liabilities	144,708
Increase (Decrease) in Vacation Payable	1,605
Increase (Decrease) in Pension Liability	(257)
Increase (Decrease) in Other Post-Employment Benefit Liabilities	446
	446
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 879,400
	879,400

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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

On March 16, 2019, the Council approved a new policy. The City converted vacation and sick hours to PTO (Personal Time Off). Employees are permitted to accrue and maintain a maximum of 288 hours of PTO balance. Once the maximum PTO is reached, the accrual ceases until the balance falls below the maximum PTO balance of 288 hours. Employees earn vacation leave at a rate of 4.6 hours per bi-weekly pay period after completion of probationary period. Vacation leave rates increase periodically based on the longevity of employment. Upon termination of service, a full time employee who has completed 12 months of continuous service and leaves the city in good standing, shall be paid up to 208 hours for any unused PTO.

Vested or accumulated PTO 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 PTO of the Enterprise Fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated PTO pay at September 30, 2020, of \$121,311 and \$24,362 has been recorded in accrued liabilities of the Governmental Activities and the Proprietary Fund, respectively.

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, 2020

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, 2020

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, 2020

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 non-operating.

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, 2020

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

All cash deposits held in the bank were secured through FDIC or pledged securities at September 30, 2020.

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.

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.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 2 – DEPOSIT AND INVESTMENTS (CONT.)

2. Investments (Continued)

The City's investments as of September 30, 2020 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, 2020 is \$238,341. During the period, the City did not invest in any investments which were not held at September 30, 2020.

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.

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.

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.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (CONT.)

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, 2020

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:

	Governmental Funds			Total
	General	Debt Service	Proprietary Fund	
<i>Receivables:</i>				
Property Taxes	\$ 84,517	\$ 36,010	\$ -	\$ 120,527
Less Allowance for Uncollectibles	(46,154)	(19,668)	(12,000)	(77,822)
Sales Taxes	63,427	-	-	63,427
Franchise Taxes	16,195	-	-	16,195
Other	-	-	-	-
Customer Accounts	246,761	-	226,754	473,515
Net Total Receivables	<u>\$ 364,746</u>	<u>\$ 16,342</u>	<u>\$ 214,754</u>	<u>\$ 595,842</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, 2019, upon which the fiscal 2019 levy was based, was \$750,704,193 (i.e., market value less exemptions).

The estimated market value was \$892,676,903, making the taxable value 84.1% 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, 2020, was \$0.321106 per \$100 of assessed value, which means that the City has a tax margin of \$2.178894 for each \$100 value and could increase its annual tax levy by approximately \$16.4 million based upon the present assessed valuation of \$750,704,193 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 (3.5%) 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, 2020

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, 2020, balances of interfund amounts receivable or payable have been recorded as follows:

	Due From	Due To	Purpose
<i>General Fund:</i>			
Proprietary Fund	\$ 114,881	\$ -	Waste Water Planning
	114,881	-	
<i>Proprietary Fund:</i>			
General Fund	-	114,881	Waste Water Planning
	-	114,881	
	\$ 114,881	\$ 114,881	

NOTE 6 – CAPITAL ASSETS

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

	Balances At October 1, 2019	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2020
<u>Governmental Activities</u>				
Land	\$ 481,923	\$ -	\$ -	\$ 481,923
Buildings & Improvements	3,818,958	-	-	3,818,958
Equipment & Vehicles	873,933	137,489	(41,624)	969,798
Infrastructure	12,612,341	-	-	12,612,341
	17,787,155	137,489	(41,624)	17,883,020
Less Accumulated Depreciation				
Buildings & Improvements	(1,652,970)	(129,364)	-	(1,782,334)
Equipment & Vehicles	(470,349)	(112,915)	40,479	(542,785)
Infrastructure	(4,273,348)	(332,757)	-	(4,606,105)
	(6,396,667)	(575,036)	40,479	(6,931,224)
Government Capital Assets, Net	\$ 11,390,488	\$ (437,547)	\$ (1,145)	\$ 10,951,796

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 6 – CAPITAL ASSETS (CONT.)

Business-type capital asset activity for the year ended September 30, 2020, was as follows:

	Balances At October 1, 2019	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2020
<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	13,455,274	-	3,632,043	17,087,317
Equipment & Vehicles	866,319	-	-	866,319
Construction in Progress	3,632,043	-	(3,632,043)	-
	<u>18,641,917</u>	<u>-</u>	<u>-</u>	<u>18,641,917</u>
Less Accumulated Depreciation				
Buildings & Improvements	(70,758)	(1,925)	-	(72,683)
Water Lines & Extensions	(4,738,511)	(464,467)	-	(5,202,978)
Equipment & Vehicles	(651,646)	(68,230)	-	(719,876)
	<u>(5,460,915)</u>	<u>(534,622)</u>	<u>-</u>	<u>(5,995,537)</u>
Business-Type Capital Assets, Net	<u>\$ 13,181,002</u>	<u>\$ (534,622)</u>	<u>\$ -</u>	<u>\$ 12,646,380</u>

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

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 116,456
Police Protection	57,725
Public Facilities	400,855
Total Depreciation Expense - Governmental Activities	<u>\$ 575,036</u>

NOTE 7 – TRANSFERS

Interfund transfers during the year ending September 30, 2020 were as follows:

Transfers From	Transfers To	Amount	Purpose
Capital Projects Fund	Water Fund	5,166	Transfer of Capital Assets

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 8 – LONG-TERM DEBT

At September 30, 2020, the City’s long-term bonded debt consisted of the following:

<u>Governmental Activities:</u>	<u>Range of Interest Rates</u>	<u>Original Amount</u>
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

<u>Business Activities:</u>	<u>Range of Interest Rates</u>	<u>Original Amount</u>
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, 2020 is as follows:

<u>Governmental Activities:</u>	<u>Balance 10/1/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Outstanding 9/30/20</u>	<u>Due in One Year</u>
2012 Series	\$ 2,595,600	\$ -	\$ (168,000)	\$ 2,427,600	\$ 170,800
2012 Series	1,010,000	-	(190,000)	820,000	195,000
2015 Series	3,146,500	-	(150,800)	2,995,700	153,700
Capital Lease	53,118	33,113	(36,840)	49,391	27,017
Premiums	393,364	-	(32,282)	361,082	32,282
	<u>\$ 7,198,582</u>	<u>\$ 33,113</u>	<u>\$ (577,922)</u>	<u>\$ 6,653,773</u>	<u>\$ 578,799</u>

<u>Business-Type Activities:</u>	<u>Balance 10/1/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Outstanding 9/30/20</u>	<u>Due in One Year</u>
2012 Series	\$ 2,039,400	\$ -	\$ (132,000)	\$ 1,907,400	\$ 134,200
2015 Series	2,278,500	-	(109,200)	2,169,300	111,300
2017 Series	2,580,000	-	(200,000)	2,380,000	205,000
Capital Lease	21,615	-	(5,028)	16,587	5,262
Premiums	439,189	-	(34,707)	404,482	36,508
	<u>\$ 7,358,704</u>	<u>\$ -</u>	<u>\$ (480,935)</u>	<u>\$ 6,877,769</u>	<u>\$ 492,270</u>

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. There were no private placement Certificate of Obligation.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 8 – LONG-TERM DEBT (CONT.)

A. General Obligation Bonds (Cont.)

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.

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 General Obligation Refunding Bonds, 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, 2020, the City reported \$101,831 in deferred refunding losses that will be amortized in future periods.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 8 – LONG-TERM DEBT (CONT.)

B. Debt Amortization (Cont.)

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

Governmental Activities:			
Fiscal Year	Principal	Interest	Total
Ending September 30			
2021	\$ 519,500	\$ 200,761	\$ 720,261
2022	530,900	186,848	717,748
2023	487,300	172,503	659,803
2024	498,000	157,723	655,723
2025	509,400	142,612	652,012
2026-2030	2,033,000	501,767	2,534,767
2031-2035	1,665,200	138,687	1,803,887
	<u>\$ 6,243,300</u>	<u>\$ 1,500,901</u>	<u>\$ 7,744,201</u>

Business -Type Activities:			
Fiscal Year	Principal	Interest	Total
Ending September 30			
2021	\$ 450,500	\$ 211,453	\$ 661,953
2022	469,100	198,341	667,441
2023	482,700	184,410	667,110
2024	492,000	169,790	661,790
2025	505,600	154,826	660,426
2026-2030	2,822,000	500,928	3,322,928
2031-2035	1,234,800	101,375	1,336,175
	<u>\$ 6,456,700</u>	<u>\$ 1,521,123</u>	<u>\$ 7,977,823</u>

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

Year Ending	Governmental	Business-Type
September 30,	Activities	Activities
2021	\$ 29,832	\$ 5,973
2022	17,676	5,973
2023	5,973	5,973
	<u>53,481</u>	<u>17,919</u>
Less: Amount Representing Interest	(4,090)	(1,332)
	<u>\$ 49,391</u>	<u>\$ 16,587</u>

CITY OF GARDEN RIDGE, TEXAS
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2020

NOTE 8 – LONG-TERM DEBT (CONT.)

B. Debt Amortization (Cont.)

The City leased capital assets for governmental and business type activities in the amount of \$93,654 and \$26,378, respectively. Accumulated depreciation on the capital assets leased for governmental and business-type activities was \$15,511 and \$7,851, respectively, as of September 30, 2020.

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM

A. Plan Description

The City participates as one of over 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at 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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	2019	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	16	16
Inactive Employees Entitled to but Not Yet Receiving Benefits	24	23
Active employees	29	27
	69	66

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)

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.

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 7.39% and 7.76% in calendar years 2020 and 2019, respectively. The City’s contributions to TMRS for the year ended September 30, 2020 were \$127,515 and were equal to the required contributions.

D. Net Pension Liability

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

E. Actuarial Assumptions

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

Inflation	2.50% per year
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 are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF GARDEN RIDGE, TEXAS
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)

E. Actuarial Assumptions (Cont.)

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future 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 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	7.75%
Private Equity	10.00%	7.75%
	<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, 2020

NOTE 9 – 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, 2019:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 3,103,240	\$ 2,585,412	\$ 517,828
Changes for the year:			
Service Cost	183,285	-	183,285
Interest	213,010	-	213,010
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	2,430	-	2,430
Changes of Assumptions	20,376	-	20,376
Contributions - Employer	-	130,010	(130,010)
Contributions - Employee	-	83,768	(83,768)
Net Investment Income	-	400,432	(400,432)
Benefit Payments, Including Refunds of Employee Contributions	(78,367)	(78,367)	-
Administrative Expense	-	(2,259)	2,259
Other Changes	-	(68)	68
Net Changes	<u>340,734</u>	<u>533,516</u>	<u>(192,782)</u>
Balance at December 31, 2019	<u>\$ 3,443,974</u>	<u>\$ 3,118,928</u>	<u>\$ 325,046</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate:

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 821,663	\$ 325,046	\$ (82,747)

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 9 – 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.

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

For the year ended September 30, 2020, the City recognized pension expense of \$127,515. Also as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ 17,273
Changes in Actuarial Assumptions	15,014	-
Differences Between Projected and Actual Investment Earnings	-	92,730
Contributions Subsequent to the Measurement Date	87,822	-
	\$ 102,836	\$ 110,003

Deferred outflows of resources in the amount of \$87,822 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, 2020. 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,	
2020	\$ (27,752)
2021	(29,165)
2022	7,112
2023	(45,184)
	\$ (94,989)

NOTE 10 – 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, 2020

NOTE 10 – 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, 2018, the valuation and measurement date, consisted of:

	2019	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	14	14
Inactive Employees Entitled to but Not Yet Receiving Benefits	4	3
Active Employees	29	27
	47	44

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
2020	0.19%	0.03%
2019	0.18%	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, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. The assumptions are summarized below:

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	25 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 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

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

	Total OPEB Liability
Balance at December 31, 2018	\$ 77,725
Changes for the year:	
Service Cost	5,026
Interest	2,967
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(2,683)
Changes of Assumptions or Other Inputs	15,808
Benefit Payments	(503)
Net Changes	20,615
Balance at December 31, 2019	\$ 98,340

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

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

	Discount Rate 1.75%	Discount Rate 2.75%	Discount Rate 3.75%
Total OPEB Liability	\$ 119,569	\$ 98,340	\$ 81,831

For the year ended September 30, 2020, the City recognized OPEB expense of \$3,616. Also as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 3,669
Changes in Actuarial Assumptions	12,450	-
Contributions Subsequent to the Measurement Date	475	-
	\$ 12,925	\$ 3,669

CITY OF GARDEN RIDGE, TEXAS
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

Deferred outflows of resources in the amount of \$475 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,		
2020	\$	2,016
2021		2,016
2022		1,937
2023		1,042
2024		1,770
	<u>\$</u>	<u>8,781</u>

NOTE 11 – 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, 2020, were \$87,529.

NOTE 12 – 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 three years are as follows:

<u>Years Ending September 30,</u>		
2021	\$	47,760
2022		51,720
	<u>\$</u>	<u>99,480</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, 2020

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
<i>Taxes:</i>				
Ad Valorem	\$ 1,631,559	\$ 1,657,800	\$ 1,685,272	\$ 27,472
Sales	230,000	294,500	355,616	61,116
<i>Total Taxes</i>	<u>1,861,559</u>	<u>1,952,300</u>	<u>2,040,888</u>	<u>88,588</u>
<i>Franchise Fees:</i>				
Cable	58,000	62,000	60,364	(1,636)
Electric	325,000	325,000	337,201	12,201
Gas	15,000	19,219	19,219	-
Telephone	34,000	13,318	14,426	1,108
Water	64,800	65,800	66,031	231
<i>Total Franchise Fees</i>	<u>496,800</u>	<u>485,337</u>	<u>497,241</u>	<u>11,904</u>
<i>Licenses and Permits:</i>				
Building & Electrical	130,000	160,050	203,443	43,393
Other	2,200	3,020	2,620	(400)
<i>Total Licenses and Permits</i>	<u>132,200</u>	<u>163,070</u>	<u>206,063</u>	<u>42,993</u>
<i>Charges for Services:</i>				
Rental Fees	122,080	111,180	106,635	(4,545)
Planning & Variance	1,000	1,300	2,650	1,350
Garbage Collection	86,012	88,100	91,646	3,546
Pet Registration	3,700	3,500	3,109	(391)
<i>Total Charges for Services</i>	<u>212,792</u>	<u>204,080</u>	<u>204,040</u>	<u>(40)</u>
<i>Fines and Forfeitures:</i>				
Court Fines	129,000	91,203	102,605	11,402
Warrant Fees & Fines	-	8,110	9,696	1,586
<i>Total Fines and Forfeitures</i>	<u>\$ 129,000</u>	<u>\$ 99,313</u>	<u>\$ 112,301</u>	<u>\$ 12,988</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, 2020

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES (CONT.)				
<i>Grants and Contributions:</i>				
Grants	\$ -	\$ -	\$ 226,655	\$ 226,655
Contributions	-	7,824	9,589	1,765
<i>Total Grants and Contributions</i>	-	7,824	236,244	228,420
<i>Other Sources:</i>				
Interest	52,000	28,000	29,403	1,403
Miscellaneous	45,900	47,415	49,565	2,150
<i>Total Other Sources</i>	97,900	75,415	78,968	3,553
TOTAL REVENUES	2,930,251	2,987,339	3,375,745	388,406
EXPENDITURES				
<i>General Administration:</i>				
Personnel	278,925	264,591	260,759	3,832
Contract Fees	220,230	190,301	167,707	22,594
Administrative	206,542	184,836	183,005	1,831
Capital Outlay	45,000	158,100	69,773	88,327
Farmer's Market	-	-	6,499	(6,499)
Insurance	11,300	11,804	11,805	(1)
<i>Total General Administration</i>	761,997	809,632	699,548	110,084
<i>Municipal Court:</i>				
Personnel	59,416	59,755	59,272	483
Contract Fees	9,600	9,600	9,600	-
Operations & Maintenance	16,570	17,510	13,989	3,521
<i>Total Municipal Court</i>	85,586	86,865	82,861	4,004
<i>Police Protection:</i>				
Personnel	1,145,713	1,026,391	1,026,651	(260)
Operations & Maintenance	118,873	105,357	100,399	4,958
Capital Outlay	-	33,113	33,113	-
Insurance	18,682	15,862	15,862	-
Leases	5,636	5,680	5,625	55
<i>Total Police Protection</i>	\$ 1,288,904	\$ 1,186,403	\$ 1,181,650	\$ 4,753

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, 2020

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES (CONT.)				
<i>Public Facilities:</i>				
Personnel	\$ 426,004	\$ 417,137	\$ 410,858	\$ 6,279
Contract Fees	2,600	1,700	1,429	271
Operations & Maintenance	64,141	70,602	54,293	16,309
Streets and Drainage	13,100	10,000	6,399	3,601
Insurance	4,865	4,592	4,592	-
Animal Control & Park	141,340	110,859	87,077	23,782
Library	11,650	13,626	15,845	(2,219)
Community Center	59,734	53,017	46,612	6,405
Capital Outlay	28,000	82,454	62,552	19,902
<i>Total Public Facilities</i>	<u>751,434</u>	<u>763,987</u>	<u>689,657</u>	<u>74,330</u>
<i>Debt Service:</i>				
Principal	35,200	33,159	36,841	(3,682)
Interest and Agent Fees	-	-	2,088	(2,088)
<i>Total Debt Service</i>	<u>35,200</u>	<u>33,159</u>	<u>38,929</u>	<u>(5,770)</u>
TOTAL EXPENDITURES	<u>2,923,121</u>	<u>2,880,046</u>	<u>2,692,645</u>	<u>187,401</u>
Excess (Deficiency) Over (Under) Expenditures	<u>7,130</u>	<u>107,293</u>	<u>683,100</u>	<u>575,807</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	-	33,113	33,113	-
Proceeds from Sale of Assets	3,000	38,378	38,378	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,000</u>	<u>71,491</u>	<u>71,491</u>	<u>-</u>
Net Change in Fund Balance	10,130	178,784	754,591	575,807
Fund Balance - October 1	<u>2,388,310</u>	<u>2,388,310</u>	<u>2,388,310</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 2,398,440</u>	<u>\$ 2,567,094</u>	<u>\$ 3,142,901</u>	<u>\$ 575,807</u>

CITY OF GARDEN RIDGE, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – GENERAL FUND
SEPTEMBER 30, 2020

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, 2020 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 re-appropriated and honored during the subsequent year.

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

Total Pension Liability					
	2015	2016	2017	2018	2019
Service Cost	\$ 156,540	\$ 160,212	\$ 174,081	\$ 179,361	\$ 183,285
Interest (on the Total Pension Liability)	143,776	159,773	173,326	194,988	213,010
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	26,730	(57,945)	27,159	(39,457)	2,430
Change of Assumptions	52,564	-	-	-	20,376
Benefit Payments, Including Refunds of Employee Contributions	(51,596)	(85,152)	(51,233)	(61,351)	(78,367)
Net Change in Total Pension Liability	328,014	176,888	323,333	273,541	340,734
Total Pension Liability - Beginning	2,001,464	2,329,478	2,506,366	2,829,699	3,103,240
Total Pension Liability - Ending	<u>\$ 2,329,478</u>	<u>\$ 2,506,366</u>	<u>\$ 2,829,699</u>	<u>\$ 3,103,240</u>	<u>\$ 3,443,974</u>
Plan Fiduciary Net Position					
	2015	2016	2017	2018	2019
Contributions - Employer	\$ 109,610	\$ 140,678	\$ 126,816	\$ 125,554	\$ 130,010
Contributions - Employee	71,675	70,640	77,232	80,072	83,768
Net Investment Income	2,508	123,795	288,406	(75,519)	400,431
Benefit Payments, Including Refunds of Employee Contributions	(51,596)	(85,152)	(51,233)	(61,351)	(78,367)
Administrative Expense	(1,527)	(1,397)	(1,493)	(1,458)	(2,258)
Other	(75)	(75)	(76)	(77)	(68)
Net Change in Plan Fiduciary Net Position	130,595	248,489	439,652	67,221	533,516
Plan Fiduciary Net Position - Beginning	1,699,455	1,830,050	2,078,539	2,518,191	2,585,412
Plan Fiduciary Net Position - Ending	<u>\$ 1,830,050</u>	<u>\$ 2,078,539</u>	<u>\$ 2,518,191</u>	<u>\$ 2,585,412</u>	<u>\$ 3,118,928</u>
Net Pension Liability - Ending	\$ 499,428	\$ 427,827	\$ 311,508	\$ 517,828	\$ 325,046
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.56%	82.93%	88.99%	83.31%	90.56%
Covered Payroll	\$ 1,433,517	\$ 1,412,801	\$ 1,544,639	\$ 1,601,438	\$ 1,675,361
Net Pension Liability as a Percentage of Employee Payroll	34.84%	30.28%	20.17%	32.34%	19.40%

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, 2020
LAST FIVE FISCAL YEARS

	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 104,953	\$ 120,506	\$ 126,771	\$ 128,111	\$ 127,515
Contributions in Relation to the Actuarially Determined Contribution	139,953	120,506	126,771	128,111	127,515
Contribution Deficiency (Excess)	\$ (35,000)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,394,604	\$ 1,502,505	\$ 1,599,220	\$ 1,646,472	\$ 1,653,345
Contributions as a Percentage of Covered Payroll	10.04%	8.02%	7.93%	7.78%	7.71%

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

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market; 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 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF GARDEN RIDGE, TEXAS
SCHEDULE OF CHANGES –OTHER POST EMPLOYMENT BENEFIT
LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2020
LAST TWO CALENDAR YEARS

Total OPEB Liability	2018	2019
Service Cost	\$ 4,964	\$ 5,026
Interest (on the Total OPEB Liability)	2,676	2,967
Changes of Benefit Terms	-	
Difference between Expected and Actual Experience	(2,234)	(2,683)
Change of Assumptions	(5,795)	15,808
Benefit Payments	(480)	(503)
Net Change in Total OPEB Liability	(869)	20,615
Total OPEB Liability - Beginning	<u>78,594</u>	<u>77,725</u>
Total OPEB Liability - Ending	<u>\$ 77,725</u>	<u>\$ 98,340</u>
 Covered Employee Payroll	 \$ 1,601,438	 \$ 1,675,361
 Net OPEB Liability as a Percentage of Covered Payroll	 4.85%	 5.87%

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, 2018 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	2.75% (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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year se-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and female, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

SUPPLEMENTARY INFORMATION

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

Such statements and schedule include:

- Comparative Statements – General Fund
- 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, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 2,927,425	\$ 2,471,581
Taxes Receivable (Net of Uncollectible of \$46,153 and \$42,848, respectively)	38,363	36,049
Due From Other Funds	114,881	-
Other Receivables	326,383	150,422
Prepaid Items	4,782	4,984
TOTAL ASSETS	\$ 3,411,834	\$ 2,663,036
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 159,308	\$ 143,587
Accrued Expenditures	61,609	56,992
Unearned Revenue	-	24,700
Due to Other Funds	-	4,490
Deposits	9,000	9,000
<i>Total Liabilities</i>	229,917	238,769
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	39,016	35,957
<i>Total Deferred Inflows of Resources:</i>	39,016	35,957
 <i>Fund Balance:</i>		
Non-Spendable:		
Prepaid Items	4,782	4,984
Restricted:		
Child Safety	30,043	36,526
Court Security	4,681	8,803
Donations	7,042	6,288
PEG Capital Fees	43,856	33,106
Unassigned	3,052,497	2,298,603
<i>Total Fund Balance</i>	3,142,901	2,388,310
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCE	\$ 3,411,834	\$ 2,663,036

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
<i>Taxes:</i>		
Ad Valorem	\$ 1,685,272	\$ 1,556,664
Sales	355,616	269,978
<i>Total Taxes</i>	2,040,888	1,826,642
 <i>Franchise Fees:</i>		
Cable	60,364	54,992
Electric	337,201	326,957
Gas	19,219	18,353
Telephone	14,426	34,588
Water	66,031	64,982
<i>Total Franchise Fees</i>	497,241	499,872
 <i>Licenses and Permits:</i>		
Building & Electrical	203,443	169,832
Other	2,620	3,390
<i>Total Licenses and Permits</i>	206,063	173,222
 <i>Charges for Services:</i>		
Rental Fees	106,635	141,818
Planning & Variance	2,650	1,650
Garbage Collection	91,646	89,546
Pet Registration	3,109	4,295
<i>Total Charges for Services</i>	204,040	237,309
 <i>Fines and Forfeitures:</i>		
Court Fines	102,605	113,196
Warrant Fees & Fines	9,696	11,328
<i>Total Fines & Forfeitures</i>	\$ 112,301	\$ 124,524

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - (CONTINUED)
 GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES (CONT.)		
<i>Other Sources:</i>		
Interest	\$ 29,403	\$ 54,658
Grants	226,655	-
Contributions	9,589	18,387
Miscellaneous	49,565	69,123
<i>Total Other Sources</i>	315,212	142,168
 TOTAL REVENUES	 3,375,745	 3,003,737
 EXPENDITURES		
<i>General Administration:</i>		
Personnel	260,759	227,926
Contract Fees	167,707	183,718
Administrative	183,005	161,978
Insurance	11,805	10,656
Farmer's Market	6,499	-
Capital Outlay	69,773	174,459
<i>Total General Administration</i>	699,548	758,737
 <i>Municipal Court:</i>		
Personnel	59,272	57,267
Contract Fees	9,600	9,600
Operations & Maintenance	13,989	11,882
<i>Total Municipal Court</i>	82,861	78,749
 <i>Public Safety:</i>		
Personnel	1,026,651	1,051,688
Operations & Maintenance	100,399	95,202
Capital Outlay	33,113	34,163
Insurance	15,862	17,791
Lease Payments	5,625	5,417
<i>Total Public Safety</i>	\$ 1,181,650	\$ 1,204,261

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - (CONTINUED)
 GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
EXPENDITURES (CONT.)		
<i>Public Facilities:</i>		
Personnel	\$ 410,858	\$ 397,623
Contract Fees	1,429	2,536
Operations & Maintenance	54,293	71,572
Streets and Drainage	6,399	4,828
Insurance	4,592	2,633
Animal Control & Park	87,077	109,765
Library	15,845	21,294
Community Center	46,612	59,564
Capital Outlay	62,552	123,910
<i>Total Public Facilities</i>	689,657	793,725
 <i>Debt Service:</i>		
Principal	36,841	30,367
Interest and Agent Fees	2,088	1,662
<i>Total Debt Service</i>	38,929	32,029
 TOTAL EXPENDITURES	2,692,645	2,867,501
 Excess (Deficiency) Over (Under) Expenditures	683,100	136,236
 OTHER FINANCING SOURCES (USES)		
Proceeds from Capital Lease	33,113	34,163
Proceeds from Sale of Equipment	38,378	4,225
TOTAL OTHER FINANCING SOURCES (USES)	71,491	38,388
 Net Change in Fund Balance	754,591	174,624
 Fund Balance - October 1	2,388,310	2,213,686
Fund Balance - September 30	\$3,142,901	\$ 2,388,310

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE BALANCE SHEETS
 DEBT SERVICE FUND
 SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash	\$ 38,321	\$ 27,856
Taxes Receivable	16,342	16,398
Other Receivable	-	3,598
	-	3,598
 TOTAL ASSETS	\$ 54,663	\$ 47,852
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES		
<i>Liabilities:</i>		
Due to Other Funds	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenues	16,624	16,354
<i>Total Deferred Inflows of Resources</i>	16,624	16,354
 <i>Fund Balance:</i>		
Restricted	38,039	31,498
<i>Total Fund Balance:</i>	38,039	31,498
 TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 54,663	\$ 47,852

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE
 DEBT SERVICE FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Ad Valorem Tax	\$ 728,865	\$ 731,026
Interest	<u>1,400</u>	<u>951</u>
TOTAL REVENUES	<u>730,265</u>	<u>731,977</u>
 EXPENDITURES		
Bond Interest and Fiscal Charges	214,924	229,422
Bond Principal	<u>508,800</u>	<u>490,300</u>
TOTAL EXPENDITURES	<u>723,724</u>	<u>719,722</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>6,541</u>	 <u>12,255</u>
 Net Change in Fund Balance	 6,541	 12,255
 Fund Balance - October 1	 <u>31,498</u>	 <u>19,243</u>
Fund Balance - September 30	<u>\$ 38,039</u>	<u>\$ 31,498</u>

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE BALANCE SHEETS
 CAPITAL PROJECTS FUND
 SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Investments	\$ 368,880	\$ 420,150
TOTAL ASSETS	\$ 368,880	\$ 420,150
 LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 139,323	\$ 187,400
<i>Total Liabilities</i>	139,323	187,400
 <i>Fund Balance:</i>		
Assigned	229,557	232,750
<i>Total Fund Balance</i>	229,557	232,750
TOTAL LIABILITIES AND FUND BALANCE	\$ 368,880	\$ 420,150

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE
 CAPITAL PROJECTS FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
REVENUES		
Interest	\$ 2,260	\$ 8,017
TOTAL REVENUES	2,260	8,017
 EXPENDITURES		
Capital Projects	287	154,491
TOTAL EXPENDITURES	287	154,491
 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,973	(146,474)
 OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	(5,166)	(50,714)
TOTAL OTHER FINANCING SOURCES SOURCES (USES)	(5,166)	(50,714)
 Net Change in Fund Balance	(3,193)	(197,188)
 Fund Balance - October 1	232,750	429,938
Fund Balance - September 30	\$ 229,557	\$ 232,750

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE BALANCE SHEETS
 NONMAJOR FUNDS – ASSET SEIZURE
 SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Investments	\$ 236,599	\$ 236,149
TOTAL ASSETS	\$ 236,599	\$ 236,149
 LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balance:</i>		
Restricted	236,599	236,149
<i>Total Fund Balance</i>	236,599	236,149
TOTAL LIABILITIES AND FUND BALANCE	\$ 236,599	\$ 236,149

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, 2020 AND 2019

	2020	2019
REVENUES		
Fines and Forfeits	\$ 37,584	\$ 25,623
Interest	5,074	10,018
TOTAL REVENUES	42,658	35,641
 EXPENDITURES		
Capital Outlay	42,208	76,171
TOTAL EXPENDITURES	42,208	76,171
 Net Change in Fund Balance	450	(40,530)
 Fund Balance - October 1	236,149	276,679
Fund Balance - September 30	\$ 236,599	\$ 236,149

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF NET POSITION
 WATER FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 2,248,963	\$ 1,743,712
Accounts Receivable - Customers	214,754	296,089
Prepaid Items	289	-
Due from Other Funds	-	4,490
<i>Total Current Assets</i>	2,464,006	2,044,291
<i>Other Assets:</i>		
Restricted Cash and Investments	-	146,310
<i>Total Other Assets</i>	-	146,310
<i>Capital Assets:</i>		
Land	139,954	139,954
Water Rights	454,144	454,144
Buildings	94,183	94,183
Water Lines, Wells & Tanks	17,087,317	13,455,274
Vehicles & Equipment	866,319	866,319
Construction in Progress	-	3,632,043
Accumulated Depreciation	(5,995,537)	(5,460,915)
<i>Total Capital Assets, Net of Depreciation</i>	12,646,380	13,181,002
TOTAL ASSETS	15,110,386	15,371,603
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Debt Refunding	57,140	62,335
Deferred Pension Related Outflows	19,539	43,600
Deferred Other Post-Employment Benefit Related Outflows	2,456	360
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 79,135	\$ 106,295

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF NET POSITION (CONT.)
 WATER FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

LIABILITIES	<u>2020</u>	<u>2019</u>
<i>Current Liabilities:</i>		
Accounts Payable	\$ 189,234	\$ 43,361
Accrued Liabilities	14,267	15,432
Accrued Interest	18,867	20,080
Due to Other Funds	114,881	-
Vacation Leave Payable	24,362	22,757
Customer Deposits	200,947	195,797
Due Within One Year	492,270	480,914
<i>Noncurrent Liabilities:</i>		
Due In More Than One Year	6,385,499	6,877,790
Net Pension Liability	61,759	101,652
Other Post-Employment Benefit Liability	18,685	16,119
TOTAL LIABILITIES	<u>7,520,771</u>	<u>7,773,902</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Related Inflows	20,901	5,326
Deferred OPEB Related Inflows	703	727
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,604</u>	<u>6,053</u>
 NET POSITION		
Investment in Capital Assets	5,825,751	5,884,635
Restricted Water Impact Fees	-	146,310
Unrestricted	1,821,395	1,666,998
TOTAL NET POSITION	<u>\$ 7,647,146</u>	<u>\$ 7,697,943</u>



CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND NET POSITION – WATER FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
OPERATING REVENUE		
Water Sales	\$ 1,752,249	\$ 1,545,442
Meter Installation Fees	25,175	45,275
Other	88,005	63,665
TOTAL OPERATING REVENUE	1,865,429	1,654,382
OPERATING EXPENSES		
Personnel Costs	386,535	416,681
Plant Operations and Maintenance	371,796	327,365
General and Administrative	455,246	180,966
Depreciation	534,622	449,502
TOTAL OPERATING EXPENSES	1,748,199	1,374,514
OPERATING INCOME (LOSS)	117,230	279,868
NONOPERATING INCOME (EXPENSES)		
Interest Income	20,984	30,676
Interest Expense	(194,177)	(180,707)
TOTAL NONOPERATING INCOME (EXPENSES)	(173,193)	(150,031)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(55,963)	129,837
Transfers In (Out)	5,166	221,473
CHANGE IN NET POSITION	(50,797)	351,310
NET POSITION AT BEGINNING OF YEAR	7,697,943	7,346,633
TOTAL NET POSITION AT END OF YEAR	\$ 7,647,146	\$ 7,697,943

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF CASH FLOWS
 WATER FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,946,764	\$ 1,528,822
Cash paid to suppliers for goods and services	(682,623)	(504,215)
Cash paid to employees for services and benefits	(384,741)	(402,102)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	879,400	622,505
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net Customer Deposits Received (Returned)	5,150	4,467
Interfund Receivables/Payables and Transfers	124,536	221,458
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	129,686	225,925
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Capital Acquisition	-	(137,450)
Principal Payments on Debt	(480,934)	(486,256)
Interest Paid for Financing Activities	(190,195)	(195,081)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(671,129)	(818,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income and Other Income	20,984	30,676
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	20,984	30,676
NET INCREASE (DECREASE) IN CASH	358,941	60,319
CASH AND CASH EQUIVALENTS AT OCTOBER 1:		
Cash and Cash Equivalents	1,743,712	1,684,603
Restricted Cash and Cash Equivalents	146,310	145,100
	1,890,022	1,829,703
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:		
Cash and Cash Equivalents	2,248,963	1,743,712
Restricted Cash and Cash Equivalents	-	146,310
	\$ 2,248,963	\$ 1,890,022

CITY OF GARDEN RIDGE, TEXAS
 COMPARATIVE STATEMENTS OF CASH FLOWS (CONT.)
 WATER FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 117,230	\$ 279,868
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	534,622	449,502
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	81,335	(125,560)
Decrease (Increase) in Prepaid Items	(289)	-
Increase (Decrease) in Accounts Payable & Accrued Liabilities	144,708	3,389
Increase (Decrease) in Vacation Payable	1,605	5,011
Increase (Decrease) in Pension Liabilities and related Deferred Inflows and Outflows of Resources	(257)	8,900
Increase (Decrease) in Other Post-Employment Benefit Liabilities and related Deferred Inflows and Outflows of Resources	446	1,395
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 879,400	\$ 622,505



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			
	2011	2012	2013	2014
NET POSITION				
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 3,320,483	\$ 3,553,731	\$ 3,461,062	\$ 4,206,390
Restricted	350,485	236,676	158,793	140,910
Unrestricted	<u>1,341,098</u>	<u>1,056,721</u>	<u>1,428,388</u>	<u>1,115,259</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 5,012,066</u>	<u>\$ 4,847,128</u>	<u>\$ 5,048,243</u>	<u>\$ 5,462,559</u>
 <i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 2,688,473	\$ 2,981,297	\$ 3,138,760	\$ 2,879,943
Restricted	985,138	989,180	1,168,024	1,070,641
Unrestricted	<u>2,572,195</u>	<u>2,768,462</u>	<u>3,158,627</u>	<u>3,125,132</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 6,245,806</u>	<u>\$ 6,738,939</u>	<u>\$ 7,465,411</u>	<u>\$ 7,075,716</u>
 <i>Primary Government</i>				
Net Investment in Capital Assets	\$ 6,008,956	\$ 6,535,028	\$ 6,599,822	\$ 7,086,333
Restricted	1,166,436	1,195,922	1,326,817	1,211,551
Unrestricted	<u>4,082,480</u>	<u>3,855,117</u>	<u>4,587,015</u>	<u>4,240,391</u>
<i>Total Primary Government Net Position</i>	<u>\$ 11,257,872</u>	<u>\$ 11,586,067</u>	<u>\$ 12,513,654</u>	<u>\$ 12,538,275</u>

Note: Years 2011-2014 have not been restated for adoption of GASB No. 68. Years 2011 – 2017 have not been restated for adoption of GASB No. 75.

TABLE 1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 4,134,312	\$ 3,726,037	\$ 3,568,188	\$ 3,829,106	\$ 4,245,536	\$ 4,342,714
132,531	196,833	671,600	599,103	348,761	358,590
<u>1,214,715</u>	<u>2,022,935</u>	<u>2,817,266</u>	<u>2,161,293</u>	<u>2,126,580</u>	<u>2,863,267</u>
<u>\$ 5,481,558</u>	<u>\$ 5,945,805</u>	<u>\$ 7,057,054</u>	<u>\$ 6,589,502</u>	<u>\$ 6,720,877</u>	<u>\$ 7,564,571</u>
\$ 2,802,056	\$ 2,725,436	\$ 4,693,957	\$ 5,715,624	\$ 5,884,635	\$ 5,825,751
326,619	468,485	152,710	145,100	146,310	-
<u>3,738,506</u>	<u>3,582,880</u>	<u>1,239,193</u>	<u>1,485,909</u>	<u>1,666,998</u>	<u>1,821,395</u>
<u>\$ 6,867,181</u>	<u>\$ 6,776,801</u>	<u>\$ 6,085,860</u>	<u>\$ 7,346,633</u>	<u>\$ 7,697,943</u>	<u>\$ 7,647,146</u>
\$ 6,936,368	\$ 6,451,473	\$ 8,262,145	\$ 9,544,730	\$ 10,130,171	\$ 10,168,465
459,150	665,318	824,310	744,203	495,071	358,590
<u>4,953,221</u>	<u>5,605,815</u>	<u>4,056,459</u>	<u>3,647,202</u>	<u>3,793,578</u>	<u>4,684,662</u>
<u>\$ 12,348,739</u>	<u>\$ 12,722,606</u>	<u>\$ 13,142,914</u>	<u>\$ 13,936,135</u>	<u>\$ 14,418,820</u>	<u>\$ 15,211,717</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
<i>Governmental Activities</i>				
General Administration	\$ 675,369	\$ 687,622	\$ 661,157	\$ 706,719
Police Protection	1,054,547	1,059,925	1,040,620	1,098,517
Municipal Court	53,539	59,681	64,158	68,488
Public Facilities	475,642	490,398	514,462	582,289
Interest and Fiscal Charges	128,637	121,890	471,942	134,765
<i>Total Governmental Activities Expense</i>	<u>2,387,734</u>	<u>2,419,516</u>	<u>2,752,339</u>	<u>2,590,778</u>
<i>Business-Type Activities</i>				
Water	982,475	1,078,976	1,160,691	1,355,804
Total Primary Government Expenses	<u>\$ 3,370,209</u>	<u>\$ 3,498,492</u>	<u>\$ 3,913,030</u>	<u>\$ 3,946,582</u>
Program Revenues				
<i>Governmental Activities</i>				
Charges for Service:				
General Administration	\$ 244,878	\$ 288,138	\$ 235,281	\$ 248,025
Police Protection/Municipal Court	146,622	170,495	198,850	125,042
Public Facilities	67,168	85,389	104,350	103,310
Operating Grants and Contributions	27,754	49,237	60,249	27,806
Capital Grants and Contributions	-	-	-	-
<i>Total Governmental Activities Program Revenues</i>	<u>486,422</u>	<u>593,259</u>	<u>598,730</u>	<u>504,183</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water	1,418,583	1,167,466	1,687,250	1,090,452
Capital Grants and Contributions	-	-	-	306,000
<i>Total Business-Type Activities Program Revenues</i>	<u>1,418,583</u>	<u>1,167,466</u>	<u>1,687,250</u>	<u>1,396,452</u>
Total Primary Government Program Revenues	<u>\$ 1,905,005</u>	<u>\$ 1,760,725</u>	<u>\$ 2,285,980</u>	<u>\$ 1,900,635</u>

Note: Years 2011-2014 have not been restated for adoption of GASB No. 68. Years 2011 – 2017 have not been restated for adoption of GASB No. 75.

TABLE 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 752,203	\$ 675,567	\$ 769,406	\$ 753,492	\$ 713,625	\$ 786,100
1,151,588	1,105,268	1,283,354	1,274,116	1,312,733	1,250,096
69,997	76,819	74,313	78,147	82,616	91,198
621,000	750,765	864,668	911,704	1,134,958	1,023,324
316,428	454,501	227,646	215,593	188,958	191,911
<u>2,911,216</u>	<u>3,062,920</u>	<u>3,219,387</u>	<u>3,233,052</u>	<u>3,432,890</u>	<u>3,342,629</u>
<u>1,393,909</u>	<u>1,416,782</u>	<u>1,697,947</u>	<u>1,729,799</u>	<u>1,555,221</u>	<u>1,942,376</u>
<u>\$ 4,305,125</u>	<u>\$ 4,479,702</u>	<u>\$ 4,917,334</u>	<u>\$ 4,962,851</u>	<u>\$ 4,988,111</u>	<u>\$ 5,285,005</u>
\$ 220,335	\$ 201,198	\$ 236,988	\$ 257,121	\$ 281,163	\$ 316,143
135,457	142,357	141,920	138,382	124,524	112,320
119,821	121,508	117,880	123,010	132,528	96,295
17,476	80,461	271,538	244,125	48,798	277,810
-	-	-	50,000	-	-
<u>493,089</u>	<u>545,524</u>	<u>768,326</u>	<u>812,638</u>	<u>587,013</u>	<u>802,568</u>
1,180,196	1,512,787	1,546,906	1,888,364	1,653,594	1,863,673
-	-	-	-	-	-
<u>1,180,196</u>	<u>1,512,787</u>	<u>1,546,906</u>	<u>1,888,364</u>	<u>1,653,594</u>	<u>1,863,673</u>
<u>\$ 1,673,285</u>	<u>\$ 2,058,311</u>	<u>\$ 2,315,232</u>	<u>\$ 2,701,002</u>	<u>\$ 2,240,607</u>	<u>\$ 2,666,241</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Net (Expenses) Revenue				
Governmental Activities	\$ (1,826,257)	\$ (2,153,609)	\$ (2,086,595)	\$ (2,418,127)
Business-Type Activities	88,490	526,559	40,648	(213,713)
Total Primary Government				
Net Expenses	<u><u>\$ (1,737,767)</u></u>	<u><u>\$ (1,627,050)</u></u>	<u><u>\$ (2,045,947)</u></u>	<u><u>\$ (2,631,840)</u></u>
 Governmental Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 1,469,966	\$ 1,494,460	\$ 1,590,461	\$ 1,624,027
Franchise Fees	319,006	325,347	325,817	399,499
Sales Taxes	162,379	161,559	225,031	185,567
Interest and Investment Earnings	12,238	5,555	38,352	10,744
Impact Fees	-	-	20,520	-
Miscellaneous	12,151	62,157	340,935	42,411
Transfers	-	(387,759)	9,621	801,356
<i>Total Governmental Activities</i>	<u>1,975,740</u>	<u>1,661,319</u>	<u>2,550,737</u>	<u>3,063,604</u>
 <i>Business-Type Activities</i>				
Interest and Investment Earnings	19,260	16,884	13,521	6,759
Miscellaneous	-	-	-	250
Transfers	-	387,759	(9,621)	(801,356)
<i>Total Business-Type Activities</i>	<u>19,260</u>	<u>404,643</u>	<u>3,900</u>	<u>(794,347)</u>
Total Primary Government	<u><u>\$ 1,995,000</u></u>	<u><u>\$ 2,065,962</u></u>	<u><u>\$ 2,554,637</u></u>	<u><u>\$ 2,269,257</u></u>
 Changes In Net Position				
Government Activities	\$ 149,483	\$ (492,290)	\$ 464,142	\$ 645,477
Business-Type Activities	107,750	931,202	44,548	(1,008,060)
Total Primary Government	<u><u>\$ 257,233</u></u>	<u><u>\$ 438,912</u></u>	<u><u>\$ 508,690</u></u>	<u><u>\$ (362,583)</u></u>

TABLE 2 (CONT.)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (2,418,127)	\$ (2,517,396)	\$ (2,451,061)	\$ (2,420,414)	\$ (2,845,877)	\$ (2,540,061)
40,648	96,005	(151,041)	158,565	98,373	(78,703)
<u>\$ (2,377,479)</u>	<u>\$ (2,421,391)</u>	<u>\$ (2,602,102)</u>	<u>\$ (2,261,849)</u>	<u>\$ (2,747,504)</u>	<u>\$ (2,618,764)</u>
\$ 1,690,029	\$ 1,969,253	\$ 2,167,248	\$ 2,227,239	\$ 2,289,083	\$ 2,417,465
474,813	484,549	489,752	501,558	499,872	497,241
240,237	235,009	244,991	250,201	269,978	355,616
6,244	14,919	37,819	48,514	65,644	35,838
-	16,929	-	-	-	-
25,803	62,189	68,246	78,493	74,148	82,761
-	198,795	554,254	(1,101,263)	(221,473)	(5,166)
<u>2,437,126</u>	<u>2,981,643</u>	<u>3,562,310</u>	<u>2,004,742</u>	<u>2,977,252</u>	<u>3,383,755</u>
4,870	5,932	13,461	14,505	30,676	20,984
308	6,478	893	-	788	1,756
-	(198,795)	(554,254)	1,101,263	221,473	5,166
<u>5,178</u>	<u>(186,385)</u>	<u>(539,900)</u>	<u>1,115,768</u>	<u>252,937</u>	<u>27,906</u>
<u>\$ 2,442,304</u>	<u>\$ 2,795,258</u>	<u>\$ 3,022,410</u>	<u>\$ 3,120,510</u>	<u>\$ 3,230,189</u>	<u>\$ 3,411,661</u>
\$ 18,999	\$ 464,247	\$ 1,111,249	\$ (415,672)	\$ (415,672)	\$ 843,694
(208,535)	(90,380)	(690,941)	1,274,333	1,274,333	(50,797)
<u>\$ (189,536)</u>	<u>\$ 373,867</u>	<u>\$ 420,308</u>	<u>\$ 858,661</u>	<u>\$ 858,661</u>	<u>\$ 792,897</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Nonspendable Fund Balance:				
Prepaid Items	\$ 1,513	\$ 2,253	\$ 2,706	\$ 686
Restricted Fund Balance:				
Public Safety	-	-	9,041	14,935
Donations	8,613	9,107	10,410	10,785
PEG Capital Fees	-	24,809	35,653	46,387
Debt Service	203,761	297,988	136,866	52,491
Asset Forfeiture	83,209	18,581	44,706	75,333
Capital Projects Fund	-	-	-	3,051,863
Total Restricted Fund Balance	295,583	350,485	236,676	3,251,794
Assigned Fund Balance				
Capital Projects Fund	152,377	153,187	-	-
Unassigned				
	1,169,406	1,123,997	829,680	1,305,811
Total Governmental Funds	\$ 1,618,879	\$ 1,629,922	\$ 1,069,062	\$ 4,558,291

TABLE 3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 312	\$ 2,368	\$ 4,807	\$ 3,946	\$ 4,984	\$ 4,782
20,249	27,755	30,606	34,020	45,329	34,724
13,561	15,517	17,596	-	6,288	7,042
56,945	71,782	85,161	97,704	33,106	43,856
57,212	12,402	3,285	447,767	31,498	38,039
37,074	5,791	63,470	111,330	236,149	236,599
1,806,774	3,838,367	3,676,851	1,270,857	232,750	
1,991,815	3,971,614	3,876,969	1,961,678	585,120	360,260
-	-	-	-	-	229,557
1,255,867	1,443,699	1,691,145	1,738,413	2,298,603	3,052,497
<u>\$ 3,247,994</u>	<u>\$ 5,417,681</u>	<u>\$ 5,572,921</u>	<u>\$ 3,704,037</u>	<u>\$ 2,888,707</u>	<u>\$ 3,647,096</u>

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

	Fiscal Year			
	2011	2012	2013	2014
REVENUES				
Taxes	\$ 1,634,958	\$ 1,651,819	\$ 1,818,985	\$ 1,809,097
Franchise Fees	319,006	325,346	325,817	399,499
Licenses and Permits	182,447	210,250	153,738	172,677
Charges for Services	129,200	162,957	186,084	179,648
Fines and Forfeits	164,564	215,110	252,544	148,320
Grants and Donations	-	-	-	-
Other Revenue	34,102	110,485	406,171	56,690
TOTAL REVENUES	<u>2,464,277</u>	<u>2,675,967</u>	<u>3,143,339</u>	<u>2,765,931</u>
EXPENDITURES				
General Government	564,328	585,350	541,259	566,245
Municipal Court	56,176	59,359	64,272	68,710
Police Protection	970,310	1,006,232	985,112	1,034,779
Public Facilities	274,546	294,287	316,290	430,409
Capital Outlay	130,959	586,100	631,274	1,778,233
Debt Service:				
Principal	325,000	223,045	349,596	352,793
Debt Issue Costs	-	-	185,346	-
Interest and Fiscal Charges	132,415	122,593	177,237	229,619
TOTAL EXPENDITURES	<u>2,453,734</u>	<u>2,876,966</u>	<u>3,250,386</u>	<u>4,460,788</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,543</u>	<u>(200,999)</u>	<u>(107,047)</u>	<u>(1,694,857)</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	5,270,962	-
Capital Lease Proceeds	-	22,898	29,905	-
Other Sources	500	5,000	-	-
Premium on Bonds	-	-	247,620	-
Payments to Escrow Agent	-	-	(1,961,832)	-
Transfers In (Out)	-	(387,759)	9,621	(801,356)
TOTAL OTHER FINANCING SOURCES (USES)	<u>500</u>	<u>(359,861)</u>	<u>3,596,276</u>	<u>(801,356)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 11,043</u>	<u>\$ (560,860)</u>	<u>\$ 3,489,229</u>	<u>\$ (2,496,213)</u>
Debt Service as a percentage of Noncapital Expenditures	19.7%	24.6%	25.8%	31.1%

TABLE 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,908,884	\$ 2,187,962	\$ 2,403,830	\$ 2,476,755	\$ 2,558,336	\$ 2,769,753
474,813	484,549	489,752	501,558	499,872	497,241
141,784	122,422	146,768	159,213	173,222	206,063
198,102	200,120	207,890	220,357	237,309	204,040
146,164	210,854	354,230	364,614	150,147	149,885
-	-	-	-	-	236,244
39,127	102,565	134,120	188,697	161,154	87,703
<u>2,908,874</u>	<u>3,308,472</u>	<u>3,736,590</u>	<u>3,911,194</u>	<u>3,780,040</u>	<u>4,150,929</u>
582,105	595,850	656,688	613,353	584,278	629,775
69,045	74,678	73,480	77,276	78,749	82,861
1,066,476	1,031,584	1,096,224	1,155,636	1,170,098	1,148,537
388,500	448,299	542,499	562,440	669,815	627,105
1,885,468	320,744	3,054,176	258,391	558,431	207,934
367,255	441,627	541,489	555,807	525,430	545,641
124,317	-	-	-	-	-
220,407	498,153	254,348	241,321	231,084	217,012
<u>4,703,573</u>	<u>3,410,935</u>	<u>6,218,904</u>	<u>3,464,224</u>	<u>3,817,885</u>	<u>3,458,865</u>
<u>(1,794,699)</u>	<u>(102,463)</u>	<u>(2,482,314)</u>	<u>446,970</u>	<u>(37,845)</u>	<u>692,064</u>
3,639,500	-	-	-	-	-
26,195	55,308	27,794	54,893	34,163	33,113
4,000	3,600	31,382	5,000	4,225	38,378
294,691	-	-	-	-	-
-	-	-	-	-	-
-	198,795	554,254	(1,101,263)	(221,473)	(5,166)
<u>3,964,386</u>	<u>257,703</u>	<u>613,430</u>	<u>(1,041,370)</u>	<u>(183,085)</u>	<u>66,325</u>
<u>\$ 2,169,687</u>	<u>\$ 155,240</u>	<u>\$ (1,868,884)</u>	<u>\$ (594,400)</u>	<u>\$ (220,930)</u>	<u>\$ 758,389</u>
19.7%	30.4%	25.1%	24.9%	24.9%	23.5%

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
2020	\$ 2,414,137	\$ 355,616	\$ 497,241	\$ 3,266,994
2019	2,288,358	269,978	499,872	3,058,208
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

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	
2020	0.225158	0.095948	0.321106	0.376262	1.275700	0.089385	2.062453
2019	0.222114	0.101032	0.323146	0.357921	1.320000	0.072826	2.073893
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

Source: Comal County Tax Office

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

TABLE 7

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percent Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent Total City Taxable Assessed Value
Hanson Aggregates	\$ 39,768,030	1	5.30%	\$ 25,585,381	1	406.00%
Hanson Aggregates	17,070,640	2	2.27%			
Cara Graceland LLC	4,600,000	3	0.61%	-		-
Overman Tony M	4,437,340	4	0.59%	-		-
Meridian Brick	3,938,890	5	0.52%	-		-
Voeller James N & Amy B	3,585,970	6	0.48%	-		-
Dansby Richard F & Carolyn G	2,024,320	7	0.27%	-		-
Dubois-TXRE LLC	2,466,800	8	0.33%			
Hanson Brick (Land & Building)	2,088,910	9	0.28%	6,296,234	2	1.13%
Maverick of Texas Construction Inc.	1,930,080	10	0.26%	-		-
Dean Word Company	-		-	3,882,763	3	0.70%
Overman Properties V LLC	-		-	3,060,510	4	0.55%
Overman Properties III LLC	-		-	2,763,700	5	0.50%
Overman Properties IV LLC	-		-	1,216,930	6	0.22%
C F & M Properties	-		-	1,000,000	7	0.18%
Jey Investments LTD.	-		-	927,440	8	0.17%
PCH Partnership	-		-	867,930	9	0.16%
Federal Home Loan Mortgage	-		-	857,070	10	0.14%
TOTALS	\$ 81,910,980		10.91%	\$ 46,457,958		409.75%
TOTAL TAXABLE ASSESSED VALUE	\$ 750,704,193			\$ 555,696,041		

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		Collections In Subsequent Years	Total Collections To Date	
		Fiscal Year of Levy Amount	% of Levy		Amount	% of Levy
2020	\$ 2,414,827	\$ 2,402,336	99.48%	\$ -	\$ 2,402,336	99.48%
2019	2,273,147	2,252,049	99.07%	2,446	2,254,495	99.18%
2018	2,241,632	2,213,070	98.73%	(1,512)	2,211,558	98.66%
2017	2,160,451	2,119,815	98.12%	11,911	2,131,726	98.67%
2016	1,987,068	1,948,438	98.06%	13,124	1,961,562	98.72%
2015	1,686,772	1,667,834	98.88%	8,520	1,676,354	99.38%
2014	1,598,333	1,621,485	101.45%	54,868	1,676,353	104.88%
2013	1,487,469	1,580,018	106.22%	8,561	1,588,579	106.80%
2012	1,461,632	1,477,179	101.06%	7,122	1,484,301	101.55%
2011	1,429,705	1,449,561	101.39%	5,986	1,455,547	101.81%

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
2020	\$ 696,898,377	\$ 184,706,731	\$ 130,900,915	\$ 750,704,193	0.3231460
2019	632,117,362	175,799,288	106,394,158	701,522,492	0.3231460
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

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 Governmental	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Lease			
2020	\$ -	\$ 6,243,300	\$ -	\$ 49,391	\$ 6,292,691	0.84%	\$ 1,565
2019	-	6,752,100	-	53,118	6,805,218	0.97%	1,692
2018	-	7,668,045	-	54,085	7,722,130	1.12%	1,954
2017	-	8,219,551	-	36,399	8,255,950	1.20%	2,090
2016	-	8,759,368	-	44,390	8,803,758	1.30%	2,225
2015	-	9,208,443	-	16,908	9,225,351	1.40%	2,396
2014	-	5,331,500	-	9,969	5,341,469	0.87%	1,427
2013	-	5,827,343	-	27,562	5,854,905	1.02%	1,597
2012	-	2,450,472	-	14,853	2,465,325	0.44%	699
2011	-	2,904,399	-	-	2,904,399	0.53%	857

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

TABLE 11

Taxable Assessed Value		<u>\$ 750,704,193</u>
<p>Debt Limit - Texas statutes 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>		
		\$ 75,070,419
<p>Amount of Applicable Debt:</p>		
General Obligation Debt Outstanding	\$ 6,292,691	
Less Funds Available in Debt Service Fund	<u>(38,039)</u>	<u>6,254,652</u>
 DEBT MARGIN		 <u><u>\$ 68,815,767</u></u>

	Fiscal Year				
	2016	2017	2018	2019	2020
Taxable Assessed Value	\$ 659,253,958	\$ 676,412,159	\$ 689,519,241	\$ 701,522,492	\$ 750,704,193
Debt Limit	\$ 65,925,396	\$ 67,641,216	\$ 68,951,924	\$ 70,152,249	\$ 75,070,419
Total Net Debt					
Applicable to Limit	<u>(8,307,805)</u>	<u>(7,808,183)</u>	<u>(7,532,796)</u>	<u>(6,773,720)</u>	<u>(6,254,652)</u>
Total Debt Margin	<u>\$ 57,617,591</u>	<u>\$ 59,833,033</u>	<u>\$ 61,419,128</u>	<u>\$ 63,378,529</u>	<u>\$ 68,815,767</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Taxable Assessed Value	\$ 555,696,041	\$ 552,527,058	\$ 560,283,349	\$ 573,072,301	\$ 613,983,000
Debt Limit	\$ 55,569,604	\$ 55,252,706	\$ 56,028,335	\$ 56,028,335	\$ 61,398,300
Total Net Debt					
Applicable to Limit	<u>(6,662,553)</u>	<u>(6,293,134)</u>	<u>(11,857,509)</u>	<u>(11,292,788)</u>	<u>(8,685,006)</u>
Total Debt Margin	<u>\$ 48,907,051</u>	<u>\$ 48,959,572</u>	<u>\$ 44,170,826</u>	<u>\$ 44,735,547</u>	<u>\$ 52,713,294</u>

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

TABLE 12

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2020	4,022	\$ 63,191	51.4	840	7.8%
2019	4,022	63,191	51.5	846	3.3%
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%

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	2020			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Joint Base San Antonio	80,000	1	7.36%			
H-E-B Food Stores	20,000	2	1.84%	14,588	4	1.54%
USAA	18,300	3	1.68%	14,832	3	1.57%
Randolph Air Force Base	11,000	5	1.01%	11,068	6	1.13%
Methodist Healthcare System	9,600	6	0.88%	7,500	10	0.74%
City of San Antonio	9,145	7	0.84%	9,145	8	0.95%
Harland Clarke	5,000	8	0.46%			
Wells Fargo	5,073	9	0.47%			
Rackspace	2,000	10	0.18%			
Lackland Air Force Base	-			37,097	1	2.97%
Fort Sam Houston	-			32,000	2	3.25%
NorthSide ISD	-		-	13,300	5	1.08%
NorthEast ISD	-		-	10,522	7	1.08%
San Antonio ISD	-		-	7,581	9	0.80%
UT Health Science Center	-		-	5,985	10	0.63%
	<u>80,118</u>		<u>7.38%</u>	<u>163,618</u>		<u>15.74%</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

