

**CITY OF GARDEN RIDGE, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**





CITY OF GARDEN RIDGE, TEXAS  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2021

CITY OFFICIALS

MAYOR

ROBB ERICKSON

MAYOR PRO-TEM

LISA SWINT

CITY COUNCIL

JOHN R. MCCA  
W  
JESSE VALDEZ  
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, 2021

**TABLE OF CONTENTS**

**INTRODUCTORY SCHEDULE**

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

**FINANCIAL SECTION**

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

CITY OF GARDEN RIDGE, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

**TABLE OF CONTENTS**

**FINANCIAL SECTION (CONTINUED)**

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

**STATISTICAL SECTION**

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





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, 2021, 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, 2021, 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 17, 2021



## 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, 2021. Please read it in conjunction with the City’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

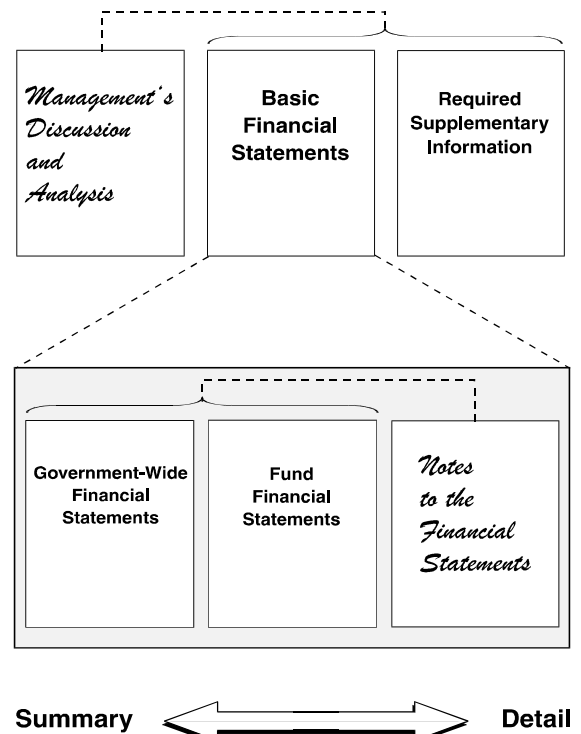
- The City’s total combined net position was \$15.8 million at September 30, 2021.
- During the year, the City’s governmental operating expenses (including transfers to the business-type activities) were \$607 thousand less than the \$4.1 million generated in program and general revenues for the governmental activities.
- The total cost of the City’s programs (governmental activities) increased to \$3.4 million and no new programs were added this year.
- The general fund reported a fund balance this year of \$3.8 million of which \$3.6 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.

<b>Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements</b>			
<b>Fund Statements</b>			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses &amp; Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
<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 \$15.8 million at September 30, 2021. (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 2021-2020
	2021	2020	2021	2020	2021	2020	
<b>Assets</b>							
Current Assets	\$ 4,119.5	\$ 3,957.1	\$ 1,746.9	\$ 2,464.0	\$ 5,866.3	\$ 6,421.1	-8.6%
Restricted and Other	942.9	114.9	(942.9)	(114.9)	-	-	0.0%
Capital Assets (net)	10,412.9	10,951.8	13,499.3	12,646.4	23,912.2	23,598.2	1.3%
<b>Total Assets</b>	<b>15,475.3</b>	<b>15,023.8</b>	<b>14,303.3</b>	<b>14,995.5</b>	<b>29,778.6</b>	<b>30,019.3</b>	<b>-0.8%</b>
<b>Total Deferred Outflows of Resources</b>	<b>141.0</b>	<b>138.5</b>	<b>76.5</b>	<b>79.0</b>	<b>217.6</b>	<b>217.5</b>	<b>0.0%</b>
<b>Liabilities</b>							
Current Liabilities	1,526.1	1,087.6	809.0	939.9	2,335.2	2,027.5	15.2%
Long-term Liabilities	5,817.8	6,417.8	5,950.0	6,465.9	11,767.8	12,883.7	-8.7%
<b>Total Liabilities</b>	<b>7,344.0</b>	<b>7,505.4</b>	<b>6,759.1</b>	<b>7,405.8</b>	<b>14,103.1</b>	<b>14,911.2</b>	<b>-5.4%</b>
<b>Deferred Inflows of Resources</b>	<b>101.0</b>	<b>92.1</b>	<b>23.7</b>	<b>21.6</b>	<b>124.6</b>	<b>113.7</b>	<b>9.6%</b>
<b>Net Position</b>							
Invested in Capital Assets	4,373.7	4,342.7	5,766.9	5,825.8	10,140.4	10,168.5	-0.3%
Restricted	315.4	358.6	-	-	315.4	358.6	-12.1%
Unrestricted	3,482.3	2,863.3	1,830.3	1,821.4	5,312.6	4,684.7	13.4%
<b>Total Net Position</b>	<b>\$ 8,171.3</b>	<b>\$ 7,564.6</b>	<b>\$ 7,597.1</b>	<b>\$ 7,647.2</b>	<b>\$ 15,768.4</b>	<b>\$ 15,211.8</b>	<b>3.7%</b>

## Changes in Net Position

The City's total governmental revenues were \$4.1 million, of which 85.8% of the City's revenue came from taxes compared to 78.0% in the prior year. A total of 10.7% of the revenues are from those who directly received the service. The total cost of all governmental programs and services was \$3.4 million and charges for these services were \$434.4 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
	2021	2020	2021	2020	2021	2020	2021-2020
Program Revenues:							
Charges for Services	\$ 434.4	\$ 524.8	\$ 1,734.4	\$ 1,863.6	\$ 2,168.9	\$ 2,388.4	-9.2%
Operating/Capital Grants	36.1	277.8	-	-	36.1	277.8	-87.0%
General Revenues:							
Property Taxes	2,456.7	2,417.5	-	-	2,456.7	2,417.5	1.6%
Tax Franchise	491.1	497.2	-	-	491.1	497.2	-1.2%
Sales Taxes	534.2	355.6	-	-	534.2	355.6	50.2%
Investment Earnings	19.9	35.8	9.0	21.0	28.9	56.8	-49.1%
Other	83.5	82.8	5.1	1.8	88.5	84.6	4.7%
Total Revenues	<u>4,055.8</u>	<u>4,191.5</u>	<u>1,748.5</u>	<u>1,886.4</u>	<u>5,804.4</u>	<u>6,077.9</u>	-4.5%
General Government	771.8	786.1	-	-	771.8	786.1	-1.8%
Police Protection	1,319.4	1,250.1	-	-	1,319.4	1,250.1	5.5%
Municipal Court	88.8	91.2	-	-	88.8	91.2	-2.7%
Public Facilities	1,090.4	1,023.3	-	-	1,090.4	1,023.3	6.6%
Debt Service	178.6	191.9	-	-	178.6	191.9	-6.9%
Water	-	-	1,798.6	1,942.4	1,798.6	1,942.4	-7.4%
Total Expenses	<u>3,449.0</u>	<u>3,342.6</u>	<u>1,798.6</u>	<u>1,942.4</u>	<u>5,247.6</u>	<u>5,285.0</u>	-0.7%
Transfers	-	(5.2)	-	5.2	-	-	0.0%
Increase (Decrease) in Net Position	<u>\$ 606.7</u>	<u>\$ 843.5</u>	<u>\$ (50.0)</u>	<u>\$ (50.8)</u>	<u>\$ 556.7</u>	<u>\$ 792.9</u>	-29.8%

## Governmental Activities

Property tax rates remained the same at \$0.321106 per \$100 of assessed value. An increase in the valuation of taxable property lead to a 1.6% increase in tax revenues to \$2.5 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 \$3.0 million.
- The amount that taxpayers paid for these activities through taxes was \$3.5 million.
- \$434.4 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
	2021	2020	% Change	2021	2020	2021-2020	
	\$	\$		\$	\$		
General Administration	\$ 771.8	\$ 786.1	-1.8%	\$ 535.4	\$ 241.7	121.5%	
Police Protection	1,319.4	1,250.1	5.5%	1,200.1	1,097.1	9.4%	
Municipal Court	88.8	91.2	-2.7%	88.7	91.2	-2.7%	
Public Facilities	1,090.4	1,023.3	6.6%	975.8	918.2	6.3%	
Debt Service	178.6	191.9	-6.9%	178.6	191.9	-6.9%	
Water Services	1,798.6	1,942.4	-7.4%	64.1	78.7	-18.6%	

### Business-Type Activities

Revenues of the City's business-type activities were \$1.7 million, and expenses were \$1.8 million.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenue from governmental fund types totaled \$4.1 million, a decrease of 3.2%.

### General Fund Budgetary Highlights

Over the course of the year, the City revised its budget to increase revenues and expenditures. Actual expenditures were \$1.7 million less than the final budgeted amounts. All major expenditure divisions had a positive variance. Total revenues were \$236 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 \$610 thousand more than expected from the final budget.

The City had 16 months of operating expenditures in the unassigned fund balance.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2021, the City had invested \$38.0 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
	2021	2020	2021	2020	2021	2020	2021-2020
	\$	\$	\$	\$	\$	\$	
Land	\$ 481.9	\$ 481.9	\$ 140.0	\$ 140.0	\$ 621.9	\$ 621.9	0.0%
Water Rights	-	-	454.1	454.1	454.1	454.1	0.0%
Buildings and Improvements	3,783.5	3,783.5	94.2	94.2	3,877.7	3,877.7	0.0%
Other Improvements	-	-	17,722.0	17,087.7	17,722.0	17,087.7	3.7%
Equipment	1,000.9	1,005.2	866.3	866.3	1,867.3	1,871.5	-0.2%
Infrastructure	12,612.3	12,612.3	-	-	12,612.3	12,612.3	0.0%
Construction in Progress	-	-	824.7	-	824.7	-	100.0%
Totals at Historical Cost	17,878.7	17,882.9	20,101.3	18,642.3	37,980.0	36,525.2	4.0%
Total Accumulated Depreciation	(7,465.8)	(6,931.2)	(6,602.0)	(5,995.5)	(14,067.8)	(12,926.6)	8.8%
Net Capital Assets	\$ 10,412.9	\$ 10,951.7	\$ 13,499.3	\$ 12,646.8	\$ 23,912.2	\$ 23,598.5	1.3%

## Long Term Debt

At year-end the City had \$12.5 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 Activities		Business-Type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2021-2020
Bonds and Lease Payable	\$ 6,075.0	\$ 7,198.6	\$ 6,385.5	\$ 7,358.7	\$ 12,460.5	\$ 14,557.3	-14.4%
Total Bonds & Lease Payable	\$ 6,075.0	\$ 7,198.6	\$ 6,385.5	\$ 7,358.7	\$ 12,460.5	\$ 14,557.3	-14.4%

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

- The 2021 Taxable Value for the City of Garden Ridge increased \$55,890,709 over the City's 2020 Taxable Value.
- The City 2021 adopted a tax rate of \$0.305149, which is a decrease from the Fiscal Year 2020 tax rate.
- General Fund Revenues for the 2021-2022 Fiscal Year are expected to increase by \$61 thousand compared to 2021-2020 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 2022 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 continues and is expected to be completed during the 2022 Fiscal Year.
- Strong focus on emergency preparedness continues in Fiscal Year 2022 with development of a Crisis Communication Plan, the addition of radio communication infrastructure, enhancements to the City Hall emergency generator system, additional enhancements to protect the City's water system infrastructure and a mass notification system.
- Rebranding Garden Ridge in Fiscal Year 2022 by developing a City logo, City motto, Social Media Policy and redesigning the City website will enhance our economic development. Focus on enhancing communication with City residents, City officials and staff is a priority for Fiscal Year 2022 which will include redesigning the City website and a new mass notification system.
- Planning and celebrating the City of Garden Ridge's 50<sup>th</sup> Birthday will occur on July 4<sup>th</sup> 2022.
- The Advanced Metering Infrastructure System (AMI) and Meter Data Management System (MDMS) installed during the 2021 Fiscal Year continues to be a useful tool in detecting water leaks and therefore decreasing the City's overall water loss and the number of leak adjustments granted to customers.
- The installation of infrastructure for a wastewater system (pump and haul system) along F.M. 2252 to enhance development was completed during the 2022 Fiscal Year and the City should see connections to the system during the 2022 Fiscal Year.
- The design and bidding process for the relocation of waterline conflicts along FM 2252 for the roadway widening project is expected to be completed in Fiscal Year 2022.
- Fiscal Year 2022 Reserves begin to see reimbursement from the AMI and MDMS system and wastewater system.



- Enhancements to Paul Davis Park continue in 2022.
- The City will begin planning and utilizing funding received through the American Rescue and Recovery Act for qualified water system and wastewater projects.
- Leadership and employee training will continue during the 2022 Fiscal Year.
- During Fiscal Year 2022, all employees, other than department heads, will receive a 3% cost of living increase.
- Department Heads receive a 3% salary increase and are not eligible for pay for performance award.
- A Step Salary System for salary uniformity was implemented for all City employees during 2021 Fiscal Year with salary uniformity continuing during the 2022 Fiscal Year.
- City employee health insurance rates increased in Fiscal Year 2022.
- Codification of City ordinances will begin in Fiscal Year 2022.
- Minor remodeling will occur in the Public Works Facility to create additional office space for Public Works staff.
- The City will continue all existing services, as well as enhance existing services where possible.

### **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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,821,061	\$ 1,498,174	\$ 5,319,235
Receivables:			
Taxes (Net of Uncollectible)	53,642	-	53,642
Other	211,022	244,022	455,044
Prepaid Items	33,791	4,720	38,511
Internal Balance	942,927	(942,927)	-
Capital Assets:			
Land	481,923	139,954	621,877
Water Rights	-	454,144	454,144
Buildings and Improvements	3,783,515	94,183	3,877,698
Water Lines and Extensions	-	17,721,999	17,721,999
Equipment and Vehicles	1,000,943	866,319	1,867,262
Infrastructure	12,612,342	-	12,612,342
Construction in Progress	-	824,703	824,703
Accumulated Depreciation	(7,465,829)	(6,601,993)	(14,067,822)
<b>TOTAL ASSETS</b>	<b>15,475,337</b>	<b>14,303,298</b>	<b>29,778,635</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Debt Refunding	35,752	51,945	87,697
Deferred Pension Related Outflows	85,855	20,141	105,996
Deferred Other Post-Employment Benefit Related Outflows	19,428	4,557	23,985
<b>TOTAL DEFERRED OUTFLOWS     OF RESOURCES</b>	<b>\$ 141,035</b>	<b>\$ 76,643</b>	<b>\$ 217,678</b>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION (CONT.)  
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 236,888	\$ 41,880	\$ 278,768
Accrued Liabilities	15,115	2,975	18,090
Accrued Interest Payable	16,182	17,086	33,268
Unearned Revenue	541,737	-	541,737
Vacation Leave Payable	126,716	30,940	157,656
Customer Deposits	9,770	204,997	214,767
<i>Noncurrent Liabilities:</i>			
Due within One Year	579,738	511,140	1,090,878
Due in more than One Year	5,495,235	5,874,359	11,369,594
Net Pension Liability	224,708	52,709	277,417
Other Post-Employment Benefit Liability	97,957	22,978	120,935
<b>TOTAL LIABILITIES</b>	<b>7,344,046</b>	<b>6,759,064</b>	<b>14,103,110</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Related Inflows	93,929	22,034	115,963
Deferred Other Post Employment Benefits Inflows	7,086	1,662	8,748
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>101,015</b>	<b>23,696</b>	<b>124,711</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,373,673	5,766,866	10,140,539
Restricted for:			
Child Safety	37,034	-	37,034
Court Security/Technology	2,401	-	2,401
Debt Service	40,832	-	40,832
Donations	6,891	-	6,891
Public, Educational, & Governmental (PEG) Capital Fees	46,934	-	46,934
Police Asset Forfeiture	181,276	-	181,276
Unrestricted	3,482,270	1,830,315	5,312,585
<b>TOTAL NET POSITION</b>	<b>\$ 8,171,311</b>	<b>\$ 7,597,181</b>	<b>\$ 15,768,492</b>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<i>Governmental Activities:</i>				
General Administration	\$ 771,812	\$ 219,475	\$ 16,947	\$ -
Municipal Court	88,781	48	-	-
Police Protection	1,319,434	109,058	10,270	-
Public Facilities	1,090,447	105,864	8,833	-
Interest on Long-term Debt	178,621	-	-	-
<i>Total Governmental Activities</i>	3,449,095	434,445	36,050	-
 <i>Business-Type Activities:</i>				
Water Utility	1,798,601	1,734,519	-	-
<i>Total Business-Type Activities</i>	1,798,601	1,734,519	-	-
<b>Total Primary Government</b>	<b>\$ 5,247,696</b>	<b>\$ 2,168,964</b>	<b>\$ 36,050</b>	<b>\$ -</b>
 <b>General Revenues:</b>				
Taxes:				
General Property Taxes				
Franchise Taxes				
Sales Taxes				
Interest and Investment Earnings				
Miscellaneous				
<b>Total General Revenues</b>				
 Change in Net Position				
 <b>Net Position Beginning of Year</b>				
 <b>Net Position at End of Year</b>				

See accompanying notes to basic financial statements.

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (535,390)	\$ -	\$ (535,390)
(88,733)	-	(88,733)
(1,200,106)	-	(1,200,106)
(975,750)	-	(975,750)
(178,621)	-	(178,621)
<u>(2,978,600)</u>	<u>-</u>	<u>(2,978,600)</u>
<u>-</u>	<u>(64,082)</u>	<u>(64,082)</u>
<u>-</u>	<u>(64,082)</u>	<u>(64,082)</u>
<u>(2,978,600)</u>	<u>(64,082)</u>	<u>(3,042,682)</u>
2,456,713	-	2,456,713
491,129	-	491,129
534,176	-	534,176
19,861	9,040	28,901
83,461	5,077	88,538
<u>3,585,340</u>	<u>14,117</u>	<u>3,599,457</u>
606,740	(49,965)	556,775
<u>7,564,571</u>	<u>7,647,146</u>	<u>15,211,717</u>
<u>\$ 8,171,311</u>	<u>\$ 7,597,181</u>	<u>\$ 15,768,492</u>

CITY OF GARDEN RIDGE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021

	Major Funds		
	General	Debt Service	Capital Projects Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,844,270	\$ 41,220	741,347
Receivables:			
Taxes (Net of Uncollectible)	37,847	15,794	-
Other	211,022	-	-
Due from Other Funds	942,927	-	-
Prepaid Items	33,791	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 4,069,857</u></b>	<b><u>\$ 57,014</u></b>	<b><u>\$ 741,347</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 223,939	\$ -	\$ -
Accrued Expenditures	15,115	-	-
Unearned Revenue	30,059	-	511,678
Deposits	9,770	-	-
<i>Total Liabilities</i>	<u>278,883</u>	<u>-</u>	<u>511,678</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	37,642	15,709	-
<i>Total Deferred Inflows of Resources</i>	<u>37,642</u>	<u>15,709</u>	<u>-</u>
<i>Fund Balances:</i>			
Non-Spendable:			
Prepaid Items	33,791	-	-
Restricted for:			
Child Safety	37,034	-	-
Court Security & Technology	2,401	-	-
Debt Service	-	41,305	-
Donations	6,891	-	-
PEG Capital Fees	46,934	-	-
Police Asset Forfeiture	-	-	-
Assigned for:			
Capital Projects	-	-	229,669
Unassigned:	3,626,281	-	-
<i>Total Fund Balances</i>	<u>3,753,332</u>	<u>41,305</u>	<u>229,669</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>	<b><u>\$ 4,069,857</u></b>	<b><u>\$ 57,014</u></b>	<b><u>\$ 741,347</u></b>

See accompanying notes to basic financial statements.



<u>Nonmajor</u>		Total
Asset Seizure		Governmental Funds
\$ 194,225		\$ 3,821,062
-		53,641
-		211,022
-		942,927
-		33,791
<u>\$ 194,225</u>		<u>\$ 5,062,443</u>
\$ 12,949		\$ 236,888
-		15,115
-		541,737
-		9,770
<u>12,949</u>		<u>803,510</u>
-		53,351
<u>-</u>		<u>53,351</u>
-		33,791
-		37,034
-		2,401
-		41,305
-		6,891
-		46,934
181,276		181,276
-		229,669
-		3,626,281
<u>181,276</u>		<u>4,205,582</u>
<u>\$ 194,225</u>		<u>\$ 5,062,443</u>



CITY OF GARDEN RIDGE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 4,205,582

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 10,412,894

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds. 53,351

Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds. (126,716)

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 (6,074,973)

Losses on debt refundings do not consume current financial resources and are not reported in the funds. 35,752

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 (224,708)  
    Pension Related Deferred Outflows(Inflows) (8,074) (232,782)

Other Post-Employment Benefit Liabilities (and related deferred inflows and outflows of resources) do not consume financial resources are not repored in the governmental funds:  
    Other Post-Employment Benefit Liability (97,957)  
    Other Post-Employment Benefit Related Deferred  
    Outflows/Inflows 12,342 (85,615)

Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds. (16,182)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 8,171,311

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, 2021

	Major Funds		
	General	Debt Service	Capital Projects Fund
<b>REVENUES</b>			
Taxes	\$ 2,269,148	\$ 724,030	\$ -
Franchise Fees	491,129	-	-
Licenses and Permits	107,500	-	-
Charges for Services	215,339	-	-
Fines and Forfeits	109,066	-	-
Grants and Donations	24,780	-	-
Miscellaneous	91,133	711	112
<b>TOTAL REVENUES</b>	<u>3,308,095</u>	<u>724,741</u>	<u>112</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
General Administration	650,601	-	-
Municipal Court	89,806	-	-
Police Protection	1,231,522	-	-
Public Facilities	685,662	-	-
Capital Outlay	20,954	-	-
<i>Debt Service:</i>			
Principal	27,018	519,500	-
Interest and Agent Fees	2,101	201,975	-
<b>TOTAL EXPENDITURES</b>	<u>2,707,664</u>	<u>721,475</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>600,431</u>	<u>3,266</u>	<u>112</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Equipment	10,000	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	610,431	3,266	112
<b>Fund Balances - October 1</b>	<u>3,142,901</u>	<u>38,039</u>	<u>229,557</u>
<b>Fund Balances - September 30</b>	<u>\$ 3,753,332</u>	<u>\$ 41,305</u>	<u>\$ 229,669</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>	<u>Total</u>
<u>Asset</u>	<u>Governmental</u>
<u>Seizure</u>	<u>Funds</u>
\$ -	\$ 2,993,178
-	491,129
-	107,500
-	215,339
5,845	114,911
-	24,780
10,669	102,625
<u>16,514</u>	<u>4,049,462</u>
-	650,601
-	89,806
-	1,231,522
-	685,662
71,837	92,791
-	546,518
-	204,076
<u>71,837</u>	<u>3,500,976</u>
<u>(55,323)</u>	<u>548,486</u>
<u>-</u>	<u>10,000</u>
<u>-</u>	<u>10,000</u>
(55,323)	558,486
<u>236,599</u>	<u>3,647,096</u>
<u>\$ 181,276</u>	<u>\$ 4,205,582</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, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ 558,486
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	50,295	
Net Book Value of Disposed Capital Assets	(1,336)	
Depreciation	<u>(587,861)</u>	(538,902)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(2,289)
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.		
Principal Payments on Bonds	519,500	
Amortization of Premium on Bonds	32,282	
Principal Portion of Capital Lease Payments	27,018	
Amortization of Book Losses on Debt Refundings	<u>(8,939)</u>	569,861
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	2,112	
Compensated Absences	<u>(5,405)</u>	(3,293)
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.		36,310
Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined OPEB expense exceeded contributions.		<u>(13,433)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 606,740</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2021

**ASSETS**

*Current Assets:*

Cash and Cash Equivalents	\$ 1,498,174
Accounts Receivable - Customers	244,022
Prepaid Items	4,720
<i>Total Current Assets</i>	1,746,916

*Capital Assets:*

Land	139,954
Water Rights	454,144
Buildings	94,183
Water Lines, Wells & Tanks	17,721,999
Vehicles & Equipment	866,319
Construction in Progress	824,703
Accumulated Depreciation	(6,601,993)
<i>Total Capital Assets, Net of Depreciation</i>	13,499,309
<b>TOTAL ASSETS</b>	<b>15,246,225</b>

**DEFERRED OUTFLOWS  
OF RESOURCES**

Deferred Loss on Debt Refunding	51,945
Deferred Pension Related Outflows	20,141
Deferred Other Post-Employment Benefit Related Outflows	4,557
<b>TOTAL DEFERRED OUTFLOWS  OF RESOURCES</b>	<b>\$ 76,643</b>

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONT.)  
SEPTEMBER 30, 2021

**LIABILITIES**

*Current Liabilities:*

Accounts Payable	\$ 41,880
Accrued Liabilities	2,975
Accrued Interest Payable	17,086
Vacation Leave Payable	30,940
Customer Deposits	204,997
Due to Other Funds	942,927
Due Within One Year	511,140
<i>Total Current Liabilities</i>	1,751,945

*Noncurrent Liabilities:*

Due in More Than One Year	5,874,359
Net Pension Liability	52,709
Other Post-Employment Benefit Liability	22,978
<i>Total Noncurrent Liabilities</i>	5,950,046

<b>TOTAL LIABILITIES</b>	<b>7,701,991</b>
--------------------------	------------------

**DEFERRED INFLOWS  
OF RESOURCES**

Deferred Pension Related Inflows	22,034
Deferred OPEB Related Inflows	1,662
<b>TOTAL DEFERRED INFLOWS  OF RESOURCES</b>	<b>23,696</b>

**NET POSITION**

Net Investment in Capital Assets	5,766,866
Unrestricted	1,830,315
<b>TOTAL NET POSITION</b>	<b>\$ 7,597,181</b>



CITY OF GARDEN RIDGE, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>OPERATING REVENUE</b>	
Water Sales	\$ 1,647,418
Meter Installation Fees	7,488
Other	84,690
<b>TOTAL OPERATING REVENUE</b>	<u>1,739,596</u>
 <b>OPERATING EXPENSES</b>	
Personnel Costs	418,734
Plant Operations and Maintenance	352,757
General and Administrative	240,321
Depreciation	606,456
<b>TOTAL OPERATING EXPENSES</b>	<u>1,618,268</u>
<b>OPERATING INCOME (LOSS)</b>	<u>121,328</u>
 <b>NONOPERATING INCOME (EXPENSES)</b>	
Interest Income	9,040
Interest Expense	(180,333)
<b>TOTAL NONOPERATING INCOME (EXPENSES)</b>	<u>(171,293)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(49,965)</u>
<b>CHANGE IN NET POSITION</b>	(49,965)
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>7,647,146</u>
<b>TOTAL NET POSITION AT END OF YEAR</b>	<u>\$ 7,597,181</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, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,710,329
Cash paid to suppliers for goods and services	(756,156)
Cash paid to employees for services and benefits	<u>(417,524)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>536,649</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Net Customer Deposits Received (Returned)	4,050
Interfund Receivables/Payables and Transfers	<u>828,046</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>832,097</u>
 <b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Capital Acquisition	(1,459,385)
Principal Payments on Debt	(492,270)
Interest Paid for Financing Activities	<u>(176,919)</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(2,128,574)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income and Other Income	<u>9,039</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>9,039</u>
 <b>NET INCREASE (DECREASE) IN CASH</b>	 (750,789)
 <b>CASH AND CASH EQUIVALENTS AT OCTOBER 1:</b>	
Cash and Cash Equivalents	<u>2,248,963</u>
	<u>2,248,963</u>
 <b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:</b>	
Cash and Cash Equivalents	1,498,174
	<u>\$ 1,498,174</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, 2021

<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 121,329
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	606,456
Change in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	(29,268)
Decrease (Increase) in Prepaid Items	(4,431)
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(158,647)
Increase (Decrease) in Vacation Payable	6,578
Increase (Decrease) in Pension Liability	(8,519)
Increase (Decrease) in Other Post-Employment Benefit Liabilities	<u>3,151</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 536,649</u></u>

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021, of \$126,716 and \$30,940 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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021.

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, 2021

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

2. Investments (Continued)

The City's investments as of September 30, 2021 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, 2021 is \$750,185. During the period, the City did not invest in any investments which were not held at September 30, 2021.

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, 2021

**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, 2021

**NOTE 3 – RECEIVABLES**

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

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	
<i>Receivables:</i>				
Property Taxes	\$ 82,482	\$ 34,422	\$ -	\$ 116,904
Less Allowance for Uncollectibles	(44,635)	(18,628)	(12,000)	(75,263)
Sales Taxes	127,406	-	-	127,406
Franchise Taxes	16,550	-	-	16,550
Other	4,516	-	-	4,516
Customer Accounts	62,450	-	256,022	318,472
Net Total Receivables	<u>\$ 248,769</u>	<u>\$ 15,794</u>	<u>\$ 244,022</u>	<u>\$ 508,585</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, 2020, upon which the fiscal 2020 levy was based, was \$792,813,863 (i.e., market value less exemptions).

The estimated market value was \$946,127,893, making the taxable value 83.7% of the estimated market value. Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related Ad Valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2021, 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 \$17.3 million based upon the present assessed valuation of \$792,813,863 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, 2021

**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, 2021, balances of interfund amounts receivable or payable have been recorded as follows:

	Due From	Due To	Purpose
<i>General Fund:</i>			
Proprietary Fund	\$ 824,351	\$ -	Waste Water Planning
Proprietary Fund	118,576		Operating Costs
	<u>942,927</u>	<u>-</u>	
<i>Proprietary Fund:</i>			
General Fund		118,576	Operating Costs
General Fund	-	824,351	Waste Water Planning
	<u>-</u>	<u>942,927</u>	
	<u>\$ 942,927</u>	<u>\$ 942,927</u>	

**NOTE 6 – CAPITAL ASSETS**

Governmental capital asset activity for the year ended September 30, 2021, was as follows:

	Balances At October 1, 2020	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2021
<u>Governmental Activities</u>				
Land	\$ 481,923	\$ -	\$ -	\$ 481,923
Buildings & Improvements	3,783,515	-	-	3,783,515
Equipment & Vehicles	1,005,240	50,295	(54,592)	1,000,943
Infrastructure	12,612,342	-	-	12,612,342
	<u>17,883,020</u>	<u>50,295</u>	<u>(54,592)</u>	<u>17,878,723</u>
Less Accumulated Depreciation				
Buildings & Improvements	(1,782,334)	(129,364)	-	(1,911,698)
Equipment & Vehicles	(542,785)	(125,773)	53,256	(615,302)
Infrastructure	(4,606,105)	(332,724)	-	(4,938,829)
	<u>(6,931,224)</u>	<u>(587,861)</u>	<u>53,256</u>	<u>(7,465,829)</u>
Government Capital Assets, Net	<u>\$ 10,951,796</u>	<u>\$ (537,566)</u>	<u>\$ (1,336)</u>	<u>\$ 10,412,894</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 6 – CAPITAL ASSETS (CONT.)**

Business-type capital asset activity for the year ended September 30, 2021, was as follows:

	Balances At October 1, 2020	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2021
<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	17,087,317	634,682	-	17,721,999
Equipment & Vehicles	866,319	-	-	866,319
Construction in Progress	-	824,703	-	824,703
	<u>18,641,917</u>	<u>1,459,385</u>	<u>-</u>	<u>20,101,302</u>
Less Accumulated Depreciation				
Buildings & Improvements	(72,683)	(1,925)	-	(74,608)
Water Lines & Extensions	(5,202,978)	(549,334)	-	(5,752,312)
Equipment & Vehicles	(719,876)	(55,197)	-	(775,073)
	<u>(5,995,537)</u>	<u>(606,456)</u>	<u>-</u>	<u>(6,601,993)</u>
Business-Type Capital Assets, Net	<u>\$ 12,646,380</u>	<u>\$ 852,929</u>	<u>\$ -</u>	<u>\$ 13,499,309</u>

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

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 122,806
Police Protection	59,340
Public Facilities	405,715
Total Depreciation Expense - Governmental Activities	<u>\$ 587,861</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 7 – LONG-TERM DEBT**

At September 30, 2021, the City’s long-term bonded debt consisted of the following:

Governmental Activities:	Range of Interest Rates	Original Amount
Certificates of Obligations Series 2012	2.000%-3.250%	3,351,600
Certificates of Obligations Series 2012	2.000%-3.000%	1,925,000
Certificates of Obligations Series 2015	2.000%-4.000%	3,639,500
Business Activities:	Range of Interest Rates	Original Amount
Certificates of Obligations Series 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, 2021 is as follows:

Governmental Activities:	Balance 10/1/20	Additions	Retirements	Balance Outstanding 9/30/21	Due in One Year
2012 Series	\$ 2,427,600	\$ -	\$ (170,800)	\$ 2,256,800	\$ 176,400
2012 Series	820,000	-	(195,000)	625,000	195,000
2015 Series	2,995,700	-	(153,700)	2,842,000	159,500
Capital Lease	49,391	-	(27,018)	22,373	16,556
Premiums	361,082	-	(32,282)	328,800	32,282
	<u>\$ 6,653,773</u>	<u>\$ -</u>	<u>\$ (578,800)</u>	<u>\$ 6,074,973</u>	<u>\$ 579,738</u>

Business-Type Activities:	Balance 10/1/20	Additions	Retirements	Balance Outstanding 9/30/21	Due in One Year
2012 Series	\$ 1,907,400	\$ -	\$ (134,200)	\$ 1,773,200	\$ 138,600
2015 Series	2,169,300	-	(111,300)	2,058,000	115,500
2017 Series	2,380,000	-	(205,000)	2,175,000	215,000
Capital Lease	16,587	-	(5,262)	11,325	5,532
Premiums	404,482	-	(36,508)	367,974	36,508
	<u>\$ 6,877,769</u>	<u>\$ -</u>	<u>\$ (492,270)</u>	<u>\$ 6,385,499</u>	<u>\$ 511,140</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, 2021

**NOTE 7 – 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, 2021, the City reported \$87,697 in deferred refunding losses that will be amortized in future periods.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 7 – 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			
Ending September 30	Principal	Interest	Total
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	378,600	128,393	506,993
2027-2031	2,107,200	428,269	2,535,469
2032-2035	1,212,400	83,792	1,296,192
	<u>\$ 5,723,800</u>	<u>\$ 1,300,140</u>	<u>\$ 7,023,940</u>

Business -Type Activities:			
Fiscal Year			
Ending September 30	Principal	Interest	Total
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	526,400	138,695	665,095
2027-2031	2,637,800	402,694	3,040,494
2032-2035	892,600	60,915	953,515
	<u>\$ 6,006,200</u>	<u>\$ 1,309,671</u>	<u>\$ 7,315,871</u>

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

Year Ending	Governmental	Business-Type
September 30,	Activities	Activities
2022	\$ 17,676	\$ 5,973
2023	5,973	5,973
	<u>23,649</u>	<u>11,946</u>
Less: Amount Representing Interest	(1,276)	(621)
	<u>\$ 22,373</u>	<u>\$ 11,325</u>

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2021

**NOTE 7 – LONG-TERM DEBT (CONT.)**

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

The City leased capital assets for governmental and business type activities in the amount of \$82,687 and \$26,378, respectively. Accumulated depreciation on the capital assets leased for governmental and business-type activities was \$58,470 and \$14,759, respectively, as of September 30, 2021.

**NOTE 8 – EMPLOYEES’ RETIREMENT SYSTEM**

**A. Plan Description**

The City participates as one of over 895 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.tmrs.com](http://www.tmrs.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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	2020	2019
Inactive Employees or Beneficiaries Currently Receiving Benefits	19	16
Inactive Employees Entitled to but Not Yet Receiving Benefits	27	24
Active employees	26	29
	72	69



CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 8 – 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 7.54% and 7.62% in calendar years 2021 and 2020, respectively. The City’s contributions to TMRS for the year ended September 30, 2021 were \$129,226 and were equal to the required contributions.

**D. Net Pension Liability**

The City’s Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	2.75% 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, 2021

**NOTE 8 – 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 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	<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, 2021

**NOTE 8 – 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, 2020:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 3,443,974	\$ 3,118,928	\$ 325,046
Changes for the year:			
Service Cost	179,667	-	179,667
Interest	234,777	-	234,777
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(24,074)	-	(24,074)
Changes of Assumptions	-	-	-
Contributions - Employer	-	120,705	(120,705)
Contributions - Employee	-	81,667	(81,667)
Net Investment Income	-	237,218	(237,218)
Benefit Payments, Including Refunds of Employee Contributions	(111,264)	(111,264)	-
Administrative Expense	-	(1,532)	1,532
Other Changes	-	(59)	59
Net Changes	279,106	326,735	(47,629)
Balance at December 31, 2020	\$ 3,723,080	\$ 3,445,663	\$ 277,417

**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	\$ 802,996	\$ 277,417	\$ (154,596)

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 8 – EMPLOYEES’ RETIREMENT SYSTEM (CONT.)**

**H. Pension Plan Fiduciary Net Position**

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

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

For the year ended September 30, 2021, the City recognized pension expense of \$127,515. Also as of September 30, 2021, 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	\$ -	\$ 88,322
Changes in Actuarial Assumptions	9,652	-
Differences Between Projected and Actual Investment Earnings	-	27,641
Contributions Subsequent to the Measurement Date	96,344	-
	\$ 105,996	\$ 115,963

Deferred outflows of resources in the amount of \$96,344 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, 2021. 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,	
2021	\$ (40,855)
2022	(4,578)
2023	(55,540)
2024	(5,338)
	\$ (106,311)

**NOTE 9 – 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, 2021

**NOTE 9 – 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	2020
Inactive Employees or Beneficiaries Currently Receiving Benefits	14	15
Inactive Employees Entitled to but Not Yet Receiving Benefits	4	4
Active Employees	29	26
	47	45

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

For the Plan Year Ended December 31,	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2020	0.19%	0.03%
2021	0.22%	0.09%

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:

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.00% (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 set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and female, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)**

The City’s Total OPEB Liability (TOL), based on the actuarial factors, as of December 31, 2020 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2019	\$ 98,340
Changes for the year:	
Service Cost	11,433
Interest	2,853
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(7,182)
Changes of Assumptions or Other Inputs	16,144
Benefit Payments	(653)
Net Changes	22,595
Balance at December 31, 2020	\$ 120,935

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 2.00% as well as what the City’s TOL would be if it were calculated using a discount rate that is 1-percentage point lower (1.00%) and 1-percentage point higher (3.00%) than the current rate:

	Discount Rate 1.00%	Discount Rate 2.00%	Discount Rate 3.00%
Total OPEB Liability	\$ 148,220	\$ 120,935	\$ 100,058

For the year ended September 30, 2021, the City recognized OPEB expense of \$3,839. Also as of September 30, 2021, 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	\$ -	\$ 8,748
Changes in Actuarial Assumptions	22,833	-
Contributions Subsequent to the Measurement Date	1,152	-
	\$ 23,985	\$ 8,748

CITY OF GARDEN RIDGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2021

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)**

Deferred outflows of resources in the amount of \$1,152 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, 2020. 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,	
2021	\$ 3,628
2022	3,549
2023	2,624
2024	3,382
2025	902
	\$ 14,085

**NOTE 10 – 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, 2021, were \$87,529.

**NOTE 11 – 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>	
2022	\$ 51,720
	\$ 51,720

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2021

**NOTE 12 – SUBSEQUENT EVENT**

In December, the City signed a State Infrastructure Bank Loan Agreement with the State of Texas for \$620,000 at 1.34% interest. The loan will be paid in incremental payments for the next 30 years and will be used to widen FM 2252.



## **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, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
<i>Taxes:</i>				
Ad Valorem	\$ 1,708,500	\$ 1,762,100	<b>\$ 1,734,972</b>	\$ (27,128)
Sales	275,000	360,000	<b>534,176</b>	174,176
<i>Total Taxes</i>	<u>1,983,500</u>	<u>2,122,100</u>	<u><b>2,269,148</b></u>	<u>147,048</u>
<i>Franchise Fees:</i>				
Cable	60,000	60,000	<b>62,432</b>	2,432
Electric	331,500	330,000	<b>335,336</b>	5,336
Gas	19,220	21,200	<b>21,281</b>	81
Telephone	8,000	8,000	<b>6,118</b>	(1,882)
Water	66,000	66,000	<b>65,962</b>	(38)
<i>Total Franchise Fees</i>	<u>484,720</u>	<u>485,200</u>	<u><b>491,129</b></u>	<u>5,929</u>
<i>Licenses and Permits:</i>				
Building & Electrical	160,050	83,000	<b>105,140</b>	22,140
Other	2,550	2,500	<b>2,360</b>	(140)
<i>Total Licenses and Permits</i>	<u>162,600</u>	<u>85,500</u>	<u><b>107,500</b></u>	<u>22,000</u>
<i>Charges for Services:</i>				
Rental Fees	119,640	94,100	<b>103,939</b>	9,839
Planning & Variance	2,500	1,500	<b>3,271</b>	1,771
Garbage Collection	101,900	103,500	<b>104,219</b>	719
Pet Registration	3,500	3,500	<b>3,910</b>	410
<i>Total Charges for Services</i>	<u>227,540</u>	<u>202,600</u>	<u><b>215,339</b></u>	<u>12,739</u>
<i>Fines and Forfeitures:</i>				
Court Fines	112,895	79,415	<b>99,928</b>	20,513
Warrant Fees & Fines	11,000	8,600	<b>9,138</b>	538
<i>Total Fines and Forfeitures</i>	<u>\$ 123,895</u>	<u>\$ 88,015</u>	<u><b>\$ 109,066</b></u>	<u>\$ 21,051</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, 2021

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES (CONT.)</b>				
<i>Grants and Contributions:</i>				
Contributions	\$ -	\$ 17,247	\$ 24,780	\$ 7,533
<i>Total Grants and Contributions</i>	<u>-</u>	<u>17,247</u>	<u>24,780</u>	<u>7,533</u>
<i>Other Sources:</i>				
Interest	18,000	19,300	17,869	(1,431)
Miscellaneous	45,760	51,218	73,264	22,046
<i>Total Other Sources</i>	<u>63,760</u>	<u>70,518</u>	<u>91,133</u>	<u>20,615</u>
<b>TOTAL REVENUES</b>	<u>3,046,015</u>	<u>3,071,180</u>	<u>3,308,095</u>	<u>236,915</u>
<b>EXPENDITURES</b>				
<i>General Administration:</i>				
Personnel	342,724	300,374	296,683	3,691
Contract Fees	213,256	214,121	138,505	75,616
Administrative	194,533	224,910	203,311	21,599
Capital Outlay	85,000	94,000	14,122	79,878
Insurance	12,723	12,103	12,102	1
<i>Total General Administration</i>	<u>848,236</u>	<u>845,508</u>	<u>664,723</u>	<u>180,785</u>
<i>Municipal Court:</i>				
Personnel	61,150	62,074	61,592	482
Contract Fees	14,400	14,400	14,000	400
Operations & Maintenance	15,555	15,864	14,214	1,650
<i>Total Municipal Court</i>	<u>91,105</u>	<u>92,338</u>	<u>89,806</u>	<u>2,532</u>
<i>Police Protection:</i>				
Personnel	1,159,673	1,142,793	1,107,800	34,993
Operations & Maintenance	117,510	113,307	101,707	11,600
Insurance	16,656	16,350	16,348	2
Leases	5,866	5,677	5,667	10
<i>Total Police Protection</i>	<u>\$ 1,299,705</u>	<u>\$ 1,278,127</u>	<u>\$ 1,231,522</u>	<u>\$ 46,605</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, 2021

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES (CONT.)</b>				
<i>Public Facilities:</i>				
Personnel	\$ 457,399	\$ 458,751	\$ 430,722	\$ 28,029
Contract Fees	4,500	4,150	4,372	(222)
Operations & Maintenance	74,760	73,640	69,374	4,266
Streets and Drainage	11,000	11,000	4,052	6,948
Insurance	4,826	4,661	4,656	5
Animal Control & Park	132,280	119,825	101,808	18,017
Library	12,446	29,134	30,299	(1,165)
Community Center	63,712	51,557	40,379	11,178
Capital Outlay	13,600	1,213,150	6,832	1,206,318
<i>Total Public Facilities</i>	<u>774,523</u>	<u>1,965,868</u>	<u>692,494</u>	<u>1,273,374</u>
<i>Debt Service:</i>				
Principal	30,436	29,120	27,018	2,102
Interest and Agent Fees	-	-	2,101	(2,101)
<i>Total Debt Service</i>	<u>30,436</u>	<u>29,120</u>	<u>29,119</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>3,044,005</u>	<u>4,210,961</u>	<u>2,707,664</u>	<u>1,503,297</u>
<b>Excess (Deficiency) Over (Under) Expenditures</b>	<u>2,010</u>	<u>(1,139,781)</u>	<u>600,431</u>	<u>1,740,212</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	<u>3,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	5,010	(1,129,781)	610,431	1,740,212
<b>Fund Balance - October 1</b>	<u>3,142,901</u>	<u>3,142,901</u>	<u>3,142,901</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 3,147,911</u>	<u>\$ 2,013,120</u>	<u>\$ 3,753,332</u>	<u>\$ 1,740,212</u>

CITY OF GARDEN RIDGE, TEXAS  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL – GENERAL FUND  
SEPTEMBER 30, 2021

**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, 2021 the expenditures did not exceed appropriations in total in the General Fund and Debt Service 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 SIX CALENDAR YEARS

	Total Pension Liability					
	2015	2016	2017	2018	2019	2020
Service Cost	\$ 156,540	\$ 160,212	\$ 174,081	\$ 179,361	\$ 183,285	\$ 179,667
Interest (on the Total Pension Liability)	143,776	159,773	173,326	194,988	213,010	234,777
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	26,730	(57,945)	27,159	(39,457)	2,430	(24,074)
Change of Assumptions	52,564	-	-	-	20,376	-
Benefit Payments, Including Refunds of Employee Contributions	(51,596)	(85,152)	(51,233)	(61,351)	(78,367)	(111,264)
Net Change in Total Pension Liability	328,014	176,888	323,333	273,541	340,734	279,106
Total Pension Liability - Beginning	2,001,464	2,329,478	2,506,366	2,829,699	3,103,240	3,443,974
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>	<u>\$ 3,723,080</u>
	Plan Fiduciary Net Position					
	2015	2016	2017	2018	2019	2020
Contributions - Employer	\$ 109,610	\$ 140,678	\$ 126,816	\$ 125,554	\$ 130,010	\$ 120,705
Contributions - Employee	71,675	70,640	77,232	80,072	83,768	81,667
Net Investment Income	2,508	123,795	288,406	(75,519)	400,431	237,218
Benefit Payments, Including Refunds of Employee Contributions	(51,596)	(85,152)	(51,233)	(61,351)	(78,367)	(111,264)
Administrative Expense	(1,527)	(1,397)	(1,493)	(1,458)	(2,258)	(1,532)
Other	(75)	(75)	(76)	(77)	(68)	(59)
Net Change in Plan Fiduciary Net Position	130,595	248,489	439,652	67,221	533,516	326,735
Plan Fiduciary Net Position - Beginning	1,699,455	1,830,050	2,078,539	2,518,191	2,585,412	3,118,928
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>	<u>\$ 3,445,663</u>
Net Pension Liability - Ending	\$ 499,428	\$ 427,827	\$ 311,508	\$ 517,828	\$ 325,046	\$ 277,417
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.56%	82.93%	88.99%	83.31%	90.56%	92.55%
Covered Payroll	\$ 1,433,517	\$ 1,412,801	\$ 1,544,639	\$ 1,601,438	\$ 1,675,361	\$ 1,633,333
Net Pension Liability as a Percentage of Employee Payroll	34.84%	30.28%	20.17%	32.34%	19.40%	16.98%

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, 2015 as data becomes available.

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SEPTEMBER 30, 2021  
LAST SIX FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution (ARC)	Contributions in Relation to ARC	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As Percent of Covered Payroll
2016	\$ 104,953	\$ 139,953	\$ (35,000)	\$ 1,394,604	10.04%
2017	120,506	120,506	-	1,502,505	8.02%
2018	126,771	126,771	-	1,599,220	7.93%
2019	128,111	128,111	-	1,646,472	7.78%
2020	127,515	127,515	-	1,653,345	7.71%
2021	129,226	129,226	-	1,725,007	7.49%

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, 2016 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	24 Years
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes There were no benefit changes during the year.

CITY OF GARDEN RIDGE, TEXAS  
SCHEDULE OF CHANGES –OTHER POST EMPLOYMENT BENEFIT  
LIABILITY AND RELATED RATIOS  
SEPTEMBER 30, 2021  
LAST THREE CALENDAR YEARS

	Total OPEB Liability		
	2018	2019	2020
Service Cost	\$ 4,964	\$ 5,026	\$ 11,433
Interest (on the Total OPEB Liability)	2,676	2,967	2,853
Changes of Benefit Terms	-		
Difference between Expected and Actual Experience	(2,234)	(2,683)	(7,182)
Change of Assumptions	(5,795)	15,808	16,144
Benefit Payments	(480)	(503)	(653)
Net Change in Total OPEB Liability	(869)	20,615	22,595
Total OPEB Liability - Beginning	78,594	77,725	98,340
Total OPEB Liability - Ending	<u>\$ 77,725</u>	<u>\$ 98,340</u>	<u>\$ 120,935</u>
 Covered Employee Payroll	 \$ 1,601,438	 \$ 1,675,361	 \$ 1,633,333
 Net OPEB Liability as a Percentage of Covered Payroll	 4.85%	 5.87%	 7.40%

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 11.50% Including Inflation
Discount Rate	2.00% (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 set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and female, respectively. The rates



## **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, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Cash and Cash Equivalents	<b>\$ 2,844,270</b>	\$ 2,927,425
Taxes Receivable (Net of Uncollectible of \$46,153 and \$42,848, respectively)	<b>37,847</b>	38,363
Due From Other Funds	<b>942,927</b>	114,881
Other Receivables	<b>211,022</b>	326,383
Prepaid Items	<b>33,791</b>	4,782
<b>TOTAL ASSETS</b>	<b>\$ 4,069,857</b>	\$ 3,411,834
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	<b>\$ 223,939</b>	\$ 159,308
Accrued Expenditures	<b>15,115</b>	61,609
Unearned Revenue	<b>30,059</b>	-
Deposits	<b>9,770</b>	9,000
<i>Total Liabilities</i>	<b>278,883</b>	229,917
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	<b>37,642</b>	39,016
<i>Total Deferred Inflows of Resources:</i>	<b>37,642</b>	39,016
 <i>Fund Balance:</i>		
<i>Non-Spendable:</i>		
Prepaid Items	<b>33,791</b>	4,782
<i>Restricted:</i>		
Child Safety	<b>37,034</b>	30,043
Court Security & Technology	<b>2,401</b>	4,681
Donations	<b>6,891</b>	7,042
PEG Capital Fees	<b>46,934</b>	43,856
Unassigned	<b>3,626,281</b>	3,052,497
<i>Total Fund Balance</i>	<b>3,753,332</b>	3,142,901
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCE</b>		
	<b>\$ 4,069,857</b>	\$ 3,411,834

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>REVENUES</b>		
<i>Taxes:</i>		
Ad Valorem	\$ 1,734,972	\$ 1,685,272
Sales	534,176	355,616
<i>Total Taxes</i>	2,269,148	2,040,888
 <i>Franchise Fees:</i>		
Cable	62,432	60,364
Electric	335,336	337,201
Gas	21,281	19,219
Telephone	6,118	14,426
Water	65,962	66,031
<i>Total Franchise Fees</i>	491,129	497,241
 <i>Licenses and Permits:</i>		
Building & Electrical	105,140	203,443
Other	2,360	2,620
<i>Total Licenses and Permits</i>	107,500	206,063
 <i>Charges for Services:</i>		
Rental Fees	103,939	106,635
Planning & Variance	3,271	2,650
Garbage Collection	104,219	91,646
Pet Registration	3,910	3,109
<i>Total Charges for Services</i>	215,339	204,040
 <i>Fines and Forfeitures:</i>		
Court Fines	99,928	102,605
Warrant Fees & Fines	9,138	9,696
<i>Total Fines &amp; Forfeitures</i>	\$ 109,066	\$ 112,301

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>REVENUES (CONT.)</b>		
<i>Other Sources:</i>		
Interest	\$ 17,869	\$ 29,403
Grants	-	226,655
Contributions	24,780	9,589
Miscellaneous	73,264	49,565
<i>Total Other Sources</i>	115,913	315,212
 <b>TOTAL REVENUES</b>	 <b>3,308,095</b>	 <b>3,375,745</b>
 <b>EXPENDITURES</b>		
<i>General Administration:</i>		
Personnel	296,683	260,759
Contract Fees	138,505	167,707
Administrative	203,311	183,005
Insurance	12,102	11,805
Farmer's Market	-	6,499
Capital Outlay	14,122	69,773
<i>Total General Administration</i>	664,723	699,548
 <i>Municipal Court:</i>		
Personnel	61,592	59,272
Contract Fees	14,000	9,600
Operations & Maintenance	14,214	13,989
<i>Total Municipal Court</i>	89,806	82,861
 <i>Public Safety:</i>		
Personnel	1,107,800	1,026,651
Operations & Maintenance	101,707	100,399
Capital Outlay	-	33,113
Insurance	16,348	15,862
Lease Payments	5,667	5,625
<i>Total Public Safety</i>	\$ 1,231,522	\$ 1,181,650

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>EXPENDITURES (CONT.)</b>		
<i>Public Facilities:</i>		
Personnel	\$ 430,722	\$ 410,858
Contract Fees	4,372	1,429
Operations & Maintenance	69,374	54,293
Streets and Drainage	4,052	6,399
Insurance	4,656	4,592
Animal Control & Park	101,808	87,077
Library	30,299	15,845
Community Center	40,379	46,612
Capital Outlay	6,832	62,552
<i>Total Public Facilities</i>	692,494	689,657
 <i>Debt Service:</i>		
Principal	27,018	36,841
Interest and Agent Fees	2,101	2,088
<i>Total Debt Service</i>	29,119	38,929
 <b>TOTAL EXPENDITURES</b>	<b>2,707,664</b>	<b>2,692,645</b>
 <b>Excess (Deficiency) Over (Under) Expenditures</b>	<b>600,431</b>	<b>683,100</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Capital Lease	-	33,113
Proceeds from Sale of Equipment	10,000	38,378
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10,000</b>	<b>71,491</b>
 <b>Net Change in Fund Balance</b>	<b>610,431</b>	<b>754,591</b>
 <b>Fund Balance - October 1</b>	<b>3,142,901</b>	<b>2,388,310</b>
<b>Fund Balance - September 30</b>	<b>\$ 3,753,332</b>	<b>\$ 3,142,901</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 DEBT SERVICE FUND  
 SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Cash	\$ 41,220	\$ 38,321
Taxes Receivable	15,794	16,342
<b>TOTAL ASSETS</b>	<b>\$ 57,014</b>	<b>\$ 54,663</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>		
<i>Liabilities:</i>		
Due to Other Funds	\$ -	\$ -
<i>Total Liabilities</i>	-	-
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenues	15,709	16,624
<i>Total Deferred Inflows of Resources</i>	15,709	16,624
<i>Fund Balance:</i>		
Restricted	41,305	38,039
<i>Total Fund Balance:</i>	41,305	38,039
<b>TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 57,014</b>	<b>\$ 54,663</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 DEBT SERVICE FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Ad Valorem Tax	<b>\$ 724,030</b>	\$ 728,865
Interest	<b>711</b>	1,400
<b>TOTAL REVENUES</b>	<b>724,741</b>	730,265
 <b>EXPENDITURES</b>		
Bond Interest and Fiscal Charges	<b>201,975</b>	214,924
Bond Principal	<b>519,500</b>	508,800
<b>TOTAL EXPENDITURES</b>	<b>721,475</b>	723,724
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,266</b>	6,541
 <b>Net Change in Fund Balance</b>	<b>3,266</b>	6,541
 <b>Fund Balance - October 1</b>	<b>38,039</b>	31,498
<b>Fund Balance - September 30</b>	<b>\$ 41,305</b>	\$ 38,039

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Cash and Investments	\$ 741,347	\$ 368,880
<b>TOTAL ASSETS</b>	<b>\$ 741,347</b>	<b>\$ 368,880</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 139,323
Unearned Revenues	511,678	-
<i>Total Liabilities</i>	<b>511,678</b>	139,323
 <i>Fund Balance:</i>		
Assigned	229,669	229,557
<i>Total Fund Balance</i>	<b>229,669</b>	229,557
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 741,347</b>	<b>\$ 368,880</b>



CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 CAPITAL PROJECTS FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<b>2021</b>	2020
<b>REVENUES</b>		
Interest	\$ 112	\$ 2,260
<b>TOTAL REVENUES</b>	<b>112</b>	2,260
 <b>EXPENDITURES</b>		
Capital Projects	-	287
<b>TOTAL EXPENDITURES</b>	-	287
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>112</b>	1,973
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	-	(5,166)
<b>TOTAL OTHER FINANCING SOURCES SOURCES (USES)</b>	-	(5,166)
 <b>Net Change in Fund Balance</b>	<b>112</b>	(3,193)
 <b>Fund Balance - October 1</b>	<b>229,557</b>	232,750
<b>Fund Balance - September 30</b>	<b>\$ 229,669</b>	\$ 229,557

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 NONMAJOR FUNDS – ASSET SEIZURE  
 SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Cash and Investments	<b>\$ 194,225</b>	\$ 236,599
<b>TOTAL ASSETS</b>	<b>\$ 194,225</b>	\$ 236,599
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	<b>\$ 12,949</b>	\$ -
<i>Total Liabilities</i>	<b>12,949</b>	-
 <i>Fund Balance:</i>		
Restricted	<b>181,276</b>	236,599
<i>Total Fund Balance</i>	<b>181,276</b>	236,599
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 194,225</b>	\$ 236,599

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, 2021 AND 2020

	2021	2020
<b>REVENUES</b>		
Fines and Forfeits	\$ 5,845	\$ 37,584
Interest	<b>10,669</b>	5,074
<b>TOTAL REVENUES</b>	<b>16,514</b>	42,658
 <b>EXPENDITURES</b>		
Capital Outlay	<b>71,837</b>	42,208
<b>TOTAL EXPENDITURES</b>	<b>71,837</b>	42,208
<b>Net Change in Fund Balance</b>	<b>(55,323)</b>	450
 <b>Fund Balance - October 1</b>	<b>236,599</b>	236,149
<b>Fund Balance - September 30</b>	<b>\$ 181,276</b>	\$ 236,599

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF NET POSITION  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 1,498,174	\$ 2,248,963
Accounts Receivable - Customers	244,022	214,754
Prepaid Items	4,720	289
<i>Total Current Assets</i>	1,746,916	2,464,006
 <i>Capital Assets:</i>		
Land	139,954	139,954
Water Rights	454,144	454,144
Buildings	94,183	94,183
Water Lines, Wells & Tanks	17,721,999	17,087,317
Vehicles & Equipment	866,319	866,319
Construction in Progress	824,703	-
Accumulated Depreciation	(6,601,993)	(5,995,537)
<i>Total Capital Assets, Net of Depreciation</i>	13,499,309	12,646,380
<b>TOTAL ASSETS</b>	<b>15,246,225</b>	<b>15,110,386</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Debt Refunding	51,945	57,140
Deferred Pension Related Outflows	20,141	19,539
Deferred Other Post-Employment Benefit Related Outflows	4,557	2,456
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 76,643</b>	<b>\$ 79,135</b>

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF NET POSITION (CONT.)  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>LIABILITIES</b>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 41,880	\$ 189,234
Accrued Liabilities	2,975	14,267
Accrued Interest	17,086	18,867
Due to Other Funds	942,927	114,881
Vacation Leave Payable	30,940	24,362
Customer Deposits	204,997	200,947
Due Within One Year	511,140	492,270
<i>Noncurrent Liabilities:</i>		
Due In More Than One Year	5,874,359	6,385,499
Net Pension Liability	52,709	61,759
Other Post-Employment Benefit Liability	22,978	18,685
<b>TOTAL LIABILITIES</b>	<b>7,701,991</b>	<b>7,520,771</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Related Inflows	22,034	20,901
Deferred OPEB Related Inflows	1,662	703
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>23,696</b>	<b>21,604</b>
 <b>NET POSITION</b>		
Investment in Capital Assets	5,766,866	5,825,751
Unrestricted	1,830,315	1,821,395
<b>TOTAL NET POSITION</b>	<b>\$ 7,597,181</b>	<b>\$ 7,647,146</b>



CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND NET POSITON – WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<b>2021</b>	2020
<b>OPERATING REVENUE</b>		
Water Sales	\$ 1,647,418	1,752,249
Meter Installation Fees	7,488	25,175
Other	<b>84,691</b>	88,005
<b>TOTAL OPERATING REVENUE</b>	<b>1,739,597</b>	1,865,429
 <b>OPERATING EXPENSES</b>		
Personnel Costs	418,734	386,535
Plant Operations and Maintenance	352,757	371,796
General and Administrative	240,321	455,246
Depreciation	<b>606,456</b>	534,622
<b>TOTAL OPERATING EXPENSES</b>	<b>1,618,268</b>	1,748,199
 <b>OPERATING INCOME (LOSS)</b>	<b>121,329</b>	117,230
 <b>NONOPERATING INCOME (EXPENSES)</b>		
Interest Income	9,039	20,984
Interest Expense	<b>(180,333)</b>	(194,177)
<b>TOTAL NONOPERATING INCOME (EXPENSES)</b>	<b>(171,294)</b>	(173,193)
 <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(49,965)</b>	(55,963)
Transfers In (Out)	-	5,166
<b>CHANGE IN NET POSITION</b>	<b>(49,965)</b>	(50,797)
 <b>NET POSITION AT BEGINNING OF YEAR</b>	<b>7,647,146</b>	7,697,943
 <b>TOTAL NET POSITION AT END OF YEAR</b>	<b>\$ 7,597,181</b>	\$ 7,647,146

CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,710,329	\$ 1,946,764
Cash paid to suppliers for goods and services	(756,156)	(682,623)
Cash paid to employees for services and benefits	(417,524)	(384,741)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>536,649</u>	<u>879,400</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Net Customer Deposits Received (Returned)	4,050	5,150
Interfund Receivables/Payables and Transfers	828,047	124,536
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>832,097</u>	<u>129,686</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Capital Acquisition	(1,459,385)	-
Principal Payments on Debt	(492,270)	(480,934)
Interest Paid for Financing Activities	(176,919)	(190,195)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(2,128,574)</u>	<u>(671,129)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income and Other Income	9,039	20,984
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>9,039</u>	<u>20,984</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(750,789)</b>	358,941
<b>CASH AND CASH EQUIVALENTS AT OCTOBER 1:</b>		
Cash and Cash Equivalents	2,248,963	1,743,712
Restricted Cash and Cash Equivalents	-	146,310
	<u>2,248,963</u>	<u>1,890,022</u>
<b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:</b>		
Cash and Cash Equivalents	1,498,174	2,248,963
	<u>\$ 1,498,174</u>	<u>\$ 2,248,963</u>



CITY OF GARDEN RIDGE, TEXAS  
 COMPARATIVE STATEMENTS OF CASH FLOWS (CONT.)  
 WATER FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>		
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 121,329	\$ 117,230
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	606,456	534,622
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(29,268)	81,335
Decrease (Increase) in Prepaid Items	(4,431)	(289)
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(158,647)	144,708
Increase (Decrease) in Vacation Payable	6,578	1,605
Increase (Decrease) in Pension Liabilities and related Deferred Inflows and Outflows of Resources	(8,519)	(257)
Increase (Decrease) in Other Post-Employment Benefit Liabilities and related Deferred Inflows and Outflows of Resources	3,151	446
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 536,649</b>	<b>\$ 879,400</b>



## STATISTICAL SECTION

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

### Financial Trends (Tables 1 through 4)

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

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

### Revenue Capacity (Tables 5 through 9)

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

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

### Debt Capacity (Tables 10 through 11)

Ratios of Outstanding Debt by Type  
Debt Margin Information

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

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

Demographic and Economic Statistics  
Principal Employers

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

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

	Fiscal Year			
	2012	2013	2014	2015
<b>NET POSITION</b>				
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 3,553,731	\$ 3,461,062	\$ 4,206,390	\$ 4,134,312
Restricted	236,676	158,793	140,910	132,531
Unrestricted	<u>1,056,721</u>	<u>1,428,388</u>	<u>1,115,259</u>	<u>1,214,715</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 4,847,128</u>	<u>\$ 5,048,243</u>	<u>\$ 5,462,559</u>	<u>\$ 5,481,558</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 2,981,297	\$ 3,138,760	\$ 2,879,943	\$ 2,802,056
Restricted	989,180	1,168,024	1,070,641	326,619
Unrestricted	<u>2,768,462</u>	<u>3,158,627</u>	<u>3,125,132</u>	<u>3,738,506</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 6,738,939</u>	<u>\$ 7,465,411</u>	<u>\$ 7,075,716</u>	<u>\$ 6,867,181</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 6,535,028	\$ 6,599,822	\$ 7,086,333	\$ 6,936,368
Restricted	1,195,922	1,326,817	1,211,551	459,150
Unrestricted	<u>3,855,117</u>	<u>4,587,015</u>	<u>4,240,391</u>	<u>4,953,221</u>
<i>Total Primary Government Net Position</i>	<u>\$ 11,586,067</u>	<u>\$ 12,513,654</u>	<u>\$ 12,538,275</u>	<u>\$ 12,348,739</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					
2016	2017	2018	2019	2020	2021
\$ 3,726,037	\$ 3,568,188	\$ 3,829,106	\$ 4,245,536	\$ 4,342,714	\$ 4,373,673
196,833	671,600	599,103	348,761	358,590	315,368
<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>3,482,270</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>	<u>\$ 8,171,311</u>
\$ 2,725,436	\$ 4,693,957	\$ 5,715,624	\$ 5,884,635	\$ 5,825,751	\$ 5,766,866
468,485	152,710	145,100	146,310	-	-
<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>1,830,315</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>	<u>\$ 7,597,181</u>
\$ 6,451,473	\$ 8,262,145	\$ 9,544,730	\$ 10,130,171	\$ 10,168,465	\$ 10,140,539
665,318	824,310	744,203	495,071	358,590	315,368
<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>5,312,585</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>	<u>\$ 15,768,492</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
<i>Governmental Activities</i>				
General Administration	\$ 687,622	\$ 661,157	\$ 706,719	\$ 752,203
Police Protection	1,059,925	1,040,620	1,098,517	1,151,588
Municipal Court	59,681	64,158	68,488	69,997
Public Facilities	490,398	514,462	582,289	621,000
Interest and Fiscal Charges	121,890	471,942	134,765	316,428
<i>Total Governmental Activities Expense</i>	<u>2,419,516</u>	<u>2,752,339</u>	<u>2,590,778</u>	<u>2,911,216</u>
<i>Business-Type Activities</i>				
Water	<u>1,078,976</u>	<u>1,160,691</u>	<u>1,355,804</u>	<u>1,393,909</u>
<b>Total Primary Government Expenses</b>	<u><u>\$ 3,498,492</u></u>	<u><u>\$ 3,913,030</u></u>	<u><u>\$ 3,946,582</u></u>	<u><u>\$ 4,305,125</u></u>
<b>Program Revenues</b>				
<i>Governmental Activities</i>				
Charges for Service:				
General Administration	\$ 288,138	\$ 235,281	\$ 248,025	\$ 220,335
Police Protection/Municipal Court	170,495	198,850	125,042	135,457
Public Facilities	85,389	104,350	103,310	119,821
Operating Grants and Contributions	49,237	60,249	27,806	17,476
Capital Grants and Contributions	-	-	-	-
<i>Total Governmental Activities Program Revenues</i>	<u>593,259</u>	<u>598,730</u>	<u>504,183</u>	<u>493,089</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water	1,167,466	1,687,250	1,090,452	1,180,196
Capital Grants and Contributions	-	-	306,000	-
<i>Total Business-Type Activities Program Revenues</i>	<u>1,167,466</u>	<u>1,687,250</u>	<u>1,396,452</u>	<u>1,180,196</u>
<b>Total Primary Government Program Revenues</b>	<u><u>\$ 1,760,725</u></u>	<u><u>\$ 2,285,980</u></u>	<u><u>\$ 1,900,635</u></u>	<u><u>\$ 1,673,285</u></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					
2016	2017	2018	2019	2020	2021
\$ 675,567	\$ 769,406	\$ 753,492	\$ 713,625	\$ 786,100	\$ 771,812
1,105,268	1,283,354	1,274,116	1,312,733	1,250,096	1,319,434
76,819	74,313	78,147	82,616	91,198	88,781
750,765	864,668	911,704	1,134,958	1,023,324	1,090,447
454,501	227,646	215,593	188,958	191,911	178,621
<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>3,449,095</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>1,798,601</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>	<u>\$ 5,247,696</u>
\$ 201,198	\$ 236,988	\$ 257,121	\$ 281,163	\$ 316,143	\$ 219,475
142,357	141,920	138,382	124,524	112,320	109,106
121,508	117,880	123,010	132,528	96,295	105,864
80,461	271,538	244,125	48,798	277,810	36,050
-	-	50,000	-	-	-
<u>545,524</u>	<u>768,326</u>	<u>812,638</u>	<u>587,013</u>	<u>802,568</u>	<u>470,495</u>
1,512,787	1,546,906	1,888,364	1,653,594	1,863,673	1,734,519
-	-	-	-	-	-
<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>1,734,519</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>	<u>\$ 2,205,014</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Net (Expenses) Revenue</b>				
Governmental Activities	\$ (1,826,257)	\$ (2,086,595)	\$ (2,418,127)	\$ (2,418,127)
Business-Type Activities	88,490	40,648	(213,713)	40,648
<b>Total Primary Government</b>				
<b>Net Expenses</b>	<u>\$ (1,737,767)</u>	<u>\$ (2,045,947)</u>	<u>\$ (2,631,840)</u>	<u>\$ (2,377,479)</u>
 <b>Governmental Revenues and Other</b>				
<b>Changes in Net Position</b>				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 1,469,966	\$ 1,590,461	\$ 1,624,027	\$ 1,690,029
Franchise Fees	319,006	325,817	399,499	474,813
Sales Taxes	162,379	225,031	185,567	240,237
Interest and Investment Earnings	12,238	38,352	10,744	6,244
Impact Fees	-	20,520	-	-
Miscellaneous	12,151	340,935	42,411	25,803
Transfers	-	9,621	801,356	-
<i>Total Governmental Activities</i>	<u>1,975,740</u>	<u>2,550,737</u>	<u>3,063,604</u>	<u>2,437,126</u>
 <i>Business-Type Activities</i>				
Interest and Investment Earnings	19,260	13,521	6,759	4,870
Miscellaneous	-	-	250	308
Transfers	-	(9,621)	(801,356)	-
<i>Total Business-Type Activities</i>	<u>19,260</u>	<u>3,900</u>	<u>(794,347)</u>	<u>5,178</u>
<b>Total Primary Government</b>	<u>\$ 1,995,000</u>	<u>\$ 2,554,637</u>	<u>\$ 2,269,257</u>	<u>\$ 2,442,304</u>
 <b>Changes In Net Position</b>				
Government Activities	\$ 149,483	\$ 464,142	\$ 645,477	\$ 18,999
Business-Type Activities	107,750	44,548	(1,008,060)	(208,535)
<b>Total Primary Government</b>	<u>\$ 257,233</u>	<u>\$ 508,690</u>	<u>\$ (362,583)</u>	<u>\$ (189,536)</u>



TABLE 2 (CONT.)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (2,517,396)	\$ (2,451,061)	\$ (2,420,414)	\$ (2,845,877)	\$ (2,540,061)	\$ (2,978,600)
96,005	(151,041)	158,565	98,373	(78,703)	(64,082)
<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>	<u>\$ (3,042,682)</u>
\$ 1,969,253	\$ 2,167,248	\$ 2,227,239	\$ 2,289,083	\$ 2,417,465	\$ 2,456,713
484,549	489,752	501,558	499,872	497,241	491,129
235,009	244,991	250,201	269,978	355,616	534,176
14,919	37,819	48,514	65,644	35,838	19,861
16,929	-	-	-	-	-
62,189	68,246	78,493	74,148	82,761	83,461
198,795	554,254	(1,101,263)	(221,473)	(5,166)	-
<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>	<u>3,585,340</u>
5,932	13,461	14,505	30,676	20,984	9,040
6,478	893	-	788	1,756	5,077
<u>(198,795)</u>	<u>(554,254)</u>	<u>1,101,263</u>	<u>221,473</u>	<u>5,166</u>	<u>-</u>
<u>(186,385)</u>	<u>(539,900)</u>	<u>1,115,768</u>	<u>252,937</u>	<u>27,906</u>	<u>14,117</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>	<u>\$ 3,599,457</u>
\$ 464,247	\$ 1,111,249	\$ (415,672)	\$ (415,672)	\$ 84,369	\$ 606,740
(90,380)	(690,941)	1,274,333	1,274,333	(50,797)	(49,965)
<u>\$ 373,867</u>	<u>\$ 420,308</u>	<u>\$ 858,661</u>	<u>\$ 858,661</u>	<u>\$ 33,572</u>	<u>\$ 556,775</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Nonspendable Fund Balance:</b>				
Prepaid Items	\$ 2,253	\$ 2,706	\$ 686	\$ 312
<b>Restricted Fund Balance:</b>				
Public Safety	-	9,041	14,935	20,249
Donations	9,107	10,410	10,785	13,561
PEG Capital Fees	24,809	35,653	46,387	56,945
Debt Service	297,988	136,866	52,491	57,212
Asset Forfeiture	18,581	44,706	75,333	37,074
Capital Projects Fund	-	-	3,051,863	1,806,774
<b>Total Restricted Fund Balance</b>	<b>350,485</b>	<b>236,676</b>	<b>3,251,794</b>	<b>1,991,815</b>
<b>Assigned Fund Balance</b>				
Capital Projects Fund	153,187	-	-	-
<b>Unassigned</b>	<b>1,123,997</b>	<b>829,680</b>	<b>1,305,811</b>	<b>1,255,867</b>
<b>Total Governmental Funds</b>	<b>\$ 1,629,922</b>	<b>\$ 1,069,062</b>	<b>\$ 4,558,291</b>	<b>\$ 3,247,994</b>

TABLE 3

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,368	\$ 4,807	\$ 3,946	\$ 4,984	\$ 4,782	\$ 33,791
27,755	30,606	34,020	45,329	34,724	39,435
15,517	17,596	-	6,288	7,042	6,891
71,782	85,161	97,704	33,106	43,856	46,934
12,402	3,285	447,767	31,498	38,039	41,305
5,791	63,470	111,330	236,149	236,599	181,276
3,838,367	3,676,851	1,270,857	232,750	-	-
3,971,614	3,876,969	1,961,678	585,120	360,260	315,841
-	-	-	-	229,557	229,669
1,443,699	1,691,145	1,738,413	2,298,603	3,052,497	3,626,281
\$ 5,417,681	\$ 5,572,921	\$ 3,704,037	\$ 2,888,707	\$ 3,647,096	\$ 4,205,582

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

	Fiscal Year			
	2012	2013	2014	2015
<b>REVENUES</b>				
Taxes	\$ 1,651,819	\$ 1,818,985	\$ 1,809,097	\$ 1,908,884
Franchise Fees	325,346	325,817	399,499	474,813
Licenses and Permits	210,250	153,738	172,677	141,784
Charges for Services	162,957	186,084	179,648	198,102
Fines and Forfeits	215,110	252,544	148,320	146,164
Grants and Donations	-	-	-	-
Other Revenue	110,485	406,171	56,690	39,127
<b>TOTAL REVENUES</b>	<u>2,675,967</u>	<u>3,143,339</u>	<u>2,765,931</u>	<u>2,908,874</u>
<b>EXPENDITURES</b>				
General Government	585,350	541,259	566,245	582,105
Municipal Court	59,359	64,272	68,710	69,045
Police Protection	1,006,232	985,112	1,034,779	1,066,476
Public Facilities	294,287	316,290	430,409	388,500
Capital Outlay	586,100	631,274	1,778,233	1,885,468
Debt Service:				
Principal	223,045	349,596	352,793	367,255
Debt Issue Costs	-	185,346	-	124,317
Interest and Fiscal Charges	122,593	177,237	229,619	220,407
<b>TOTAL EXPENDITURES</b>	<u>2,876,966</u>	<u>3,250,386</u>	<u>4,460,788</u>	<u>4,703,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,999)</u>	<u>(107,047)</u>	<u>(1,694,857)</u>	<u>(1,794,699)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	5,270,962	-	3,639,500
Capital Lease Proceeds	22,898	29,905	-	26,195
Other Sources	5,000	-	-	4,000
Premium on Bonds	-	247,620	-	294,691
Payments to Escrow Agent	-	(1,961,832)	-	-
Transfers In (Out)	(387,759)	9,621	(801,356)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(359,861)</u>	<u>3,596,276</u>	<u>(801,356)</u>	<u>3,964,386</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (560,860)</u>	<u>\$ 3,489,229</u>	<u>\$(2,496,213)</u>	<u>\$ 2,169,687</u>

Debt Service as a percentage of Noncapital Expenditures	24.6%	25.8%	31.1%	19.7%
--	-------	-------	-------	-------

TABLE 4

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,187,962	\$ 2,403,830	\$ 2,476,755	\$ 2,558,336	\$ 2,769,753	\$ 2,993,178
484,549	489,752	501,558	499,872	497,241	491,129
122,422	146,768	159,213	173,222	206,063	107,500
200,120	207,890	220,357	237,309	204,040	215,339
210,854	354,230	364,614	150,147	149,885	114,911
-	-	-	-	236,244	24,780
102,565	134,120	188,697	161,154	87,703	102,625
<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>	<u>4,049,462</u>
595,850	656,688	613,353	584,278	629,775	650,601
74,678	73,480	77,276	78,749	82,861	89,806
1,031,584	1,096,224	1,155,636	1,170,098	1,148,537	1,231,522
448,299	542,499	562,440	669,815	627,105	685,662
320,744	3,054,176	258,391	558,431	207,934	92,791
441,627	541,489	555,807	525,430	545,641	546,518
-	-	-	-	-	-
498,153	254,348	241,321	231,084	217,012	204,076
<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>3,500,976</u>
<u>(102,463)</u>	<u>(2,482,314)</u>	<u>446,970</u>	<u>(37,845)</u>	<u>692,064</u>	<u>548,486</u>
-	-	-	-	-	-
55,308	27,794	54,893	34,163	33,113	-
3,600	31,382	5,000	4,225	38,378	10,000
-	-	-	-	-	-
-	-	-	-	-	-
198,795	554,254	(1,101,263)	(221,473)	(5,166)	-
<u>257,703</u>	<u>613,430</u>	<u>(1,041,370)</u>	<u>(183,085)</u>	<u>66,325</u>	<u>10,000</u>
<u>\$ 155,240</u>	<u>\$(1,868,884)</u>	<u>\$ (594,400)</u>	<u>\$ (220,930)</u>	<u>\$ 758,389</u>	<u>\$ 558,486</u>
30.4%	25.1%	24.9%	24.9%	24.9%	22.0%

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

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total Revenue
2021	\$ 2,459,002	\$ 534,176	\$ 491,129	\$ 3,484,307
2020	2,414,137	355,616	467,241	3,236,994
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

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	
2021	0.226559	0.094547	0.321106	0.343889	1.275700	0.089385	2.030080
2020	0.225158	0.095948	0.321106	0.358515	1.275700	0.089385	2.044706
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

Source: Comal County Tax Office

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

TABLE 7

Taxpayer	2021			2012		
	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	5.02%	\$ 42,764,546	1	7.74%
Hanson Aggregates	8,468,229	2	1.07%	2,310,032	6	0.42%
Cara Graceland LLC	4,600,000	3	0.58%	-		-
Meridian Brick	3,938,890	4	0.50%	-		-
Overman Tony M	3,504,536	5	0.44%	-		-
Voeller James N & Amy B	3,206,378	6	0.40%	-		-
Dansby Richard F & Carolyn G	2,283,150	7	0.29%	-		-
Hanson Brick (Land & Building)	2,088,910	8	0.26%	5,704,564	2	1.03%
Maverick of Texas Construction Inc.	1,930,080	9	0.24%	-		-
Finders Real Estate LLC	1,906,000	10	0.24%	-		-
Dean Word Company	-		-	3,553,174	3	0.64%
Overman Properties V LLC	-		-	2,900,000	4	0.52%
Overman Properties III LLC	-		-	2,610,000	5	0.47%
Overman Properties IV LLC	-		-	1,000,000	7	0.18%
C F & M Properties	-		-	1,000,000	8	0.18%
Jey Investments LTD.	-		-	979,670	9	0.18%
Meyers, James A. & Geraldine	-		-	973,310	10	0.18%
<b>TOTALS</b>	<b>\$ 71,694,203</b>		<b>9.04%</b>	<b>\$ 63,795,296</b>		<b>11.54%</b>
<b>TOTAL TAXABLE ASSESSED VALUE</b>	<b>\$ 792,813,863</b>			<b>\$ 552,527,058</b>		

Source: Comal County Appraisal District



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
2021	\$ 2,448,088	\$ 2,426,841	99.13%	\$ -	\$ 2,426,841	99.13%
2020	2,414,827	2,402,336	99.48%	(1,397)	2,400,939	99.42%
2019	2,273,147	2,213,070	97.36%	42,945	2,256,015	99.25%
2018	2,241,632	2,213,070	98.73%	(910)	2,212,160	98.69%
2017	2,160,451	2,119,815	98.12%	11,856	2,131,671	98.67%
2016	1,987,068	1,948,438	98.06%	13,123	1,961,561	98.72%
2015	1,686,772	1,667,834	98.88%	8,519	1,676,353	99.38%
2014	1,598,333	1,621,485	101.45%	4,952	1,626,437	101.76%
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%	7,121	1,484,300	101.55%

Source: Comal County Tax Office

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

TABLE 9

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2021	\$ 700,264,773	\$ 189,056,902	\$ 96,507,812	\$ 792,813,863	0.3211060
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

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			
2021	\$ -	\$ 5,723,800	\$ -	\$ 22,373	\$ 5,746,173	0.72%	\$ 1,316
2020	-	6,243,300	-	49,391	6,292,691	0.84%	1,481
2019	-	6,752,100	-	53,118	6,805,218	0.99%	1,692
2018	-	7,668,045	-	54,085	7,722,130	1.14%	1,954
2017	-	8,219,551	-	36,399	8,255,950	1.22%	2,090
2016	-	8,759,368	-	44,390	8,803,758	1.34%	2,225
2015	-	9,208,443	-	16,908	9,225,351	1.50%	2,396
2014	-	5,331,500	-	9,969	5,341,469	0.93%	1,427
2013	-	5,827,343	-	27,562	5,854,905	1.04%	1,597
2012	-	2,450,472	-	14,853	2,465,325	0.45%	699

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

TABLE 11

Taxable Assessed Value		<u>\$ 792,813,863</u>
<p>Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.</p>		
		\$ 79,281,386
<p>Amount of Applicable Debt:</p>		
General Obligation Debt Outstanding	\$ 5,746,173	
Less Funds Available in Debt Service Fund	<u>(41,305)</u>	<u>5,704,868</u>
 DEBT MARGIN		 <u><u>\$ 73,576,518</u></u>

	Fiscal Year				
	2017	2018	2019	2020	2021
Taxable Assessed Value	\$ 676,412,159	\$ 689,519,241	\$ 701,522,492	\$ 750,704,193	\$ 792,813,863
Debt Limit	\$ 67,641,216	\$ 68,951,924	\$ 70,152,249	\$ 75,070,419	\$ 79,281,386
Total Net Debt					
Applicable to Limit	<u>(7,808,183)</u>	<u>(7,532,796)</u>	<u>(6,773,720)</u>	<u>(6,254,652)</u>	<u>(5,704,868)</u>
Total Debt Margin	<u>\$ 59,833,033</u>	<u>\$ 61,419,128</u>	<u>\$ 63,378,529</u>	<u>\$ 68,815,767</u>	<u>\$ 73,576,518</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Taxable Assessed Value	\$ 552,527,058	\$ 560,283,349	\$ 573,072,301	\$ 613,983,000	\$ 659,253,958
Debt Limit	\$ 55,252,706	\$ 56,028,335	\$ 56,028,335	\$ 61,398,300	\$ 65,925,396
Total Net Debt					
Applicable to Limit	<u>(6,293,134)</u>	<u>(11,857,509)</u>	<u>(11,292,788)</u>	<u>(8,685,006)</u>	<u>(8,307,805)</u>
Total Debt Margin	<u>\$ 48,959,572</u>	<u>\$ 44,170,826</u>	<u>\$ 44,735,547</u>	<u>\$ 52,713,294</u>	<u>\$ 57,617,591</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>
2021	4,368	\$ 63,208	50.1	1825	5.8%
2020	4,249	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%

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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Joint Base San Antonio	73,707	1	6.79%	100,578	1	7.38%
H-E-B Food Stores	22,000	2	2.03%	14,588	3	1.07%
USAA	19,400	3	1.79%	15,000	2	1.10%
NorthSide ISD	13,498	4	1.20%	12,751	4	0.93%
City of San Antonio	11,185	5	1.03%	9,145	6	0.67%
Methodist Healthcare System	9,620	6	0.89%	7,747	7	0.56%
NorthEast ISD	8,386	7	0.77%	10,522	5	0.77%
San Antonio ISD	7,338	8	0.68%	7,000	8	0.51%
Baptist Healthcare System	6,383	9	0.59%			
JPMorgan Chase	5,152	10	0.47%			
Bill Miller Bar-B-Q				4,190	9	0.30%
Frost Bank				3,982	10	0.03%
	<u>176,669</u>		<u>16.22%</u>	<u>185,503</u>		<u>13.32%</u>

Source: San Antonio Economic Development Foundation

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

