

CITY OF UNIVERSAL CITY, TEXAS

ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019

abip

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

(This page intentionally left blank)

CITY OF UNIVERSAL CITY, TEXAS

TABLE OF CONTENTS

Fiscal year ended September 30, 2019

| | <u>PAGE</u> |
|---|-------------|
| INTRODUCTORY SECTION | |
| City Officials | i |
| FINANCIAL SECTION | |
| Independent Auditors' Report | 1-3 |
| Management's Discussion and Analysis | 5-10 |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 12-13 |
| Statement of Activities | 14-15 |
| Governmental Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 16 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 17 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 18 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 19 |
| Proprietary Funds: | |
| Statement of Net Position | 20-21 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position | 22 |
| Statement of Cash Flows | 23-24 |
| Notes to Basic Financial Statements | 27-52 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund | 55-59 |

CITY OF UNIVERSAL CITY, TEXAS

TABLE OF CONTENTS

Fiscal year ended September 30, 2019

| | <u>PAGE</u> |
|--|--------------|
| REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) | |
| Texas Municipal Retirement System: | |
| Schedule of Changes in Net Pension Liability and Related Ratios | 60 |
| Schedule of Contributions - Pension | 61 |
| Schedule of Changes in Other Postemployment Benefit Liability (OPEB) and Related Ratios | 62 |
| Schedule of Contributions – Other Postemployment Benefits (OPEB) | 63 |
| Notes to Required Supplementary Information | 64 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Comparative Balance Sheets – General Fund | 66 |
| Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances – General Fund | 67 |
| Comparative Balance Sheets – Debt Service Fund | 68 |
| Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Fund | 69 |
| Comparative Statements of Net Position – Water and Sewer Enterprise Fund | 70-71 |
| Comparative Statements of Revenues, Expenses, and Changes in Net Position – Water and Sewer Enterprise Fund | 72-73 |
| STATISTICAL SECTION | <u>TABLE</u> |
| Net Position by Component – Last Ten Fiscal Years | 1 76-77 |
| Change in Net Position – Last Ten Fiscal Years | 2 78-83 |
| Fund Balances – Governmental Funds – Last Ten Fiscal Years | 3 84-85 |
| Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years | 4 86-87 |
| Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years | 5 88 |
| Direct and Overlapping Property Rates – Last Ten Fiscal Years | 6 89 |

CITY OF UNIVERSAL CITY, TEXAS

TABLE OF CONTENTS

Fiscal year ended September 30, 2019

| | <u>TABLE</u> | <u>PAGE</u> |
|---|--------------|-------------|
| STATISTICAL SECTION (CONTINUED) | | |
| Principal Property Taxpayers | 7 | 90 |
| Property Tax Levies and Collections – Last Ten Fiscal Years | 8 | 91 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years | 9 | 92 |
| Direct and Overlapping Governmental Activities Debt | 10 | 93 |
| Debt Margin Information – Last Ten Fiscal Years | 11 | 94 |
| Pledged Revenue Coverage – Last Ten Fiscal Years | 12 | 95 |
| Demographic and Economic Statistics – Last Ten Fiscal Years | 13 | 96 |
| Full-Time Equivalent Employees by Function – Last Ten Fiscal Years | 14 | 97 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years | 15 | 98-99 |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years | 16 | 100 |
| COMPLIANCE SECTION | | |
| Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | | 103-104 |

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)

CITY OF UNIVERSAL CITY, TEXAS

CITY OFFICIALS

Fiscal year ended September 30, 2019

MAYOR

JOHN H. WILLIAMS

MAYOR PRO TEM

RICHARD NEVILLE

CITY COUNCIL

PAUL NAJARIAN

TOM MAXWELL

WILLIAM SHELBY

S. BEAR GOOLSBY

BEVERLY VOLLE

CITY MANAGER

KIM TURNER

ATTORNEY

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

AUDITOR

ABIP, PC

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Universal City, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Universal City, Texas (the City) as of and for the year ended September 30, 2019, 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

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Universal City, Texas as of September 30, 2019, 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 in net pension and OPEB liability and related ratios, and schedule of contributions 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, 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's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2020, on our consideration of the City of Universal City, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas
March 17, 2020

(This page intentionally left blank)

CITY OF UNIVERSAL CITY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Fiscal year ended September 30, 2019

As management of the City of Universal City, Texas, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ❖ The assets and deferred outflows of resources of the City of Universal City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$59,532,945 (net position). Of this amount, \$12,832,961 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The City's total net position increased by \$3,292,520.
- ❖ As of the close of the current fiscal year, the City of Universal City's governmental funds reported combined fund balances of \$22,422,293 of which \$12,287,650 is unassigned and available for spending at the City's discretion.
- ❖ The governmental fund balances increased by \$2,798,021. The increase was primarily due to new bond proceeds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to statements of a private-sector business.

The **statement of net position** presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government and administration, public safety, development services, library services and recreation. The business-type activities of the City include water and sewer, golf course operations and stormwater management. The City has also included the information for the Universal City Economic Development Corporation, which is considered a component unit of the City.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Universal City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources available at the end of the fiscal year. All of the funds of the City can be divided into two categories – governmental funds and proprietary funds.

The **governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City of Universal City maintains three (3) governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general, capital projects, and debt service funds, which are all considered to be the City's major funds.

The City of Universal City adopts an annual budget for all of the governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-19 of this report.

The **proprietary funds** provide the same type of information as the government-wide financial statements only in more detail. The City maintains only one type of proprietary fund, which is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses the enterprise funds to account for its water and sewer, golf operations and stormwater management, which are all considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 20-24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-52 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund budget and the net pension and OPEB liability for the City's obligation to provide pension and OPEB benefits to its employees and retirees. Required supplementary information can be found on pages 55-64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Universal City, assets exceeded liabilities by \$59,532,945.

A portion of the City's net position (60%) reflects its investments in capital assets (land, buildings, improvements other than buildings, transportation and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Assets: | | | | | | |
| Current and other assets | \$ 24,230,699 | \$ 21,455,508 | \$ 11,443,854 | \$ 11,626,147 | \$ 35,674,553 | \$ 33,081,655 |
| Capital assets | <u>35,367,936</u> | <u>33,252,476</u> | <u>32,555,298</u> | <u>30,832,566</u> | <u>67,923,234</u> | <u>64,085,042</u> |
| Total assets | <u>59,598,635</u> | <u>54,707,984</u> | <u>43,999,152</u> | <u>42,458,713</u> | <u>103,597,787</u> | <u>97,166,697</u> |
| Deferred outflows of resources | <u>2,383,219</u> | <u>1,277,476</u> | <u>755,909</u> | <u>453,675</u> | <u>3,139,128</u> | <u>1,731,151</u> |
| Liabilities: | | | | | | |
| Long-term liabilities | 28,893,279 | 23,489,487 | 12,127,745 | 12,461,159 | 41,021,024 | 35,950,646 |
| Other liabilities | <u>2,938,808</u> | <u>2,641,576</u> | <u>2,980,488</u> | <u>2,946,352</u> | <u>5,919,296</u> | <u>5,587,928</u> |
| Total liabilities | <u>31,832,087</u> | <u>26,131,063</u> | <u>15,108,233</u> | <u>15,407,511</u> | <u>46,940,320</u> | <u>41,538,574</u> |
| Deferred inflows of resources | <u>205,647</u> | <u>872,703</u> | <u>58,003</u> | <u>246,146</u> | <u>263,650</u> | <u>1,118,849</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 13,904,490 | 14,423,010 | 21,906,113 | 19,158,985 | 35,810,603 | 33,581,995 |
| Restricted | 9,413,578 | 7,407,605 | 1,475,803 | 1,139,859 | 10,889,381 | 8,547,464 |
| Unrestricted | <u>6,626,052</u> | <u>7,151,079</u> | <u>6,206,909</u> | <u>6,959,887</u> | <u>12,832,961</u> | <u>14,110,966</u> |
| Total net position | <u>\$ 29,944,120</u> | <u>\$ 28,981,694</u> | <u>\$ 29,588,825</u> | <u>\$ 27,258,731</u> | <u>\$ 59,532,945</u> | <u>\$ 56,240,425</u> |

An additional portion of the City's net position (18%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$12,832,961, may be used to meet the government's ongoing obligation to citizens and creditors.

As of September 30, 2019, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate categories – governmental and business-type activities.

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended September 30, 2019. Governmental activities increased the City of Universal City's net position by \$962,426, accounting for 29% of the total growth in net position. Business-type activities increased the City's net position by \$2,330,094, accounting for 71% of total growth in net position.

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| <u>Program</u> | | | | | | |
| Charges for services | \$ 3,478,361 | \$ 3,300,388 | \$ 10,638,142 | \$ 10,438,931 | \$ 14,116,503 | \$ 13,739,319 |
| Operating grants and contributions | 51,019 | 8,977 | - | - | 51,019 | 8,977 |
| Capital grants and contributions | - | - | 28,628 | 453,397 | 28,628 | 453,397 |
| <u>General</u> | | | | | | |
| Property taxes | 7,732,888 | 7,221,714 | - | - | 7,732,888 | 7,221,714 |
| Franchise taxes | 1,453,164 | 1,489,453 | - | - | 1,453,164 | 1,489,453 |
| Sales taxes | 3,754,179 | 3,436,343 | - | - | 3,754,179 | 3,436,343 |
| Hotel/motel taxes | 102,881 | 104,625 | - | - | 102,881 | 104,625 |
| Mixed drink | 70,637 | 68,607 | - | - | 70,637 | 68,607 |
| Interest and investment earnings | 112,842 | 45,712 | 12,640 | 15,538 | 125,482 | 61,250 |
| Miscellaneous | 126,260 | 150,165 | - | - | 126,260 | 150,165 |
| Total revenues | <u>16,882,231</u> | <u>15,825,984</u> | <u>10,679,410</u> | <u>10,907,866</u> | <u>27,561,641</u> | <u>26,733,850</u> |
| Expenses: | | | | | | |
| Administration | 1,852,059 | 2,226,995 | - | - | 1,852,059 | 2,226,995 |
| Planning and development | 612,892 | 547,165 | - | - | 612,892 | 547,165 |
| Finance | 493,906 | 376,499 | - | - | 493,906 | 376,499 |
| Municipal court | 280,003 | 288,112 | - | - | 280,003 | 288,112 |
| General services division | 2,159,658 | 1,990,953 | - | - | 2,159,658 | 1,990,953 |
| Police | 3,999,746 | 3,731,134 | - | - | 3,999,746 | 3,731,134 |
| Fire department | 2,824,683 | 2,602,650 | - | - | 2,824,683 | 2,602,650 |
| Library | 476,491 | 448,820 | - | - | 476,491 | 448,820 |
| Vehicle and equipment maintenance | 198,237 | 176,865 | - | - | 198,237 | 176,865 |
| Animal shelter | 520,553 | 498,922 | - | - | 520,553 | 498,922 |
| Parks and recreation | 555,180 | 436,533 | - | - | 555,180 | 436,533 |
| Golf course | 377,316 | 478,037 | - | - | 377,316 | 478,037 |
| Interest and other fees | 645,081 | 593,475 | - | - | 645,081 | 593,475 |
| Water and sewer utility | - | - | 6,665,715 | 6,319,032 | 6,665,715 | 6,319,032 |
| Golf course | - | - | 2,163,361 | 1,888,258 | 2,163,361 | 1,888,258 |
| Stormwater management | - | - | 444,240 | 476,067 | 444,240 | 476,067 |
| Total expenses | <u>14,995,805</u> | <u>14,396,160</u> | <u>9,273,316</u> | <u>8,683,357</u> | <u>24,269,121</u> | <u>23,079,517</u> |
| Increase in net position before transfers | 1,886,426 | 1,429,824 | 1,406,094 | 2,224,509 | 3,292,520 | 3,654,333 |
| Transfers | <u>(924,000)</u> | <u>(408,768)</u> | <u>924,000</u> | <u>408,768</u> | <u>-</u> | <u>-</u> |
| Change in net position | 962,426 | 1,021,056 | 2,330,094 | 2,633,277 | 3,292,520 | 3,654,333 |
| Net position: | | | | | | |
| Net position - beginning | 28,981,694 | 28,151,097 | 27,258,731 | 24,679,173 | 56,240,425 | 52,830,270 |
| Restatement of net position | <u>-</u> | <u>(190,459)</u> | <u>-</u> | <u>(53,719)</u> | <u>-</u> | <u>(244,178)</u> |
| Net position - ending | <u>\$ 29,944,120</u> | <u>\$ 28,981,694</u> | <u>\$ 29,588,825</u> | <u>\$ 27,258,731</u> | <u>\$ 59,532,945</u> | <u>\$ 56,240,425</u> |

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

Governmental Funds

The focus of the City of Universal City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Universal City's governmental funds reported combined ending fund balances of \$22,422,293. Approximately 55% of this total amount (\$12,287,650) constitutes unassigned fund balance. The remainder of the fund balance is nonspendable, restricted, or assigned.

The general fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the general fund by \$1,743,533. Net transfers of \$203,656 decreased this to \$1,539,877. In the capital projects fund, expenditures exceeded revenues by \$3,694,802. Transfers and bond issuances increased this to \$1,431,718. In the debt service fund, revenues exceeded expenditures by \$718,103. Transfers and a bond refunding decreased this to (\$173,574).

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective proprietary funds are water and sewer - \$4,441,633, stormwater management - \$49,163 and golf course - \$(1,994,188). The funds had changes in net position in 2019 as follows: water and sewer - \$1,932,400, stormwater management - \$239,606, and golf course - \$158,088.

General Fund Budgetary Highlights

An annual budget is legally adopted for the general fund and was amended in 2019 to reflect increases in capital expenditures. Expenditures were under budget by \$511,299 due to a combined effort by department management to monitor and control expenditures.

CAPITAL ASSETS

The City of Universal City's investment in capital assets for its governmental and business type activities as of September 30, 2019, amounts to \$67,923,234 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements other than buildings, equipment, water rights, infrastructure and construction in progress.

CAPITAL ASSETS AT YEAR END (NET OF ACCUMULATED DEPRECIATION)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 6,976,157 | \$ 6,976,157 | \$ 323,152 | \$ 322,965 | \$ 7,299,309 | \$ 7,299,122 |
| Building and improvements | 8,454,751 | 8,600,218 | 1,444,936 | 1,500,835 | 9,899,687 | 10,101,053 |
| Improvement other than buildings | 833,490 | 1,136,282 | - | - | 833,490 | 1,136,282 |
| Utility plant and easements | - | - | 20,542,457 | 18,216,741 | 20,542,457 | 18,216,741 |
| Transportation and equipment | 2,499,361 | 2,320,497 | 1,125,770 | 905,051 | 3,625,131 | 3,225,548 |
| Water rights | - | - | 8,311,014 | 7,987,087 | 8,311,014 | 7,987,087 |
| Infrastructure | 15,376,988 | 11,844,202 | - | - | 15,376,988 | 11,844,202 |
| Construction in progress | 1,227,189 | 2,375,120 | 807,969 | 1,899,887 | 2,035,158 | 4,275,007 |
| Totals | <u>\$ 35,367,936</u> | <u>\$ 33,252,476</u> | <u>\$ 32,555,298</u> | <u>\$ 30,832,566</u> | <u>\$ 67,923,234</u> | <u>\$ 64,085,042</u> |

Additional information on capital assets can be found in note 5 on pages 38-39.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Universal City had total outstanding debt of \$29,544,000. Of this amount, \$19,729,000 comprises bonded debt backed by the full faith and credit of the government and \$9,815,000 represents bonds secured solely by water and sewer revenues. Notes payables of \$692,063 are capital leases secured by a fire truck, equipment, golf carts, and golf equipment.

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General obligation bonds | \$ 17,244,000 | \$ 14,224,000 | \$ - | \$ - | \$ 17,244,000 | \$ 14,224,000 |
| Revenue bonds | - | - | 9,815,000 | 10,735,000 | 9,815,000 | 10,735,000 |
| Tax notes | - | - | - | - | - | - |
| Certificates of obligation | 2,485,000 | 2,610,000 | - | - | 2,485,000 | 2,610,000 |
| Notes payable | <u>477,674</u> | <u>554,563</u> | <u>214,389</u> | <u>258,777</u> | <u>692,063</u> | <u>813,340</u> |
| Totals | 20,206,674 | 17,388,563 | 10,029,389 | 10,993,777 | 30,236,063 | 28,382,340 |
| Compensated absences | <u>476,900</u> | <u>411,420</u> | <u>141,924</u> | <u>132,409</u> | <u>618,824</u> | <u>543,829</u> |
| Total debt | <u>\$ 20,683,574</u> | <u>\$ 17,799,983</u> | <u>\$ 10,171,313</u> | <u>\$ 11,126,186</u> | <u>\$ 30,854,887</u> | <u>\$ 28,926,169</u> |

The City of Universal City maintains an AA+ rating from Standard and Poor's, with municipal bond insurance. Additional information on the City of Universal City long-term debt can be found in note 6 pages 40-42.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Taxable values used for the 2020 budget preparation was up by 4.06% reflecting the condition of the current economy as well as including new properties added to the existing tax roll. The general operating fund spending increased in 2020 to incorporate capital expenditures for general services, fire, and police.

New retail establishments were opened in the City during the 2019 fiscal year. These additions will help support the sales tax revenue used to fund the capital projects that were included in the general fund budget.

General Obligation Improvement and Refunding Bonds were issued in August of 2019 for street and drainage improvements. The refinancing of the bonds is to provide interest savings for the General Obligation Bonds Series 2010.

With the City nearing its capacity for residential growth, the City is making a strong effort to monitor appropriations requested by the departments. The utilization of existing land is being maximized by promoting development at its best use.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, Attention: Finance Director, at 2150 Universal City Boulevard, Universal City, Texas 78148, or call (210) 659-0333, or e-mail at finance@uctx.gov.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Government Accounting Standards Board (GASB).

The sets of statements include:

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

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

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF NET POSITION

September 30, 2019

| | Primary Government | | | Component Unit |
|--|----------------------------|----------------------------|---------------------------|---|
| | Governmental Activities | Busines-Type Activities | Total | Universal City Economic Development Corporation |
| Assets: | | | | |
| Cash and investments | \$ 20,609,213 | \$ 8,446,514 | \$ 29,055,727 | \$ 2,418,952 |
| Receivables: (net of allowances for uncollectibles) | | | | |
| Taxes | 154,486 | - | 154,486 | - |
| Accounts | - | 1,080,130 | 1,080,130 | - |
| Other | 943,651 | - | 943,651 | - |
| Due from other governments | 636,982 | 28,628 | 665,610 | 208,195 |
| Due from component unit | 242,685 | - | 242,685 | 1,069 |
| Internal balances | 1,642,431 | (1,642,431) | - | - |
| Inventories | 1,251 | 186,509 | 187,760 | - |
| Restricted assets: | | | | |
| Cash | - | 3,344,504 | 3,344,504 | - |
| Capital assets: | | | | |
| Land | 6,976,157 | 323,152 | 7,299,309 | - |
| Building and improvements | 12,193,332 | 2,253,028 | 14,446,360 | - |
| Improvements other than buildings | 5,891,883 | - | 5,891,883 | - |
| Utility plant and easements | - | 30,545,011 | 30,545,011 | - |
| Transportation and equipment | 9,660,581 | 4,223,746 | 13,884,327 | 2,729 |
| Water rights | - | 8,311,014 | 8,311,014 | - |
| Infrastructure | 27,032,840 | - | 27,032,840 | - |
| Construction in progress | 1,227,189 | 807,969 | 2,035,158 | - |
| Accumulated depreciation | <u>(27,614,046)</u> | <u>(13,908,622)</u> | <u>(41,522,668)</u> | <u>(2,729)</u> |
| Total assets | <u>59,598,635</u> | <u>43,999,152</u> | <u>103,597,787</u> | <u>2,628,216</u> |
| Deferred outflows of resources: | | | | |
| Deferred charge on bond refunding | 193,559 | 138,313 | 331,872 | - |
| Deferred charge on pension - TMRS | 2,167,615 | 611,378 | 2,778,993 | - |
| Deferred charge on OPEB - TMRS | <u>22,045</u> | <u>6,218</u> | <u>28,263</u> | <u>-</u> |
| Total deferred outflows of resources | <u>2,383,219</u> | <u>755,909</u> | <u>3,139,128</u> | <u>-</u> |
| Total assets and deferred outflows of resources | <u>\$ 61,981,854</u> | <u>\$ 44,755,061</u> | <u>\$ 106,736,915</u> | <u>\$ 2,628,216</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF NET POSITION

September 30, 2019

| | Primary Government | | | Component Unit |
|--|----------------------------|----------------------------|-----------------------|---|
| | Governmental Activities | Busines-Type Activities | Total | Universal City Economic Development Corporation |
| Liabilities and net position: | | | | |
| Liabilities: | | | | |
| Accounts payable and other | | | | |
| current liabilities | \$ 740,567 | \$ 770,552 | \$ 1,511,119 | \$ 11,334 |
| Accrued interest payable | 67,032 | - | 67,032 | - |
| Customer deposits | - | 900,455 | 900,455 | - |
| Due to component unit | 1,069 | - | 1,069 | - |
| Due to primary government | - | - | - | 242,685 |
| Deferred revenues | - | 54,341 | 54,341 | - |
| Payable from restricted assets: | | | | |
| Current portion of long-term debt | - | 1,005,006 | 1,005,006 | - |
| Accrued interest payable | - | 29,883 | 29,883 | - |
| Noncurrent liabilities: | | | | |
| Net pension liability | 8,855,272 | 2,497,641 | 11,352,913 | - |
| OPEB liability | 227,801 | 64,252 | 292,053 | - |
| Due within one year | 2,130,140 | 220,251 | 2,350,391 | 165,000 |
| Due in more than one year | <u>19,810,206</u> | <u>9,565,852</u> | <u>29,376,058</u> | <u>1,052,000</u> |
| Total liabilities | <u>31,832,087</u> | <u>15,108,233</u> | <u>46,940,320</u> | <u>1,471,019</u> |
| Deferred inflows of resources: | | | | |
| Deferred inflow on pension - TMRS | 184,536 | 52,048 | 236,584 | - |
| Deferred inflow on OPEB - TMRS | <u>21,111</u> | <u>5,955</u> | <u>27,066</u> | <u>-</u> |
| Total deferred inflows of resources | <u>205,647</u> | <u>58,003</u> | <u>263,650</u> | <u>-</u> |
| Net position: | | | | |
| Net investment in capital assets | 13,904,490 | 21,906,113 | 35,810,603 | - |
| Restricted for: | | | | |
| Inventory | 1,251 | - | 1,251 | - |
| Special revenue | 1,990,602 | - | 1,990,602 | - |
| Debt service | 2,032,723 | - | 2,032,723 | - |
| Capital projects | 5,389,002 | - | 5,389,002 | - |
| Impact fees | - | 1,475,803 | 1,475,803 | - |
| Unrestricted | <u>6,626,052</u> | <u>6,206,909</u> | <u>12,832,961</u> | <u>1,157,197</u> |
| Total net position | <u>29,944,120</u> | <u>29,588,825</u> | <u>59,532,945</u> | <u>1,157,197</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 61,981,854</u> | <u>\$ 44,755,061</u> | <u>\$ 106,736,915</u> | <u>\$ 2,628,216</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF ACTIVITIES

For the year ended September 30, 2019

| Functions / Programs | Expenses | Program Revenues | | |
|-----------------------------------|----------------------|-------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental activities: | | | | |
| Administration | \$ 1,852,059 | \$ 492,162 | \$ - | \$ - |
| Planning and development | 612,892 | 1,037,318 | - | - |
| Finance | 493,906 | - | - | - |
| Municipal court | 280,003 | 1,775,673 | - | - |
| General services division | 2,159,658 | - | - | - |
| Police | 3,999,746 | 34,802 | 51,019 | - |
| Fire | 2,824,683 | 50 | - | - |
| Library | 476,491 | 17,010 | - | - |
| Vehicle and equipment maintenance | 198,237 | - | - | - |
| Animal shelter | 520,553 | 47,364 | - | - |
| Parks and recreation | 555,180 | 28,310 | - | - |
| Golf course | 377,316 | 45,672 | - | - |
| Interest and other fees | 645,081 | - | - | - |
| Total government activities | <u>14,995,805</u> | <u>3,478,361</u> | <u>51,019</u> | <u>-</u> |
| Business-type activities: | | | | |
| Water / sewage utility | 6,665,715 | 8,590,246 | - | - |
| Golf course | 2,163,361 | 1,393,672 | - | - |
| Stormwater management | 444,240 | 654,224 | - | 28,628 |
| Total business-type activities | <u>9,273,316</u> | <u>10,638,142</u> | <u>-</u> | <u>28,628</u> |
| Total primary government | <u>\$ 24,269,121</u> | <u>\$ 14,116,503</u> | <u>\$ 51,019</u> | <u>\$ 28,628</u> |
| Component unit: | | | | |
| Economic Development Corporation | <u>\$ 2,167,721</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

General revenues:

Taxes

General property taxes

Franchise taxes

Sales taxes

Hotel / motel taxes

Mixed drink taxes

Interest and investment earnings

Miscellaneous

Transfers

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

The accompanying notes are an integral part of these financial statements.

| Changes in Net Position | | | | |
|-------------------------|----------------------|----------------------|----------------------|--|
| Primary Government | | | Component Unit | |
| Governmental | Business-Type | | Universal City | |
| Activities | Activities | Total | Economic Development | |
| | | | Corporation | |
| \$ (1,359,897) | \$ - | \$ (1,359,897) | \$ - | |
| 424,426 | - | 424,426 | - | |
| (493,906) | - | (493,906) | - | |
| 1,495,670 | - | 1,495,670 | - | |
| (2,159,658) | - | (2,159,658) | - | |
| (3,913,925) | - | (3,913,925) | - | |
| (2,824,633) | - | (2,824,633) | - | |
| (459,481) | - | (459,481) | - | |
| (198,237) | - | (198,237) | - | |
| (473,189) | - | (473,189) | - | |
| (526,870) | - | (526,870) | - | |
| (331,644) | - | (331,644) | - | |
| (645,081) | - | (645,081) | - | |
| <u>(11,466,425)</u> | <u>-</u> | <u>(11,466,425)</u> | <u>-</u> | |
| - | 1,924,531 | 1,924,531 | - | |
| - | (769,689) | (769,689) | - | |
| <u>-</u> | <u>238,612</u> | <u>238,612</u> | <u>-</u> | |
| <u>-</u> | <u>1,393,454</u> | <u>1,393,454</u> | <u>-</u> | |
| <u>(11,466,425)</u> | <u>1,393,454</u> | <u>(10,072,971)</u> | <u>-</u> | |
| | | | <u>(2,167,721)</u> | |
| 7,732,888 | - | 7,732,888 | - | |
| 1,453,164 | - | 1,453,164 | - | |
| 3,754,179 | - | 3,754,179 | 1,251,252 | |
| 102,881 | - | 102,881 | - | |
| 70,637 | - | 70,637 | - | |
| 112,842 | 12,640 | 125,482 | 6,345 | |
| 126,260 | - | 126,260 | 42,814 | |
| <u>(924,000)</u> | <u>924,000</u> | <u>-</u> | <u>-</u> | |
| <u>12,428,851</u> | <u>936,640</u> | <u>13,365,491</u> | <u>1,300,411</u> | |
| 962,426 | 2,330,094 | 3,292,520 | (867,310) | |
| <u>28,981,694</u> | <u>27,258,731</u> | <u>56,240,425</u> | <u>2,024,507</u> | |
| <u>\$ 29,944,120</u> | <u>\$ 29,588,825</u> | <u>\$ 59,532,945</u> | <u>\$ 1,157,197</u> | |

CITY OF UNIVERSAL CITY, TEXAS

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2019

| | Major Funds | | | Total Governmental Funds |
|---|----------------------|--------------------------|----------------------|--------------------------------|
| | General Fund | Capital Projects Fund | Debt Service Fund | |
| Assets: | | | | |
| Cash and temporary investments | \$ 12,862,686 | \$ 5,393,270 | \$ 2,353,257 | \$ 20,609,213 |
| Receivables: (net of allowances for uncollectibles) | | | | |
| Property taxes, net | 117,279 | - | 37,207 | 154,486 |
| Accounts | 943,651 | - | - | 943,651 |
| Due from other governments | 426,516 | - | 210,466 | 636,982 |
| Due from other funds | 2,174,500 | 59,004 | 635,429 | 2,868,933 |
| Due from component unit | 242,685 | - | - | 242,685 |
| Inventory | 1,251 | - | - | 1,251 |
| Total assets | <u>\$ 16,768,568</u> | <u>\$ 5,452,274</u> | <u>\$ 3,236,359</u> | <u>\$ 25,457,201</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 527,285 | \$ 63,272 | \$ - | \$ 590,557 |
| Accrued expenditures | 150,010 | - | - | 150,010 |
| Due to other funds | 60,073 | - | 1,166,429 | 1,226,502 |
| Due to component unit | 1,069 | - | - | 1,069 |
| Unearned revenues | 912,284 | - | - | 912,284 |
| Total liabilities | <u>1,650,721</u> | <u>63,272</u> | <u>1,166,429</u> | <u>2,880,422</u> |
| Deferred inflows of resources: | | | | |
| Unearned revenue - property taxes | <u>117,279</u> | <u>-</u> | <u>37,207</u> | <u>154,486</u> |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Inventory | 1,251 | - | - | 1,251 |
| Restricted: | | | | |
| PEG funds | 364,256 | - | - | 364,256 |
| Public safety | 54,147 | - | - | 54,147 |
| Fire | 300 | - | - | 300 |
| Library improvements | 10,122 | - | - | 10,122 |
| Hotel / motel | 321,145 | - | - | 321,145 |
| Child safety | 46,104 | - | - | 46,104 |
| Blue Santa | 100 | - | - | 100 |
| Animal shelter | 54,273 | - | - | 54,273 |
| Court technology | 126,806 | - | - | 126,806 |
| Court security | 225,644 | - | - | 225,644 |
| Northlake roads | 150,000 | - | - | 150,000 |
| Veterans park | 80,898 | - | - | 80,898 |
| Dog park | 3,421 | - | - | 3,421 |
| Animal shelter memorial | 3,681 | - | - | 3,681 |
| CPS | 341,868 | - | - | 341,868 |
| CPS 1% | 207,837 | - | - | 207,837 |
| Debt service | - | - | 2,032,723 | 2,032,723 |
| Capital projects | - | 5,389,002 | - | 5,389,002 |
| Assigned: | | | | |
| Capital projects | 721,065 | - | - | 721,065 |
| Unassigned | <u>12,287,650</u> | <u>-</u> | <u>-</u> | <u>12,287,650</u> |
| Total fund balances | <u>15,000,568</u> | <u>5,389,002</u> | <u>2,032,723</u> | <u>22,422,293</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 16,768,568</u> | <u>\$ 5,452,274</u> | <u>\$ 3,236,359</u> | <u>\$ 25,457,201</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

September 30, 2019

Total fund balance - total governmental funds \$ 22,422,293

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. 35,367,936

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 3,244,342

Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds. (476,900)

Long-term liabilities are not due and payable in the current period and, therefore, not reported in the funds:

Bonds and notes payable (21,463,446)
Net pension liability (8,855,272)
OPEB liability (227,801)

Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds. (67,032)

Total net position of governmental activities \$ 29,944,120

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

Fiscal year ended September 30, 2019

| | Major Funds | | | Total Governmental Funds |
|--|----------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Capital Projects Fund | Debt Service Fund | |
| Revenues: | | | | |
| Taxes | \$ 10,711,030 | \$ - | \$ 2,635,011 | \$ 13,346,041 |
| Licenses and permits | 1,377,252 | - | - | 1,377,252 |
| Intergovernmental | 301,019 | - | - | 301,019 |
| Contributions from component unit | 242,162 | - | - | 242,162 |
| Fines and forfeitures | 1,306,731 | - | - | 1,306,731 |
| Interest | 104,636 | 925 | 7,281 | 112,842 |
| Miscellaneous | <u>235,538</u> | <u>-</u> | <u>-</u> | <u>235,538</u> |
| Total revenues | <u>14,278,368</u> | <u>925</u> | <u>2,642,292</u> | <u>16,921,585</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Administrative | 1,782,275 | - | - | 1,782,275 |
| Planning and development | 586,080 | - | - | 586,080 |
| Finance | 469,993 | - | - | 469,993 |
| Municipal court | 238,876 | - | - | 238,876 |
| General services division | 1,161,720 | - | - | 1,161,720 |
| Police | 3,666,982 | - | - | 3,666,982 |
| Fire | 2,440,880 | - | - | 2,440,880 |
| Library | 298,716 | - | - | 298,716 |
| Vehicle and equipment maintenance | 189,744 | - | - | 189,744 |
| Animal shelter | 435,956 | - | - | 435,956 |
| Parks and recreation | 542,439 | - | - | 542,439 |
| Promotion and development | 1,970 | - | - | 1,970 |
| Golf course | 32,321 | - | - | 32,321 |
| Capital outlay | 686,883 | 3,510,217 | - | 4,197,100 |
| Debt service: | | | | |
| Principal | - | 76,889 | 1,295,000 | 1,371,889 |
| Interest and fiscal charges | - | 18,078 | 629,189 | 647,267 |
| Bond issuance costs | <u>-</u> | <u>90,543</u> | <u>-</u> | <u>90,543</u> |
| Total expenditures | <u>12,534,835</u> | <u>3,695,727</u> | <u>1,924,189</u> | <u>18,154,751</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,743,533</u> | <u>(3,694,802)</u> | <u>718,103</u> | <u>(1,233,166)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 33,396 | 237,052 | - | 270,448 |
| Transfers out | (237,052) | (1,075) | (956,321) | (1,194,448) |
| Bond issue proceeds | - | 4,410,000 | 3,295,000 | 7,705,000 |
| Bond premium | - | 480,543 | 302,610 | 783,153 |
| Payment to escrow agent | <u>-</u> | <u>-</u> | <u>(3,532,966)</u> | <u>(3,532,966)</u> |
| Total other financing sources (uses) | <u>(203,656)</u> | <u>5,126,520</u> | <u>(891,677)</u> | <u>4,031,187</u> |
| Net change in fund balances | <u>1,539,877</u> | <u>1,431,718</u> | <u>(173,574)</u> | <u>2,798,021</u> |
| Fund balances at beginning of year | <u>13,460,691</u> | <u>3,957,284</u> | <u>2,206,297</u> | <u>19,624,272</u> |
| Fund balances at end of year | <u>\$ 15,000,568</u> | <u>\$ 5,389,002</u> | <u>\$ 2,032,723</u> | <u>\$ 22,422,293</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Fiscal year ended September 30, 2019

Net change in fund balances - governmental funds \$ 2,798,021

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.
This is the amount by which capital outlay exceeded depreciation
expense. 2,122,830

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds. (31,984)

The issuance of long-term debt (i.e. bonds, capital leases) provides
current financial resources to governmental funds, while the
repayment of the principal consumes the current financial resources
of governmental funds. This amount is the net effect of these
differences. (3,493,818)

The change in the liability for net pension and OPEB liability does not
consume a current financial resource and is therefore not reported as
an expenditure in the governmental funds. (363,022)

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. (69,601)

Change in net position of governmental activities \$ 962,426

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

September 30, 2019

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|----------------------------|----------------------------|-----------------------------|
| | Water / Sewer Fund | Golf Course Fund | Stormwater Fund | Total |
| Current assets: | | | | |
| Cash and investments | \$ 7,403,268 | \$ 455,985 | \$ 587,261 | \$ 8,446,514 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Accounts | 967,596 | 49,382 | 63,152 | 1,080,130 |
| Due from other governments | - | - | 28,628 | 28,628 |
| Due from other funds | - | 499,000 | 10,341 | 509,341 |
| Inventories | 135,259 | 51,250 | - | 186,509 |
| Cash - restricted | <u>3,344,504</u> | <u>-</u> | <u>-</u> | <u>3,344,504</u> |
| Total current assets | <u>11,850,627</u> | <u>1,055,617</u> | <u>689,382</u> | <u>13,595,626</u> |
| Deferred outflows of resources: | | | | |
| Deferred outflow - TMRS OPEB | 3,482 | 2,301 | 435 | 6,218 |
| Deferred outflow - TMRS pension | 342,372 | 226,210 | 42,796 | 611,378 |
| Deferred charge on refunded bond | <u>138,313</u> | <u>-</u> | <u>-</u> | <u>138,313</u> |
| Total deferred outflows of resources | <u>484,167</u> | <u>228,511</u> | <u>43,231</u> | <u>755,909</u> |
| Capital assets: | | | | |
| Land | 323,152 | - | - | 323,152 |
| Building and improvements | 2,253,028 | - | - | 2,253,028 |
| Utility plant and easements | 25,889,882 | - | 4,655,129 | 30,545,011 |
| Transportation and equipment | 2,251,713 | 1,691,658 | 280,375 | 4,223,746 |
| Water rights | 8,311,014 | - | - | 8,311,014 |
| Construction in progress | 611,705 | - | 196,264 | 807,969 |
| Accumulated depreciation | <u>(12,259,626)</u> | <u>(966,831)</u> | <u>(682,165)</u> | <u>(13,908,622)</u> |
| Capital assets net of accumulated depreciation | <u>27,380,868</u> | <u>724,827</u> | <u>4,449,603</u> | <u>32,555,298</u> |
| Total assets and deferred outflows of resources | <u><u>\$ 39,715,662</u></u> | <u><u>\$ 2,008,955</u></u> | <u><u>\$ 5,182,216</u></u> | <u><u>\$ 46,906,833</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

September 30, 2019

| | Business-Type Activities - Enterprise Funds | | | Total |
|--|---|---------------------|---------------------|----------------------|
| | Water / Sewer Fund | Golf Course Fund | Stormwater Fund | |
| Liabilities and net position: | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 570,251 | \$ 44,814 | \$ 102,025 | \$ 717,090 |
| Accrued wages | 22,676 | 27,567 | 3,219 | 53,462 |
| Compensated absences/vacation leave | 86,692 | 49,323 | 5,909 | 141,924 |
| Due to other funds | 25,037 | 2,125,591 | 1,144 | 2,151,772 |
| Customer deposits | 900,455 | - | - | 900,455 |
| Unearned revenues | - | 54,341 | - | 54,341 |
| Current portion of notes payable | - | 78,327 | - | 78,327 |
| Total current liabilities | <u>1,605,111</u> | <u>2,379,963</u> | <u>112,297</u> | <u>4,097,371</u> |
| Current liabilities payable from Restricted assets: | | | | |
| Current portion of revenue bonds | 945,000 | - | - | 945,000 |
| Accrued interest payable | 29,883 | - | - | 29,883 |
| Total current liabilities payable from restricted assets | <u>974,883</u> | <u>-</u> | <u>-</u> | <u>974,883</u> |
| Noncurrent liabilities: | | | | |
| Net pension liability | 1,398,679 | 924,127 | 174,835 | 2,497,641 |
| Net OPEB liability | 35,981 | 23,773 | 4,498 | 64,252 |
| Notes payable | - | 136,062 | - | 136,062 |
| Revenue bonds notes payable | 9,489,796 | - | - | 9,489,796 |
| Total noncurrent liabilities | <u>10,924,456</u> | <u>1,083,962</u> | <u>179,333</u> | <u>12,187,751</u> |
| Total liabilities | <u>13,504,450</u> | <u>3,463,925</u> | <u>291,630</u> | <u>17,260,005</u> |
| Deferred inflows of resources: | | | | |
| Deferred inflow - TMRS pension | 29,147 | 19,258 | 3,643 | 52,048 |
| Deferred inflow - TMRS OPEB | 3,335 | 2,203 | 417 | 5,955 |
| Total deferred inflows of resources | <u>32,482</u> | <u>21,461</u> | <u>4,060</u> | <u>58,003</u> |
| Net position: | | | | |
| Net investment in capital assets | 16,946,072 | 510,438 | 4,449,603 | 21,906,113 |
| Restricted - impact fees | 1,475,803 | - | - | 1,475,803 |
| Reserved - capital projects | 3,315,222 | - | 387,760 | 3,702,982 |
| Reserved - golf committee | - | 7,319 | - | 7,319 |
| Unrestricted | 4,441,633 | (1,994,188) | 49,163 | 2,496,608 |
| Total net position | <u>26,178,730</u> | <u>(1,476,431)</u> | <u>4,886,526</u> | <u>29,588,825</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 39,715,662</u> | <u>\$ 2,008,955</u> | <u>\$ 5,182,216</u> | <u>\$ 46,906,833</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**

Fiscal year ended September 30, 2019

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|-----------------------|---------------------|----------------------|
| | Water / Sewer Fund | Golf Course Fund | Stormwater Fund | Total |
| Operating revenues: | | | | |
| Water revenues | \$ 4,405,042 | \$ - | \$ - | \$ 4,405,042 |
| Sewer revenues | 3,538,883 | - | - | 3,538,883 |
| Stormwater revenues | - | - | 653,224 | 653,224 |
| Golf course fees | - | 919,510 | - | 919,510 |
| Other fees and service charges | 591,978 | - | - | 591,978 |
| Sales, net of costs of goods sold | - | 424,651 | - | 424,651 |
| Miscellaneous revenues | <u>54,343</u> | <u>49,511</u> | <u>1,000</u> | <u>104,854</u> |
| Total operating revenues | <u>8,590,246</u> | <u>1,393,672</u> | <u>654,224</u> | <u>10,638,142</u> |
| Operating expenses: | | | | |
| Public works | 1,067,493 | - | - | 1,067,493 |
| Administration | 162,264 | - | - | 162,264 |
| Water department | 2,300,873 | - | - | 2,300,873 |
| Sewer department | 2,101,601 | - | - | 2,101,601 |
| Stormwater department | - | - | 340,217 | 340,217 |
| Golf course operating cost | - | 1,978,033 | - | 1,978,033 |
| Depreciation | <u>683,190</u> | <u>185,328</u> | <u>104,023</u> | <u>972,541</u> |
| Total operating expenses | <u>6,315,421</u> | <u>2,163,361</u> | <u>444,240</u> | <u>8,923,022</u> |
| Operating income (loss) | <u>2,274,825</u> | <u>(769,689)</u> | <u>209,984</u> | <u>1,715,120</u> |
| Nonoperating revenues (expenses): | | | | |
| Transfers in | - | 924,000 | - | 924,000 |
| Interest income | 7,869 | 3,777 | 994 | 12,640 |
| Grants | - | - | 28,628 | 28,628 |
| Interest and fiscal charges | <u>(350,294)</u> | <u>-</u> | <u>-</u> | <u>(350,294)</u> |
| Total nonoperating revenues (expenses) | <u>(342,425)</u> | <u>927,777</u> | <u>29,622</u> | <u>614,974</u> |
| Change in net position | 1,932,400 | 158,088 | 239,606 | 2,330,094 |
| Net position at beginning of year | <u>24,246,330</u> | <u>(1,634,519)</u> | <u>4,646,920</u> | <u>27,258,731</u> |
| Net position at end of year | <u>\$ 26,178,730</u> | <u>\$ (1,476,431)</u> | <u>\$ 4,886,526</u> | <u>\$ 29,588,825</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Fiscal year ended September 30, 2019

| | Business-Type Activities - Enterprise Funds | | | Total |
|--|---|---------------------|--------------------|----------------------|
| | Water / Sewer Fund | Golf Course Fund | Stormwater Fund | |
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 8,683,184 | \$ 1,308,707 | \$ 911,349 | \$ 10,903,240 |
| Cash paid for employee wages and benefits | (1,240,684) | (1,124,180) | (152,027) | (2,516,891) |
| Cash paid to suppliers for goods and services | (4,212,578) | (509,779) | (249,753) | (4,972,110) |
| Net cash provided by operating activities | <u>3,229,922</u> | <u>(325,252)</u> | <u>509,569</u> | <u>3,414,239</u> |
| Cash flows from capital and related financing activities: | | | | |
| Purchase/construction of capital assets | (1,907,675) | (357,999) | (429,599) | (2,695,273) |
| Principal payments on long-term debt | (989,606) | (128,033) | - | (1,117,639) |
| Proceeds from bonds and notes | - | 153,250 | - | 153,250 |
| Interest and fiscal charges paid | (353,023) | - | - | (353,023) |
| Net cash used in capital and related financing activities | <u>(3,250,304)</u> | <u>(332,782)</u> | <u>(429,599)</u> | <u>(4,012,685)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers from other funds | - | 924,000 | - | 924,000 |
| Grants | - | - | 28,628 | 28,628 |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>924,000</u> | <u>28,628</u> | <u>952,628</u> |
| Cash flows from investing activities: | | | | |
| Investment interest received | 7,869 | 3,777 | 994 | 12,640 |
| Net increase (decrease) in cash and cash equivalents | <u>(12,513)</u> | <u>269,743</u> | <u>109,592</u> | <u>366,822</u> |
| Cash and cash equivalents at beginning of year: | | | | |
| Cash and equivalents | 7,220,536 | 186,242 | 477,669 | 7,884,447 |
| Restricted cash and equivalents | 3,539,749 | - | - | 3,539,749 |
| Total cash and equivalents at beginning of year | <u>10,760,285</u> | <u>186,242</u> | <u>477,669</u> | <u>11,424,196</u> |
| Cash and equivalents at end of year: | | | | |
| Cash and equivalents | 7,403,268 | 455,985 | 587,261 | 8,446,514 |
| Restricted cash and equivalents | 3,344,504 | - | - | 3,344,504 |
| Total cash and equivalents at end of year | <u>\$ 10,747,772</u> | <u>\$ 455,985</u> | <u>\$ 587,261</u> | <u>\$ 11,791,018</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSAL CITY, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Fiscal year ended September 30, 2019

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|---------------------|--------------------|--------------|
| | Water / Sewer Fund | Golf Course Fund | Stormwater Fund | Total |
| Reconciliation of operating income to net cash provided by (used in) operating activities: | | | | |
| Operating income | \$ 2,274,825 | \$ (769,689) | \$ 209,984 | \$ 1,715,120 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 683,190 | 185,328 | 104,023 | 972,541 |
| Change in net pension and OPEB expense | 17,410 | 37,885 | 7,168 | 62,463 |
| (Increase) decrease in operating assets: | | | | |
| Accounts receivable | 35,177 | (36,414) | 257,125 | 255,888 |
| Inventory | (1,789) | (1,938) | - | (3,727) |
| Interfund receivables | - | (109,000) | (6,894) | (115,894) |
| Increase (decrease) in operating liabilities: | | | | |
| Accounts payable | 149,060 | (2,246) | (60,810) | 86,004 |
| Accrued wages and benefits | 14,920 | 5,405 | (539) | 19,786 |
| Interfund payables | (632) | 413,968 | (488) | 412,848 |
| Utility deposits | 57,761 | - | - | 57,761 |
| Deferred revenue | - | (48,551) | - | (48,551) |
| Total adjustments | 955,097 | 444,437 | 299,585 | 1,699,119 |
| Net cash provided by operating activities | 3,229,922 | (325,252) | 509,569 | 3,414,239 |

SCHEDULE OF NONCASH ACTIVITIES

| | | | | |
|--|------------|------------|-----------|------------|
| Actuarially determined change in | | | | |
| Net pension liability | \$ 344,277 | \$ 227,468 | \$ 43,034 | \$ 614,779 |
| Other postemployment benefit liability | 1,082 | 715 | 135 | |

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(1) Summary of significant accounting policies

The City of Universal City, Texas, (City), was incorporated on September 6, 1960 by Ordinance Number 1. The City Charter was adopted on April 18, 1972, under the provisions of the Home Rule Charter Act of the State of Texas using Ordinance Number 237. The City operates under a council-manager form of government and provides the following services as authorized by its charter: police and fire protection, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water and sewer services, and a golf course.

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.

Reporting entity

Component units

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units, if any existed, would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The City of Universal City has a component unit displayed as a discretely presented component unit. The component unit, Universal City Economic Development Corporation (EDC), was organized under Vernon's Civil Statutes, Section 4B 5190.6, to establish a nonprofit corporation for the sole purpose of economic development and enhancement of Universal City. The fiscal year of the EDC is October 1 through September 30. The EDC has seven (7) board members, with the city manager acting as an advisor to the board. The EDC provides direct services and benefits to the City, its business community, and citizens and functions as an integral part of the City's operations by promoting and incentivizing economic growth and development for the community.

The Universal City Economic Development Corporation is included within the financial statements of the City of Universal City due to the significance of the corporation's operational and financial relationship with the City. The financial data of the component unit is recognized in the financial statements as a discretely presented component unit. It is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the government. Separately issued financial statements for the Universal City Economic Development Corporation may be obtained at the Universal City Municipal Complex.

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 and its component unit. 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

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(1) Summary of significant accounting policies (continued)

Government-wide and fund financial statements (continued)

external parties for goods and services. The primary government is reported separately from the component unit within the government-wide 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 and its component unit. 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 primary government is reported separately from the component unit within the government-wide statements.

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 of 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 among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund, capital projects fund, and debt service fund all meet the criteria of a major governmental fund.

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. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

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

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 end.

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2019

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied prior to September 30, 2019 and became due October 1, 2018, have been assessed to finance the budget of the fiscal year beginning October 1, 2018, and accordingly, have been reflected as deferred inflows of resources and taxes receivable in the fund financial statements at September 30, 2019.

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 City 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, licenses and permits, fines and forfeitures, sales tax, and franchise taxes. Primary expenditures are for general administration, public safety, and capital acquisition.

The capital projects fund accounts for financial resources to be used for the acquisition and construction of major capital projects and is principally financed by the sale of bonds and tax notes.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long term debt of the governmental funds.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary funds are water/sewer fund (used to account for the provision of water and sewer services to residents), the golf course, and the stormwater fund. All the proprietary funds qualify as major funds.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when 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.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(1) Summary of significant accounting policies (continued)

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.

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 other 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 (FDIC), or its successor; or, (ii) secured by obligations that are described by (a) – (d). 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 agreements involving those same obligations. Investments are stated at fair value.

At September 30, 2019, the City has all its monies in interest-bearing checking accounts, savings accounts, and TexPool.

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 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 uncollectibles.

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 deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

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 governmental-wide financial statements as "internal balances".

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2019

(1) Summary of significant accounting policies (continued)

Inventories

Inventories of consumable supplies are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Inventories of repair and replacement parts for the utility system are valued at cost, which approximates market, using the FIFO method.

Restricted assets

Certain proceeds of enterprise fund revenue bonds, 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 applicable bond covenants. Funds are segregated to report those proceeds of revenue bond issuances that are restricted for use in construction.

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 \$2,500 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

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

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|----------------|
| Buildings | 40 years |
| Improvements other than buildings | 20 years |
| Transportation and equipment | 5 to 15 years |
| Water and sewer system | 15 to 50 years |
| Infrastructure | 10 to 30 years |

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(1) Summary of significant accounting policies (continued)

Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that is attributable to services already rendered which is not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or in which such events take place.

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.

Deferred inflows of resources

Property tax revenues are recognized when they become both measurable and available within 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 deferred inflows of resources.

Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bond.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund balance

The City implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(1) Summary of significant accounting policies (continued)

Fund balance (continued)

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the City Council to the City Manager.

Net position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Interfund transactions

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

The City allocates to the water/sewer fund and the stormwater fund an indirect overhead cost percentage of general government administration expenses that is paid to the general fund. During the year ended September 30, 2019, the City allocated \$200,000 from the water/sewer fund and \$50,000 from the stormwater fund as transfers for such services. The indirect overhead cost allocation is reflected as an operating expense in the water/sewer fund and the stormwater fund, and as revenue in the general fund.

Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, those revenues are charges for water, sewer and stormwater services, golf course green fees, and other direct sales. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(1) Summary of significant accounting policies (continued)

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 disclosures of contingent 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.

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.

Other postemployment benefits

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Plan (SDBF) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources, and deferred inflows of resources related to the other postemployment benefits, OPEB expense, and information about additions to/deductions from the TMRS OPEB's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

(2) Cash, cash equivalents, 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 pledged 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 insurance.

Cash

At September 30, 2019, the carrying amount of the primary government's (the City) cash on hand was \$10,253, deposits in the bank were \$28,080,701 and the book balance was \$27,296,025. The City's depository had pledged securities having a market value of \$35,658,886 as collateral for the City's deposits at September 30, 2019. All of the City's cash was fully collateralized.

The discretely presented component unit had deposits in the bank of \$2,312,462 and the book balance was \$2,418,952. Deposits were fully collateralized.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(2) Cash, cash equivalents, and investments (continued)

Investments

The City is required by Governmental Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. The 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 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.

Analysis of specific deposit and investment risks

GASB Statement Number 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, reporting of certain related disclosures:

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 exposed to credit risk.

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.

Analysis of specific deposit and investment risks

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.

Concentration of credit risk - This 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 concentration risk.

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.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(3) 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 Bexar 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, 2018 upon which the 2018 levy was based was \$1,360,690,742 (i.e., market value less exemptions). The estimated market value was \$1,501,567,555 making the taxable value 91% of the estimated market value.

Property taxes are recorded as receivables and deferred inflows of resources 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 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, at the levy date.

(The remainder of page intentionally left blank)

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(4) Interfund receivable / payable

During the course of its operations, the City has numerous routine transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, 2019, balances of interfund amounts receivable or payable have been recorded as follows:

| | Due From | Due To |
|------------------------|---------------------|---------------------|
| Primary government | | |
| General fund: | | |
| Debt service fund | \$ 667,429 | \$ 1,069 |
| Capital projects fund | - | 59,004 |
| Water/sewer fund | 14,696 | - |
| Golf course fund | 1,491,231 | - |
| Stormwater fund | <u>1,144</u> | <u>-</u> |
| Total | <u>2,174,500</u> | <u>60,073</u> |
| Debt service fund: | | |
| General fund | 1,069 | 667,429 |
| Golf course | <u>634,360</u> | <u>499,000</u> |
| Total | <u>635,429</u> | <u>1,166,429</u> |
| Capital projects fund: | | |
| General fund | <u>59,004</u> | <u>-</u> |
| Water/sewer fund: | | |
| General fund | - | 14,696 |
| Stormwater fund | <u>-</u> | <u>10,341</u> |
| Total | <u>-</u> | <u>25,037</u> |
| Golf course fund: | | |
| General fund | - | 1,491,231 |
| Debt service fund | <u>499,000</u> | <u>634,360</u> |
| Total | <u>499,000</u> | <u>2,125,591</u> |
| Stormwater fund: | | |
| General fund | - | 1,144 |
| Water/sewer fund | <u>10,341</u> | <u>-</u> |
| Total | <u>10,341</u> | <u>1,144</u> |
| Totals | <u>\$ 3,378,274</u> | <u>\$ 3,378,274</u> |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(4) Interfund receivable / payable (continued)

| | <u>Due From</u> | <u>Due To</u> |
|----------------------------------|-------------------|-------------------|
| Governmental fund/component unit | | |
| General fund: | | |
| Component unit | \$ 242,685 | \$ 1,069 |
| Component unit: | | |
| General fund | <u>1,069</u> | <u>242,685</u> |
| Totals | <u>\$ 243,754</u> | <u>\$ 243,754</u> |

(5) Capital assets

Capital asset activity for the year ended September 30, 2019, was as follows:

| | <u>Beginning Balance</u> | <u>Increase</u> | <u>Decrease</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|-----------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,976,157 | \$ - | \$ - | \$ 6,976,157 |
| Construction in progress | <u>2,375,120</u> | <u>233,703</u> | <u>(1,381,634)</u> | <u>1,227,189</u> |
| Total capital assets, not being depreciated | <u>9,351,277</u> | <u>233,703</u> | <u>(1,381,634)</u> | <u>8,203,346</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 12,005,855 | 187,477 | - | 12,193,332 |
| Improvements other than buildings | 5,891,883 | - | - | 5,891,883 |
| Transportation and equipment | 8,818,069 | 965,341 | (122,829) | 9,660,581 |
| Infrastructure | <u>22,840,627</u> | <u>4,192,213</u> | <u>-</u> | <u>27,032,840</u> |
| Total capital assets, being depreciated | <u>49,556,434</u> | <u>5,345,031</u> | <u>(122,829)</u> | <u>54,778,636</u> |
| Less accumulated depreciation: | | | | |
| Buildings | (3,405,637) | (332,944) | - | (3,738,581) |
| Improvements other than buildings | (4,755,601) | (302,792) | - | (5,058,393) |
| Transportation and equipment | (6,497,572) | (779,107) | 115,459 | (7,161,220) |
| Infrastructure | <u>(10,996,425)</u> | <u>(659,427)</u> | <u>-</u> | <u>(11,655,852)</u> |
| Total accumulated depreciation | <u>(25,655,235)</u> | <u>(2,074,270)</u> | <u>115,459</u> | <u>(27,614,046)</u> |
| Total capital assets being depreciated, net | <u>23,901,199</u> | <u>3,270,761</u> | <u>(7,370)</u> | <u>27,164,590</u> |
| Governmental activities capital assets, net | <u>\$ 33,252,476</u> | <u>\$ 3,504,464</u> | <u>\$ (1,389,004)</u> | <u>\$ 35,367,936</u> |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(5) Capital assets (continued)

| | Beginning Balance | Increase | Decrease | Ending Balance |
|---|----------------------|---------------------|-----------------------|----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 322,965 | \$ 187 | \$ - | \$ 323,152 |
| Construction in progress | 1,899,887 | 692,296 | (1,784,214) | 807,969 |
| Water rights | <u>7,987,087</u> | <u>323,927</u> | <u>-</u> | <u>8,311,014</u> |
| Total capital assets, not being depreciated | <u>10,209,939</u> | <u>1,016,410</u> | <u>(1,784,214)</u> | <u>9,442,135</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 2,253,028 | - | - | 2,253,028 |
| Utility plant | 27,652,982 | 2,892,029 | - | 30,545,011 |
| Transportation and equipment | <u>3,762,448</u> | <u>589,457</u> | <u>(128,159)</u> | <u>4,223,746</u> |
| Total capital assets, being depreciated | <u>33,668,458</u> | <u>3,481,486</u> | <u>(128,159)</u> | <u>37,021,785</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | (752,193) | (55,899) | - | (808,092) |
| Utility plant | (9,436,241) | (566,313) | - | (10,002,554) |
| Transportation and equipment | <u>(2,857,397)</u> | <u>(350,329)</u> | <u>109,750</u> | <u>(3,097,976)</u> |
| Total accumulated depreciation | <u>(13,045,831)</u> | <u>(972,541)</u> | <u>109,750</u> | <u>(13,908,622)</u> |
| Total capital assets being depreciated, net | <u>20,622,627</u> | <u>2,508,945</u> | <u>(18,409)</u> | <u>23,113,163</u> |
| Business-type capital assets, net | <u>\$ 30,832,566</u> | <u>\$ 3,525,355</u> | <u>\$ (1,802,623)</u> | <u>\$ 32,555,298</u> |

Depreciation expense was charged to the governmental functions as follows:

| | |
|--|---------------------|
| Administration | \$ 56,842 |
| Planning and development | 1,477 |
| Finance | 7,959 |
| Municipal court | 28,000 |
| General services division | 960,009 |
| Police | 145,422 |
| Fire | 286,034 |
| Library | 172,944 |
| Vehicle and equipment maintenance | 733 |
| Animal shelter | 69,855 |
| Golf course | <u>344,995</u> |
| Total depreciation expense - governmental activities | <u>\$ 2,074,270</u> |

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2019

(6) Long-term debt:

The City had the following changes in long-term debt outstanding for the year ended September 30, 2019:

| | Original Amount | Interest Rates | Outstanding October 1, 2018 | Issued | Retired | Balance September 30, 2019 | Amounts Due in One Year |
|---|--------------------|-------------------|-----------------------------------|---------------------|-----------------------|----------------------------------|-------------------------------|
| Governmental activities: | | | | | | | |
| General obligation refunding bonds (2008) | \$ 3,694,000 | 3.67% | \$ 1,376,000 | \$ - | \$ (5,000) | \$ 1,371,000 | \$ 6,000 |
| Unamortized premium | | | 618,063 | 783,153 | (144,444) | 1,256,772 | 89,683 |
| General obligation bonds (2010) | 5,355,000 | 2.00-4.00 | 3,765,000 | - | (3,765,000) | - | - |
| General obligation refunding bonds (2012) | 1,200,000 | 1.18-2.25 | 793,000 | - | (390,000) | 403,000 | 403,000 |
| General obligation bonds (2013) | 1,195,000 | 4.00-5.00 | 990,000 | - | (50,000) | 940,000 | 50,000 |
| Certificates of obligation (2014) | 3,090,000 | 2.00-4.00 | 2,610,000 | - | (125,000) | 2,485,000 | 125,000 |
| General obligation refunding bonds (2015) | 3,015,000 | 3.00-4.00 | 2,760,000 | - | (270,000) | 2,490,000 | 275,000 |
| General obligation bonds (2016) | 4,935,000 | 2.00-3.00 | 4,540,000 | - | (205,000) | 4,335,000 | 210,000 |
| General obligation bonds (2019) | 7,705,000 | 2.00-4.00 | - | 7,705,000 | - | 7,705,000 | 415,000 |
| Total bonds payable | | | 17,452,063 | 8,488,153 | (4,954,444) | 20,985,772 | 1,573,683 |
| Note payable, Schertz Bank & Trust | 130,567 | 3.30 | 68,013 | - | (26,519) | 41,494 | 27,437 |
| Note payable, Schertz Bank & Trust | 546,698 | 3.45 | 486,550 | - | (50,370) | 436,180 | 52,120 |
| Compensated absences | | | 411,420 | 168,335 | (102,855) | 476,900 | 476,900 |
| Total governmental activities | | | 18,418,046 | 8,656,488 | (5,134,188) | 21,940,346 | 2,130,140 |
| Business-type activities: | | | | | | | |
| Revenue and refunding bonds: | | | | | | | |
| Bonds (2011) | 5,625,000 | 2.00-5.00 | 3,095,000 | - | (405,000) | 2,690,000 | 420,000 |
| Bonds (2012) | 3,600,000 | 2.00-4.00 | 2,205,000 | - | (290,000) | 1,915,000 | 295,000 |
| Bonds (2015) | 2,830,000 | 2.00-4.00 | 2,560,000 | - | (110,000) | 2,450,000 | 115,000 |
| Bonds (2017) | 2,970,000 | 3.00-3.125 | 2,875,000 | - | (115,000) | 2,760,000 | 115,000 |
| Unamortized premium | | | 679,803 | - | (60,007) | 619,796 | 60,007 |
| Total bonds payable | | | 11,414,803 | - | (980,007) | 10,434,796 | 1,005,007 |
| Note payable, PNC Equipment | 168,778 | 2.00 | 42,348 | - | (39,811) | 2,537 | 2,537 |
| Note payable, PNC Equipment | 15,815 | 2.00 | 6,681 | - | (3,553) | 3,128 | 3,128 |
| Note payable, PNC Equipment | 90,764 | 2.00 | 38,339 | - | (17,197) | 21,142 | 19,483 |
| Note payable, John Deere | 131,307 | 3.00 | 37,039 | - | (31,261) | 5,778 | 5,778 |
| Note payable, John Deere | 80,632 | | 64,764 | - | (19,465) | 45,299 | 20,360 |
| San Antonio River Authority | 790,236 | 5.00 | 69,606 | - | (69,606) | - | - |
| Note payable, PNC Equipment | 153,250 | | - | 153,250 | (16,745) | 136,505 | 27,041 |
| Total notes payable | | | 258,777 | 153,250 | (197,638) | 214,389 | 78,327 |
| Compensated absences | | | 132,409 | 42,617 | (33,102) | 141,924 | 141,924 |
| Total business-type activities | | | 11,805,989 | 195,867 | (1,210,747) | 10,791,109 | 1,225,258 |
| Total primary government | | | \$ 30,224,035 | \$ 8,852,355 | \$ (6,344,935) | \$ 32,731,455 | \$ 3,355,398 |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(6) Long-term debt (continued):

| | Original Amount | Interest Rates | Outstanding October 1, 2018 | Issued | Retired | Balance September 30, 2019 | Amounts Due in One Year |
|---------------------------------|--------------------|-------------------|-----------------------------------|--------|--------------|----------------------------------|-------------------------------|
| Component unit activities: | | | | | | | |
| Revenue bonds (2016) | \$ 1,700,000 | 1.650 | \$ 1,380,000 | \$ - | \$ (163,000) | \$ 1,217,000 | \$ 165,000 |
| Total component unit activities | | | \$ 1,380,000 | \$ - | \$ (163,000) | \$ 1,217,000 | \$ 165,000 |

Annual debt service requirements as of September 30, 2019, for revenue bonds, general obligation bonds, and certificates of obligation are as follows:

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | |
|-------------|-------------------------|--------------|---------------|--------------------------|--------------|---------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2020 | \$ 1,484,000 | \$ 651,185 | \$ 2,135,185 | \$ 945,000 | \$ 358,600 | \$ 1,303,600 |
| 2021 | 1,536,000 | 617,221 | 2,153,221 | 985,000 | 324,899 | 1,309,899 |
| 2022 | 1,595,000 | 564,519 | 2,159,519 | 710,000 | 286,700 | 996,700 |
| 2023 | 1,654,000 | 505,996 | 2,159,996 | 740,000 | 258,049 | 998,049 |
| 2024 | 1,215,000 | 454,425 | 1,669,425 | 765,000 | 228,200 | 993,200 |
| 2025-2029 | 6,020,000 | 1,604,950 | 7,624,950 | 2,750,000 | 769,686 | 3,519,686 |
| 2030-2034 | 4,220,000 | 752,775 | 4,972,775 | 2,155,000 | 311,175 | 2,466,175 |
| 2035-2039 | 2,005,000 | 195,625 | 2,200,625 | 765,000 | 42,044 | 807,044 |
| Totals | \$ 19,729,000 | \$ 5,346,696 | \$ 25,075,696 | \$ 9,815,000 | \$ 2,579,353 | \$ 12,394,353 |

Annual debt service requirements as of September 30, 2019, for notes payable are as follows:

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | |
|-------------|-------------------------|-----------|------------|--------------------------|-----------|------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2020 | \$ 79,557 | \$ 15,411 | \$ 94,968 | \$ 78,327 | \$ 13,519 | \$ 91,846 |
| 2021 | 68,071 | 12,697 | 80,768 | 52,488 | 9,202 | 61,690 |
| 2022 | 55,933 | 10,636 | 66,569 | 35,901 | 5,808 | 41,709 |
| 2023 | 57,921 | 8,648 | 66,569 | 35,230 | 2,813 | 38,043 |
| 2024 | 58,961 | 7,608 | 66,569 | 12,443 | 238 | 12,681 |
| 2025-2027 | 157,231 | 6,917 | 164,148 | - | - | - |
| Totals | \$ 477,674 | \$ 61,917 | \$ 539,591 | \$ 214,389 | \$ 31,580 | \$ 245,969 |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(6) Long-term debt (continued):

During the year, the City issued General Obligation Improvement and Refunding Bonds, Series 2019 in the amount of \$3,295,000 to refund General Obligation Bonds, Series 2010 in the amount of \$3,515,000, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the escrow cash account for the defeased bonds are not included in the City's financial statements. As a result of the refunding, the City reduced its total debt service requirements by \$428,142 which resulted in an economic gain of \$379,481. Bonds outstanding that are considered defeased as a result of the current year funding total \$-0-.

(7) Retirement plan

Plan description

The City participates as one of 887 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.

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

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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service or with twenty (20) years of service regardless of age. A member is vested after five (5) years. The contribution rate for the employees is 7%, and the City matching percent is currently 2 to 1.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(7) Retirement plan (continued)

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 67 |
| Inactive employees entitled to but not yet receiving benefits | 93 |
| Active employees | <u>132</u> |
| | <u>292</u> |

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 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 18.79% and 18.46% in calendar years 2018 and 2019 respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$1,495,419, and were equal to the required contributions.

Net pension liability

The City's net pension liability (NPL) was measured as of December 31, 2018, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.0% per year |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

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

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(7) Retirement plan (continued)

Net pension liability (continued)

Actuarial assumptions (continued):

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and annuity purchase rates (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in December 31, 2013 valuation, the System adopted the entry age normal (EAN) actuarial cost method and a one-time change to the amortization policy. 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 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 return for each major asset class in fiscal year 2019 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|-----------------------|----------------------|--|
| Domestic equity | 17.5% | 4.30% |
| International equity | 17.5% | 6.10% |
| Core fixed income | 10.0% | 1.00% |
| Non-core fixed income | 20.0% | 3.39% |
| Real return | 10.0% | 3.78% |
| Real estate | 10.0% | 4.44% |
| Absolute return | 10.0% | 3.56% |
| Private equity | 5.0% | 7.75% |
| Total | 100.0% | |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(7) Retirement plan (continued)

Net pension liability (continued)

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.

Changes in the net pension liability:

| | Total Pension Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|--|-----------------------------------|--|---------------------------------------|
| | <u>(a)</u> | <u>(b)</u> | <u>(a) - (b)</u> |
| Balance at December 31, 2017 | \$ 36,418,489 | \$ 27,860,026 | \$ 8,558,463 |
| Changes for the year: | | | |
| Service cost | 1,334,243 | - | 1,334,243 |
| Interest | 2,462,224 | - | 2,462,224 |
| Changes in current period benefits * | - | - | - |
| Difference between expected and actual experience | 142,915 | - | 142,915 |
| Changes of assumptions | - | - | - |
| Contributions - employer | - | 1,455,042 | (1,455,042) |
| Contributions - employee | - | 542,060 | (542,060) |
| Net investment income | - | (835,200) | 835,200 |
| Benefit payments, including refunds of employee contributions | (1,216,434) | (1,216,434) | - |
| Administrative expense | - | (16,129) | 16,129 |
| Other changes | - | (841) | 841 |
| Net changes | <u>2,722,948</u> | <u>(71,502)</u> | <u>2,794,450</u> |
| Balance at December 31, 2018 | <u>\$ 39,141,437</u> | <u>\$ 27,788,524</u> | <u>\$ 11,352,913</u> |

* For TMRS, the "changes in current period benefits" includes substantively automatic benefit status changes, if applicable.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(7) Retirement plan (continued)

Net pension liability (continued)

Sensitivity of the net pension liability 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:

| | <u>1% Decrease in Discount Rate (5.75%)</u> | <u>Discount Rate (6.75%)</u> | <u>1% Increase in Discount Rate (7.75%)</u> |
|------------------------------|---|----------------------------------|---|
| City's net pension liability | \$ 17,250,510 | \$ 11,352,913 | \$ 6,548,120 |

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.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:

For the year ended September 30, 2019, the City recognized pension expense of \$1,939,793.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual economic experience | \$ 159,813 | \$ 236,584 |
| Changes in actuarial assumptions | 39,843 | - |
| Difference between projected and actual investment earnings | 1,434,264 | - |
| Contributions subsequent to the measurement date | <u>1,145,073</u> | - |
| Total | <u>\$ 2,778,993</u> | <u>\$ 236,584</u> |

\$1,145,073 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>September 30,</u> | <u>Amortization Expense</u> |
|----------------------|---------------------------------|
| 2020 | \$ 481,159 |
| 2021 | 154,082 |
| 2022 | 213,115 |
| 2023 | 548,980 |
| 2024 | - |
| Thereafter | - |
| Total | <u>\$ 1,397,336</u> |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(7) Retirement plan (continued)

Other postemployment benefits (OPEB)

Plan description

The City participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by 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 and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefits provided

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 postemployment benefit or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Contributions

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

The contribution rate for the City was 0.18% and 0.17% respectively for calendar years 2019 and 2018 respectively. The City's contribution to TMRS SDBF for the years ended September 30, 2019 and 2018 were \$14,335 and \$13,385, respectively, which equaled the required contributions each year.

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 40 |
| Inactive employees entitled to but not yet receiving benefits | 19 |
| Active employees | <u>132</u> |
| | <u>191</u> |

OPEB liability

The City's total OPEB liability of \$292,052 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2019

(7) Retirement plan (continued)

Other postemployment benefits (OPEB) (continued)

Actuarial assumptions:

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Inflation | 2.5% |
| Salary increases | 3.50% to 10.5% including inflation |
| Discount rate * | 3.71% |
| Retirees' share of benefit-related costs | \$0 |
| Administrative expenses | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. |
| Mortality rates - service retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with males rates multiplied by 109% and females rates multiplied by 103% and projected on a fully generational basis with scale BB. |
| Mortality rates - disabled retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with males rates multiplied by 109% and females rates multiplied by 103% with a 3 year set-forward for both male and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor. |

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2019

(7) Retirement plan (continued)

Other postemployment benefits (OPEB) (continued)

Changes in the total OPEB liability:

| | |
|---|-------------------|
| Balance at December 31, 2017 | \$ 300,837 |
| Changes for the year: | |
| Service cost | 14,713 |
| Interest on the total OPEB liability | 10,176 |
| Changes of benefit terms | - |
| Difference between expected and actual experience | (9,613) |
| Change in assumptions or other inputs | (22,512) |
| Benefit payments | <u>(1,548)</u> |
| Net changes | <u>(8,784)</u> |
| Balance at December 31, 2018 | <u>\$ 292,053</u> |

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

| | 1% Decrease in Discount Rate <u>(2.71%)</u> | Current Discount Rate <u>(3.71%)</u> | 1% Increase in Discount Rate <u>(4.71%)</u> |
|-----------------------|---|--|---|
| City's OPEB liability | <u>\$ 352,724</u> | <u>\$ 292,053</u> | <u>\$ 245,034</u> |

OPEB expenses, deferred outflows of resources, and deferred inflows of resources related to OPEB:

For the year ended September 30, 2019, the City recognized OPEB expense of \$23,761.

At September 30, 2019, 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 between expected and actual economic experience | \$ - | \$ 8,099 |
| Changes in actuarial assumptions | 17,097 | 18,967 |
| Difference between projected and actual investment earnings | - | - |
| Contributions subsequent to the measurement date | <u>11,166</u> | <u>-</u> |
| Total | <u>\$ 28,263</u> | <u>\$ 27,066</u> |

CITY OF UNIVERSAL CITY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2019

(7) Retirement plan (continued)

Other postemployment benefits (OPEB) (continued)

The City reported \$11,166 as deferred outflows of resources related to the OPEB liability resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the OPEB liability for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in OPEB expense as follows:

| <u>September 30,</u> | <u>Amortization Expense</u> |
|----------------------|---------------------------------|
| 2020 | \$ (1,128) |
| 2021 | (1,128) |
| 2022 | (1,128) |
| 2023 | (1,128) |
| 2024 | (3,686) |
| Thereafter | <u>(1,771)</u> |
| Total | <u>\$ (9,969)</u> |

(8) Interfund transfers

Interfund transfers during the year ended September 30, 2019, were the result of normal transactions between the funds:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| General fund | \$ 33,396 | \$ 237,052 |
| Debt service fund | - | 956,321 |
| Capital projects fund | 237,052 | 1,075 |
| Golf course fund | <u>924,000</u> | <u>-</u> |
| Totals | <u>\$ 1,194,448</u> | <u>\$ 1,194,448</u> |

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(9) Commitments and contingencies

The City has entered into contracts for future commitments as follows:

| | Estimated Cost to City | Expended to Date | Estimated Future Commitment |
|---------------------|---------------------------|---------------------|-----------------------------------|
| General government: | | | |
| East Aviation | \$ 4,800,000 | \$ 233,703 | \$ 4,566,297 |
| Totals | \$ 4,800,000 | \$ 233,703 | \$ 4,566,297 |
| Utility fund: | | | |
| Waterline Rehab | \$ 500,000 | \$ 345,898 | \$ 154,102 |
| Lemonwood | 762,000 | 50,215 | 711,785 |
| 7" ETJ | 795,000 | 123,400 | 671,600 |
| Totals | \$ 2,057,000 | \$ 519,513 | \$ 1,537,487 |

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Risk management

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

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

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 for risk sharing among pool participants and stop loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

(10) Conduit debt obligation

The City of Universal City created a nonprofit education facilities corporation, City of Universal City, Texas Education Facilities Corporation; pursuant to Section 53.35(b) of the Higher Education Authority Act. The Corporation issued the City of Universal City, Texas Education Facilities Corporation Revenue Bonds (Wayland Baptist University) Series 2001, in the aggregate principal amount of \$7,480,000. The bonds are backed solely by the revenues derived from the University pursuant to provisions of the Bond Resolution and the Loan Agreement between the Corporation and Wayland Baptist University. The City has no obligation associated with the bonds. As of September 30, 2019, the total outstanding debt from this issue was \$3,090,000.

(11) Net position deficit

The financial statements include the following fund with a cumulative unrestricted net position deficit at September 30, 2019:

| | <u>Deficit Amount</u> |
|------------------|-----------------------|
| Golf course fund | <u>\$1,994,188</u> |

During a prior fiscal year, the City changed the management of the golf course from contracted service to City employees. With the improved management of the golf course, the deficit is expected to be eliminated over time.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes in Net Pension Liability, OPEB and Related Ratios
- Schedule of Contributions – Net Pension Liability and OPEB

(This page intentionally left blank)

CITY OF UNIVERSAL CITY, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Fiscal year ended September 30, 2019

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 6,441,131 | \$ 6,441,131 | \$ 6,350,493 | \$ (90,638) |
| Penalty and interest | 20,000 | 20,000 | 30,620 | 10,620 |
| Total taxes | <u>6,461,131</u> | <u>6,461,131</u> | <u>6,381,113</u> | <u>(80,018)</u> |
| Nonproperty taxes: | | | | |
| Franchise taxes | 1,440,000 | 1,440,000 | 1,408,252 | (31,748) |
| Sales taxes | 2,270,000 | 2,270,000 | 2,502,927 | 232,927 |
| PEG funds | - | - | 44,911 | 44,911 |
| CPS funds | - | - | 175,878 | 175,878 |
| Mixed drink taxes | 80,200 | 80,200 | 70,637 | (9,563) |
| Hotel occupancy tax | 100,000 | 100,000 | 102,881 | 2,881 |
| School crossing guard tax | - | - | 24,431 | 24,431 |
| Total nonproperty taxes | <u>3,890,200</u> | <u>3,890,200</u> | <u>4,329,917</u> | <u>439,717</u> |
| Licenses and permits | <u>1,200,000</u> | <u>1,420,000</u> | <u>1,377,252</u> | <u>(42,748)</u> |
| Government allocations: | | | | |
| Area and state grants | - | 48,623 | 51,019 | 2,396 |
| Contributions from component unit | <u>223,456</u> | <u>223,456</u> | <u>242,162</u> | <u>18,706</u> |
| Total government allocations | <u>223,456</u> | <u>272,079</u> | <u>293,181</u> | <u>21,102</u> |
| Municipal court fines | <u>900,000</u> | <u>1,307,597</u> | <u>1,306,731</u> | <u>(866)</u> |
| Other revenue: | | | | |
| Sale of abandoned vehicles | - | - | 10,875 | 10,875 |
| Sale or use of property | - | - | 31,863 | 31,863 |
| Interest and investment income | 25,000 | 25,000 | 104,636 | 79,636 |
| Miscellaneous | 50,000 | 228,218 | 87,134 | (141,084) |
| Utility department overhead | 250,000 | 250,000 | 250,000 | - |
| Special events revenue | - | - | 62,062 | 62,062 |
| Donations | - | - | 43,604 | 43,604 |
| Total other revenue | <u>325,000</u> | <u>503,218</u> | <u>590,174</u> | <u>86,956</u> |
| Total revenues | <u>12,999,787</u> | <u>13,854,225</u> | <u>14,278,368</u> | <u>424,143</u> |

CITY OF UNIVERSAL CITY, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Fiscal year ended September 30, 2019

| | Budget Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Expenditures: | | | | |
| Administrative: | | | | |
| Payroll | \$ 517,573 | \$ 517,573 | \$ 461,029 | \$ 56,544 |
| Allowances | 24,500 | 25,900 | 21,806 | 4,094 |
| Communications | 89,000 | 137,900 | 127,595 | 10,305 |
| Utilities | 16,000 | 16,000 | 11,947 | 4,053 |
| Support services | 60,000 | 71,500 | 68,882 | 2,618 |
| Contract svices | 1,224,428 | 1,156,028 | 1,071,097 | 84,931 |
| Supplies and materials | 19,500 | 22,100 | 19,919 | 2,181 |
| Real property and equipment | - | 4,000 | 3,935 | 65 |
| Total administrative | <u>1,951,001</u> | <u>1,951,001</u> | <u>1,786,210</u> | <u>164,791</u> |
| Development services: | | | | |
| Payroll | 388,000 | 472,050 | 468,201 | 3,849 |
| Allowances | 12,110 | 12,110 | 9,052 | 3,058 |
| Communications | 8,908 | 8,908 | 3,411 | 5,497 |
| Support services | 188,720 | 103,170 | 76,623 | 26,547 |
| Contract services | 29,920 | 29,920 | 18,899 | 11,021 |
| Supplies and materials | 10,818 | 12,318 | 9,894 | 2,424 |
| Real property and equipment | <u>33,300</u> | <u>33,300</u> | <u>29,300</u> | <u>4,000</u> |
| Total development services | <u>671,776</u> | <u>671,776</u> | <u>615,380</u> | <u>56,396</u> |
| Finance: | | | | |
| Payroll | 321,415 | 373,115 | 373,361 | (246) |
| Allowances | 6,000 | 3,200 | 3,146 | 54 |
| Communications | 3,500 | 1,970 | 1,326 | 644 |
| Utilities | - | - | 200 | (200) |
| Support services | 57,000 | 52,160 | 51,484 | 676 |
| Contract services | 31,600 | 35,370 | 32,888 | 2,482 |
| Supplies and materials | 5,000 | 7,700 | 7,588 | 112 |
| Real property and equipment | <u>4,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total finance | <u>428,515</u> | <u>473,515</u> | <u>469,993</u> | <u>3,522</u> |
| Municipal court: | | | | |
| Payroll | 202,124 | 202,124 | 193,467 | 8,657 |
| Allowances | 2,450 | 2,450 | 1,201 | 1,249 |
| Communications | 3,700 | 3,700 | 8,139 | (4,439) |
| Support services | 36,400 | 36,400 | 31,691 | 4,709 |
| Contract services | 1,500 | 1,500 | 920 | 580 |
| Supplies and materials | 600 | 600 | 3,458 | (2,858) |
| Real property and equipment | <u>75,600</u> | <u>75,600</u> | <u>21,722</u> | <u>53,878</u> |
| Total municipal court | <u>322,374</u> | <u>322,374</u> | <u>260,598</u> | <u>61,776</u> |

CITY OF UNIVERSAL CITY, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Fiscal year ended September 30, 2019

| | Budget Amounts | | Actual Amounts | Variance with Budget |
|--|------------------|------------------|-------------------|-------------------------|
| | Original | Final | | Positive (Negative) |
| Expenditures (continued): | | | | |
| General services division: | | | | |
| Payroll | \$ 643,140 | \$ 643,140 | \$ 618,151 | \$ 24,989 |
| Allowances | 18,600 | 20,600 | 18,823 | 1,777 |
| Communications | 9,940 | 9,940 | 570 | 9,370 |
| Utilities | 156,500 | 156,500 | 155,603 | 897 |
| Contract services | 266,530 | 290,030 | 269,215 | 20,815 |
| Supplies and materials | 158,880 | 113,380 | 99,358 | 14,022 |
| Real property and equipment | <u>108,660</u> | <u>108,660</u> | <u>98,929</u> | <u>9,731</u> |
| Total general services division | <u>1,362,250</u> | <u>1,342,250</u> | <u>1,260,649</u> | <u>81,601</u> |
| Police department: | | | | |
| Payroll | 3,348,048 | 3,306,048 | 3,305,413 | 635 |
| Allowances | 64,300 | 54,300 | 52,379 | 1,921 |
| Communications | 43,000 | 58,100 | 56,615 | 1,485 |
| Utilities | 12,000 | 20,600 | 20,474 | 126 |
| Contract services | 110,250 | 104,350 | 88,815 | 15,535 |
| Supplies and materials | 78,000 | 116,700 | 143,286 | (26,586) |
| Real property and equipment | <u>233,600</u> | <u>229,100</u> | <u>196,566</u> | <u>32,534</u> |
| Total police department | <u>3,889,198</u> | <u>3,889,198</u> | <u>3,863,548</u> | <u>25,650</u> |
| Fire department: | | | | |
| Payroll | 1,782,260 | 1,822,260 | 1,826,528 | (4,268) |
| Allowances | 61,400 | 62,800 | 62,117 | 683 |
| Communications | 22,500 | 15,500 | 15,122 | 378 |
| Utilities | 15,500 | 17,200 | 17,194 | 6 |
| Contract services | 416,992 | 445,192 | 440,211 | 4,981 |
| Supplies and materials | 53,900 | 79,100 | 79,708 | (608) |
| Real property and equipment | <u>73,200</u> | <u>63,700</u> | <u>62,255</u> | <u>1,445</u> |
| Total fire department | <u>2,425,752</u> | <u>2,505,752</u> | <u>2,503,135</u> | <u>2,617</u> |
| Vehicle and equipment maintenance: | | | | |
| Payroll | 161,985 | 166,559 | 166,854 | (295) |
| Allowances | 4,776 | 4,776 | 4,089 | 687 |
| Communications | 9,089 | 9,089 | 4,965 | 4,124 |
| Contract services | 4,000 | 4,000 | 3,633 | 367 |
| Supplies and materials | 15,800 | 10,800 | 10,203 | 597 |
| Real property and equipment | <u>9,225</u> | <u>9,225</u> | <u>5,496</u> | <u>3,729</u> |
| Total vehicle and equipment maintenance | <u>204,875</u> | <u>204,449</u> | <u>195,240</u> | <u>9,209</u> |

CITY OF UNIVERSAL CITY, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

Fiscal year ended September 30, 2019

| | Budget Amounts | | Actual Amounts | Variance with Budget Positive (Negative) |
|-----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Animal shelter: | | | | |
| Payroll | \$ 303,701 | \$ 312,701 | \$ 312,486 | \$ 215 |
| Allowances | 12,970 | 12,970 | 5,972 | 6,998 |
| Communications | 11,301 | 11,301 | 4,852 | 6,449 |
| Utilities | 24,004 | 24,004 | 23,828 | 176 |
| Contract services | 74,782 | 62,282 | 55,765 | 6,517 |
| Supplies and materials | 22,371 | 34,871 | 33,053 | 1,818 |
| Real property and equipment | <u>38,536</u> | <u>29,536</u> | <u>27,992</u> | <u>1,544</u> |
| Total animal shelter | <u>487,665</u> | <u>487,665</u> | <u>463,948</u> | <u>23,717</u> |
| Library: | | | | |
| Payroll | 166,457 | 176,457 | 178,014 | (1,557) |
| Allowances | 4,200 | 3,200 | 2,212 | 988 |
| Communications | 13,900 | 10,900 | 8,927 | 1,973 |
| Utilities | 12,000 | 8,000 | 7,876 | 124 |
| Contract services | 61,203 | 61,203 | 59,738 | 1,465 |
| Supplies and materials | 40,000 | 40,000 | 41,949 | (1,949) |
| Real property and equipment | <u>3,000</u> | <u>3,000</u> | <u>3,350</u> | <u>(350)</u> |
| Total library | <u>300,760</u> | <u>302,760</u> | <u>302,066</u> | <u>694</u> |
| Parks and recreation: | | | | |
| Payroll | 210,387 | 210,387 | 208,848 | 1,539 |
| Allowances | 1,100 | 800 | 330 | 470 |
| Communications | 17,661 | 15,661 | 836 | 14,825 |
| Contract services | 280,825 | 280,825 | 267,416 | 13,409 |
| Supplies and materials | 63,000 | 65,300 | 65,009 | 291 |
| Real property and equipment | <u>170,100</u> | <u>240,100</u> | <u>237,338</u> | <u>2,762</u> |
| Total parks and recreation | <u>743,073</u> | <u>813,073</u> | <u>779,777</u> | <u>33,296</u> |
| Golf course: | | | | |
| Contract services | <u>-</u> | <u>32,321</u> | <u>32,321</u> | <u>-</u> |
| Total golf course | <u>-</u> | <u>32,321</u> | <u>32,321</u> | <u>-</u> |
| Promotion and development: | | | | |
| Supplies and materials | <u>100,000</u> | <u>50,000</u> | <u>1,970</u> | <u>48,030</u> |
| Total expenditures | <u>12,887,239</u> | <u>13,046,134</u> | <u>12,534,835</u> | <u>511,299</u> |

CITY OF UNIVERSAL CITY, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

For the measurement year ended December 31,

| | Budget Amounts | | Actual Amounts | Variance with Budget Positive (Negative) |
|--|----------------|------------|-------------------|---|
| | Original | Final | | |
| Excess (deficiency) of revenues over (under) expenditures | \$ 112,548 | \$ 808,091 | \$ 1,743,533 | \$ 935,442 |
| Other financing sources (uses): | | | | |
| Transfers in | 36,972 | 35,897 | 33,396 | (2,501) |
| Transfers out | (562,967) | (562,967) | (237,052) | 325,915 |
| Total other financing sources (uses) | (525,995) | (527,070) | (203,656) | 323,414 |
| Net change in fund balance | \$ (413,447) | \$ 281,021 | 1,539,877 | \$ 1,258,856 |
| Fund balance - beginning of year | | | 13,460,691 | |
| Fund balance - end of year | | | \$ 15,000,568 | |

CITY OF UNIVERSAL CITY, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

For the measurement year ended December 31,

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability: | | | | | |
| Service cost | \$ 1,334,243 | \$ 1,271,814 | \$ 1,240,793 | \$ 1,138,958 | \$ 1,041,495 |
| Interest (on the total pension liability) | 2,462,224 | 2,327,929 | 2,163,663 | 2,060,207 | 1,893,241 |
| Changes of benefit terms | - | - | - | - | - |
| Difference between expected and actual experience | 142,915 | (419,015) | 158,516 | (132,778) | (28,233) |
| Change of assumptions | - | - | - | 358,595 | - |
| Benefit payments, | <u>(1,216,434)</u> | <u>(1,228,334)</u> | <u>(1,061,496)</u> | <u>(644,824)</u> | <u>(495,187)</u> |
| (including refunds of employee contributions) | | | | | |
| Net change in total pension liability | 2,722,948 | 1,952,394 | 2,501,476 | 2,780,158 | 2,411,316 |
| Total pension liability - beginning | <u>36,418,489</u> | <u>34,466,095</u> | <u>31,964,619</u> | <u>29,184,461</u> | <u>26,773,145</u> |
| Total pension liability - ending (a) | <u>\$ 39,141,437</u> | <u>\$ 36,418,489</u> | <u>\$ 34,466,095</u> | <u>\$ 31,964,619</u> | <u>\$ 29,184,461</u> |
| Plan fiduciary net position: | | | | | |
| Contributions - employer | \$ 1,455,042 | \$ 1,415,850 | \$ 1,316,975 | \$ 1,272,354 | \$ 1,214,701 |
| Contributions - employee | 542,060 | 519,867 | 499,512 | 474,001 | 457,884 |
| Net investment income | (835,200) | 3,308,963 | 1,464,418 | 30,322 | 1,048,915 |
| Benefit payments, | <u>(1,216,434)</u> | <u>(1,228,334)</u> | <u>(1,061,496)</u> | <u>(644,824)</u> | <u>(495,188)</u> |
| (including refunds of employee contributions) | | | | | |
| Administrative expense | (16,129) | (17,139) | (16,532) | (18,467) | (10,949) |
| Other | <u>(841)</u> | <u>(868)</u> | <u>(892)</u> | <u>(910)</u> | <u>(900)</u> |
| Net change in plan fiduciary net position | (71,502) | 3,998,339 | 2,201,985 | 1,112,476 | 2,214,463 |
| Plan fiduciary net position - beginning | <u>27,860,026</u> | <u>23,861,687</u> | <u>21,659,702</u> | <u>20,547,226</u> | <u>18,332,763</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 27,788,524</u> | <u>\$ 27,860,026</u> | <u>\$ 23,861,687</u> | <u>\$ 21,659,702</u> | <u>\$ 20,547,226</u> |
| Net pension liability (a) - (b) | <u>\$ 11,352,913</u> | <u>\$ 8,558,463</u> | <u>\$ 10,604,408</u> | <u>\$ 10,304,917</u> | <u>\$ 8,637,235</u> |
| Plan fiduciary net position as a percentage of total pension liability | <u>71.00%</u> | <u>76.50%</u> | <u>69.23%</u> | <u>67.76%</u> | <u>70.40%</u> |
| Covered payroll | <u>\$ 7,743,718</u> | <u>\$ 7,424,492</u> | <u>\$ 7,122,810</u> | <u>\$ 6,771,449</u> | <u>\$ 6,541,206</u> |
| Net pension liability as a percentage of total covered payroll | <u>146.61%</u> | <u>115.27%</u> | <u>148.88%</u> | <u>152.18%</u> | <u>132.04%</u> |

Note: GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the fifth year of implementation GASB 68. The City will develop this schedule prospectively.

CITY OF UNIVERSAL CITY, TEXAS

**SCHEDULE OF CONTRIBUTIONS - PENSION
TEXAS MUNICIPAL RETIREMENT SYSTEM**

For the fiscal year ended September 30,

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contributions | \$ 1,495,419 | \$ 1,444,955 | \$ 1,395,967 | \$ 1,348,979 | \$ 1,262,196 |
| Contributions in relation to the actuarially determined contributions | <u>1,495,419</u> | <u>1,444,955</u> | <u>1,395,967</u> | <u>1,348,979</u> | <u>1,262,196</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Covered payroll | <u>\$ 8,067,532</u> | <u>\$ 7,663,434</u> | <u>\$ 7,372,320</u> | <u>\$ 7,276,774</u> | <u>\$ 6,674,394</u> |
| Contributions as a percentage of covered payroll | <u>18.54%</u> | <u>18.86%</u> | <u>18.94%</u> | <u>18.54%</u> | <u>18.91%</u> |

Note: GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the fifth year of implementation of GASB 68. The City will develop this schedule prospectively.

CITY OF UNIVERSAL CITY, TEXAS

**SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

For the measurement year ended December 31,

| | 2018 | 2017 |
|---|--------------|--------------|
| Total OPEB liability : | | |
| Service cost | \$ 14,713 | \$ 12,622 |
| Interest on the total OPEB liability | 10,176 | 9,846 |
| Changes of benefit terms | - | - |
| Difference between expected and actual experience | (9,613) | - |
| Change of assumptions | (22,512) | 24,959 |
| Benefit payments | (1,548) | (1,485) |
| Net change in total OPEB liability | (8,784) | 45,942 |
| Total OPEB liability - beginning | 300,837 | 254,895 |
| Total OPEB liability - ending | \$ 292,053 | \$ 300,837 |
| Covered payroll | \$ 7,743,718 | \$ 7,424,492 |
| Total OPEB liability as a percentage of covered payroll | 3.77% | 4.05% |

Note: GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the second year of implementation of GASB 75. The City will develop this schedule prospectively.

CITY OF UNIVERSAL CITY, TEXAS

**SCHEDULE OF CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEXAS MUNICIPAL RETIREMENT SYSTEM**

For the fiscal year ended September 30,

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Actuarially determined contributions | \$ 14,335 | \$ 13,385 |
| Contributions in relation to the actuarially determined contributions | <u>14,335</u> | <u>13,385</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | <u>\$ 8,067,532</u> | <u>\$ 7,663,434</u> |
| Contributions as a percentage of covered payroll | <u>0.18%</u> | <u>0.17%</u> |

Note: GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the second year of implementation of GASB 75. The City will develop this schedule prospectively.

CITY OF UNIVERSAL CITY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended September 30, 2019

(1) 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, debt service fund, and capital projects funds. Budgetary controls are also utilized as a management tool for the enterprise funds.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

(2) Actuary information

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 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 | 27 years |
| Asset valuation method | 10 year smoothed market, 15% soft corridor |
| Inflation | 2.50% |
| Salary increases | 3.5% to 10.50% including inflation |
| Investment rate of return | 6.75% |
| Retirement age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014. |
| Mortality | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |

Other information:

There were no benefit changes during the year.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by 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
- Comparative Statements – Water/Sewer Enterprise Fund

CITY OF UNIVERSAL CITY, TEXAS

COMPARATIVE BALANCE SHEETS

GENERAL FUND

| | September 30, | |
|--|---------------|---------------|
| | 2019 | 2018 |
| Assets: | | |
| Cash and investments: | | |
| Checking account | \$ 4,619,105 | \$ 3,805,443 |
| Savings account | 3,148,635 | 8,102,943 |
| Texpool | 5,093,954 | 10,189 |
| Petty cash | 992 | 992 |
| Total cash and investments | 12,862,686 | 11,919,567 |
| Delinquent taxes receivable: | | |
| (net of allowances for uncollectibles of \$57,311 and \$48,784) | 117,279 | 108,491 |
| Other receivables | 943,651 | 978,326 |
| Due from other governments | 426,516 | 407,620 |
| Due from other funds | 2,174,500 | 1,758,018 |
| Due from component unit | 242,685 | 340 |
| Inventory of supplies, at cost | 1,251 | 1,588 |
| Total assets | \$ 16,768,568 | \$ 15,173,950 |
| Liabilities: | | |
| Accounts payable | \$ 527,285 | \$ 465,214 |
| Salaries payable | 150,010 | 119,870 |
| Due to other funds | 60,073 | 63,180 |
| Due to component unit | 1,069 | 1,019 |
| Deferred revenue | 912,284 | 955,485 |
| Total liabilities | 1,650,721 | 1,604,768 |
| Deferred inflows of resources: | | |
| Unearned revenue - property taxes | 117,279 | 108,491 |
| Fund balances: | | |
| Nonspendable: | | |
| Inventory | 1,251 | 1,588 |
| Restricted: | | |
| PEG funds | 364,256 | 346,699 |
| Public safety | 54,147 | 54,147 |
| Fire | 300 | 250 |
| Library improvements | 10,122 | 2,823 |
| Hotel/motel | 321,145 | 220,235 |
| Child safety | 46,104 | 21,673 |
| Blue Santa | 100 | 100 |
| Animal shelter | 54,273 | 37,974 |
| Court technology | 126,806 | 120,342 |
| Court security | 225,644 | 202,750 |
| Northlake roads | 150,000 | 150,000 |
| Veterans park | 80,898 | 78,461 |
| Dog park | 3,421 | 3,401 |
| Animal shelter memorial | 3,681 | 3,681 |
| CPS | 341,868 | 401,263 |
| CPS 1% | 207,837 | 107,161 |
| Assigned: | | |
| Capital projects | 721,065 | 810,942 |
| Unreserved | 12,287,650 | 10,897,201 |
| Total fund balances | 15,000,568 | 13,460,691 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 16,768,568 | \$ 15,173,950 |

CITY OF UNIVERSAL CITY, TEXAS

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

GENERAL FUND

| | Year ended September 30, | |
|--------------------------------------|-----------------------------|-----------------------------|
| | 2019 | 2018 |
| Revenues: | | |
| Taxes | \$ 10,711,030 | \$ 9,971,260 |
| Licenses and permits | 1,377,252 | 1,279,233 |
| Intergovernmental | 301,019 | 258,977 |
| Contributions from component unit | 242,162 | 208,364 |
| Fines and forfeitures | 1,306,731 | 1,338,395 |
| Interest | 104,636 | 26,781 |
| Miscellaneous | <u>235,538</u> | <u>276,780</u> |
| Total revenues | <u>14,278,368</u> | <u>13,359,790</u> |
| Expenditures: | | |
| Current: | | |
| Administration | 1,786,210 | 1,847,217 |
| Planning and development | 615,380 | 540,359 |
| Finance | 469,993 | 408,528 |
| Municipal court | 260,598 | 267,738 |
| General services division | 1,260,649 | 1,271,852 |
| Police department | 3,863,548 | 3,683,503 |
| Fire department | 2,503,135 | 2,413,268 |
| Vehicle and equipment | 195,240 | 176,400 |
| Animal shelter | 463,948 | 457,489 |
| Library | 302,066 | 325,304 |
| Parks and recreation | 779,777 | 819,954 |
| Golf course | 32,321 | 121,444 |
| Promotion and development | <u>1,970</u> | <u>309,558</u> |
| Total expenditures | <u>12,534,835</u> | <u>12,642,614</u> |
| Excess of revenues over expenditures | <u>1,743,533</u> | <u>717,176</u> |
| Other financing sources (uses): | | |
| Transfers in | 33,396 | 120,663 |
| Transfers out | <u>(237,052)</u> | <u>(1,389,908)</u> |
| Total other financing sources (uses) | <u>(203,656)</u> | <u>(1,269,245)</u> |
| Net change in fund balances | 1,539,877 | (552,069) |
| Fund balances at beginning of year | <u>13,460,691</u> | <u>14,012,760</u> |
| Fund balances at end of year | <u><u>\$ 15,000,568</u></u> | <u><u>\$ 13,460,691</u></u> |

CITY OF UNIVERSAL CITY, TEXAS

COMPARATIVE BALANCE SHEETS

DEBT SERVICE FUND

| | September 30, | |
|--|-------------------------|-------------------------|
| | <u>2019</u> | <u>2018</u> |
| Assets: | | |
| Cash | \$ 2,353,257 | \$ 2,412,870 |
| Delinquent taxes receivable | 37,207 | 34,778 |
| Due from other governments | 210,466 | 201,792 |
| Due from other funds | <u>635,429</u> | <u>638,536</u> |
| Total assets | <u>\$ 3,236,359</u> | <u>\$ 3,287,976</u> |
| Liabilities: | | |
| Due to other funds | <u>\$ 1,166,429</u> | <u>\$ 1,046,901</u> |
| Total liabilities | <u>1,166,429</u> | <u>1,046,901</u> |
| Deferred inflows of resources: | | |
| Unearned revenue - property taxes | <u>37,207</u> | <u>34,778</u> |
| Restricted fund balance | <u>2,032,723</u> | <u>2,206,297</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,236,359</u> | <u>\$ 3,287,976</u> |

CITY OF UNIVERSAL CITY, TEXAS

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

DEBT SERVICE FUND

| | Year ended September 30, | |
|--------------------------------------|--------------------------|---------------------|
| | 2019 | 2018 |
| Revenues: | | |
| Taxes | \$ 2,635,011 | \$ 2,490,182 |
| Interest income | <u>7,281</u> | <u>18,874</u> |
| Total revenues | <u>2,642,292</u> | <u>2,509,056</u> |
| Expenditures: | | |
| Administrative | - | 333,903 |
| Bond principal | 1,295,000 | 1,251,000 |
| Bond interest | 626,889 | 592,256 |
| Agent fees | <u>2,300</u> | <u>2,400</u> |
| Total expenditures | <u>1,924,189</u> | <u>2,179,559</u> |
| Excess of revenues over expenditures | <u>718,103</u> | <u>329,497</u> |
| Other financing sources (uses): | | |
| Transfer out | (956,321) | (529,431) |
| Bond issue proceeds | 3,295,000 | - |
| Bond premium | 302,610 | - |
| Payment to escrow agent | <u>(3,532,966)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(891,677)</u> | <u>(529,431)</u> |
| Net change in fund balances | (173,574) | (199,934) |
| Fund balances at beginning of year | <u>2,206,297</u> | <u>2,406,231</u> |
| Fund balances at end of year | <u>\$ 2,032,723</u> | <u>\$ 2,206,297</u> |

CITY OF UNIVERSAL CITY, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWER ENTERPRISE FUND

| | September 30, | |
|---|---------------|---------------|
| | 2019 | 2018 |
| Current assets: | | |
| Cash: | | |
| Checking account | \$ 6,392,268 | \$ 6,895,600 |
| Savings account | 1,009,993 | 323,929 |
| Petty cash | 1,007 | 1,007 |
| Cash - restricted | 3,344,504 | 3,539,749 |
| Total cash and cash equivalents | 10,747,772 | 10,760,285 |
| Receivables: | | |
| Customer (net of allowance for uncollectibles of \$13,080 and \$14,576) | 967,596 | 1,002,773 |
| Inventory of supplies, at cost | 135,259 | 133,470 |
| Total current assets | 11,850,627 | 11,896,528 |
| Capital assets: | | |
| Land | 323,152 | 322,965 |
| Building and improvements | 2,253,028 | 2,253,028 |
| Utility plant and easements | 25,889,882 | 23,604,113 |
| Transportation and equipment | 2,251,713 | 2,067,263 |
| Water rights | 8,311,014 | 7,987,087 |
| Construction in progress | 611,705 | 1,498,363 |
| Total capital assets | 39,640,494 | 37,732,819 |
| Less: accumulated depreciation | (12,259,626) | (11,576,436) |
| Total capital assets | 27,380,868 | 26,156,383 |
| Total assets | 39,231,495 | 38,052,911 |
| Deferred outflows of resources: | | |
| Deferred outflow - TMRS pension | 342,372 | 161,537 |
| Deferred outflow - TMRS OPEB | 3,482 | 3,822 |
| Deferred outflow - deferred charge on refunded bond | 138,313 | 158,390 |
| Total deferred outflows of resources | 484,167 | 323,749 |
| Total assets and deferred outflows of resources | \$ 39,715,662 | \$ 38,376,660 |

CITY OF UNIVERSAL CITY, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWER ENTERPRISE FUND

| | September 30, | |
|--|----------------------|----------------------|
| | 2019 | 2018 |
| Current liabilities (payable from current assets): | | |
| Accounts payable | \$ 570,251 | \$ 421,191 |
| Accrued wages and benefits | 22,676 | 17,426 |
| Accrued vacation and sick leave | 86,692 | 77,022 |
| Due to other funds | 25,037 | 25,669 |
| Customer deposits | 900,455 | 842,694 |
| Current portion of note payable | <u>-</u> | <u>69,606</u> |
| Total current liabilities (payable from current assets) | <u>1,605,111</u> | <u>1,453,608</u> |
| Current liabilities (payable from restricted assets): | | |
| Accrued interest payable | 29,883 | 32,612 |
| Revenue and refunding bonds, current | <u>945,000</u> | <u>920,000</u> |
| Total current liabilities (payable from restricted assets) | <u>974,883</u> | <u>952,612</u> |
| Other liabilities: | | |
| Net pension liability | 1,398,679 | 1,054,402 |
| OPEB liability | 35,981 | 37,063 |
| Revenue and refunding bonds and tax notes, noncurrent | <u>9,489,796</u> | <u>10,494,803</u> |
| Total other liabilities | <u>10,924,456</u> | <u>11,586,268</u> |
| Total liabilities | <u>13,504,450</u> | <u>13,992,488</u> |
| Deferred inflows of resources: | | |
| Deferred inflow - TMRS pension | 29,147 | 137,842 |
| Deferred inflow - TMRS OPEB | <u>3,335</u> | <u>-</u> |
| Total deferred inflows of resources | <u>32,482</u> | <u>137,842</u> |
| Net position: | | |
| Net investment in capital assets | 16,946,072 | 14,671,974 |
| Restricted - impact fees | 1,475,803 | 1,139,859 |
| Reserved - capital projects | 3,315,222 | 3,510,526 |
| Unrestricted | <u>4,441,633</u> | <u>4,923,971</u> |
| Total net position | <u>26,178,730</u> | <u>24,246,330</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 39,715,662</u> | <u>\$ 38,376,660</u> |

CITY OF UNIVERSAL CITY, TEXAS

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

WATER AND SEWER ENTERPRISE FUND

| | Year ended September 30, | |
|---|--------------------------|--------------|
| | 2019 | 2018 |
| Operating revenues: | | |
| Water revenues | \$ 4,405,042 | \$ 4,229,558 |
| Sewer revenues | 3,538,883 | 3,442,811 |
| Fees and service charges | 591,978 | 565,052 |
| Miscellaneous income | 54,343 | 37,210 |
| Total operating revenues | 8,590,246 | 8,274,631 |
| Operating expenses (before depreciation): | | |
| Public works: | | |
| Payroll | 449,322 | 341,149 |
| Allowances | 4,082 | 6,962 |
| Communications | 28,348 | 21,024 |
| Utilities | 3,213 | 3,368 |
| Support services | 276,439 | 295,027 |
| Contract services | 278,770 | 292,597 |
| Supplies and materials | 27,319 | 24,284 |
| Total public works | 1,067,493 | 984,411 |
| Administration: | | |
| Payroll | 87,701 | 184,993 |
| Allowances | - | 569 |
| Communications | 351 | 3,233 |
| Support services | 79 | 130 |
| Contract services | 73,186 | 78,122 |
| Supplies and materials | 947 | 2,482 |
| Total administration | 162,264 | 269,529 |
| Water department: | | |
| Payroll | 601,359 | 543,762 |
| Allowances | 15,076 | 11,999 |
| Communications | 40,886 | 38,022 |
| Utilities | 253,789 | 282,343 |
| Contract services | 1,201,749 | 961,167 |
| Supplies and materials | 188,014 | 187,051 |
| Total water department | 2,300,873 | 2,024,344 |

CITY OF UNIVERSAL CITY, TEXAS

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

WATER AND SEWER ENTERPRISE FUND

| | Year ended September 30, | |
|--|--------------------------|----------------------|
| | 2019 | 2018 |
| Operating expenses (before depreciation): | | |
| Sewer department: | | |
| Payroll | \$ 134,632 | \$ 125,648 |
| Allowances | 3,150 | 3,916 |
| Communications | 243 | - |
| Contract services | 1,943,811 | 1,839,362 |
| Supplies and materials | <u>19,765</u> | <u>23,351</u> |
| Total sewer department | <u>2,101,601</u> | <u>1,992,277</u> |
| Total operating expenses before depreciation | <u>5,632,231</u> | <u>5,270,561</u> |
| Operating income before depreciation | 2,958,015 | 3,004,070 |
| Depreciation | <u>683,190</u> | <u>652,980</u> |
| Operating income | <u>2,274,825</u> | <u>2,351,090</u> |
| Nonoperating revenues (expenses): | | |
| Interest and investment income | 7,869 | 10,975 |
| Bond interest and fees | <u>(350,294)</u> | <u>(395,491)</u> |
| Total nonoperating revenues (expenses) | <u>(342,425)</u> | <u>(384,516)</u> |
| Change in net position | 1,932,400 | 1,966,574 |
| Net position at beginning of year | 24,246,330 | 22,309,839 |
| Restatement of net position | <u>-</u> | <u>(30,083)</u> |
| Net position at end of year | <u>\$ 26,178,730</u> | <u>\$ 24,246,330</u> |

(This page intentionally left blank)

STATISTICAL SECTION

The following unaudited statistical tables reflect social and economic data, financial trends, and fiscal capacity of the City.

CITY OF UNIVERSAL CITY, TEXAS

NET POSITION BY COMPONENT

**Last 10 fiscal years
(Accrual basis of accounting)**

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 8,020,346 | \$ 9,097,880 | \$ 12,539,843 | \$ 11,209,023 |
| Restricted | 7,341,387 | 5,991,897 | 3,327,299 | 4,704,458 |
| Unrestricted | <u>8,773,249</u> | <u>10,306,495</u> | <u>10,737,485</u> | <u>12,363,794</u> |
| Total governmental activities net position | <u>\$ 24,134,982</u> | <u>\$ 25,396,272</u> | <u>\$ 26,604,627</u> | <u>\$ 28,277,275</u> |
| Business-type activities: | | | | |
| Net investment in capital assets | \$ 12,184,381 | \$ 13,059,154 | \$ 13,686,729 | \$ 16,135,884 |
| Restricted | - | - | - | - |
| Unrestricted | <u>3,572,350</u> | <u>3,899,995</u> | <u>4,306,340</u> | <u>3,447,586</u> |
| Total business-type activities net position | <u>\$ 15,756,731</u> | <u>\$ 16,959,149</u> | <u>\$ 17,993,069</u> | <u>\$ 19,583,470</u> |
| Primary government: | | | | |
| Net investment in capital assets | \$ 20,204,727 | \$ 22,157,034 | \$ 26,226,572 | \$ 27,344,907 |
| Restricted | 7,341,387 | 5,991,897 | 3,327,299 | 4,704,458 |
| Unrestricted | <u>12,345,599</u> | <u>14,206,490</u> | <u>15,043,825</u> | <u>15,811,380</u> |
| Total primary government net position | <u>\$ 39,891,713</u> | <u>\$ 42,355,421</u> | <u>\$ 44,597,696</u> | <u>\$ 47,860,745</u> |

TABLE 1

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 8,791,639 | \$ 12,635,873 | \$ 10,125,743 | \$ 12,601,894 | \$ 14,423,010 | \$ 13,904,490 |
| 6,637,591 | 6,415,569 | 9,585,046 | 8,458,711 | 7,407,605 | 9,413,578 |
| <u>15,207,915</u> | <u>7,187,648</u> | <u>7,232,094</u> | <u>7,090,492</u> | <u>7,151,079</u> | <u>6,626,052</u> |
| <u>\$ 30,637,145</u> | <u>\$ 26,239,090</u> | <u>\$ 26,942,883</u> | <u>\$ 28,151,097</u> | <u>\$ 28,981,694</u> | <u>\$ 29,944,120</u> |
| \$ 17,376,144 | \$ 15,250,748 | \$ 16,638,510 | \$ 15,651,211 | \$ 19,158,985 | \$ 21,906,113 |
| - | - | - | - | - | 1,475,803 |
| <u>3,444,311</u> | <u>5,550,539</u> | <u>5,826,589</u> | <u>9,027,962</u> | <u>8,099,746</u> | <u>6,206,909</u> |
| <u>\$ 20,820,455</u> | <u>\$ 20,801,287</u> | <u>\$ 22,465,099</u> | <u>\$ 24,679,173</u> | <u>\$ 27,258,731</u> | <u>\$ 29,588,825</u> |
| \$ 26,167,783 | \$ 27,886,621 | \$ 26,764,253 | \$ 28,253,105 | \$ 33,581,995 | \$ 35,810,603 |
| 6,637,591 | 6,415,569 | 9,585,046 | 8,458,711 | 7,407,605 | 10,889,381 |
| <u>18,652,226</u> | <u>12,738,187</u> | <u>13,058,683</u> | <u>16,118,454</u> | <u>15,250,825</u> | <u>12,832,961</u> |
| <u>\$ 51,457,600</u> | <u>\$ 47,040,377</u> | <u>\$ 49,407,982</u> | <u>\$ 52,830,270</u> | <u>\$ 56,240,425</u> | <u>\$ 59,532,945</u> |

CITY OF UNIVERSAL CITY, TEXAS

CHANGE IN NET POSITION

**Last 10 fiscal years
(Accrual basis of accounting)**

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Expenses: | | | | |
| Governmental activities: | | | | |
| Administrative | \$ 1,149,395 | \$ 1,140,497 | \$ 1,174,460 | \$ 1,273,334 |
| Planning and development | 254,227 | 283,288 | 297,798 | 304,968 |
| Finance | 218,893 | 264,399 | 276,738 | 289,470 |
| Municipal court | 183,100 | 220,628 | 236,595 | 256,845 |
| General services division | 1,366,447 | 1,281,483 | 1,301,376 | 1,670,670 |
| Police | 2,570,229 | 2,864,431 | 2,918,843 | 3,115,582 |
| Fire | 1,854,602 | 1,956,515 | 2,055,168 | 2,148,474 |
| Library | 196,799 | 208,352 | 221,868 | 232,671 |
| Vehicle and equipment maintenance | 126,882 | 182,019 | 139,085 | 148,809 |
| Animal shelter | 331,097 | 335,559 | 352,776 | 341,581 |
| Parks and recreation | 247,677 | 234,855 | 212,900 | 258,130 |
| Golf course | 312,271 | 326,077 | 458,690 | 310,546 |
| Promotion and development | 31,871 | 2,906 | 619 | 43,291 |
| Interest and other fees | <u>508,127</u> | <u>636,659</u> | <u>587,661</u> | <u>545,028</u> |
| Total governmental activities | <u>9,351,617</u> | <u>9,937,668</u> | <u>10,234,577</u> | <u>10,939,399</u> |
| Business-type activities: | | | | |
| Water and sewer utility | 4,477,987 | 4,758,438 | 5,067,049 | 5,175,016 |
| Golf course | 1,515,532 | 1,570,709 | 1,568,179 | 1,666,950 |
| Stormwater management | <u>209,774</u> | <u>181,739</u> | <u>250,195</u> | <u>268,039</u> |
| Total business-type activities | <u>6,203,293</u> | <u>6,510,886</u> | <u>6,885,423</u> | <u>7,110,005</u> |
| Total primary government expenses | <u>\$ 15,554,910</u> | <u>\$ 16,448,554</u> | <u>\$ 17,120,000</u> | <u>\$ 18,049,404</u> |
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for service: | | | | |
| Administration | \$ 408,551 | \$ 447,264 | \$ 424,292 | \$ 478,910 |
| Planning and development | 313,294 | 389,608 | 431,840 | 513,545 |
| Municipal court | 1,142,002 | 1,395,333 | 1,683,483 | 1,581,292 |
| Police/fire | 11,191 | 27,619 | 119,762 | 30,539 |
| Library | - | - | 9,811 | - |
| Vehicle and maintenance equipment | - | - | - | - |
| Animal shelter | - | - | 397 | 3,250 |
| Parks and recreation | 2,433 | 9,581 | - | 3,355 |
| Golf course | - | - | - | - |
| Operating grants and contributions | 179,631 | 94,173 | 17,105 | 37,404 |
| Capital grants and contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities program revenues | <u>2,057,102</u> | <u>2,363,578</u> | <u>2,686,690</u> | <u>2,648,295</u> |

TABLE 2

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 1,320,412 | \$ 1,392,385 | \$ 1,815,623 | \$ 2,041,854 | \$ 2,226,995 | \$ 1,852,059 |
| | 379,430 | 383,535 | 428,755 | 483,465 | 547,165 | 612,892 |
| | 312,943 | 324,928 | 350,727 | 371,031 | 376,499 | 493,906 |
| | 259,255 | 243,337 | 268,719 | 290,736 | 288,112 | 280,003 |
| | 1,574,085 | 1,663,816 | 1,772,893 | 1,841,027 | 1,990,953 | 2,159,658 |
| | 3,240,197 | 3,243,594 | 3,484,195 | 3,609,745 | 3,731,134 | 3,999,746 |
| | 2,075,576 | 2,171,658 | 2,243,882 | 2,422,784 | 2,602,650 | 2,824,683 |
| | 208,670 | 171,311 | 174,354 | 395,066 | 448,820 | 476,491 |
| | 156,396 | 145,945 | 165,186 | 159,196 | 176,865 | 198,237 |
| | 356,426 | 378,362 | 426,903 | 481,985 | 498,922 | 520,553 |
| | 279,597 | 283,604 | 303,649 | 383,235 | 436,533 | 555,180 |
| | 323,966 | 374,462 | 395,328 | 358,506 | 478,037 | 377,316 |
| | - | - | - | - | - | - |
| | 632,345 | 632,134 | 648,617 | 621,901 | 593,475 | 645,081 |
| | <u>11,119,298</u> | <u>11,409,071</u> | <u>12,478,831</u> | <u>13,460,531</u> | <u>14,396,160</u> | <u>14,995,805</u> |
| | 5,531,780 | 5,647,705 | 5,741,595 | 5,842,400 | 6,319,032 | 6,665,715 |
| | 1,672,990 | 1,674,518 | 1,775,312 | 1,842,290 | 1,888,258 | 2,163,361 |
| | 389,644 | 497,484 | 407,329 | 454,241 | 476,067 | 444,240 |
| | <u>7,594,414</u> | <u>7,819,707</u> | <u>7,924,236</u> | <u>8,138,931</u> | <u>8,683,357</u> | <u>9,273,316</u> |
| \$ | <u>18,713,712</u> | <u>19,228,778</u> | <u>20,403,067</u> | <u>21,599,462</u> | <u>23,079,517</u> | <u>24,269,121</u> |
| \$ | 488,331 | \$ 447,148 | \$ 466,256 | \$ 462,412 | \$ 458,364 | \$ 492,162 |
| | 393,180 | 554,608 | 557,959 | 723,012 | 835,926 | 1,037,318 |
| | 1,783,658 | 1,584,273 | 1,726,934 | 1,775,840 | 1,848,905 | 1,775,673 |
| | 16,864 | 37,675 | 19,547 | 32,544 | 48,557 | 34,852 |
| | 7,337 | 10,441 | 1,728 | 3,686 | 13,661 | 17,010 |
| | 28,803 | - | - | - | - | - |
| | 43,991 | 32,360 | 23,257 | 27,073 | 25,043 | 47,364 |
| | 41,330 | 22,380 | 22,933 | 25,184 | 30,583 | 28,310 |
| | - | 55,887 | 47,226 | 51,864 | 39,349 | 45,672 |
| | 142,308 | 23,769 | 98,737 | 169,982 | 8,977 | 51,019 |
| | <u>1,745,586</u> | <u>413,493</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>4,691,388</u> | <u>3,182,034</u> | <u>2,964,577</u> | <u>3,271,597</u> | <u>3,309,365</u> | <u>3,529,380</u> |

(Continued)

CITY OF UNIVERSAL CITY, TEXAS

CHANGE IN NET POSITION

**Last 10 fiscal years
(Accrual basis of accounting)**

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Program revenues (continued) | | | | |
| Business-type activities: | | | | |
| Charges for service: | | | | |
| Water and sewer utility | \$ 5,000,325 | \$ 5,720,367 | \$ 5,789,027 | \$ 5,919,920 |
| Golf course | 1,448,911 | 1,468,614 | 1,645,020 | 1,710,792 |
| Stormwater management | 409,507 | 418,164 | 419,894 | 493,090 |
| Operating grants and contributions | - | - | 62,188 | - |
| Capital grants and contributions | <u>129,813</u> | <u>-</u> | <u>-</u> | <u>547,964</u> |
| Total business-type activities program revenues | <u>6,988,556</u> | <u>7,607,145</u> | <u>7,916,129</u> | <u>8,671,766</u> |
| Total primary government program revenues | <u>\$ 9,045,658</u> | <u>\$ 9,970,723</u> | <u>\$ 10,602,819</u> | <u>\$ 11,320,061</u> |
| Net (expense) revenues: | | | | |
| Governmental activities | \$ (7,294,515) | \$ (7,574,090) | \$ (7,547,887) | \$ (8,291,104) |
| Business-type activities | <u>785,263</u> | <u>1,096,259</u> | <u>1,030,706</u> | <u>1,561,761</u> |
| Total primary government | <u>\$ (6,509,252)</u> | <u>\$ (6,477,831)</u> | <u>\$ (6,517,181)</u> | <u>\$ (6,729,343)</u> |
| Governmental revenues and other changes in net position: | | | | |
| Governmental Activities: | | | | |
| Taxes | | | | |
| General property taxes | \$ 4,730,271 | \$ 5,383,851 | \$ 5,348,840 | \$ 5,010,843 |
| Franchise taxes | 1,071,838 | 1,113,931 | 1,049,800 | 1,135,482 |
| Sales and other taxes | 2,111,606 | 2,142,518 | 2,269,452 | 2,429,022 |
| Interest and investment earnings | 24,663 | 6,977 | 6,864 | 13,743 |
| Miscellaneous | 82,679 | 274,047 | 68,491 | 894,256 |
| Transfer | - | (102,770) | - | (26,103) |
| Sales of capital assets | <u>45,291</u> | <u>16,826</u> | <u>12,795</u> | <u>506,509</u> |
| Total governmental activities | <u>8,066,348</u> | <u>8,835,380</u> | <u>8,756,242</u> | <u>9,963,752</u> |

TABLE 2
(Continued)

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| \$ 6,529,171 | \$ 6,869,755 | \$ 7,226,060 | \$ 7,566,943 | \$ 8,274,631 | \$ 8,590,246 |
| 1,657,943 | 1,522,115 | 1,449,305 | 1,424,400 | 1,488,538 | 1,393,672 |
| 568,382 | 684,861 | 593,453 | 627,294 | 675,762 | 654,224 |
| - | - | - | - | - | - |
| <u>200,000</u> | <u>212,459</u> | <u>-</u> | <u>323,172</u> | <u>453,397</u> | <u>28,628</u> |
| <u>8,955,496</u> | <u>9,289,190</u> | <u>9,268,818</u> | <u>9,941,809</u> | <u>10,892,328</u> | <u>10,666,770</u> |
| <u>\$ 13,646,884</u> | <u>\$ 12,471,224</u> | <u>\$ 12,233,395</u> | <u>\$ 13,213,406</u> | <u>\$ 14,201,693</u> | <u>\$ 14,196,150</u> |
| \$ (6,427,910) | \$ (8,227,037) | \$ (9,514,254) | \$ (10,188,934) | \$ (11,086,795) | \$ (11,466,425) |
| <u>1,361,082</u> | <u>1,469,483</u> | <u>1,344,582</u> | <u>1,802,878</u> | <u>2,208,971</u> | <u>1,393,454</u> |
| <u>\$ (5,066,828)</u> | <u>\$ (6,757,554)</u> | <u>\$ (8,169,672)</u> | <u>\$ (8,386,056)</u> | <u>\$ (8,877,824)</u> | <u>\$ (10,072,971)</u> |
| \$ 5,206,898 | \$ 5,711,957 | \$ 5,950,098 | \$ 6,722,826 | \$ 7,221,714 | \$ 7,732,888 |
| 1,260,264 | 1,425,441 | 1,449,764 | 1,477,080 | 1,489,453 | 1,453,164 |
| 2,496,500 | 2,695,414 | 3,044,166 | 3,501,296 | 3,609,575 | 3,927,697 |
| 9,867 | 14,002 | 26,692 | 50,426 | 45,712 | 112,842 |
| 58,639 | 41,981 | 55,543 | 37,520 | 150,165 | 126,260 |
| (18,345) | (170,000) | (308,216) | (392,000) | (408,768) | (924,000) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>9,013,823</u> | <u>9,718,795</u> | <u>10,218,047</u> | <u>11,397,148</u> | <u>12,107,851</u> | <u>12,428,851</u> |

(Continued)

CITY OF UNIVERSAL CITY, TEXAS

CHANGE IN NET POSITION

**Last 10 fiscal years
(Modified accrual basis of accounting)**

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental revenues and other | | | | |
| Changes in net position (continued): | | | | |
| Business-type activities: | | | | |
| Interest and investment earnings | \$ 3,816 | \$ 3,389 | \$ 3,214 | \$ 2,537 |
| Miscellaneous | - | - | - | 26,103 |
| Transfer | - | 102,770 | - | - |
| Total business-type activities | <u>3,816</u> | <u>106,159</u> | <u>3,214</u> | <u>28,640</u> |
| Total primary government | <u>\$ 8,070,164</u> | <u>\$ 8,941,539</u> | <u>\$ 8,759,456</u> | <u>\$ 9,992,392</u> |
| Changes in net position: | | | | |
| Governmental activities | \$ 771,833 | \$ 1,261,290 | \$ 1,208,355 | \$ 1,672,648 |
| Business-type activities | <u>789,079</u> | <u>1,202,418</u> | <u>1,033,920</u> | <u>1,590,401</u> |
| Total primary government | <u>\$ 1,560,912</u> | <u>\$ 2,463,708</u> | <u>\$ 2,242,275</u> | <u>\$ 3,263,049</u> |

TABLE 2
(Continued)

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 1,506 | \$ 2,578 | \$ 11,014 | \$ 19,196 | \$ 15,538 | \$ 12,640 |
| - | - | - | - | - | - |
| <u>18,345</u> | <u>170,000</u> | <u>308,216</u> | <u>392,000</u> | <u>408,768</u> | <u>924,000</u> |
| <u>19,851</u> | <u>172,578</u> | <u>319,230</u> | <u>411,196</u> | <u>424,306</u> | <u>936,640</u> |
| | | | | | |
| <u>\$ 9,033,674</u> | <u>\$ 9,891,373</u> | <u>\$ 10,537,277</u> | <u>\$ 11,808,344</u> | <u>\$ 12,532,157</u> | <u>\$ 13,365,491</u> |
| | | | | | |
| \$ 2,585,913 | \$ 1,491,758 | \$ 703,793 | \$ 1,208,214 | \$ 1,021,056 | \$ 962,426 |
| <u>1,380,933</u> | <u>1,642,061</u> | <u>1,663,812</u> | <u>2,214,074</u> | <u>2,633,277</u> | <u>2,330,094</u> |
| <u>\$ 3,966,846</u> | <u>\$ 3,133,819</u> | <u>\$ 2,367,605</u> | <u>\$ 3,422,288</u> | <u>\$ 3,654,333</u> | <u>\$ 3,292,520</u> |

CITY OF UNIVERSAL CITY, TEXAS

FUND BALANCES - GOVERNMENTAL FUNDS

**Last 10 fiscal years
(Modified accrual basis of accounting)**

| | YEAR | | | |
|------------------------------------|---------------------|---------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| General fund: | | | | |
| Nonspendable: | | | | |
| Inventory | \$ - | \$ 1,582 | \$ 2,547 | \$ 2,546 |
| Restricted: | | | | |
| PEG funds | - | - | - | 99,917 |
| Public safety | - | 31,253 | 31,082 | 39,597 |
| Fire | - | - | - | - |
| Library improvements | - | 14,242 | 12,812 | 12,472 |
| Hotel/motel | - | 259,127 | 292,364 | 229,872 |
| Parks | - | 29,333 | 29,333 | 29,333 |
| Child safety | - | - | - | - |
| Blue Santa | - | - | - | - |
| Animal shelter | - | 13,094 | 20,064 | 26,697 |
| Court technology | - | 146,723 | 160,338 | 172,821 |
| Court security | - | 163,848 | 142,859 | 170,982 |
| Northlake roads | - | 150,000 | 150,000 | 150,000 |
| Veterans park | - | 1,838 | 16,930 | 35,181 |
| Dog park | - | 3,050 | 114 | 626 |
| Animal shelter memorial | - | - | - | 2,876 |
| CPS | - | - | - | 819,309 |
| CPS 1% | - | - | - | - |
| Assigned: | | | | |
| Capital projects | - | 150,000 | 860,857 | 837,000 |
| Future expenditures | - | 215,541 | - | - |
| Unassigned | | 864,654 | 8,642,869 | 9,767,682 |
| Reserved | 594,185 | - | - | - |
| Unreserved | 7,964,804 | - | - | - |
| Total general fund | <u>\$ 8,558,989</u> | <u>\$ 9,826,178</u> | <u>\$ 10,362,169</u> | <u>\$ 12,396,911</u> |
| All other governmental funds: | | | | |
| Restricted: | | | | |
| Debt service | \$ - | \$ 1,644,792 | \$ 1,760,421 | \$ 2,162,892 |
| Capital projects | - | 3,533,015 | 708,435 | 1,711,036 |
| Reserved, debt service | 1,553,373 | - | - | - |
| Reserved, capital projects | 5,193,929 | - | - | - |
| Total all other governmental funds | <u>\$ 6,747,302</u> | <u>\$ 5,177,807</u> | <u>\$ 2,468,856</u> | <u>\$ 3,873,928</u> |

Note: With the implementation of GASB 54, fund balance will be reported differently beginning in 2011. The information will be presented on a prospective basis.

TABLE 3

| | | YEAR | | | | | | | | | |
|----|-------------------|------|-------------------|------|-------------------|------|-------------------|----|-------------------|----|-------------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | | | | |
| \$ | 1,500 | \$ | 1,146 | \$ | 1,077 | \$ | 910 | \$ | 1,588 | \$ | 1,251 |
| | 149,728 | | 202,421 | | 255,000 | | 302,613 | | 346,699 | | 364,256 |
| | 44,983 | | 44,982 | | 45,221 | | 49,936 | | 54,147 | | 54,147 |
| | - | | - | | - | | 100 | | 250 | | 300 |
| | 13,434 | | 22,725 | | 73,133 | | 310 | | 2,823 | | 10,122 |
| | 234,680 | | 325,328 | | 428,280 | | 388,771 | | 220,235 | | 321,145 |
| | 29,333 | | 29,678 | | 36,398 | | 36,398 | | - | | - |
| | - | | - | | - | | - | | 21,673 | | 46,104 |
| | - | | - | | - | | - | | 100 | | 100 |
| | 36,987 | | 5,563 | | 19,074 | | 34,543 | | 37,974 | | 54,273 |
| | 160,788 | | 158,366 | | 167,791 | | 116,538 | | 120,342 | | 126,806 |
| | 148,605 | | 166,392 | | 158,425 | | 183,052 | | 202,750 | | 225,644 |
| | 150,000 | | 150,000 | | 150,000 | | 150,000 | | 150,000 | | 150,000 |
| | 27,565 | | 34,089 | | 46,138 | | 51,401 | | 78,461 | | 80,898 |
| | 3,401 | | 3,401 | | 3,401 | | 3,401 | | 3,401 | | 3,421 |
| | 3,391 | | 3,636 | | 3,636 | | 3,436 | | 3,681 | | 3,681 |
| | 808,395 | | 808,395 | | 800,169 | | 450,169 | | 401,263 | | 341,868 |
| | - | | - | | - | | - | | 107,161 | | 207,837 |
| | 383,516 | | 580,108 | | 611,306 | | 751,614 | | 810,942 | | 721,065 |
| | - | | - | | - | | - | | - | | - |
| | 10,119,660 | | 10,723,804 | | 11,074,969 | | 11,489,568 | | 10,897,201 | | 12,287,650 |
| | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - |
| \$ | <u>12,315,966</u> | \$ | <u>13,260,034</u> | \$ | <u>13,874,018</u> | \$ | <u>14,012,760</u> | \$ | <u>13,460,691</u> | \$ | <u>15,000,568</u> |
| \$ | 1,878,366 | \$ | 2,043,374 | \$ | 2,191,636 | \$ | 2,406,231 | \$ | 2,206,297 | \$ | 2,032,723 |
| | 3,754,830 | | 3,224,468 | | 6,005,836 | | 4,731,071 | | 3,957,284 | | 5,389,002 |
| | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - |
| \$ | <u>5,633,196</u> | \$ | <u>5,267,842</u> | \$ | <u>8,197,472</u> | \$ | <u>7,137,302</u> | \$ | <u>6,163,581</u> | \$ | <u>7,421,725</u> |

CITY OF UNIVERSAL CITY, TEXAS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

**Last 10 fiscal years
(Modified accrual basis of accounting)**

| | YEAR | | | |
|--|---------------------|---------------------|-----------------------|---------------------|
| | 2010 | 2011 | 2012 | 2013 |
| Revenues: | | | | |
| Taxes | \$ 8,009,856 | \$ 8,563,120 | \$ 8,562,021 | \$ 8,819,812 |
| Licenses and permits | 740,443 | 842,089 | 887,811 | 1,014,037 |
| Intergovernmental | 344,877 | 319,263 | 348,891 | 306,904 |
| Contributions from component unit | 188,094 | 176,671 | 165,322 | 178,910 |
| Fines and forfeitures | 790,537 | 845,079 | 1,092,899 | 1,280,330 |
| Interest | 24,663 | 6,977 | 6,864 | 13,743 |
| Miscellaneous | 176,348 | 352,983 | 124,786 | 1,469,602 |
| Total revenues | <u>10,274,818</u> | <u>11,106,182</u> | <u>11,188,594</u> | <u>13,083,338</u> |
| Expenditures: | | | | |
| Administrative | 1,133,277 | 1,123,642 | 1,158,650 | 1,256,723 |
| Planning and development | 251,477 | 281,521 | 295,524 | 303,930 |
| Finance | 216,328 | 262,364 | 273,690 | 286,901 |
| Municipal court | 176,919 | 211,742 | 220,683 | 240,611 |
| General services division | 800,702 | 789,296 | 822,619 | 909,564 |
| Police | 2,416,427 | 2,699,080 | 2,759,633 | 2,903,403 |
| Fire | 1,625,177 | 1,713,189 | 1,813,621 | 1,882,496 |
| Library | 191,656 | 203,767 | 217,332 | 231,302 |
| Vehicle and equipment maintenance | 113,662 | 179,381 | 133,735 | 148,098 |
| Animal shelter | 270,561 | 272,135 | 289,993 | 281,216 |
| Parks and recreation | 246,002 | 236,996 | 215,292 | 254,699 |
| Golf course | - | 11,873 | 144,487 | 2,335 |
| Promotion and development | 31,871 | 2,906 | 619 | 43,291 |
| Capital outlay | 1,077,948 | 1,803,753 | 3,510,527 | 619,875 |
| Debt service | | | | |
| Principal | 851,550 | 894,980 | 936,077 | 936,644 |
| Interest and fiscal charges | 563,439 | 618,993 | 598,572 | 557,608 |
| Total expenditures | <u>9,966,996</u> | <u>11,305,618</u> | <u>13,391,054</u> | <u>10,858,696</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>307,822</u> | <u>(199,436)</u> | <u>(2,202,460)</u> | <u>2,224,642</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 39,713 | 13,674 | 708,594 | 173,711 |
| Transfers out | (39,713) | (116,444) | (708,594) | (199,814) |
| Premium on bonds | 99,565 | - | - | 46,275 |
| Bond issue proceeds | 5,355,000 | - | 1,200,000 | 1,195,000 |
| Payment to escrow agent | - | - | (1,170,500) | - |
| Tax notes issues | - | - | - | - |
| Capital lease | 90,246 | - | - | - |
| Total other financing sources (uses) | <u>5,544,811</u> | <u>(102,770)</u> | <u>29,500</u> | <u>1,215,172</u> |
| Net change in fund balances | <u>\$ 5,852,633</u> | <u>\$ (302,206)</u> | <u>\$ (2,172,960)</u> | <u>\$ 3,439,814</u> |
| Debt service as a percentage of noncapital expenditures | 15.9% | 15.93% | 15.53% | 14.59% |

TABLE 4

| | | YEAR | | | | | | | | | |
|----|--------------------|------|-------------------|------|--------------------|------|--------------------|----|--------------------|----|--------------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | | | | |
| \$ | 9,033,533 | \$ | 9,700,718 | \$ | 10,468,485 | \$ | 11,656,988 | \$ | 12,461,442 | \$ | 13,346,041 |
| | 1,024,491 | | 1,124,459 | | 1,118,237 | | 1,318,050 | | 1,279,233 | | 1,377,252 |
| | 2,111,421 | | 667,046 | | 254,392 | | 361,335 | | 258,977 | | 301,019 |
| | 177,773 | | 182,475 | | 192,922 | | 204,864 | | 208,364 | | 242,162 |
| | 1,264,219 | | 1,111,871 | | 1,195,077 | | 1,239,055 | | 1,338,395 | | 1,306,731 |
| | 9,867 | | 14,002 | | 26,692 | | 50,426 | | 45,712 | | 112,842 |
| | 198,167 | | 104,776 | | 235,512 | | 162,492 | | 276,780 | | 235,538 |
| | <u>13,819,471</u> | | <u>12,905,347</u> | | <u>13,491,317</u> | | <u>14,993,210</u> | | <u>15,868,903</u> | | <u>16,921,585</u> |
| | 1,306,935 | | 1,389,542 | | 1,536,649 | | 1,646,764 | | 2,181,120 | | 1,782,275 |
| | 379,625 | | 376,955 | | 428,095 | | 478,528 | | 540,359 | | 586,080 |
| | 313,102 | | 323,246 | | 345,736 | | 370,458 | | 373,239 | | 469,993 |
| | 238,533 | | 223,739 | | 246,135 | | 268,605 | | 259,502 | | 238,876 |
| | 930,004 | | 959,004 | | 969,370 | | 999,705 | | 1,139,854 | | 1,161,720 |
| | 3,018,370 | | 3,042,100 | | 3,240,082 | | 3,380,890 | | 3,553,370 | | 3,666,982 |
| | 1,944,192 | | 2,032,884 | | 2,092,176 | | 2,233,987 | | 2,321,318 | | 2,440,880 |
| | 202,572 | | 167,681 | | 170,621 | | 259,931 | | 279,003 | | 298,716 |
| | 153,535 | | 146,683 | | 165,283 | | 157,693 | | 176,400 | | 189,744 |
| | 295,137 | | 321,805 | | 355,239 | | 414,345 | | 430,304 | | 435,956 |
| | 276,809 | | 284,152 | | 300,413 | | 393,589 | | 431,578 | | 542,439 |
| | - | | 26,049 | | 46,915 | | - | | - | | 32,321 |
| | 6,404 | | - | | 1,970 | | 3,923 | | 121,444 | | 1,970 |
| | 4,708,134 | | 1,308,826 | | 3,346,191 | | 3,576,807 | | 3,237,811 | | 4,197,100 |
| | 1,006,000 | | 933,000 | | 981,082 | | 1,237,780 | | 1,324,840 | | 1,371,889 |
| | 626,428 | | 705,554 | | 653,673 | | 646,331 | | 615,783 | | 737,810 |
| | <u>15,405,780</u> | | <u>12,241,220</u> | | <u>14,879,630</u> | | <u>16,069,336</u> | | <u>16,985,925</u> | | <u>18,154,751</u> |
| | <u>(1,586,309)</u> | | <u>664,127</u> | | <u>(1,388,313)</u> | | <u>(1,076,126)</u> | | <u>(1,117,022)</u> | | <u>(1,233,166)</u> |
| | 1,480,360 | | 96,634 | | 632,506 | | - | | 1,510,571 | | 270,448 |
| | (1,498,705) | | (266,634) | | (940,722) | | - | | (1,919,339) | | (1,194,448) |
| | 192,977 | | 359,192 | | 172,606 | | 841,746 | | - | | 783,153 |
| | 3,090,000 | | 3,015,000 | | 4,935,000 | | - | | - | | 7,705,000 |
| | - | | (3,289,605) | | - | | (1,233,746) | | - | | (3,532,966) |
| | - | | - | | - | | - | | - | | - |
| | - | | - | | 130,567 | | 546,698 | | - | | - |
| | <u>3,264,632</u> | | <u>(85,413)</u> | | <u>4,929,957</u> | | <u>154,698</u> | | <u>(408,768)</u> | | <u>4,031,187</u> |
| \$ | <u>1,678,323</u> | \$ | <u>578,714</u> | \$ | <u>3,541,644</u> | \$ | <u>(921,428)</u> | \$ | <u>(1,525,790)</u> | \$ | <u>2,798,021</u> |
| | 15.26% | | 14.99% | | 14.17% | | 15.08% | | 14.12% | | 15.12% |

CITY OF UNIVERSAL CITY, TEXAS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last 10 fiscal years

TABLE 5

| <u>Fiscal Year Ended September 30,</u> | <u>Tax Roll</u> | <u>Total Direct Tax Rate</u> | <u>Percentage of Assessed to Estimated Full Value</u> | <u>Total Taxable Assessed Value</u> |
|--|-----------------|----------------------------------|---|---|
| 2010 | 2009 | 0.519636 | 100% | \$ 925,455,859 |
| 2011 | 2010 | 0.590531 | 100% | 911,030,687 |
| 2012 | 2011 | 0.582981 | 100% | 902,838,734 |
| 2013 | 2012 | 0.586029 | 100% | 894,920,535 |
| 2014 | 2013 | 0.564043 | 100% | 930,716,777 |
| 2015 | 2014 | 0.560492 | 100% | 994,173,349 |
| 2016 | 2015 | 0.543828 | 100% | 1,101,012,604 |
| 2017 | 2016 | 0.562804 | 100% | 1,202,521,484 |
| 2018 | 2017 | 0.561752 | 100% | 1,290,253,549 |
| 2019 | 2018 | 0.576996 | 100% | 1,360,690,742 |

Note: Property in the City of Universal City is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per \$100 of assessed value.

CITY OF UNIVERSAL CITY, TEXAS

DIRECT AND OVERLAPPING PROPERTY RATES

Last 10 fiscal years

TABLE 6

| Fiscal Year | City Direct Rates | Overlapping Rates | | | | | Total |
|----------------|----------------------|---|--|--------------|--|--------------------------------|-----------|
| | | Schertz-Cibolo Universal City ISD | Judson Independent School District | Bexar County | Alamo Community College District | San Antonio River Authority | |
| 2010 | 0.5196360 | 1.4200000 | 1.4630000 | 0.2961870 | 0.1358550 | 0.0159510 | 3.8506290 |
| 2011 | 0.5905310 | 1.4350000 | 1.4630000 | 0.2961870 | 0.1416230 | 0.0166520 | 3.9263410 |
| 2012 | 0.5829810 | 1.4350000 | 1.4300000 | 0.2961870 | 0.1416230 | 0.0173700 | 3.8857910 |
| 2013 | 0.5860290 | 1.4350000 | 1.4250000 | 0.2961870 | 0.1491500 | 0.0177980 | 3.9091640 |
| 2014 | 0.5640430 | 1.4900000 | 1.4250000 | 0.2961870 | 0.1491500 | 0.0177980 | 3.9421780 |
| 2015 | 0.5604492 | 1.4900000 | 1.4250000 | 0.2838210 | 0.1491500 | 0.0175000 | 3.9259202 |
| 2016 | 0.5438280 | 1.4900000 | 1.4200000 | 0.2975000 | 0.1491500 | 0.0172900 | 3.9177680 |
| 2017 | 0.5628040 | 1.4900000 | 1.4700000 | 0.2932500 | 0.1491500 | 0.0172900 | 3.9824940 |
| 2018 | 0.5617520 | 1.4900000 | 1.4250000 | 0.2912290 | 0.1491500 | 0.0172900 | 3.9344210 |
| 2019 | 0.5769960 | 1.4900000 | 1.4400000 | 0.2774290 | 0.1491500 | 0.0185800 | 3.9521550 |

CITY OF UNIVERSAL CITY, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

September 30, 2019

TABLE 7

| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percent of Assessed Value</u> |
|--|-----------------------------------|-------------|--------------------------------------|
| Int Grove, LLC | \$ 30,020,000 | 1 | 2.21% |
| 12900 East Loop1604 North LP | 27,000,000 | 2 | 1.98 |
| Wal Mart Stores Inc., #2404 | 25,262,430 | 3 | 1.86 |
| Frontline Sable Ridge, LP | 22,000,000 | 4 | 1.62 |
| HEB Grocery Company, LP | 20,847,530 | 5 | 1.53 |
| FA-LEI Sunrise Canyon Associates, LLC | 20,650,000 | 6 | 1.52 |
| Peppermill Apartments, LP | 16,506,800 | 7 | 1.21 |
| Booker Triangle, LLC | 11,066,000 | 8 | 0.81 |
| Dr. Letcher, LLC & GK Ramsay, LLC & JM Gray, LLC | 11,009,390 | 9 | 0.81 |
| Forum Crossing, LLC | 8,012,040 | 10 | 0.59 |

CITY OF UNIVERSAL CITY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS

Last 10 fiscal years

TABLE 8

| Fiscal Year Ended September 30, | Tax Roll Year | Tax Levied for the Fiscal Year | Current Tax Collections and Adjustments | | Delinquent Tax Collections and Adjustments | Total Collections and Adjustments | |
|---------------------------------------|------------------|--------------------------------------|--|---------|--|---|---------|
| | | | Amount | Percent | | Amount | Percent |
| 2010 | 2009 | \$ 4,831,364 | \$ 4,744,297 | 98.20 | \$ 28,537 | \$ 4,772,834 | 98.79% |
| 2011 | 2010 | 5,365,084 | 5,248,663 | 97.83 | 45,374 | 5,294,037 | 98.68 |
| 2012 | 2011 | 5,265,454 | 5,215,686 | 99.05 | 31,927 | 5,247,613 | 99.66 |
| 2013 | 2012 | 5,223,553 | 5,172,819 | 99.03 | 32,802 | 5,205,621 | 99.66 |
| 2014 | 2013 | 5,251,504 | 5,200,386 | 99.03 | 14,153 | 5,214,539 | 99.30 |
| 2015 | 2014 | 5,574,016 | 5,509,281 | 98.84 | 13,236 | 5,522,517 | 99.08 |
| 2016 | 2015 | 5,989,772 | 5,921,439 | 98.86 | 27,384 | 5,948,823 | 99.32 |
| 2017 | 2016 | 6,770,432 | 6,756,980 | 99.80 | 5,982 | 6,762,962 | 99.89 |
| 2018 | 2017 | 7,208,257 | 7,148,198 | 99.17 | (53,995) | 7,094,203 | 98.42 |
| 2019 | 2018 | 7,853,794 | 7,658,488 | 97.51 | N/A | 7,658,488 | 97.51 |

CITY OF UNIVERSAL CITY, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last 10 fiscal years

TABLE 9

| Fiscal Year | Governmental Activities | | | | | Business-Type Activities | | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|--------------------------|--------------|----------------|----------------------------|--------------------------|----------------------------|------------|----------------|---------------|--------------------------|-------------------------------|------------|
| | Tax and Revenue Bonds | General Obligation Bonds | Tax Notes | Capital Leases | Certificates of Obligation | Revenue Bonds | Certificates of Obligation | Tax Notes | Capital Leases | Notes Payable | | | |
| 2010 | \$ 1,170,000 | \$ 13,503,000 | \$ 1,015,000 | \$ 63,701 | \$ - | \$ 7,170,000 | \$ - | \$ 755,000 | \$ 302,750 | \$ - | \$ 23,979,451 | 5.17 | 1,211 |
| 2011 | 1,170,000 | 13,023,000 | 630,000 | 33,721 | - | 9,700,000 | - | 575,000 | 142,439 | - | 25,274,160 | 5.33 | 1,364 |
| 2012 | - | 13,518,000 | 430,000 | 2,644 | - | 9,070,000 | - | 390,000 | 160,344 | - | 23,570,988 | 4.93 | 1,267 |
| 2013 | - | 13,989,000 | 220,000 | - | - | 8,485,000 | - | 200,000 | 102,394 | - | 22,996,394 | 4.49 | 1,201 |
| 2014 | - | 13,203,000 | - | - | 3,090,000 | 7,885,000 | - | - | 60,972 | 640,102 | 24,879,074 | 4.82 | 1,284 |
| 2015 | - | 12,345,000 | - | - | 2,975,000 | 7,260,000 | 2,830,000 | - | 247,871 | 498,673 | 26,156,544 | 5.03 | 1,316 |
| 2016 | - | 16,431,000 | - | 118,485 | 2,855,000 | 6,625,000 | 2,765,000 | - | 367,601 | 361,385 | 29,523,471 | 5.11 | 1,477 |
| 2017 | - | 15,350,000 | - | 628,403 | 2,735,000 | 5,970,000 | 5,635,000 | - | 244,653 | 219,740 | 30,782,796 | 4.84 | 1,467 |
| 2018 | - | 14,224,000 | - | 554,563 | 2,610,000 | 5,300,000 | 5,435,000 | - | 189,171 | 69,606 | 28,382,340 | 4.36 | 1,342 |
| 2019 | - | 17,244,000 | - | 477,674 | 2,485,000 | 4,605,000 | 5,210,000 | - | 214,389 | - | 30,236,063 | 4.88 | 1,456 |

- Notes: a. Details regarding the City’s outstanding debt can be found in note 6 in the financial statements.
- b. See Table 13 for personal income and population data for the City. These ratios are calculated using personal income and population for the year.

CITY OF UNIVERSAL CITY TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2019

TABLE 10

| | Debt Outstanding | Percentage Applicable to City | City's Share of Debt <u>2019</u> |
|--|---------------------|-------------------------------------|--|
| Alamo Community College District | \$ 437,330,000 | 0.83% | \$ 3,629,839 |
| Bexar County | 1,860,590,000 | 0.83% | 15,442,897 |
| Bexar County Hospital District | 840,300,000 | 0.83% | 6,974,490 |
| Judson Independent School District | 609,179,223 | 10.78% | 65,669,520 |
| Schertz-Cibolo-Universal City Independent School District | 406,571,092 | 3.93% | <u>15,978,244</u> |
| Subtotal overlapping debt | | | 107,694,990 |
| Direct debt - City of Universal City | | | <u>24,939,000</u> |
| Total overlapping and direct debt | | | <u>\$ 132,633,990</u> |

Source of data – compiled by Municipal Advisory Council of Texas, September 30, 2019

CITY OF UNIVERSAL CITY, TEXAS

DEBT MARGIN INFORMATION

Last 10 fiscal years

TABLE 11

Assessed valuation, 2018 Tax Roll \$1,360,690,742

Debt limit – Texas statutes do not provide a legal debt limit for cities;
however, through accepted practice a practical “economic”
debt limit is considered to be 10% of the assessed value \$136,069,074

Amount of applicable debt:

| | | |
|--|--------------------|-------------------|
| Bonded debt – general obligation bonds | \$ 24,939,000 | |
| Less net assets in debt service fund | <u>(2,032,723)</u> | |
| | | <u>22,906,277</u> |

Debt margin \$ 113,162,797

| | FISCAL YEAR | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Assessed value | <u>\$ 925,455,859</u> | <u>\$ 911,030,687</u> | <u>\$ 902,838,734</u> | <u>\$ 894,920,535</u> | <u>\$ 930,716,777</u> |
| Debt limit | \$ 92,545,586 | \$ 91,103,069 | \$ 90,283,873 | \$ 89,492,054 | \$ 93,071,678 |
| Total net debt | <u>11,949,627</u> | <u>11,378,208</u> | <u>11,757,579</u> | <u>11,826,108</u> | <u>14,414,634</u> |
| Debt margin | <u>\$ 80,595,959</u> | <u>\$ 79,724,861</u> | <u>\$ 78,526,294</u> | <u>\$ 77,665,946</u> | <u>\$ 78,657,044</u> |
| Total net debt as a percentage of debt margin | 14.83% | 14.27% | 14.97% | 15.23% | 18.33% |

| | FISCAL YEAR | | | | |
|--|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Assessed value | <u>\$ 994,173,349</u> | <u>\$ 1,101,012,604</u> | <u>\$ 1,202,521,484</u> | <u>\$ 1,290,253,549</u> | <u>\$ 1,360,690,742</u> |
| Debt limit | \$ 99,417,335 | \$ 110,101,260 | \$ 120,252,148 | \$ 129,025,355 | \$ 136,069,074 |
| Total net debt | <u>16,106,626</u> | <u>19,859,364</u> | <u>21,313,769</u> | <u>20,062,703</u> | <u>22,906,277</u> |
| Debt margin | <u>\$ 83,310,709</u> | <u>\$ 90,241,896</u> | <u>\$ 98,938,379</u> | <u>\$ 108,962,652</u> | <u>\$ 113,162,797</u> |
| Total net debt as a percentage of debt margin | 19.33% | 22.01% | 21.54% | 18.41% | 20.24% |

CITY OF UNIVERSAL CITY, TEXAS

PLEDGED REVENUE COVERAGE

Last 10 fiscal years

TABLE 12

| Year Ended September 30, | Water Revenue Bonds | | | | | Coverage |
|-----------------------------|--------------------------------|-------------------------------|---------------|--|------|----------|
| | Utility Services Charges | Less Operating Expense* | Net Available | Annual Average Requirements Revenue Bonds | | |
| 2010 | \$ 5,000,325 | \$ 3,628,683 | \$ 1,371,642 | \$ 706,763 | 1.94 | |
| 2011 | 5,720,367 | 3,845,888 | 1,874,479 | 696,137 | 2.69 | |
| 2012 | 5,789,027 | 4,097,051 | 1,691,976 | 625,038 | 2.71 | |
| 2013 | 5,919,920 | 4,280,985 | 1,638,935 | 623,695 | 2.63 | |
| 2014 | 6,529,171 | 4,643,554 | 1,885,617 | 595,019 | 3.17 | |
| 2015 | 6,869,755 | 4,484,302 | 2,385,453 | 605,851 | 3.94 | |
| 2016 | 7,226,060 | 4,804,274 | 2,421,786 | 636,833 | 3.80 | |
| 2017 | 7,566,943 | 4,814,566 | 2,752,377 | 750,777 | 3.67 | |
| 2018 | 8,274,631 | 5,270,561 | 3,004,070 | 721,353 | 4.16 | |
| 2019 | 8,590,246 | 5,632,231 | 2,958,015 | 729,080 | 4.06 | |

*Excluding depreciation/amortization/bond interest and fees

CITY OF UNIVERSAL CITY, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last 10 fiscal years

TABLE 13

| <u>Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Personal Capita Personal Income</u> | <u>Median Age</u> | <u>Education Level in Years of Schooling</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|----------------------------|--|-----------------------|--|------------------------------|------------------------------|
| 2010 | 19,804 | \$ 463,770,072 | \$ 23,418 | 37.90 | 13-16 | * | 7.10 |
| 2011 | 18,530 | 474,145,640 | 25,588 | 34.60 | 13-16 | * | 7.04 |
| 2012 | 18,601 | 478,361,917 | 25,717 | 34.60 | 13-16 | * | 5.90 |
| 2013 | 19,155 | 511,898,220 | 26,724 | 34.60 | 13-16 | * | 6.70 |
| 2014 | 19,372 | 516,128,196 | 26,643 | 34.60 | 13-16 | * | 4.50 |
| 2015 | 19,880 | 520,378,880 | 26,176 | 34.60 | 13-16 | * | 3.60 |
| 2016 | 19,986 | 578,194,980 | 28,930 | 35.00 | 13-16 | * | 3.90 |
| 2017 | 20,989 | 636,000,000 | 30,301 | 35.00 | 13-16 | * | 3.20 |
| 2018 | 21,144 | 650,283,720 | 30,755 | 35.60 | 13-16 | * | 3.10 |
| 2019 | 20,773 | 620,011,731 | 29,847 | 36.00 | 13-16 | * | 4.00 |

Source: Census Bureau and Workforce Solutions – Alamo (unemployment rate)

* Information is not currently available

CITY OF UNIVERSAL CITY, TEXAS

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last 10 fiscal years

TABLE 14

| | Full Time Equivalent Employees as of September 30, | | | | | | | | | |
|-----------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Function: | | | | | | | | | | |
| General Manager: | | | | | | | | | | |
| Management | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Finance | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 4.0 | 4.0 |
| Planning | 3.0 | 3.0 | 3.0 | 3.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Building | 2.0 | 2.5 | 2.5 | 2.5 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Court | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Police: | | | | | | | | | | |
| Officers | 29.0 | 29.0 | 29.0 | 29.0 | 29.0 | 30.0 | 30.0 | 31.0 | 31.0 | 32.0 |
| Civilians | 10.5 | 10.5 | 10.5 | 10.5 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| Fire: | | | | | | | | | | |
| Firefighters/Officers | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Civilians | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Public Works: | | | | | | | | | | |
| Parks and recreation | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 4.0 | 4.0 | 4.0 |
| General streets | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| Water | 9.0 | 9.0 | 9.0 | 9.0 | 10.0 | 12.0 | 12.0 | 11.0 | 11.0 | 11.0 |
| Sewage | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Administration | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 5.0 | 5.0 |
| Equipment maintenance | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Animal control | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.5 | 5.5 | 5.5 |
| Library | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 | 3.6 |
| Golf Course | <u>28.5</u> | <u>22.3</u> | <u>22.3</u> | <u>22.3</u> | <u>23.5</u> | <u>23.5</u> | <u>23.5</u> | <u>23.5</u> | <u>23.5</u> | <u>24.0</u> |
| Totals | <u>146.13</u> | <u>140.38</u> | <u>140.38</u> | <u>140.88</u> | <u>145.13</u> | <u>148.13</u> | <u>148.13</u> | <u>145.50</u> | <u>146.50</u> | <u>148.60</u> |

CITY OF UNIVERSAL CITY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last 10 fiscal years

| <u>Function / Program</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|-------------|
| Police: | | | | |
| Citations | 8,780 | 6,256 | 11,208 | 12,174 |
| Warnings | 7,087 | 4,154 | 5,483 | 4,602 |
| Calls for service | 38,162 | 33,828 | 42,673 | 41,497 |
| Arrests | 1,806 | 1,619 | 1,978 | 1,874 |
| Fire: | | | | |
| Fire/miscellaneous calls | 863 | 576 | 510 | 443 |
| EMS calls | 1259 | 1552 | 1,538 | 1,499 |
| Inspections | 189 | 106 | 200 | 1,186 |
| Complaints | - | - | - | - |
| Library: | | | | |
| Volumes in collection | 25,786 | 25,623 | 24,232 | 22,841 |
| Total volumes borrowed | 35,019 | 36,065 | 30,620 | 12,041 |
| General services (in man hours): | | | | |
| Street maintenance | 1,899 | 1,019 | 1,991 | 1,990 |
| Street sweeping | 512 | 467 | 416 | 1,200 |
| Alley maintenance | 614 | 316 | - | 192 |
| ROW maintenance | 1,937 | 1,165 | 908 | 2,100 |
| Signage | 1,028 | 1,326 | 200 | 288 |
| Brush chipping | 843 | 544 | 624 | 1,080 |
| Crack sealing | - | 600 | - | 600 |
| Concrete work | 440 | 485 | 96 | 420 |
| Drain maintenance | 497 | 367 | 408 | 960 |
| Easement maintenance | 730 | 16 | 381 | 360 |
| Park maintenance | 7,735 | 5,774 | 5,597 | 1,200 |
| Pat Booker road maintenance | - | - | - | 200 |
| Special events | 1,703 | 2,189 | 672 | 2,200 |
| Janitorial | 3,980 | 2,365 | 3,314 | 4,400 |
| Splash pad construction | 2,436 | - | - | - |
| Water: | | | | |
| Total consumption | | | | |
| (thousand of gallons) | 817,054 | 834,473 | 759,777 | 800,262 |
| Daily average | 2,238,504 | 2,286,227 | 2,081,580 | 2,192,556 |
| Maximum daily demand | | | | |
| (thousands of gallons) | 4,102 | 4,561 | 3,581 | 3,817 |
| Total customers | 6,190 | 6,110 | 6,069 | 5,984 |
| Average use per connection | 131,996 | 136,574 | 125,190 | 133,734 |

TABLE 15

| 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 9,154 | 11,610 | 9,416 | 9,385 | 7,693 | 6,877 |
| 4,000 | 4,738 | 4,484 | 4,403 | 4,066 | 3,517 |
| 36,179 | 36,991 | 39,276 | 37,812 | 37,114 | 37,383 |
| 1,168 | 1,848 | 2,361 | 1,827 | 2,016 | 2,286 |
| 463 | 413 | 409 | 349 | 428 | 397 |
| 1,434 | 1,367 | 1,411 | 1,331 | 1,354 | 1,436 |
| 1,189 | 1,197 | 1,275 | 1,363 | 1,344 | 1,268 |
| - | - | - | - | 2 | - |
| 22,931 | 26,951 | 25,888 | 25,445 | 26,584 | 26,915 |
| 10,551 | 31,145 | 36,021 | 33,160 | 34,268 | 36,129 |
| 2,185 | 3,521 | 3,526 | 2,712 | 3,212 | 4,419 |
| 1,140 | 1,021 | 1,135 | 1,378 | 808 | 840 |
| 304 | 114 | 344 | 562 | 322 | 420 |
| 1,595 | 1,462 | 1,863 | 1,689 | 2,232 | 1,212 |
| 1,150 | 777 | 541 | 562 | 300 | 295 |
| 795 | 1,200 | 835 | 878 | 1,039 | 1,160 |
| 248 | 194 | 638 | 212 | 312 | 249 |
| 1,671 | 824 | 1,472 | 1,042 | 550 | 635 |
| 687 | 1,506 | 1,185 | 1,358 | 1,562 | 972 |
| 722 | - | 160 | - | - | - |
| 9,127 | 10,008 | 8,234 | 8,578 | 11,646 | 5,850 |
| - | - | - | 158 | 621 | 1,126 |
| 1,833 | 1,980 | 1,101 | - | - | - |
| 4,076 | 1,504 | - | - | - | - |
| - | - | - | - | - | - |
| 740,012 | 706,840 | 715,488 | 892,343 | 933,715 | 789,157 |
| 2,027,430 | 2,357,194 | 1,960,240 | 2,444,775 | 2,555,633 | 2,162,073 |
| 4,172 | 3,844 | 3,468 | 4,448 | 4,487 | 4,285 |
| 5,929 | 5,873 | 5,854 | 5,831 | 5,794 | 5,784 |
| 124,812 | 120,354 | 122,222 | 153,034 | 161,152 | 136,438 |

CITY OF UNIVERSAL CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last 10 fiscal years

TABLE 16

| <u>Function / Program</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 20 | 20 | 17 | 17 | 19 | 20 | 20 | 21 | 19 | 19 |
| Fire: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire vehicles | 8 | 9 | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 8 |
| Animal Shelter: | | | | | | | | | | |
| Control vehicle | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parks and Recreation: | | | | | | | | | | |
| Playgrounds | 5 | 5 | 5 | 5 | 5 | 7 | 7 | 5 | 5 | 8 |
| Baseball/softball fields | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Soccer/football | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 1 |
| Golf course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Disc golf | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Dog park | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pavilions | - | - | - | - | 2 | 2 | 2 | 2 | 2 | 4 |
| Clubhouse | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Splash pad | - | - | - | - | - | - | - | - | - | 1 |
| Public Works: | | | | | | | | | | |
| Streets | 73 | 73 | 73 | 73 | 73 | 75 | 77 | 75 | 75 | 75 |
| Traffic signals | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Water: | | | | | | | | | | |
| Storage units | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |

COMPLIANCE SECTION

(This page intentionally left blank)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of the City Council
City of Universal City, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Universal City, Texas (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABIP, PC

San Antonio, Texas
March 17, 2020